

Business

Enclave for foreign investors in Ctg EPZ likely

By Staff Correspondent

An enclave similar to the diplomatic one in Dhaka for the foreign investors is likely to be set up in the Chittagong Export Processing Zone (CEPZ) to attract more foreign investors.

This was stated by the Planning Minister A M Zahuruddin Khan while visiting the CEPZ on Thursday.

He emphasized the need for improving the banking facilities for the investors so that they can get better assistance from the banks and can have their documents processed without delay.

He also directed the authorities concerned to bring the CEPZ under T&T micro-wave system in order to introduce digital telephone system. He also observed that there should be bonded facilities in Dhaka for the investors of CEPZ to facilitate exports by air.

He expressed satisfaction over the quick settlement of the claims of the cyclone-affected units in the zone.

CEPZ authorities informed the minister that the construction of 18.68 km permanent

embankment from Patenga to Kumira would be undertaken during this fiscal year. The project is expected to be completed by fiscal 1992-93. The minister directed the authorities concerned to give priority to the portion of the embankment around the CEPZ and the airport.

The chairman of Bangladesh Export Processing Zone Authority (BEPZA), Syed Shahabuddin Ahmed informed the minister that BEPZA has so far sanctioned 79 industrial units for the CEPZ with a provisional investment of 480 million US dollars. Of these, 40 have already gone into production.

Another six units will go into operation shortly, he said adding that about 10 thousand people were employed in these units. The Chairman also revealed that the operating units in CEPZ have so far exported goods worth 149 million US dollars. The goods included electronics and electrical items, garments, textile and fabrics, shoes and golf equipment.

ICB failing to retain small investors

Commentary

By Abu Ahmed

During the last few months Investment Corporation of Bangladesh (ICB), the mini-capital market of the country, has witnessed an alarming withdrawal of fund with more sale of shares, debentures and ICB units by the small investors who seem worried to protect their savings lying in the continuously shrinking capital market.

Their patience has been overtaken by the fear of more losses in future. The small investors, who serve as a main vehicle for capital accumulation and supply in any growing capital market, came over to save with ICB market with more than Tk three thousand crore just a few years back. With the lion's share of the fund gone, ICB now commands only over Tk one thousand crore or so.

The startling outflow of fund from the capital market is staunchly marked by the difference between the total values of sales and purchases of ICB shares on the stock exchange floor. On an average ICB is being selling about Taka one lakh worth of shares and debentures daily while buying half of it.

and from where? Certainly either ICB from its own portfolio, or investors from their accounts lying with ICB. But why are they selling? The main cause is that the small investors do not want to further lose their money in a no-end bearish condition of the share market and secondly, the small investors are not in a position to have their portfolios reshuffled to gain in the market.

The ICB has also proved to be inefficient in providing statement to the small investors and in executing their sale and purchase orders as a routine programme. Although ICB has installed a computer facility a few years ago at the cost a substantial amount of money, but it hardly renders the desired service. The facility remains either underutilized or totally unused. ICB sometimes buy such scrips which investors find it difficult to endorse. If asked, ICB says it has the power of attorney to buy and sell. But does it mean that ICB would misuse its authority?

Quite often, ICB fails to post the money that should pour in the investment accounts promptly, sometimes late by

three months. Collection of dividends and posting these even take longer time. Small investors do not get the statement of their accounts from ICB unless they hammer it repeatedly and keep on hammering. Although ICB itself is a public limited company (public having only about 2% of its shares) but the organization behaves like a govt. one. It cares little to address the needs of the savers. All these are compelling the poor investors to pull out their fund from the ICB, and thus from capital market.

Another striking phenomenon this year is that ICB sold less units than it bought back from the old buyers against payment. Last year, the net cumulative sale of units stood at about Tk 190 crore while the figure was learnt to fall to about Tk 182 crore till now this year.

This means people are also scared of holding units which were paying relatively higher rate of dividends during the last few years.

What caused people suddenly to be scared? This is also due to unintelligible management of Unit Fund by the ICB. Last year ICB raised the

price of its units up to Tk 132 per unit and re-purchase price was fixed at Tk 127 per unit. But the re-purchase price was fixed at Tk 110 in August 1991. Had a unit holder sold his unit at the last year's re-purchase price to ICB, he would have gained more than what he got after waiting few more months for dividend at the rate of Tk. 18 per unit. This is not a fair play, if not an outright cheating.

The problem was not in offering a low dividend on ICB Units, the mistake was rather the quick raise of the unit price in the preceding year for which Tk. 18 was declared dividend. ICB is to pay dividend on units from what it earns. This organization over-rode its capacity to pay on Unit Fund in earlier years, and at the end put itself on a kneel-down position.

The rush for sale of shares and surrender of units do not bear any good sign for the economy, not to speak at all of the capital market. With all this in the backdrop, should someone say that our capital market is improving?

(The writer is an Associate Professor of Economics at Dhaka University.)

Prices of Shares, Debentures with Dhaka Stock Exchange

At the closing of trading on Dec 5 and 12, 1991.

Company	EVALUATION	December 5		December 12	
		High	Low	High	Low
BANKS (10)					
Al Baraka Bank	1000/1	1070.00	1070.00	1070.00	725.00
A.B. Bank	100/5	177.00	177.00	185.00	135.00
City Bank	100/5	270.00	270.00	280.00	178.00
L.F.I.C.	100/5	182.00	180.00	202.00	140.00
Islamic Bank	1000/1	1300.00	1300.00	1400.00	1000.00
National Bank	100/5	185.00	184.33	125.00	102.00
People's Bank	100/5	100.00	100.00	115.00	85.00
Rupsha Bank	100/10	92.00	90.00	110.00	88.00
U.C.B.L.	100/5	120.00	120.00	138.00	119.00
Uttara Bank	100/5	190.00	190.00	230.00	160.00
INVESTMENT (06)					
ICB	100/5	93.50	93.00	100.00	97.00
1st ICB M. Fund	100/5	345.00	345.00	450.00	345.00
2nd ICB Fund	100/5	153.00	153.00	200.00	150.00
3rd ICB M. Fund	100/5	132.00	132.00	168.00	130.00
4th ICB M. Fund	100/10	125.00	125.00	157.00	123.00
5th ICB M. Fund	100/10	93.00	92.00	138.00	94.00
6th ICB M. Fund	100/10	65.00	65.00	100.00	59.50
Sales Price		118.00	118.00		
Re-purchase		111.00	111.00		
INSURANCE (4)					
BGC	100/10	105.00	105.00	127.50	104.00
Green Delta	100/10	113.00	113.00	122.00	104.50
Peoples	100/10	120.00	120.00	133.00	108.00
United	100/10	128.00	128.00	133.00	105.00
ENGINEERING (18)					
Arab Automobiles	100/5	195.00	185.00	220.00	194.00
Atlas Bangladesh	1050	41.00	40.00	49.97	36.00
Asst Pipes	100/5	240.00	240.00	260.00	218.00
Bangladesh Autocore	100/5	85.00	70.00	123.00	88.00
Bangladesh Lamp	105/5	235.00	235.00	290.00	230.00
B. Thal Aluminium	100/10	87.40	87.00	110.00	75.00
Bengal Carbide	100/5	230.00	230.00	250.00	230.00
Bengal Steel	10/50	18.00	18.00	18.00	18.00
Eastern Cables	100/5	89.50	89.00	109.00	75.00
Howlader PVC	100/10	100.00	100.00	122.00	97.00
Kartim Pipe	100/5	130.00	128.00	139.00	110.00
Metalex Corp.	100/5	120.00	120.00	153.07	75.00
Morno Staffers	10/05	200.00	200.00	200.00	200.00
Morno Jute	100/5	240.00	240.00	240.00	210.00
National Tubes	100/10	124.33	121.00	148.48	103.00
Panther Steel	10/50	6.00	6.00	6.00	6.00
Quasem Drycell	10/50	8.25	8.25	9.30	7.50
Remrick Jajneswar	100/5	92.00	98.83	100.00	48.00
Singer Bangladesh	100/5	700.00	700.00	1125.00	700.00
FOOD & ALLIED (21)					
A.B. Biscuit	100/5	180.00	180.00	200.00	180.00
Alpha Tobacco	10/50	48.00	48.00	48.00	48.00
Aman Sea Food	100/5	36.00	36.00	40.00	36.00
Apex Food	100/5	450.00	450.00	450.00	270.00
Aroma Tea	100/5	70.00	70.00	85.00	45.00
Banga	100/5	155.00	305.00		
Bengal Food	100/5	500.00	113.00	255.00	112.00
B.L.T.C.	100/5	39.00	590.00	500.00	400.00
B.T.C.	10/50	97.50	39.00	85.00	35.00
Cig. Vegetable	100/5	140.00	97.50	117.00	92.00
Dhaka Vegetable	100/5	1000.00	145.00	175.00	92.00
E.L. Cement	100/5	1000.00	1000.00	500.00	1000.00
Fruging Export	4.50	4.50	4.50	8.75	
Gemini Sea Food	100.00	100.00	100.00	100.00	100.00
Modern Industries	100/5	180.00	180.00	180.00	135.00
N.T.C.	100/5	280.00	180.04	282.00	220.00
Rabeya Flour	10/100	NT	NT		
Rupam Oil	10/100	6.26	6.30	7.50	5.75
Tulip Dairy	100/10	95.00	95.00	105.00	90.00
Younaf Flour	10/50	NT	NT		
Zuel Bangla Sugar	10/50	12.20	11.50	15.59	7.50
FUEL & POWER (3)					
Padma Oil Co.	10/50	40.00	40.00	45.00	40.00
Eastern Lubricant	10/50	14.00	NT	81.50	46.50
Oxygen	10/50	47.00	47.00		
JUTE (13)					
Ahad Jute	100/10	NT	NT		
Anuwara Jute	10/50	NT	NT		
Delta Jute	10/50	8.50	8.50		
Gawisa Jute	10/50	NT	NT		
Islam Jute	100/5	75.00	75.00	75.00	53.00
Jute Spinner	100/5	95.00	95.00	100.00	93.00
Mutual Jute	100/5	100.00	100.00	100.00	50.00
Northern Jute	10/50	NT	NT		
Shamser Jute	100/5	100.00	100.00		
Specialised Jute	10/50	NT	NT		
Shine Pukur Jute	100/5	92.00	92.00	100.00	92.00
Sonali Anah	100/5	97.00	97.00	97.00	60.00
PHARMACEUTICALS & CHEMICALS (18)					
Amber Pharma	10/50	13.50	13.50	15.50	13.50
Bangla Process	100/5	58.00	58.00	68.00	50.00
Bestmco Pharma	100/5	182.00	189.77	187.00	149.00
Gleco	10/50	125.00	125.00	240.00	125.00
I.C.I.	10/50	10.00	10.00		
Kohinoor Chemical	100/5	102.00	103.12	127.55	66.00
Petro Synthetic	10/50	12.50	12.50	18.00	11.00
Pfizer	100/5	110.00	110.00		
Pharma Aids	100/5	168.00	165.00	180.50	150.00
Pharmaco	100/5	53.00	53.00	55.00	39.00
Progressive Plastic	10/50	40.00	40.00	58.00	40.00
Reckitt & Colman	10/50	240.00	240.00	240.00	240.00
Rahman Chemicals	100/10	48.00	48.00	60.00	35.00
Therapeutics	100/5	51.00	51.00	52.00	35.00
The Brinstra	100/10	92.00	92.00	100.00	79.00
PAPER & PRINTING (8)					
Eagle Box	10/50	33.00	28.33	40.00	11.50
Monopol	100/5	106.50	106.50	125.00	98.00
Paper Converting	100/5	113.00	113.00	113.00	90.00
Paper Processing	100/10	75.00	75.00	112.00	75.00
Padma Printers	10/50	80.00	80.00	80.00	25.00
Sonali Paper	10/50	80.00	80.00	85.00	50.00
SERVICE (3)					
Bangladesh Hotel	10/50	12.00	12.00		
Bd. Service	10/50	NT	NT		
TEXTILE (18)					
Alhaj Textile	10/50	NT	NT		
Arbec Textile	100/10	NT	NT		
Ashraf Textile	10/50	28.00	28.00	33.00	27.00
Chand Textile	10/50	NT	NT		
Charat Spinning	10/50	NT	NT		
Deah Garments	100/10	61.00	61.00	100.00	61.00
Dulama Cotton	100/10	85.00	85.00	104.00	89.00
Eagle Star	10/50	42.19	25.00	45.80	30.00
G.M.C. Ind. Corp.	10/50	13.00	13.00	13.00	10.00
Modern Dyeing	100/5	35.00	35.00	44.00	32.00
Quasem Silk	10/50	8.50	8.50	8.00	5.50
Quasem Textile	10/50	8.00	8.00	9.25	7.50
Rahim Textile	100/5	55.00	55.00	65.00	46.00
Saiman Textile	100/10	76.00	76.00	90.00	75.00
S.T.M. (ORD)	100/5	50.00	50.00	50.00	12.00
Stylecraft	100/5	100.00	100.00		
Swan Textile	100/5	80.00	80.00	73.00	60.00
Talru Spinning	100/10	118.00	118.00	126.50	101.00
MISCELLANEOUS (14)					
Apex Tannery	100/5	197.11	200.00	189.00	138.00
Armit	10/50	NT	NT		
Bata Shoe	10/100	35.00	34.50	47.00	34.75
Bestmco	10/100	9.25	9.25	10.50	8.25
B.S.C.	100/5	50.00	50.00	50.00	50.00
Chittagong Cement	100/5	202.00	200.00	215.00	129.00
G. G. Ball Pen	10/50	50.00	50.00	64.00	45.00
H.H. H. Ltd.	10/100	6.00	6.00	6.00	6.00
Milon Tannery	100/5	30.00	30.00	39.00	26.00
Monzo Ceramic	100/5	148.00	147.00	180.00	127.00
Phenox Leather	100/5	90.00	90.00	100.00	90.00
Savar Refractories	100/5	113.00	113.00	132.00	104.00
The Engineers	100/5	100.00	100.00		
Umanisa Glass	100/5	220.00	226.00	247.00	123.00
DEBENTURES (8)					
Apex Tannery	1000/1	1060.00	1060.00		