

Govt holdings in multinationals to mark beginning of new programme

# Tk 500m equity to be disinvested this year

Divestment of government's equity or share holdings in the existing multinational companies will mark the beginning of a new phase of disinvestment programme under the democratic government.

This divestment will start in current month and the multinationals will include those companies with Dhaka Stock Exchange (DSE) in which foreign nationals, or parent companies abroad, have also equity ownership in varying degrees.

Available indications suggested that the divestment programme, to be sized at Taka 500 million in current fiscal 1991-92 under the earlier announced national budget, would be completed by December. Ministry of Finance and Ministry of Industries are finalising the units to be disinvested.

## Week ends with moderate fall in share trading

Star Economic Report

The week ended at Dhaka bourse with a moderate fall in share trading Thursday.

In volume terms transactions declined to 3,259 from Wednesday's 4,950. Traded issues valued Taka 1,69,930.00 against the previous day's Taka 3,09,044.00.

Decliners dominated transactions. And the Composite Index of Dhaka Stock Exchange lost to 289.5043 points from Wednesday's 289.7570. Index is the broad indicator of price movements of all the listed stocks.

Transactions involved thirteen stocks. Of them six lost, four gained and three remained unchanged at their previous quoted prices.

Rupali Bank declined Taka 2.67 to Taka 75.00.

Aftab Automobiles, Howlader Pvc, Dhaka Vegetable, Dulamia Cotton and Usmania Glass lost within the range between Taka 0.02 and Taka 1.00.

Bengal Food, the lone traded debenture, advanced Taka 10.00 to Taka 930.00.

Karim Pipe gained Taka 2.32 to Taka 138.13.

BGIC Insurance and Beximco Pharma moved up within the range between Taka 0.38 and Taka 1.00.

Besides the divestment of government equity holdings in multinationals, disinvestment is likely to take the form of straightaway sale of public sector concerns of undertakings through competitive bids, conversion of more public sector industrial enterprises into public limited companies under holding company scheme for allowing participation of the general public for subscription of primary issues (shares), and unloading of more government shares in the existing units under the holding company scheme.

Finance Minister M Saifur Rahman indicated recently at a meeting with the members of Overseas Correspondents Association of Bangladesh (OCAAB) in Dhaka that the divestment of government holdings in existing multinationals would be done in two ways: direct sale of shares to Investment Corporation of Bangladesh (ICB) as a prop for the latter's mutual fund and other portfolio operations, and offloading the shares through the stock exchange to help improve the depressed mood of operation in the secondary exchange market through the availability of blue chips (shares with good dividend performance and higher demand).

Available figures showed the government's equity holdings are in twelve listed multinationals with DSE. These include: Glaxo, ICI Bangladesh Manufacturers, Pfizer, Reckitt & Colman, Aramit, Bangladesh Tobacco Company, Padma Oil, Eastern Lubricants, Bangladesh Oxygen, Bata Shoe, Singer Bangladesh and IFIC Bank.

Total government investments at face value (paid-up value) of shares in such multinationals are about Taka 10

crore while the market value of the related shares will be over Taka 22 crore. The government holdings in the total equity of the related multinationals range from 1.34 per cent to 40 per cent.

Meanwhile, the Finance Minister has also said recently that the government would like to disinvest its entire equity holdings in all public sector enterprises or bodies. But, the question, as he has rightly raised, remains whether the market can absorb such a stronger dose of privatisation.

According to available statistics, Non-Financial Public Enterprises (NFPEs) which exclude railway and a number of other departmental enterprises whose accounts are consolidated in the central government budget, account for over 25 per cent of total fixed capital formation in the country but generate only three per cent of Gross Domestic Product (GDP).

Most of NFPEs have been incurring financial losses. The consolidated accounts of 25 major NFPEs, accounting for 95 per cent of total revenues and employing 96 per cent of total asset of all corporate NFPE, indicated an overall deficit equivalent to about five per cent of the country's GDP in 1985-90, according to World Bank estimates provided in the last year's Country Economic Memorandum.

Against this backdrop, the divestment of such NFPEs, if chosen for disinvestment package, is going to a major problem because the investors would be too lukewarm to invest their funds in the same. Meanwhile, the experience with the holding company scheme has not been anyway encouraging for the investors,

## Star Economic Report

Some seasoned operators in the capital market observed.

Most units have not been able to earn enough profits for announcement of any attractive dividends, though most issues drew a very favourable response from the investors while their shares were floated for public subscription in the earlier phase of disinvestment.

Some operators in the capital market pointed out that overvaluation of capital stocks or overcapitalisation of the divested units as much as virtual control over their operations by the sector corpora-

tions by-passing the operational jurisdiction of boards of directors for such individual companies were responsible for lingering troubles with the concerns under the holding company scheme.

Meanwhile, DSE authorities have recently suggested that a committee should be formed, consisting of the representatives from Ministry of Finance, Ministry of Industries, DSE and Institute of Cost Accountants of Bangladesh (ICAB) for realistic valuation of units to be included under the upcoming privatisation of

state-owned enterprises. They have further pleaded for broader participation by the people in the divested units in the interest of capital market and for that matter state owned enterprises should be divested by offering 100 per cent shares to the general public for subscription by issue of prospectus.

Knowledgeable circles have also stressed the need for proceeding with divestment programme in a phase-wise manner and divesting the attractive units first.

# Black money to be hunted out, says Saifur

Star Economic Report

Finance Minister M Saifur Rahman on Thursday said that the government would try to hunt out black money and added that vices will never be allowed for the sake of investment.

Speaking at the income tax officers' meeting at the National Economic Council (NEC) auditorium he said during the Ershad regime, tax evasions had been encouraged in the name of internal resource mobilisation. He added that any policy without moral value can not bring about any good to the nation.

The minister urged the National Board of Revenue (NBR) authorities to concentrate their tax collection drive on the real delinquent tax payers instead of harassing the genuine tax payers. He said this would relieve the tax collecting people from workload. He observed that NBR have failed to give direction to its officials.

Saifur Rahman suggested the tax collecting officials

should not waste time and energy in realising tax from public sector enterprises and multinational companies because these sectors do not evade taxes. He rather asked them to hanker after the real tax evaders.

The minister said internal resource mobilisation is needed for self-reliance. He stated that the logistic and training condition of the NBR did not improve in the last 10 years. He said proposals to develop the sector would be scrutinised.

Saifur Rahman stressed the need for decontrolling the economy. He observed that the control slows down efficiency. He said government would least interfere in the private sector activities. He said the customs barrier would be brought down to make the public sector competitive.

He added that this would emphasize the need for internal resource mobilisation for development through VAT and other taxes. He said the indus-

tries would be given only the primary protection.

Earlier, member of NBR, S M S Zaman also addressing the meeting said the NBR suffers from severe manpower and logistical shortages. He mentioned that at present there are about some 12 lakh cases pending due to lack of manpower. He said each assessing officer is now burdened with 2,500 cases. He suggested that a separate law department for NBR would help settle the appeal cases.

Zaman mentioned that the percentage of tax payers remained the same since 1931 due to tax evasion.

The State Minister for Finance, Mujibur Rahman, addressing the meeting said the problems of NBR would be solved in stages. He urged the officials to solve the pending cases immediately.

The chairman of NBR, Nurul Hossain Khan, presiding over the meeting said NBR would try its best to achieve the goals set for 1991.

## Dhaka Stock Exchange Market Profile

October-3

135 Listed Stocks

4 Gainers	6 Losers	114 Unchanged
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114 Unchanged stocks include three traded on the day at its previous quoted prices.  
DSE All Share Price Index = 289.5043  
Issued Capital=Taka 5,439,680,590  
Market Capitalisation = 8,272,660,773  
Turnover = Taka 1,69,930.00 (Value) 3,259 (Volume).

## Market Prices of Listed Shares and Debentures with Dhaka Stock Exchange

At the close of trading on October 3, 1991.

Company	EV/ML*	Closing Rate	Company	EV/ML*	Rate
<b>BANKS (Ten)</b>			Gurulia Jute	10/50	NT
Al Baraha Bank	1000/1	766.00	Islam Jute	100/5	70.00
AB Bank	100/5	180.00	Jute Spinner	100/5	100.00
City Bank	100/5	2750.00	Mutual Jute	100/5	100.00
IFIC	100/5	177.00	Northern Jute	10/50	NT
Islami Bank	1000/1	1190.00	Shamaer Jute	100/5	100.00
National Bank	100/5	118.00	Specialised Jute	10/50	NT
Pubali Bank	100/5	87.00	Shine Pakur Jute	100/5	100.00
Rupali Bank	100/10	75.00	Sonali Aarsh	100/5	96.00
U.C.B.I	100/5	119.00	<b>PHARMACEUTICALS &amp; CHEMICALS (Fifteen)</b>		
Utara Bank	100/5	190.00	Ambec Pharma	10/50	14.30
<b>INVESTMENT (Eight)</b>			Bangla Process	100/5	62.00
ICB	100/5	92.00	Basimco Pharma	100/5	173.00
1st ICB M.Fund	100/5	390.00	Glaxo	10/50	125.00
2nd ICB M.Fund	100/5	154.00	ICI	10/50	10.00
3rd ICB M.Fund	100/5	134.00	Kohinoor Chemical	100/5	89.00
4th ICB M.Fund	100/10	131.00	Petro Synthetic	10/50	13.00
5th ICB M.Fund	100/10	102.25	Pfizer	100/5	110.00
6th ICB M.Fund	100/10	67.00	Pharma Aids	100/5	170.00
ICB Unit Cert.			Pharmaco	100/5	52.00
Sales Price	115.00		Progressive Plastic	110/5	48.00
Re-purchase	110.00		Reckitt & Colman	10/50	240.00
<b>INSURANCE (Four)</b>			Rahman Chemicals	100/10	47.00AL
BGIC	100/10	105.38	Therapeutics	100/5	40.00
Green Delta	100/10	116.75	The Ibtisna	100/10	90.00
Peoples	100/10	128.00AL	<b>PAPER &amp; PRINTING (Six)</b>		
United	100/10	123.50	Eagle Box	10/50	16.27
<b>ENGINEERING (Nineteen)</b>			Monospool	100/5	105.00
Aftab Automobiles	100/5	201.00	Paper Converting	100/5	113.00
Atlas Bangladesh	10/50	39.50	Paper Processing	100/10	106.00
Atlas Pipes	100/5	296.00	Padma Printers	10/50	50.00
Bangladesh Autocars	100/5	91.00	Sonali Paper	10/50	54.00
Bangladesh Lamp	105/5	105.75	<b>SERVICE (Two)</b>		
B.Thal Aluminium	100/10	90.63	Bangladesh Hotel	10/50	12.00
Bengal Carbide	100/5	250.00	Bd. Service	10/50	NT
Bengal Steel	10/50	18.00	<b>TEXTILES (Eighteen)</b>		
Eastern Cable	100/5	79.00	Alhaj Textile	10/50	NT
Howlader PVC	100/10	100.00	Arbec Textile	100/10	NT
Karim Pipe	100/5	138.13	Ashraf Textile	10/50	28.83
Metaica Corp.	100/5	116.00	Chand Textile	10/50	NT
Monno Staffers	10/5	200.00	Chand Spinning	10/50	NT
Monno Jute	100/5	200.00	Deah Garments	100/10	65.00
National Tubes	100/10	108.00	Dulamia Cotton	100/10	85.00
Panther Steel	10/50	6.00	Eagle Star	10/50	34.50
Quasem Drycell	10/50	8.00	G.M.G Ind. Corp	10/50	13.00
Remick Jajnewar	100/5	70.00	Modern Dying	100/5	40.10
Singer Bangladesh	100/5	990.00	Quasem Silk	10/50	5.95
<b>FOOD &amp; ALLIED (Twenty one)</b>			Quasem Textile	10/50	8.00
AB Biscuit	100/5	180.00	Rahim Textile	100/5	55.00
Alpha Tobacco	10/50	48.00	Satham Textile	100/10	78.00
Amn Sea Food	100/5	36.00	S.T.M. (ORD)	100/5	50.00
Apex Food	100/5	340.00	Styccraft	100/5	100.00
Aroma Tea	100/5	80.00	Swan Textile	100/5	60.00
Banga	100/5	305.00	Talbu Spinning	100/10	117.00
Bengal Food	100/5	128.19	<b>MISCELLANEOUS (Fourteen)</b>		
B.L.T.C.	100/5	600.00	Apex Tannery	100/5	157.98
B.T.C.	10/50	37.00	Aramit	10/50	NT
Cig. Vegetable	100/10	99.00	Bata Shoe	10/100	36.52
Dhaka Vegetable	100/5	134.77	Basimco	100/100	10.00
E.L. Camelia	100/5	700.00	B.S.C.	100/5	45.00
Frogleg Export	10/50	4.50	Chittagong Cement	100/5	173.89
Gemini Sea Food	100/15	100.00	G. Q. Ball Pen	10/50	52.00
Southern Industries	100/5	160.00	Himadri Ltd.	10/100	NT
<b>K.T.C.</b>			Milon Tannery	100/5	33.00
Rohiya Flour	100/100	NT	Monno Ceramic	100/5	151.44
Rupali Flour	100/100	6.05	Phonix Leather	100/5	90.00
Tully Dairy	100/10	94.00	Savar Refractories	100/5	130.00
Young Flour	10/50	NT	Umaria Glass	100/5	145.50
Zeal Bangla Sugar	10/50	8.10	<b>DEBENTURES (Four)</b>		
<b>FUEL &amp; POWER (Three)</b>			Apex Tannery	1000/1	1050.00
Padma Oil Co.	10/50	40.00	(17% 1992)		
Eastern Lubricant	10/50	14.00	Bengal Food	900/1	930.00
Oxygen	10/50	50.00	(18.5% 1992)		
<b>JUTE (Twelve)</b>			Basimco	2500/1	2630.00
Ahad Jute	100/10	NT	Basimco Pharma	1571/1	1633.00
Amawra Jute	10/50	NT	(17% 1997)		
Delta Jute	10/50	8.50	Quasem Silk	2000/1	1770.00
			(17% 1994)		

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



Chief Engineer of Road and Highways Aatur Rahman and Deputy Head of Italian Mission in Dhaka Dr. Gianfranco Dignazio are exchanging documents of two operational agreements signed here on Wednesday for Dinajpur-Thakurgaon-Panchagarh Road Rehabilitation Project.

## Dinajpur-Thakurgaon-Panchagarh road project

# Operational agreements signed with Italian cos

Two operational agreements between the Roads and Highways Department and two renowned Italian companies were signed in Dhaka Wednesday for the Italian-aided Dinajpur-Thakurgaon-Panchagarh Road Rehabilitation Project, officials sources

## WDB completes 9 projects in Barisal

BARISAL, Oct 3: Water Development Board (WDB) has completed nine projects at a cost of Taka 11.39 crore in Bhola district under the financial assistance of International Development Agency (IDA), reports BSS.

According to an official source, the project included the construction of five sluice gates, three culoures and 26 kilometre long flood control embankment.

A total of 18,000 acres of land will be saved from salinity and tidal surge by the construction of these projects. 18,000 metric tons of additional food-grains will be produced in the district annually, the source said.

## Corrigendum

The news item published on our Thursday issue on Page-7 under the headline "BEA opposes wage hike, pleads for investment" the word 'employers' was inadvertently misspelled as 'employees'. The mistake is regretted.

## Exchange Rates

October-3

SELLING AND BUYING RATES, offered by Commercial Banks, for Bank Cheques, (B/C) and Overseas Drafts (O/D)	One Unit of Foreign Currencies (FO) for Taka
US Dollar	37.8226
UK Pound Sterling	66.0030
German Deutsche Mark	22.6781
French Franc	6.9525
Saudi Riyal	10.1184
Dutch Guilder	20.1184
Pakistan Rupee (AMU)	1.5324
Singapore Dollar	22.4214
UAE Dirham	10.3332
Kuwait Dinar	Not available
Indian Rupee	1.4606
S. Ruiner	6.2131
*AMU-Asian Monetary Unit	6.1305

SECONDARY EXCHANGE MARKET	High Season Pump/Export	Performance	Benefit (LXPB)	Fund
US Dollar	36.34	36.36		
UK Pound	66.93	66.98		
Saudi Riyal	10.29	10.31		
UAE Dirham	10.47	10.52		

## Hides & Skin

(Wet/Salted)	October-3	(Taka per 100 pieces)
Cow	13,000.00	- 37,000.00
Light	47,000.00	- 58,000.00
Medium	57,000.00	- 68,000.00
Heavy	67,000.00	- 78,000.00
Very Heavy	77,000.00	- 88,000.00
Rejected	21,000.00	- 24,000.00
Goat		
Big & Light	8,500.00	- 9,000.00
Medium	6,000.00	- 7,300.00
Small	3,000.00	- 3,000.00
Sheep	8,000.00	- 8,500.00
Buffalo	84,000.00	- 88,000.00

## Gold & Silver

October-3	(Taka for 11.66 grams)
Gold	6,250.00
Quasem	6,100.00
Silver	200.00

# Shipping Intelligence

## Chittagong Port

Name of Vessels	Berthed	ETD	Berth No.	L. Port Call
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