

Anomalies in VAT affecting price competitiveness in rubber sector

Star Economic Report

Some anomalies in the administration of Value Added Tax (VAT) in its existing operational form have adversely affected the price competitiveness of some rubber products by units located outside the metropolitan areas.

The anomalies have arisen out of the registration of some units under VAT while many others producing the same

products have remained unregistered. The registered units have to pay VAT and their products are being priced out by the units not coming within the fold of registration. This reflects one great inconsistency in VAT administration.

Recently, a unit with its factory located at Gorai in Tangail and rendering two main services — producing microsheet through recycling of polythene, plastic and sponge wastes for use as sole for shoes and slippers and resoling or rubbering of used tyres of buses, trucks, minibus and other automobiles for lengthening the life of the same by at least four or five months more — has sent a representation to the Ministry of Finance, pointing out anomalies and inconsistencies in VAT administration.

There are about 50 rubber products processing or manufacturing units in the country which are involved in producing microsheet. Most such units are located in Dhaka city. As they are small and medium-sized ones in the municipal ar-

reas, they are exempted from registration under VAT. But some units, producing the same microsheet and not enjoying VAT exemption facility, are bearing the burden of VAT at 15 per cent. This has forced the registered units in the sector to face uneven price competitiveness in marketing their products. Unsold stocks have piled up with them while production capacity is now lying mostly unutilised.

In areas of rubbering or resoling operations, three or four units out of a total of 30 are only registered likewise under VAT. Most of such units are located at Jatrabari, Islambag, Postagola and other areas in the metropolis. They are not registered under VAT and enjoy exemption facilities. This has caused the services rendered by the registered units in the sub-sector more expensive because of VAT at 15 per cent on their products or services. An uneven price competition has made future operations by related VAT-registered units uncertain. Low sales performance, and low level of operations are turning these units into 'sick' ones.

In its representation to the Ministry of Finance, the unit at Gorai in Tangail has drawn the attention of the concerned authorities to the urgent need for remedial actions to remove the anomalies and inconsistencies. Otherwise, it feared that registered VAT units in the related service-rendering sub-sectors would be forced to close down their operations in the face of uneven competition with unregistered VAT units rendering the same services. If the registered units go out of operations, it will also involve loss of employment for many workers. Besides, it will have a bearing on recycling of bank credits from units which were set up with the support of institutional credit facilities.



Planning Minister Jahiruddin Khan, inaugurating a five-week training course on 'marketing management' at DCCI training centre on Tuesday.

Private sector's role in economic policies stressed

Market forces should be allowed to operate freely

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Planning Minister A M Zahiruddin Khan said on Tuesday that the private sector should play greater and effective role to implement economic policies pursued by the government. He said the economy will move into right direction only when the market forces were allowed to operate freely.

Inaugurating a five-week training course on 'marketing management' the Planning Minister said the country must have effective institutions to train up managerial cadres the lack of which were being felt badly.

The training course has been organised by the Dhaka Chamber of Commerce and Industry (DCCI) with the technical assistance of Geneva-based International Trade Centre (ITC) and the United Nations Development Programme (UNDP).

Stressing the need to develop marketing mechanism, the Minister said there was no alternative to decisive marketing thrust. 'Marketing is the key to the competitiveness and there should be both internal and external competitions,' he said.

Khan said the country was one of the poorest countries of the world. The overall devel-

opment of Bangladesh depends on how soon we could create economic environment in the rural areas.

Pointing to the huge potentialities of the agricultural sector, the Minister said the country's rural people had in fact sustained our economy and contributed 50 per cent to the Gross Domestic Products (GDP).

Blaming the 'intellectual dishonesty' of a section of planners in the past, the Minister said the leadership mistakes as well as wrong perceptions of the planners led to the sluggish growth of the economy.

He said due attention should be given to the farmers. 'Otherwise we will never be able to alleviate poverty,' he added.

The Planning Minister said due to pursuing of wrong and ill-conceived policies the economy had turned into 'aid and grant-oriented' one instead of being self-reliant.

Presided over by DCCI chief Mahbubur Rahman, the inaugural session of the training course was also addressed, among others, by DCCI Secretary S Zakir Hossain and Professor Dr Altmullah Mian of the Institute of Business Administration, Dhaka

University.

UNB adds: Speaking on the occasion DCCI President Mahbubur Rahman called upon the government to initiate meaningful discussions with leaders of the business community to evolve 'realistic measures in salvaging the country's limping economy.'

Prof Altmullah Mian of Dhaka University's Institute of Business Administration said widespread smuggling is one of the main reasons for the present poor state of economy.

People would have to be taught the benefits of buying local products instead of going for smuggled foreign goods, he said. 'And only through such social marketing can we successfully wage a war on smuggling,' Prof Mian observed.

Referring to the Planning Minister's remarks on intellectual dishonesty of the planners, a DCCI member said 'professional corruptions are responsible for the present economic debacle.'

A total of 22 mid-level managers of private enterprises are participating in the course. The Planning Minister later visited the DCCI Training Centre and stressed the need for such training to improve the quality of human resources.

Sharp rise in share trading

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Dhaka bourse witnessed a sharp rise in share trading Tuesday.

In volume terms transactions moved up to 18,924 from Monday's 6,676. Traded issues valued Taka 7,04,717.00 against the previous day's Taka 3,01,525.00.

Decliners were more in number. But advances involved more transactions in value terms. As a result the Composite Index of Dhaka Stock Exchange advanced to 292.5299 points from Monday's 291.8180.

Index is the broad indicator of price movements of all the listed stocks.

Transactions involved fortythree stocks. Of them eleven gained, seventeen lost and fifteen remained unchanged at their previous quoted prices.

Himadri Ltd, a no trading stock, was traded on the floor at Taka 8'00.

Bangladesh Lamps and Dulamia Cotton advanced Taka 5.00 each to Taka 260'00 and Taka 90'00.

Apex Tannery moved up Taka 4.36 to Taka 186.36.

United Insurance, National Tubes, Renwick Jaineswar, B.T.C. Dhaka Vegetable, Rupan Oil and Usmania Glass gained within to range between Taka 0.02 and Taka 1.00.

Singer Bangladesh declined Taka 100.00 to Taka 700.00.

The debenture of Apex Tannery lost Taka 5.00 to Taka 1050.00.

Afah Automobiles declined Taka 2.50 to Taka 200.00.

Rupali Bank, 5th ICB Mutual Fund, BGIC Insurance, Bangladesh Autocars, Bangladesh Thai Aluminium, Eastern Cables, Quasem Drycells, Bengal Food, Shine Pakur Jute, Ambee Pharma, Kahinor Chemical, Eagle Box, Ashraf Textile and Eagle Star lost within the range between Taka 0.02 and Taka 2.00.

Hides & Skin

(Wet/Salted)
November-12
(Taka per 100 pieces)

Cow	14,000.00	28,000.00
Light	46,000.00	53,000.00
Medium	58,000.00	63,000.00
Heavy	65,000.00	70,000.00
Very heavy	75,000.00	80,000.00
Rejected	22,000.00	25,000.00
Goat		
Big & heavy	8,500.00	9,800.00
Light & Medium	6,100.00	7,300.00
Rejected	2,900.00	3,600.00
Sheep	8,500.00	8,600.00
Buffalo	52,000.00	57,000.00

Source: Department of Agricultural Marketing

Dhaka Stock Exchange

Market Profile

November-12

135 Listed Stocks

11 Gains 17 Losers 107 Unchanged

107 Unchanged stocks include fifteen traded on the day at its previous quoted prices.
DSE All Share Price Index = 292.5299
Issued Capital = Taka 5,39,680,590
Market Capitalisation = 8,366,785,437
Turnover = Taka 7,04,717.00 (Value) 18,924 (Volume).

Market Prices of Listed Shares and Debentures with Dhaka Stock Exchange

At the close of trading on November 12, 1991.

Company	EV/ML	Closing Rate	Gawma Jute	10/50	NT
BANKS (Ten)			Islam Jute	100/5	65.00
AL Bank	1000/1	1000.00	Jute Spinner	100/5	95.00
AB Bank	100/5	155.00	Mutual Jute	100/5	100.00
City Bank	100/5	272.00	Northern Jute	10/50	NT
LFIC	100/5	177.00	Shamsar Jute	100/5	100.00
Islami Bank	1000/1	1200.00	Specialised Jute	10/50	NT
National Bank	100/5	105.00	Shine Pakur Jute	100/5	92.00
Rupali Bank	100/5	100.00	Small Amash	100/5	97.00
Rupali Bank	100/10	81.00	PHARMACEUTICALS & CHEMICALS (Fifteen)		
U.C.B.L.	100/5	120.00	Ambee Pharma	10/50	14.00
Utara Bank	100/5	190.00	Bangla Process	100/5	58.00
INVESTMENT (Eight)			Bestinco Pharma	100/5	177.00
ICB	100/5	92.00	Glaxo	10/50	125.00
1st ICB M.Fund	100/5	345.00	ICI	10/50	10.00
2nd ICB Fund	100/5	150.00	Kohinor Chemical	100/5	104.70
3rd ICB M. Fund	100/5	134.00	Petro Synthetic	10/50	11.00
4th ICB M. Fund	100/10	128.50	Pfizer	100/5	110.00
5th ICB M. Fund	100/10	96.50	Pharma Aids	100/5	175.00
6th ICB M. Fund	100/10	67.00	Pharmaco	100/5	55.00
ICB Unit Gert.			Progressive Elastic	110/5	40.00
Sales Price		115.00	Reckitt & Colman	10/50	240.00
Re-purchase		110.00	Rahman Chemicals	100/10	50.00AL
INSURANCE (Four)			Therapeutics	100/5	40.00
Green Delta	100/10	107.50	The Ibrama	100/10	92.00
Peoples	100/10	120.00	PAPER & PRINTING (Six)		
United	100/10	126.50	Eagle Box	10/50	25.48
ENGINEERING (Nineteen)			Monospool	100/5	106.00
Afah Automobiles	100/5	200.50	Paper Converting	100/5	113.00
Atlas Bangladesh	10/50	43.83	Paper Processing	100/10	106.00
Atlas Pipes	100/5	242.00	Padma Printers	10/50	50.00
Bangladesh Autocars	100/5	89.00	Sonali Paper	10/50	50.00
Bangladesh Lamps	105/5	260.00	SERVICE (Two)		
B.Thai Aluminium	100/10	89.00	Bangladesh Hotel	10/50	12.00
Bengal Carbide	100/5	250.00	Id. Service	10/50	NT
Bengal Steel	10/50	18.00	TEXTILE (Eighteen)		
Eastern Cables	100/5	84.41	Alhaj Textile	10/50	NT
Howlander PVC	100/10	101.00	Arbee Textile	100/10	NT
Kaan Pipe	100/5	125.00	Ashraf Textile	10/50	27.91
Metalex Corp.	100/5	120.00	Chand Textile	10/50	NT
Mouso Staffers	10/5	200.00	Chand Spinning	10/50	NT
Monzo Jute	100/5	210.00	Desh Garments	100/10	61.00
National Tubes	100/10	116.02	Eagle Star	100/10	90.00
Panther Steel	10/50	6.00	GMG Ind. Corp.	10/50	35.90
Quasem Drycells	10/50	7.90	Modern Dying	100/5	13.00
Renwick Jaineswar	100/5	79.00	Quasem Corp.	10/50	36.50
Singer Bangladesh	100/5	700.00	Quasem Silk	10/50	5.85
FOOD & ALLIED (Twenty one)			Quasem Textile	10/50	8.00
Alpha Tobacco	100/5	46.00	Rahim Textile	100/5	57.00
Aman Sea Food	100/5	36.00	Satham Textile	100/10	78.71
Aman Sea Food	100/5	460.00	S.T.M. (ORD)	100/5	50.00
Aman Tea	100/5	70.00	Stylecraft	100/5	100.00
Bages	100/5	305.00	Swan Textile	100/5	60.00
Bengal Food	100/5	116.50	Talhi Spinning	100/10	115.50
B.L.T.C.	100/5	480.00	MISCELLANEOUS (Fourteen)		
B.T.C.	10/50	39.00	Apex Tannery	100/5	186.36
Ctg. Vegetable	100/10	99.00	Armani	10/50	NT
Dhaka Vegetable	100/5	142.12	Bata Shoe	10/100	35.50
E.L. Camella	100/5	1000.00	Bestinco	10/100	9.30
Fruglex Export	10/50	4.50	BSC	100/5	50.00
Gemini Sea Food	100/10	100.00	Chittagong Cement	100/5	175.00
Modern Industries	100/5	160.00	G. Q. Ball Pen	10/50	50.00
N.T.C.	100/5	275.00	Himadri Ltd.	10/100	6.00
Rabeya Flour	100/100	NT	Milon Tannery	100/5	32.00
Rapun Oil	10/100	40.00	Monzo Ceramic	100/5	145.00
Tulip Dairy	100/10	90.00	Phoenix Leather	100/5	90.00
Yousaf Flour	10/50	NT	Savar Refractories	100/5	115.00
Zed Bangla Sugar	10/50	11.40	The Engineers	100/5	100.00
FUEL & POWER (Three)			Umanisa Glass	100/5	194.07
Padma Oil Co.	10/50	40.00	DEBENTURES (Four)		
Eastern Lubricant	10/50	14.00	Apex Tannery	1000/1	1050.00
Oxygen	10/50	50.00	Bengal Food	900/1	950.00
JUTE (Twelve)			(18.5% 1992)		
Ahad Jute	100/10	NT	Bestinco	2500/1	2200.00
Anonwa Jute	10/50	NT	(17% 1992)		
Delta Jute	10/50	8.50	Bestinco Pharma	1571/1	1650.00
			(17% 1997)		
			Quasem Silk	2000/1	1620.00
			(17% 1994)		

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



Anon Juangbhan, General Manager of Thai Airways International Ltd, Bangladesh is seen with the top 15 passenger/cargo agents. Recently, they were awarded certificates for their performances.

7 arrested during anti-US protest in Seoul

SEOUL, Nov 12: Seven students staging an anti-American protest at a Pacific region economic conference were arrested Tuesday and security was tightened around US facilities, news reports said, says AP.

Students chanting 'No rice imports' were arrested as they tried to enter the gate to the luxury hotel where the Asia-Pacific Economic Cooperation ministerial meetings are to start Wednesday.

Most of the 30 ministers from 15 nations attending the conference are staying at the hotel, including US Secretary of State James A Baker and US Trade Representative Carla A. Hills.

Riot police and bomb-sniffing dogs were deployed in and outside the hotel and the National Police Administration ordered heightened security around US facilities that in the past have been targets of radical student attacks.

'Carla Hills get out' shouted the students, the national news agency Yonhap reported. It said they unfurled a large banner reading 'US - Stop economic aggression.'

Hills met Monday with Korean Trade and Economic Ministers and asked South Korea again to open its rice market. South Korea has rejected pressure from Washington and other nations to do so, saying that would threaten the country's economy and the livelihood of farmers.

Ciba-Geigy drug wins German journals' award

Star Economic Report

The Ciba-Geigy Drug Desferal (active ingredient: deferoxamine) has been awarded the 1991 Drug Prize of the German Medical Journal 'Muenchener Medizinische Wochenschrift' (MMW). Previous winners of this award were Aspirin, cortisone and penicillin, says a press release of Ciba-Geigy Ltd, issued on Tuesday in Dhaka.

'Deferoxamine must be counted among the most spectacular pharmaceutical advances of the past 30 years', states MMW as the reason for its decision. According to estimates by the World Health Organization about 100,000 people worldwide, mainly in the Mediterranean region, suffer from thalassaemia, a blood disease, says the press release.

Without blood transfusions and deferoxamine most of these patients would no longer be alive by the age of 10, claims the release.

The drug is also used in the treatment of aluminium overload in dialysis patients and in iron poisoning. Chemically, the substance is a so-called chelating agent which can remove iron and aluminium from the body.

Deferoxamine was developed at the beginning of the 1960's by Ciba-Geigy, in close collaboration with scientists from the Federal Technical University (ETH), Zurich. One of the fathers of the drug was the 1975 winner of the Nobel Prize for Chemistry, Professor Vladimir Prelog, Zurich.

The award giving ceremony will take place on November 16, 1991 within the framework of a scientific event, with international participation, at the ETH in Zurich.

Crushing begins in Kushtia Sugar Mills

KUSHTIA, Nov 12: Kushtia Sugar Mills started production for the current crushing season at a simple ceremony on Friday, reports UNB.

On the occasion, General Manager M A Aziz said, the production target has been fixed at 18,000 metric tons of sugar in this season by crushing 2,09,300 metric tons of sugarcane.

The function was also addressed by labour leaders Sultan Ahmed and Zahidul Islam Latif.

Shipping Intelligence

Chittagong Port

Name of Vessels	Berthed	ETA	Berth No	L. Port Call	L. Agent
Al Tabith	09/11	20/11	J/1	Sidra	MSIP
Blue Ocean	11/11	14/11	J/2	Singapore	BDSHP
Shahinnaz	08/11	14/11	J/3	Kand	ENCO
Kopalnia Wrocl	09/11	20/11	J/4	Kand	PSAL
Arktis Sirtua	11/11	15/11	J/6	Singapore	TSL
Banglar Umi	09/11	18/11	J/7	Male	DEE
Banglar Progoti	10/11	14/11	J/8	Male	HT
Al Tajwar	09/11	13/11			