

No rules yet to allow non-residents at DSE

By Moazzem Hossain

Specific instructions with concrete terms and conditions spelt out for opening the country's stock exchange to operations by the non-residents and investment funds from the overseas are yet to come from the concerned authorities.

The government announced in early July its decision to allow foreign portfolio (meaning shares, bonds and other stocks) investment by non-resident persons or institutions in stock exchange in Bangladesh. The

Week begins with modest rise at DSE

Star Economic Report

The week began on Saturday at Dhaka Stock Exchange (DSE) with a modest rise in trading.

In all 4,716 shares and debentures changed hands compared with Thursday's 4,471. Traded issues valued Taka 3,55,878.00 against Thursday's Taka 4,01,565.00.

Advancers were more in number but decliners involved more transactions in value terms. As a result DSE ALL Share Price Index, which is the broad indicator of price movements of all the listed stocks, declined to 302.3835 points from Thursday's 302.7516.

Transactions involved twenty-one stocks of them six lost, eleven gained and four remained unchanged at their previous quoted prices.

Chittagong Cement declined Taka 2.92 to Taka 180.88.

Chittagong Vegetable, Dhaka Vegetables, Oxygen, Savar Refractories and the debenture of Beximco Pharma lost within the range between Taka 0.19 and Taka 1.

The 6th ICB Mutual Fund, and the debenture of Apex Tannery moved up Taka 3.00 each to Taka 63.00 and Taka 993.00 respectively.

Bangladesh Thermal Aluminium advanced Taka 2.00 to Taka 93.00.

BGIC Insurance, Eastern Cables, Bengal Food, Ambee Pharma, Kohinoor Chemical, Eagle Box, Modern Dying and Apex Tannery gained within the range between Taka 0.25 and Taka 1.17.

decision came in a package under which some major changes in foreign exchange control provisions were "effected" to.

But the relaxations of related exchange control provisions are still ineffective in actual implementation or operations as far as they concern the capital market activities. The concerned authorities — Bangladesh Bank or the office of the Controller of Capital Issues — have not yet been able to come out with any detailed operational guidelines for the same.

Without such guidelines and directives with all necessary amendments to the existing securities and exchange legal framework, the decision to permit issue and transfer of shares to, and between, non-residents, and allow portfolio investment by non-residents in stock exchange has made no operational sense.

The delay in finalising the specific instructions, guidelines or directives for opening up the capital market to investment funds from abroad typifies, what the concerned circles note, "the bureaucratic red-tape, inertia or obstructionist stance, leading to poor or ineffective implementation support for apparently liberal economic policies."

"The world is moving faster towards reforms but our overall policy implementation machinery continues to reflect the most conservative attitude on the part of the concerned agencies to adjust themselves to the changing realities of the time," commented a leading operator in Dhaka Stock Exchange (DSE).

He suggested that the authorities in the country should draw some practical lessons

from the changes now taking place even in other South Asian countries like India and Pakistan.

Meanwhile, the recently announced industrial policy 1991 also mentions about the arrangements to be made under it for facilitating foreign investors or investment companies as well as non-resident Bangladeshis to purchase or sale shares or stocks through the stock exchange.

Over the last one and a half months, neither Bangladesh Bank nor any other authorities could hardly do any substantive works to frame the relevant rules to open up the capital market activities to the non-residents and the overseas investment funds.

Bangladesh Bank followed up the announcement of Finance and Planning Minister Saifur Rahman on July 11 on relaxation of some exchange control provisions through issuing a circular (Foreign Exchange Circular No 25) on July 15.

But that circular by itself has not cleared the ground for a real "get ready and go" signal for operations in stock exchange, involving funds of non-resident Bangladeshis and foreign investment companies.

Dhaka Stock Exchange (DSE) authorities have urged Ministry of Finance to issue effective instructions to facilitate operations by non-residents and foreign investment companies in the share market.

DSE Chairman Aminul Islam Khan told The Daily Star that the exchange, in a memorandum submitted on July 20 to the State Minister for Finance drew the attention of the government to imperatives of effective follow-up transactions

by non-residents in the share market. "We are still awaiting the instructions or directives," he said last week in an interview.

The DSE Chairman said that a number of foreign investment funds or companies particularly from Japan had expressed their interest to operate in the stock market in Bangladesh. "They have written to us seeking clarification on different points.

They also want the published guide to foreign investors in this context, but we cannot respond to their queries because we are ourselves yet to receive any clear instructions from the government authorities," he noted.

Aminul Islam Khan indicated that some amendments to the trading and other rules of the DSE would be needed to facilitate operations by foreign portfolio funds or investment companies and non-resident Bangladeshis in the secondary capital market. "We are prepared for all necessary amendments but the finalisation detailed directives by the concerned authorities is needed first of all for the purpose," he said.

The DSE chairman observed that the participation of foreign investment funds with other appropriate policy support by the government would facilitate upgrade professional skill and technology in a dynamic field like the capital market.

"Techniques and operational methods for secondary exchange markets have undergone phenomenal changes in the outside world.

Our exposure to such techniques and other changes will help us upgrade skill and adopt new techniques of operations," he said.

Export earnings fall in five items

Star Economic Report

Export earnings from five principal items declined in first months of last fiscal 1990-91 from the levels recorded in the corresponding period in fiscal 1989-90, according to the latest available figures compiled by Export Promotion Bureau (EPB).

The items for which the earnings dropped were jute goods including carpets, leather, raw jute, agricultural products and handicrafts. The decline in US Dollar terms varied between 0.01 per cent and 41.44 per cent, depending on the items.

The EPB has not yet finalised the export earnings for the whole of fiscal 1990-91. Under the recently announced.

Biennial export policy for 1991-93, the annual export receipts in 1990-91 were estimated at Taka 6000 crore on tentative basis against the target of Taka 6669 crore. No figures about export performance in last fiscal year were indicated in US Dollar terms.

The EPB sources said that the exchange rate was Taka 35.26 for one US Dollar in 1990-91 compared to Taka 32.52 for one US Dollar in 1989-90 for calculation of export earnings in US Dollar terms.

The latest available figures from EPB put the export earnings between July and May in fiscal 1990-91 at 1560.09 US Dollar or Taka 5500.88 crore. The receipts were

1372.36 US Dollar or Taka 4462.90 crore in the corresponding period in fiscal 1989-90.

The export growth in US Dollar terms was thus 13.68 per cent in July-May, 1990-91. This growth was accounted for, by 10.79 per cent growth in export volume and by another 2.91 per cent increase in export prices.

The non-traditional export sector performed better than the traditional export items in 1990-91. In first eleven months of the year, receipts from non-traditional export items reached Taka 4085.60 crore compared with Taka 3039.95 crore in the corresponding period last year.

With higher earnings, the share of non-traditional exports rose to 74.27 per cent in 1990-91 from 68.12 per cent in 1989-90 in the overall earnings for the period under report.

The jute sector recorded a decline in export earnings to Taka 1282.48 crore between July and May 1990-91 from Taka 1300 crore in the corresponding period for 1989-90.

The country's exports declined in May 1991 because of the dislocations caused to various sectors by the cyclone and tidal surge of April 29. Earnings in May 1991 stood at Taka 400 crore against Taka 463 crore in April 1991 and Taka 416.92 crore in May 1989.

R & H directed to repair roads

Roads and Highways Department has been directed to immediately take up repair work of the national highways and regional roads which became unfit for vehicular traffic due to recent floods and excessive rainfall, reports UNB.

An official sources Saturday said the Communication Ministry directive will apply to roads and highways throughout the country which are beyond the jurisdiction of any city corporation or pourashabha (municipality).

Shipping Intelligence

Berth No	Name of Vessels	Berthed	ETD
J/1	Pacific Pecos	24/7	01/7
J/2	Velicta - 1	26/7	04/8
J/3	Kharak a/c CPA	29/5	
J/4	Safina-e-Rehmat	15/7	31/7
J/5	Valleta-II (Attach (29/7/91))	29/7	02/8
J/6	Armada Agung (Ebb)	29/7	06/8
J/7	Durjoy (Sunk) a/c B. Navy		
J/8	Tanaraj Star	08/7	05/8
J/9	Samundra Raj	28/7	07/8
J/10	Al Mohammed	30/7	05/8
	Coaster Caravan (MOP) (Sunk) a/c. Sumaditya.		
J/11	Out of commission w.e.f.	30/4/91.	
J/12	Fong Shin (Combi)	24/7	01/8
J/13	Banglar Kakol	18/2	02/7
J/14	Pauline Olivieri	26/7	02/8
MPB/1	Vasip	06/7	05/8
MPB/2	Kota Buana (Cont)	27/7	31/7
J/14	Al Amanat (Sunk)		
J/15	Out of commission w.e.f	30/4/91	
J/16	Out of commission w.e.f	20/10/90	
J/17	Out of commission w.e.f	4/9/89	
CCJ	Occupied by Naval Ship		
GSJ	Safina-e-Najam	22/7	2/7
TSP	Fair Runner	28/7	3/8
RM/3	Red Deer (Attach 25/7/91)	11/7	?
RM/4	Global Mars	30/7	03/8
RM/5	Al Tajwar	28/7	03/8
RM/6	Alyn	15/7	06/8
RM/7	* Banglar Shourabh	26/7	31/7
	New Dolphin Jetty under construction w.e.f.	24/3/91	
DD			
DDJ/1	Coaster a/c ILA		
DDJ/2	Bangla Swapna	23/4	05/8
RM/8	Out of commission w.e.f	30/4/91	
RM/9	Out of commission w.e.f	30/4/91	
CUFJ	Marine three	10/7	31/7

Source : Aquamarine Limited.

Dhaka Stock Exchange Market Profile

August - 3

134 Listed Stocks

- 11 Gains
- 6 Losers
- 117 Unchanged

117 Unchanged stocks include four traded on the day at its previous quoted prices.

DSE All Share Price Index = 302.3835

Issued Capital-Taka 5,439,680,590

Market Capitalisation = 8,640,686,565

Turnover = Taka 3,55,878.00 (Value) 4,716 (Volume)

Market Prices of Listed Shares and Debentures with Dhaka Stock Exchange

At the close of trading on August 03, 1991.

Company	EV/ML*	Closing Rate	Delta Jute	10/50	8.50
BANKS (Ten)			Gawasta Jute	10/50	NT
Al Baraka Bank	100/1	800.00	Islam Jute	100/5	55.00
AB Bank	100/5	185.00	Jute Spinner	100/5	96.00
City Bank	100/5	270.00	Mutual Jute	100/5	100.00
LFIC	100/5	190.00	Northern Jute	10/50	NT
Islami Bank	1000/1	1350.00	Shamser Jute	100/5	100.00
National Bank	100/5	110.29	Specialised Jute	10/50	NT
Pupali Bank	100/5	105.00	Shine Pukur Jute	100/5	94.00
Rupali Bank	100/10	77.66	Sorali Anash	100/5	83.00
U.C.B.L.	100/5	131.00			
Utara Bank	100/5	214.00			
INVESTMENT (Eight)			PHARMACEUTICALS & CHEMICALS (Fifteen)		
LCB	100/5	100.00	Ambee Pharma	10/50	15.00
1st ICB M.Fund	100/5	400.00	Bangla Process	100/5	51.00
2nd ICB Fund	100/5	160.00	Beximco Pharma	100/5	173.00
3rd ICB M. Fund	100/5	140.00	Glaxo	10/50	125.00
4th ICB M. Fund	100/10	135.00	ICI	10/50	10.00
5th ICB M. Fund	100/10	100.00	Kohinoor Chemical	100/5	69.50
6th ICB M. Fund	100/10	114.00	Petro Synthetic	10/50	15.75
ICB Unit Cert.		109.00	Pfizer	100/5	110.00
Re-purchase			Phama Aids	100/5	165.00
INSURANCE (Four)			Pharmac	100/5	40.00
BGIC	100/10	112.50	Progressive Plastic	11/75	45.00
Green Delta	100/10	112.00	Reckitt & Colman	10/50	240.00
People's	100/10	120.00AL	Rahman Pharmacy	100/10	35.00AL
United	100/10	120.00	Therapeutics	100/5	40.00
ENGINEERING (Nineteen)			The Rossini	100/10	90.00
Afrah Automobiles	100/5	200.00	PAPER & PRINTING (Six)		
Atlas Bangladesh	1050	40.00	Eagle Box	10/50	14.25
Aziz Pipes	100/5	230.00	Monospool	100/5	105.00
Bangladesh Autocars	100/5	101.00	Paper Converting	100/5	113.00
Bangladesh Lamps	105/5	266.00	Paper Processing	100/10	106.00AL
B.Thal Aluminium	100/10	93.00	Padma Printers	10/50	50.00
Bengal Carbide	100/5	400.00	Sonali Paper	10/50	55.00
Bengal Steel	10/50	18.00	SERVICE (Two)		
Eastern Cables	100/5	78.33	Bangladesh Hotel	10/50	12.00
Howlander PVC	100/10	100.00	Bl. Service	10/50	NT
Karim Pipe	100/5	117.00	TEXTILE (Eighteen)		
Metalex Corp.	100/5	102.00	Alhaj Textile	10/50	NT
Monno Staffers	100/5	250.00	Arbee Textile	100/10	NT
Monno Jutez	100/5	850.00	Asraf Textile	10/50	30.00
National Tubes	100/10	111.00	Chand Textile	10/50	NT
Panther Steel	10/50	6.00	Chand Spinning	10/50	NT
Quasem Drycells	10/50	8.20	Dash Garments	100/10	67.00
Remwick Jainewar	100/5	67.00	Dulania Cotton	100/10	86.00AL
Singer Bangladesh	100/5	1005.00	Eagle Star	10/50	33.50
FOOD & ALLIED (Twenty one)			G.M.G Ind. Corp.	10/50	13.00
AB Biscuit	100/5	200.00	Modern Dying	100/5	35.13
Alpha Tobacco	10/50	48.00	Quasem Silk	10/50	6.00
Aman Sea Food	100/5	340.00	Quasem Textile	10/50	8.00
Arora Tea	100/5	50.00	Rahim Textile	100/5	48.00
Bangla	100/5	305.00	Safham Textile	100/10	78.00
Bengal Food	100/5	148.30	S.T.M. (ORD)	100/5	17.00
B.L.T.C.	100/5	600.00	Styecraft	100/5	100.00
B.T.C.	10/50	47.00	Swan Textile	100/5	60.00
Cig. Vegetable	100/10	99.00	Talho Spinning	100/10	114.50
Dhalla Vegetable	100/5	135.00	MISCELLANEOUS (Fourteen)		
E.L. Cemelia	100/5	700.00	Apex Tannery	100/5	148.25
Frogleg Export	10/50	6.00	Aramit	10/50	NT
Gemini Sea Food	100.00	100.00	Bata Shoe	10/100	38.00
Modern Industries	100/5	160.00	Beximco	100/100	9.25
N.T.C.	100/5	267.00	B.S.C.	100/5	45.00
Rabeya Flour	10/100	NT	Chittagong Cement	100/5	180.00
Rapun Oil	10/100	8.25AL	G. G. Ball Pen	10/50	55.50
Tulp Dairy	100/10	92.00AL	Himadri Ltd.	10/100	NT
Yousaf Flour	10/50	NT	Milon Tannery	100/5	28.00
Zal Bangla	10/50	8.00	Monno Ceramic	100/5	114.00
FUEL & POWER (Three)			Phoenix Leather	100/5	90.00
Padma Oil Co.	10/50	40.00	Savar Refractories	100/5	111.00
Eastern Lubricant	10/50	14.00	The Engineers	100/5	100.00
Oxygen	10/50	50.00	DEBENTURES (Four)		
JUTE (Twelve)			Apex Tannery	1000/1	993.00
Ahad Jute	100/10	NT	Bengal Food	1470/1	889.36
Anowara Jute	10/50	NT	Beximco Pharma	1714/1	1560.00
			Quasem Silk	2000/1	1560.00

** FV = Face Value ML = Market Lot NT = Not Traded, AL=Allotment Letter

ADB Director due in city

Aug 15

Star Economic Report

Executive Director for India and Bangladesh in Manila-based Asian Development Bank (ADB) Debarbra Bandyopadhyaya arrives in Dhaka on August 15 on a four-day visit.

He will hold consultations with Finance and Planning Minister Saifur Rahman and Secretary, Economic Relations Division (ERD) Enam Ahmed Chowdhury on the overall economic situation in Bangladesh and the bank's on-going and future lending operations in the country.

Hides & Skin

(Wet/Salted)

August - 3

(Taka per 100 pieces)

Cow	30,000.00	-	21,000.00
Light	40,000.00	-	42,000.00
Medium	45,000.00	-	50,000.00
Heavy	55,000.00	-	65,000.00
Very heavy	75,000.00	-	85,000.00
Rejected	25,000.00	-	30,000.00
Goat			
Big & heavy	8,500.80	-	9,000.00
Light & Medium	5,500.00	-	6,000.00
Rejected	2,500.00	-	3,000.00
Rawest Skins	7,000.00	-	7,500.00
Buffalo	55,000.00	-	62,500.00

Source: Department of Agricultural Marketing

Exchange Rates

August - 3