

SAARC bankers agree to set up \$4m fund

NEW DELHI, Oct 6 Representatives of South Asian Development Banks agreed at a meeting this week to set up a four million Dollar Fund to identify and develop projects to help solve common regional problems, reports AFP.

The Press Trust of India (PTI) today quoted Kant Kishore, Secretary General of the South Asian Association for Regional Cooperation (SAARC), as saying the decision had been reached at a two-day SAARC National Development Bank meeting which ended in Bombay Friday.

Among the projects envisaged was a trade information system to be run by the Chambers of Commerce in the Seven SAARC countries — Bangladesh, India, Bhutan, Pakistan, the Maldives, Sri Lanka and Nepal.

Marked fall in share trading

Star Economic Report
Dhaka bourse witnessed a marked fall in share trading Sunday.

In all 2,052 shares and debentures changed hands compared with Saturday's 6,237. Traded issues valued Taka 95,131.00.

Decliners dominated trading. And the Composite Index of Dhaka Stock Exchange, which is the broad indicator of price movements of all the listed stocks, lost to 288.440 points from Saturday's 289.3026.

Transactions involved twenty-six stocks. Of them eleven lost, three gained and twelve remained unchanged at their previous quoted prices.

National Bank and AB Bank declined Taka 10.00 and Taka 5.00, Taka 108.00 and Taka 175.00.

Savar Refractories and IFIC Bank lost Taka 3.00 and Taka 2.00 to Taka 127.00 and Taka 175.00.

Aftab Automobiles, Atlas Bangladesh, 5th ICB Mutual Fund, 6th ICB Mutual Fund, Karim Pipe, National Tubes and Eagle Star Declined within the range between Taka 0.20 and Taka 1.00.

The debentures of Quasem Silk and Bengal Food advanced Taka 10.00 and Taka 5.00 to Taka 1780.00 and Taka 935.00.

Rahman Chemicals gained Taka 1.00 to Taka 48.00.

Focus on stock market— III

DSE needs to be put on right track

AKM Sahabub Alam

Dhaka Stock Exchange (DSE) consists of members who are mostly amateurs, part-timers, sleeping-brokers and pensioners. DSE building in practice houses trade, commerce and industry. Theoretically it should house only DSE and its members. The brokers mostly represent sponsors, and act as middlemen between the sponsors of companies and the general shareholders.

Insider-trading and fictitious quotations are regular features in the absence of an independent clearing house. The accounts and activities of brokers were neither examined by the Government (as there is no Authority to do so) nor by a chartered accountant

appointed for the purpose by the Government.

The capital base of brokers is too poor (because they are required to maintain a net capital of Tk 25,000 only), forcing them to delay or suspend payments. The previous regime reduced the minimum net capital requirement of a member in the Securities and Exchange Rules (SEI) 1987 to Tk 25,000 (from Taka 50,000 required by the SER, 1971), disregarding the interests of general shareholders. The combined result is that public confidence in DSE is below the desired level.

The availability of understandable, relevant, reliable and comparable financial information is a pre-condition

for successful stock exchange operations. Creative reporting only creates a roadblock to such operations. Public criticisms were frequently made against listed companies for creative reporting, for making paper entrepreneurs as successful entrepreneurs. The general public, it was found, were defrauded by at least 6 listed companies by creative reporting and the shares of these companies are now traded at 41-81 per cent of their face value, eroding the value of hard earned savings of the general public. Instances of such creative reporting discourage the general public to make investment in securities as they do not have the resources to distinguish fair reporting from creative reporting, so necessary for saving their savings from erosion.

Ten out of 11 public sector units whose shares are traded in Dhaka Stock Exchange (DSE) over valued their assets, and overcapitalised them out of their revaluation surplus. Consequently, profitability and cash flows of many of them were inadequate to cover fair dividend payments. This frustrated general public, causing heavy under-subscription of shares of public sector units offered in 1990.

The overvaluation and overcapitalisation arose from re-valuation exercise not done by "qualified valuers" based on complete physical inventory and replacement cost method, and inclusion of "value of goodwill" on estimate basis, without linking it to yield. Paper assets can be created easily by public sector units but to earn return thereon to pay dividend is not so easy.

Security prices in DSE are not determined by demand/supply forces, rather dictated by manipulators in the DSE. Insider trading, not free-trading, rules the game. Prospectuses, current financial statements and half-yearly financial statements (as reported by SER, 1987) are not mostly available with the DSE so necessary for free-trading. The result is that investors rely on rumours, ill-advice and inside-information, thereby losing their money in the hand of manipulators.

It is most unfortunate that directors of public sector units are brokers also, violating the basic securities market principle that "insiders in relation to a company should not buy or sell a security of the company while they have by reason of their positions as in-

siders, information that has not been published and that would be likely to affect the price of the security if it was published."

Many listed companies in Bangladesh developed a culture of not paying dividend or if pay, not paying fair dividend, out of 125 companies, only 52 companies paid fair-dividend, 26 companies paid token-dividend and 47 companies did not pay any dividend at all. Opportunity costs of investment in securities, therefore, make it unprofitable.

As multinationals usually pay fair dividend, selling of their shares lying with the government may attract the general public to invest in such shares. To maintain the attraction, the government should ensure that the general public are not defrauded by the listed companies, rather they pay dividend.

If the government and DSE are really interested to reactivate the securities market, they should remove the causes of crash or limping. The sooner they do, the better.

This is the concluding instalment of a three-part commentary series on securities market. The contributor is a Chartered Accountant.

Exchange Rates

October—6

SELLING AND BUYING RATES, offered by Commercial Banks, for Bank Cheques, (B/C) and Overseas Drafts (O/D)

One Unit of Foreign Currencies (F/C) for Taka

PCs	Selling	Buying
US Dollar	37.8226	37.3318
UK Pound Sterling	55.1314	55.3887
German-Deutsche Mark	22.7094	22.4013
French Franc	6.66642	6.5754
Saudi Riyal	10.1194	9.9871
Dutch Guilder	20.1506	19.8732
Pakistan Rupee (AMU)	1.5324	1.5178
Singapore Dollar	22.4400	22.1488
UAE Dirham	10.3332	10.1991
Kuwait Dinar		Not available
Indian Rupee		
AMU	1.4637	1.4499
S. Kroner	6.2295	6.1468
*AMU-Asian Monetary Unit		

SECONDRARY EXCHANGE MARKET

Wage Earners Fund/ Export Performance Benefit (XPB) Fund

US Dollar	38.34	38.39
UK Pound	67.14	67.81
Saudi Riyal	10.26	10.31
UAE Dirham	10.47	10.52

* The rates of Pound Sterling are decided every day, based on the cross-rates of New York market

Source: Sonali Bank

Gold & Silver

October—6

(Taka for 11.66 grams)

Gold	6,200.00
Trujati	6,100.00
Quinn	200.00
Silver	

Source: Department of Agricultural Marketing

Hides & Skin

October—6

(Taka per 100 pieces)

Cow	13,000.00	27,000.00
Buff	47,000.00	52,000.00
Medium	57,000.00	62,000.00
Heavy	67,000.00	72,000.00
Very heavy	77,000.00	82,000.00
Rejected	21,000.00	24,000.00

Wet/Salted

Light	8,500.00	9,800.00
Medium	6,900.00	7,300.00
Rejected	2,900.00	3,800.00
Sheep	8,000.00	8,500.00
Buffalo	54,000.00	59,000.00

Source: Department of Agricultural Marketing

Dhaka Stock Exchange Market Profile

October—6

135 Listed Stocks

3 Gains	11 Losers	121 Unchanged
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121 Unchanged stocks include twelve traded on the day at its previous quoted prices.

DSE All Share Price Index = 288.440

Issued Capital = Taka 5,439,680,590

Market Capitalisation = 8,242,361,173

Turnover = Taka 95,131.00 (Value) 2,052 (Volume).



A large number of women workers are employed by the shrimp exporters. Here the shrimps are being prepared (severing of heads) before packing for exports.

USSR back in market after 6 months

Tea export rises in August

Inam Ahmed

Export of tea in August showed steep rise as the USSR started to buy tea after an interval of six months.

The export during August was about 26,56,000 kgs worth Taka 15.29 crore. This amount was much higher than the total of tea export in July. In July, only about 3,73,000 kgs of tea worth Taka 1.9 crore were exported.

The average price of tea also improved in August. It was sold at Taka 57.58 per kg while the average price in July was Taka 52.60.

Tea fetched a good average price in August 1991 compared to the price of the corresponding period of last year. In 1990, the average price of tea was Taka 56.71. Export volume and earnings from tea in August was also higher than the corresponding period of last year.

In August, 1990, about 14,95,000 kgs tea worth Taka 8.77 crore, were exported.

Sources said they are hopeful that the previous dullness in tea export has passed over. Some other countries which previously slackened their purchase has also become active in the mar-

ket. Pakistan which bought only one lakh kgs of tea in July lifted about 1.72 lakh kgs of tea in August. The Pakistani purchase was valued at Taka 1.36 crore.

The USSR, the biggest buyer for Bangladesh tea, also hauled a big chunk of total export in August. The USSR purchased 10,02,000 kgs of tea, about half of the total export during the period. The earnings from export to the USSR were about Taka 6.50 crore.

Moreover, Germany, Holland and Oman were the new tea purchasing countries in August. The countries which purchased tea from Bangladesh during the period were: Pakistan, the UK, Afghanistan, Germany, Holland, Poland, Japan, Egypt, the USSR, Bulgaria, Nepal, France, Iran, UAE, China and Oman.

However, the tea export increased in August, the production of tea reduced. In July, the production was 66,86,009 kgs while it was 65,51,000 kgs in August. The production performance in August, 1991 was still 3,34,000 kgs higher than the corresponding period of last year.

'No plan to disinvest public sector jute mills'

The government has no immediate plan for disinvesting the public jute mills but would soon take some "painful measures" to revitalise the moribund industry, reports UNB.

This was stated by Jute Minister Brigadier (Retd) Hannan Shah while talking to a group of reporters after paying a visit to the Adamjee Jute Mills, the country's largest jute mills Sunday.

Without elaborating what such "painful measures" would be like, he indicated that steps should be taken to make the public wasteful expenditure and commercial losses.

But whatever measures are taken, those would be taken in consultation with the Collective Bargaining Agents

(CBA) of the respective units, Shah said.

He also said that the Bangladesh Jute Mills Corporation (BJMC) and the units under it would be reorganised keeping in view the world market as well as the domestic market for jute and jute goods.

Referring to the Adamjee Jute Mills, he said the unit could be made profitable again if right steps are taken and hard work is put in.

He expressed his dissatisfaction over the management of the Adamjee Jute Mills where the godowns remained empty and large number of looms unoperational. Besides, nearly 90,000 bales of jute goods remained unsold at the mills.

Price Barometer: Essentials

October—6

RICE (Taka per kg)	
Amun (Very fine)	20.00-21.00
Amun (fine)	15.50-17.00
Fajum	14.00-15.00
Ufah	13.00-14.00
VEGETABLES (Taka per kg)	
Potato (White)	7.00
Brinjal	12.00-16.00
Lady's finger	18.00-20.00
Peal	16.00-18.00
Karolla	22.00-24.00
Lalshak	9.00-10.00
Pai Shak	8.00-10.00
Pappa	6.00-7.00
Green Banana (Four Pieces)	6.00-8.00
OTHER FOODSTUFFS (Taka per kg)	
Flour	13.00-14.00
Alta	11.00-11.50
Wheat	9.00-9.50
Suzi	17.00-18.00
FISH (Taka per kg)	
Rahu (big)	135.00-145.00
Katla (big)	100.00-120.00
Hilsha	36.00-45.00
Pungas	100.00-120.00
Shrimp (big)	70.00-80.00
Singa	80.00-90.00
Koi	80.00-100.00
EGG (dopen) (Taka per kg)	
Hen	13.00
Duck	13.00
Firm	13.50-14.00
PULSES (Taka per kg)	
Mash	33.00-34.00
Matar	28.00-30.00
Mooh	28.00-30.00
Chola	24.00-25.00
Kharai	24.00-26.00
MEAT (Taka per kg)	
Beef	20.00-21.00
Mutton	20.00-21.00
CHICKEN (Taka per kg)	
Local	52.00-54.00
Soyabean	37.00-38.00
Cocunut (Colombo)	70.00-80.00
Vegetable Ghee	54.00-56.00
SPICES (Taka Per kg)	
Onion	20.00-21.00
Garlic	42.00-46.00
Chillies	85.00-90.00
Turmeric (Round)	45.00-50.00
(Long)	48.00-52.00
Green chillies	28.00-30.00
Cinnamon* (10gms)	3.00-3.50
Cardamom* (large)	3.00-4.00
Jhira (50gms)	7.00-7.50
MILK (Two kgs) (Taka per kg)	
Dano	265.00-266.00
Red Cow	263.00-264.00
Edan	255.00-256.00
MISCELLANEOUS (Taka)	
Onion	220.00-240.00
Tea (Dust)	80.00-90.00
Salt	8.00-9.00
Sugar	27.50-28.00
Molasses	20.00-22.00

Source: Department of Agricultural Marketing

Sales-Purchase-Tender & Employment News

- Wanted**
- The Advertiser, GPO Box No 2044, Dhaka requires "Export Manager", must be a post graduate but MBA shall be given preference with at least 5 yrs experience in any Export-Oriented Industrial Enterprise. Please apply with complete bio-data along with copies of certificates and pp size photographs on or before 17.10.91.
 - Executive Search, PO Box No 26, Ramna, Dhaka-1000 invites applications for the post of: (1) "Survey Team Leader," must be Masters in Economics/Statistics/Social Sciences with one year experience, (2) "Field Surveyor," must be Bachelor degree holder/HSC preference will be given to the candidates having experience in related field. Please apply with full bio-data including two names of references along with a photograph by 12.10.91.
 - The Advertiser, GPO Box No 4185, Dhaka requires "Accounts & Audit Officer" to be based in Faridpur. Applicant should be a graduate in Accounting with 8-10 yrs experience having cleared at least CA intermediate examination. Please apply with three copies of bio-data, names and addresses of two references and recent photographs by 15.10.91.
 - Administrative Director, Caritas Bangladesh, 2 Outer Circular Road, Shantibagh, Dhaka-1217 invites applications for the post of (1) B. Sc Engineer (Civil) (2) Diploma Engineer (Civil) (3) Typist. (4) Clerk/Typist. Please apply with full bio-data, one copy of recent PP size photograph and attested copies of academic and experience certificates to the above address by 15.10.91.
- Tender**
- Bangladesh Red Crescent Society, National Headquarters, 684-686, Bara Magbazar, Dhaka-1217 invites sealed tenders from enlisted bonafide contractors of Public Health Engineering Dept for sinking of 50 (fifty) Nos of Hand Pump Deep Tub-wells including construction of platforms at different places of different upazilas. Tender schedule available from accounts Department of Bangladesh Red Crescent Society, National Headquarters, Dhaka up to 14.10.91. Tenders should be dropped at BDRCS, NHQ, Dhaka by 12.00 Noon of 15.10.91.
 - General Manager, North Bengal Paper Mills Ltd, Paksey, Patna invites sealed international tenders for supply of Air pre-Heater for Recovery Boiler and Embedded Fin Tubes for Recovery Boiler on C/F (C) Chalna-Chittagong/Banapala basis. Tender documents available from 1) BCIC Bhaban, 30-31, Dikusha, Dhaka, (2) BCIC, 6, Agrabad, Chittagong, (3) Khulna News Print Mills Ltd, Town Khalsipur, Khulna (4) North Bengal Paper Mills Ltd, Paksey, Patna. Tenders must be dropped in the tender box kept in the Commercial Department of North Bengal Paper Mills Ltd, Paksey, Patna at 3.00 pm before 10.11.91.

CORRIGENDUM NOTICE

Pre-qualification notice of Rehabilitation/Re-construction of Coastal Embankments damaged by the Cyclone of April 1991 under Saudi Grant in Polder No. 71, Kutubdia, Polder No. 69 (Phase-1), Moheskhal and Polder No. 66/3, Cox's Bazar under Cox's Bazar O&M Division, Dist. Cox's Bazar during 1991-92.

- Application for Pre-qualification of Contractors for the work under the emergency cyclone protection project for "Rehabilitation and Re-construction of Coastal Embankments in Kutubdia, Moheskhal and Cox's Bazar Upazila under Saudi Grant" will be received in the following Offices:
 - Office of the Additional Chief Engineer, South Eastern Zone, BWDB, Comilla.
 - Office of the Additional Chief Engineer, Monitoring & Evaluation, BWDB, WAPDA Building, Motijheel C/A, Dhaka.
 - Office of the Superintending Engineer, Chittagong O&M Circle, BWDB, Chittagong.
 - Office of the Superintending Engineer, Dhaka O&M Circle, BWDB, Dhaka.
 - Office of the Executive Engineer, Cox's Bazar O&M Division, BWDB, Cox's Bazar.
- In submitting the Pre-qualification application the Contractor/Firm have to mention the packages for which he/they intends to participate.
- The last date of receiving the application in the specified offices as mentioned above has been shifted from 06.10.1991 to 14.10.1991 up to 12-30 p.m.

All other terms and conditions will remain unchanged.

M. A. Bari Talukder
Executive Engineer
Cox's Bazar O&M Division
BWDB, Cox's Bazar.
Tel: 3557 (Off.)

PANI-64/91-92
DFP(G)11351-6/10
G-643

BTMC Tender Notice

Sealed Tenders are hereby invited by the Chief Engineer, BTMC, 7-9, Kawran Bazar, Dhaka from the reputed and bonafide Air-Conditioning Firms having experience in similar nature of works for installation of AC system at Quaderia Textile Mills, Tongi, Gazipur.

The Earnest Money is Tk. 11,000/- (Taka Eleven thousand) only, must be enclosed with the tender in favour of BTMC, in the form of Pay Order/Bank Draft from any scheduled bank of Bangladesh. The estimated cost of the work is Tk. 2,22,900.00 (Taka two lac twenty two thousand nine hundred) only.

Tender documents may be purchased on getting clearance from the Chief Engineer, BTMC. The Bidders must enclose Bank Solvency Certificate, list of completed project/Experience Certificate, list of tools and equipment and status of the firm along with the Tender. It may also be noted that the above mentioned documents shall have to be produced at the time of obtaining permission for purchasing tender documents.

The Tender documents may be purchased at the rate of Tk. 400.00 (Taka four hundred) only (non-refundable) per set, from the Addl. Chief Accountant (HO Accts), BTMC, Bastra Bhaban (1st floor), 7-9, Kawran Bazar, Dhaka/Accountant-in-Charge, BTMC, Shipping Office, 79, Agrabad C/A., Chittagong/ Accountant-in-Charge, Quaderia Textile Mills Ltd., Tongi, Gazipur on or before 19-10-91 up to 12-00 Noon, during office hours.

Tenders will be received up to 11-00 AM on 20-10-91 and will be opened at 11-30 A.M. on the same day in presence of the bidders (if any) in the office of the Chief Engineer, BTMC, Bastra Bhaban (3rd floor), 7-9, Kawran Bazar, C/A., Dhaka.

Corporation reserves the right to accept or reject any or all tenders without assigning any reason thereof.

TMC - 80
DFP (BA) 8086-3/10
G - 637