

Business

# Adverse impact on agricultural output

## High bank interests discourage farmers

By Shahiduzzaman Khan

High rate of interest on farm credit discourages farmers to seek bank loans. This has already made an adverse impact on agricultural output in many areas of the country.

The farmers pay 16 per cent interest on the loans while jute traders are required to pay only 9 per cent interest on loan in case of current capital. Often farmers fail to repay the bank loans in due time and face certificate cases.

Banking experts said such discrimination has left a negative impact on the agricultural sector. Irrigation and transplantation of High Yielding Varieties (HYV) are affected. Political leaders, in course of their hectic election campaigns, have committed that interest on certain amount of loans will be waived and in many cases, certificate cases will be withdrawn.

Bangladesh Bank, in its reform bid of the banking sector, had fixed the maximum limit of agricultural interest for agricultural and commercial banks at 16 per cent. The bank authorities defended the imposition of this interest saying this would prevent the loans to become 'bad debts'.

But other experts say if the loans are given to real farmers, there will be no problems of bad debts. They say the real problems lie with the manipulation of agricultural loans which are changing hands to the non-farmers through middlemen. The vested quarters are playing a dubious role in the proper distribution of agricultural loans.

The experts say even the urban housing, exports of all commodities (other than jute) have interest rates of 8-11 per cent with subsidies being offered to certain sectors. The rate of subsidy for the current

capital for jute industry is 6.1 per cent. For the special projects, the interest rate is between 8 and 12 per cent.

Reports from rural areas suggest the rigidity in the distribution process of agricultural loans are discouraging the farmers to cultivate bore crops intensively. Price hike of diesel and shortage of pumps are also posing as hindrances.

The interim government pledged to reduce the diesel price and keep the certificate cases suspended in an earlier announcement.

It is however not clear whether the Government would reduce the diesel price due to instable situation in the oil market and uncertain position of its abundant availability the experts added.



Brick-making is in progress at a place near Savar. Bricks are in high demand for construction work but its price is soaring. - Star photo

## Wheat output to be lower

CANBERRA, Feb 1: World wheat production in 1991-92 is likely to be lower than in 1990-91, and prices higher, reports Xinhua.

The prediction was made by Chrysanthi Papadopoulos, Assistant Director at the Australian Bureau of Agricultural and Resources Economics (ABARE), at the outlook 91 conference being held here.

If another bumper world wheat crop is harvested in 1991-92, prices could fall further, she said.

Chairman of the Australian Wheat Board, Clinton Condon, said that record or near record production in six of the world's seven largest producers and escalation of the subsidy war between the United States and the European Community (EC) have driven the wheat price on world market down to levels which in

real terms have been unprecedented.

He said that prospects for the 1991-92 crop would be largely determined by seasonal conditions in the Northern Hemisphere. He expected the principal influences to become evident between March and June in 1991.

According to Des Cenery, Chairman of the Australian Barley Board, future demand for both malting and feed barley in the world market is very sound. He expected the new season's prices to remain at about current levels or to improve slightly as long as Saudi Arabia and the Soviet Union remain buyers.

On this basis, Cenery forecast feed barley prices next season at 94-98 US dollars per ton with a premium of 23-27 dollars per ton for malting barley.

## Taiwan okays \$302.6b economic plan

TAIPEI, Feb 1: Taiwan's Cabinet approved Thursday an extensive 8.2 trillion Taiwan Dollar (\$302.6 billion US Dollar) national construction plan to propel Taiwan into the ranks of developed countries in six years, officials said, reports AFP.

The 1991-96 economic construction package is aiming to achieve a seven-per cent annual economic growth rate in the period. It seeks to increase personal income, upgrade quality of life and accelerate and balance industrial development, Cabinet officials said.

Key among the 779 projects planned are highway and subway systems, petrochemical plants, infrastructure for heavy industries, the country's fourth nuclear power plant and sophisticated pollution control facilities.

According to the development plan, Taiwan's GNP (Gross National Product) would expand to 2.985 billion US Dollars in 1996 as compared with 1.615 billion US Dollars for this year.

Per capita income would grow to 13,975 US Dollars in 1996 from this year's 7,990 US Dollars, the officials said.

Premier Hau Pei-Tsun described the package proposed by the council for economic planning and development, the island's top economic think-tank, as "forward-looking" in trying to transform the island into a regional economic and financial hub, he said.

## India, Cuba form joint venture body

HAVANA, Feb 1: India and Cuba have formed a committee for joint ventures to increase bilateral trade, reports Pool.

An agreement to this effect was signed by the Indian Ambassador here and the President of the Cuban Chamber of Commerce who said the new mechanism responds to the creation of a joint venture commission, promoted by Asian business associate.

## Garment workers to go for greater movement

Star Economic Reports

Bangladesh Garments Sr. Amik Karmachari Otkya Parishad in a rally on Friday decided that it would go for greater movement to realise their five-point demand submitted earlier to the Acting President.

The parishad would form factory committee in all the garments industries throughout the city. It has also decided to conduct a campaign fortnight from Friday. It would bring out posters and leaflets in favour of their five-point demand during the period.

The Otkya Parishad, formed after the fire incident in a garments factory in Mirpur last month, lamented that the neither the Government nor the garment factory owners had paid any heed to their

demands.

The five-point demand includes enforcing different factory and labour laws, fixing a lowest salary of 1400 Taka, giving the workers some allowances.

Mr Meher Ali, General Secretary of the parishad, addressed the rally and said the workers are the main force behind the country's flourishing industry. But they had been deprived of their legal rights.

Mr Abul Hossain, President of the parishad, said the owners are exploiting the workers by paying them poor salary and denying other facilities. He said such exploitation would ultimately kill the industry.

Workers' representatives from different garments factory addressed the rally.

## ADB loans, investments rise 9 p.c.

MANILA, Feb 1: The Asian Development Bank (ADB) provided a total of 4,004 billion dollars in loans and investments in 1990, up nine per cent from the previous year, an ADB statement said here Thursday, reports AFP.

The Manila-based ADB said that loans to governments and direct private sector loans totalled 3,972 billion dollars, up 10 per cent from last year, while direct equity investments amounted to 32 million dollars, up 43 per cent from 1989.

Of the bank's 18 developing member countries, Indonesia received the most loans, totalling 923 billion dollars, followed by Pakistan with 705 million dollars, India with 699 million dollars and the Philippines with 683 million dollars.

## Revenue earnings fall by 40 p.c.

The country's revenue earnings during the first half of the current fiscal fell short of the target by more than Taka 600 crore, according to an official estimate, reports UNB.

Aggregate revenue earnings over the period is only about 40 per cent of the annual target of Taka 7,067 crore.

According to Finance Ministry reckonings in Dhaka prepared last week, earnings from taxes and duties during July-December period of 1990-91 stood at Taka 2,930 crore against the period's target of Taka 3533 crore.

Collection from excise duty has so far been very poor. As against the target of Taka 1,081, only Taka 791 crore were collected.

In addition, income tax collection stood at Taka 301 crore against the period's target of Taka 487 crore.

The poor performance, officials feared, would disrupt the bid to raise domestic resources through effective revenue generation.

Decline in import as well as in local production mostly caused the revenue shortfall, trading circle said.

According to Central Bank estimates, import declined during July-November period by about 15 per cent over the corresponding period of last year.

Collection from excise duty has so far been very poor. As against the target of Taka 1,081, only Taka 791 crore were collected.

In addition, income tax collection stood at Taka 301 crore against the period's target of Taka 487 crore.

The poor performance, officials feared, would disrupt the bid to raise domestic resources through effective revenue generation.

Decline in import as well as in local production mostly caused the revenue shortfall, trading circle said.

According to Central Bank estimates, import declined during July-November period by about 15 per cent over the corresponding period of last year.

## Workshop on financial sector reforms ends

A 3-day workshop on "financial sector reforms", organised by the Bangladesh Institute of Bank Management (BIIM), concluded Thursday, reports BSS.

The workshop, interalia, highlighted implementation process of the various types of reforms which have been introduced in the financial sector and their impact on the economy. The participants in the workshop were drawn from the Bangladesh Bank, commercial banks and development financing institutions.

A 6-day long regular training course on "Human relations and customer service development" also concluded Thursday at the institute. A number of 32 officers from different banks and financial institutions participated in the course.

Mr. A.B.M. Mahbubul Amin Khan, Director of the institute, presided over both the concluding sessions of the workshop and the course and gave away the certificates to the participants.

## Pak duties on Malaysian palm oil slated

KUALA LUMPUR, Feb 1: Malaysia will renew protests to Pakistan over allegedly discriminatory import duties imposed on its palm oil sources said Thursday, reports AFP.

The sources said that Primary Industries Minister Lim Keng Yik will meet with Pakistan's High Commissioner (Ambassador) to Malaysia soon to lodge his protest.

Previous protests to Pakistan officials have resulted in a 500 Rupee (22 US dollar) reduction in palm oil import duties to 4,500 Rupees (204 dollars) a tonne and the re-imposition of a duty on soyabean oil, the main competitor for palm oil sources said.

The sources said that even with the reduction, the duty was still discriminatory because palm oil was taxed at 100 US dollars a tonne more than soyabean oil.

The marketing manager of a plantation company said that the palm oil industry was pressing for an abolition of duties even though the reduction would already turn consumers to palm oil.

Pakistan is one of the largest buyer of Malaysian palm oil with purchases amounting to some 720,000 tonnes last year.

## Snippets

### Japan's account surplus falls

TOKYO, Feb 1: Japan's current account surplus shrank 7.4 per cent from a year earlier to 3.7 billion Dollars in December but was up from 1.75 billion Dollars in November, the Finance Ministry said Friday, reports AFP.

For the whole year, the surplus in the current account which measures trade in both goods and services as well as certain financial transactions narrowed 37.4 per cent to 35.8 billion Dollars, the Ministry said.

### Tax on selected imports in Jakarta

JAKARTA, Feb 1: Indonesia plans to impose tax surcharges on selected imports to counter alleged plans to dump goods by some Asian countries trying to cut losses due to the Gulf war, Antara news agency said Thursday, reports AFP.

The official news agency quoted Industry Minister Hartarto as saying the move was aimed at protecting local manufacturers from the effects of dumping.

Mr. Hartarto named China, South Korea and Hong Kong as countries that would likely resort to dumping in the face of huge export losses as a result of the war, according to the Antara report.

He did not specify the commodities or when the plan would be introduced.

### IMF ready to help Egypt

WASHINGTON, Feb 1: The International Monetary Fund (IMF) assured Egypt on Thursday that it was ready to help the nation's economy weather the Gulf conflict, Monetary sources said, reports Reuter.

However, the IMF stopped short of fully endorsing Cairo's economic reforms until they are put into effect, the sources said.

They said IMF Managing Director Michel Camdessus told a visiting Egyptian delegation that he was prepared to put the country's economic reform programme to the fund's board for approval once it was fully underway.

### Asia-Pacific bankers to meet in Tokyo

SEOUL, Feb 1: South Korea's Bank of Korea (BOK) Wednesday confirmed that central bankers in Asia-Pacific would meet in Tokyo, but added it did not know whether it would lead to the formation of a regional forum, as reported, says AFP.

Assistant Governor Lee Chan-Kyu, who will attend the meeting scheduled for February 22, said the gathering would be "informal," with no specified agenda and would be closed to the press.

"This meeting is for exchanging views among the region's central bankers on mutual finance and economic relations at a time when countries grow dependent on each other's economy", Mr. Lee said in an interview.

### Coal trade likely to be doubled

CANBERRA, Feb 1: The world seaborne steaming coal trade is expected to double over the next 15 years to 331 megatonnes (MT), with Australia supplying 80 MT, according to an Australian energy economist, reports Xinhua.

Geraldine Anthony of the Australian Bureau of Agricultural and Resource Economics (ABARE) made the prediction at a meeting closing here Friday.

She said at the meeting, the ABARE '91 outlook conference, that total Asian seaborne steaming coal imports are expected to rise from a forecast 81 MT in 1990-91 to around 160 MT in 2004-2005. Japan, South Korea, Taiwan and Hong Kong will remain the main importers.

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

At the close of trading before on January 24 and January 31, 1991 weekends

1990-91

Company	FY/ML*	January 24		January 31		High	Low
		Taka	Taka	Taka	Taka		
<b>BANKS (Ten)</b>							
Al Baraka Bank	1000/1	960.00	960.00	1135.00	960.00		
Al Bank	100/5	150.00	137.50	255.00	150.00		
Al Bank	100/5	178.00	180.00	240.00	160.00		
LFIC	100/5	150.00	142.50	235.00	150.00		
Islami Bank	1000/1	1011.25	1011.25	122.00	925.00		
National Bank	100/5	110.00	110.00	145.00	106.00		
Papal Bank	100/5	100.00	100.00	115.00	100.00		
Rupali Bank	100/10	90.00	85.00	30.00	90.00		
U.C.B.L.	100/5	138.00	138.00	155.00	138.00		
Utara Bank	100/5	218.00	205.00	240.00	218.00		
<b>INVESTMENT (Eight)</b>							
ICB	100/5	100.00	90.00	100.00	99.00		
1st ICB M.Fund	100/5	450.00	450.00	575.00	450.00		
2nd ICB Fund	100/5	182.00	175.00	220.00	180.00		
3rd ICB M.Fund	100/5	148.00	146.00	173.00	143.00		
4th ICB M.Fund	100/10	139.00	135.72	161.00	133.00		
5th ICB M.Fund	100/10	120.00	118.00	142.00	118.00		
6th ICB M.Fund	100/10	90.50	89.00	104.00	88.00		
ICB Unit Cert.							
Sales Price		126.00	126.00				
Re-purchase		121.00	121.00				
<b>INSURANCE (Four)</b>							
HCIC	100/10	108.00	106.00	115.00	105.00		
Green Delta	100/10	107.00	106.00	122.00	86.50		
Poplar	100/10	108.00	109.00	110.00	109.00		
United	100/10	109.00AL	108.24AL	116.00	105.00		
<b>ENGINEERING (Nineteen)</b>							
Afak Automobiles	100/5	207.50	205.00	232.00	205.00		
Atlas Bangladesh	1050	38.00	38.00	48.00	35.50		
Aziz Pipes	100/5	220.00	220.00	250.00	180.00		
Bangladesh Autocars	100/5	121.00	120.00	157.00	114.00		
Bangladesh Lamps	100/5	260.00	237.06	365.00	280.00		
B.that Aluminium	100/10	78.00AL	76.00AL	110.00	75.00		
Bengal Carbide	100/5	400.00	400.00	450.00	320.00		
Bengal Steel	10/50	18.00	18.00				
Eastern Cables	100/5	81.00	80.00	99.00	78.00		
Howlader PVC	100/10	103.00	103.00	112.00	103.50		
Karim Pipe	100/5	120.00	120.00	139.00	116.00		
Metalex Corp.	100/5	80.00	78.00	113.00	80.00		
Monno Staffers	100/5	250.00	250.00	250.00	250.00		
Monno Tubes	100/5	400.00	400.00				
National Tubes	100/10	113.50	110.00	122.00	102.00		
Panther Steel	10/50	6.00	6.00				
Quasem Drycells	10/50	7.50	7.50	9.30	7.25		
Remwick Japnewsaw	100/5	48.00	48.00	75.00	40.00		
Singer Bangladesh	100/5	1150.00	1150.00	1150.00	1150.00		
<b>FOOD &amp; ALLIED (Twenty-one)</b>							
AB Biscuit	100/5	200.00	200.00	290.00	200.00		
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	310.00	300.00	285.00	260.00		
Aroma Tea	100/5	45.00	45.00	52.00	45.00		
Bargas	100/5	305.00	305.00				
Bengal Food	100/5	200.00	200.00	255.00	200.00		
B.L.T.C.	100/5	600.00	600.00	600.00	600.00		
B.T.C.	10/50	83.00	83.00	83.00	80.00		
Cig. Vegetable	100/0	97.00AL	97.00AL	111.00	90.00		
Dhaka Vegetable	100/5	160.00	155.00	192.00	153.00		
E.L. Cemeilia	100/5	700.00	700.00	500.00			
Export	10/50	4.50	4.50	8.00	4.50		
Gemini Sea Food	100/5	100.00	100.00	100.00	100.00		
Modern Industries	100/5	130.00	130.00	130.00	120.00		
N.T.C.	100/5	255.00	255.00	350.00	255.00		
Rubeya Flour	10/100	NT	NT				
Rupani Oil	10/100	7.50AL	7.00AL	9.25	7.25		
Trip/Dairy	100/10	105.00AL	105.00AL	105.00	101.00		
Yousaf Flour	10/50	NT	NT				
Zeal Bangla	10/50	98.50	8.10	10.00	7.40		
<b>FUEL &amp; POWER (Three)</b>							
Padma Oil Co.	10/50	45.00	45.00	47.00	45.00		
Eastern Lubricant	10/50	14.00	14.00				
Oxyzen	10/5062.00DXB	50.00DXB	90.00	51.00			
<b>JUTE (Twelve)</b>							
Ahad Jute	100/10	NT	NT				
Asowara Jute	10/50	NT	NT				
Delta Jute	10/50	8.50	8.50				