

Task Force suggests bifurcation of BSCIC

Prospect for rural-based industries bright

By Moinuddin Naser

The Task Force on Strategy and Role of Small and Rural Industries has recommended for reorganisation of Bangladesh Small and

Cottage Industries Corporation (BSCIC) to give more emphasis to rural-based industries which involve about half of total labour force of the country.

The Task Force which submitted its report to the Government strongly suggested for bifurcation of the BSCIC in two separate wings — one for small industries and the other for rural industries.

Convener of the Task Force Dr Quazi Kholiqzaman Ahmed in an interview with The Daily Star said there are a bright prospect for rural-based industries in Bangladesh, but this sector has not been given effective priority in the overall development of the government in the past. He said that only 0.6 per cent of total allocation in the development budget in the eighties was earmarked for development of the small and rural projects.

Kholiqzaman said that the small industries as defined by BSCIC, are those where investments do not exceed Taka 15 million and again investment in the machinery and equipment do not exceed Taka 10 million. He said that this ceiling which was fixed much earlier should be revised upwards to Taka 30 and 20 million in the wake of inflation and devaluation of currency.

But, compared with small

industries sector, there is no incentive for rural-based industries where per unit employment varies between 10 and 20 persons.

He observed that the cottage industries in urban areas should be treated at par with the rural industries. This, he said, can make a significant contribution to Gross Domestic Product (GDP), if properly developed along functionally organised lines such as planning, promotion extension, training etc.

Kholiqzaman said that as of 1988-89 the contribution of small scale industries to GDP was 3.7 per cent. This figure however does not include a large part of the rural, informal industrial activities, which employed millions of people — men and women, on full or part time basis in both rural and urban areas.

He said in a study project of BIDS it was found that about 217 thousand persons were involved in 57 thousand units under 11 upazilas. The number of labour force involved in these units is almost 25 per cent of total labour force.

Mr Kholiqzaman said the rural industries in particular have high potentials for employment generation, involving very simple, inexpensive technology and much lower investment per worker com-

pared with large in industries.

He also recommended for reorganisation of Bangladesh Handloom Board (BHB) and Bangladesh Sericulture Board (BSB) for a more concentrated organisational attention on rural industries.

He also emphasised the need for involving local institutions such as Zila, Upazila and Municipalities in infrastructure development and management, working in co-operation with BSCIC, BHB and BSB.

The Task Force further recommended for improved data base for formulating effective policies, institutional arrangement for data generation and analysis, increased fund allocation, investment ceiling of commercial banks, introduction of "lead bank system" on experimental basis for some of the BSCIC industrial estates, credit fund for sick industries, credit guaranty scheme, supply of seed capital, raw material bank, marketing assistance and cluster approach for small and rural industries for providing effective marketing assistance.

The Task Force report also suggested for increased recruitment of women in BSCIC, BRDB, EPB, BHB and BSB, particularly at planning and extension worker level.

23m live in urban areas

Experts have suggested an immediate new masterplan for systematic growth of the sprawling 160-square mile capital city, prohibiting further installation of heavy industries within the city corporation limits, reports UNB.

The recommendation was made in a task force report submitted to Acting President Justice Shahabuddin Ahmed on March 10.

The "Task Force on Social Implications of Urbanisation" also suggested extension of suburbs like Savar and Joydebpur, and setting up new satellite towns for the accommodation of swelling population of the metropolis.

It attributed "alarming" rise in the urban population to in-

creasing migration of rural masses to towns and cities including the capital.

The Task Force cited failure of poverty alleviation policies and programmes as the main cause of the rural-urban exodus. "All the poverty alleviation policies and programmes undertaken in the last four decades have failed."

Country's total urban population at present is about 23 million compared to 2.64 million in 1961, six million in 1974 and 13.56 million in 1981.

The figure is likely to reach 37 million by the year 2000, according to the report of the 15 member task force led by Professor Nazrul Islam of Dhaka University Geography

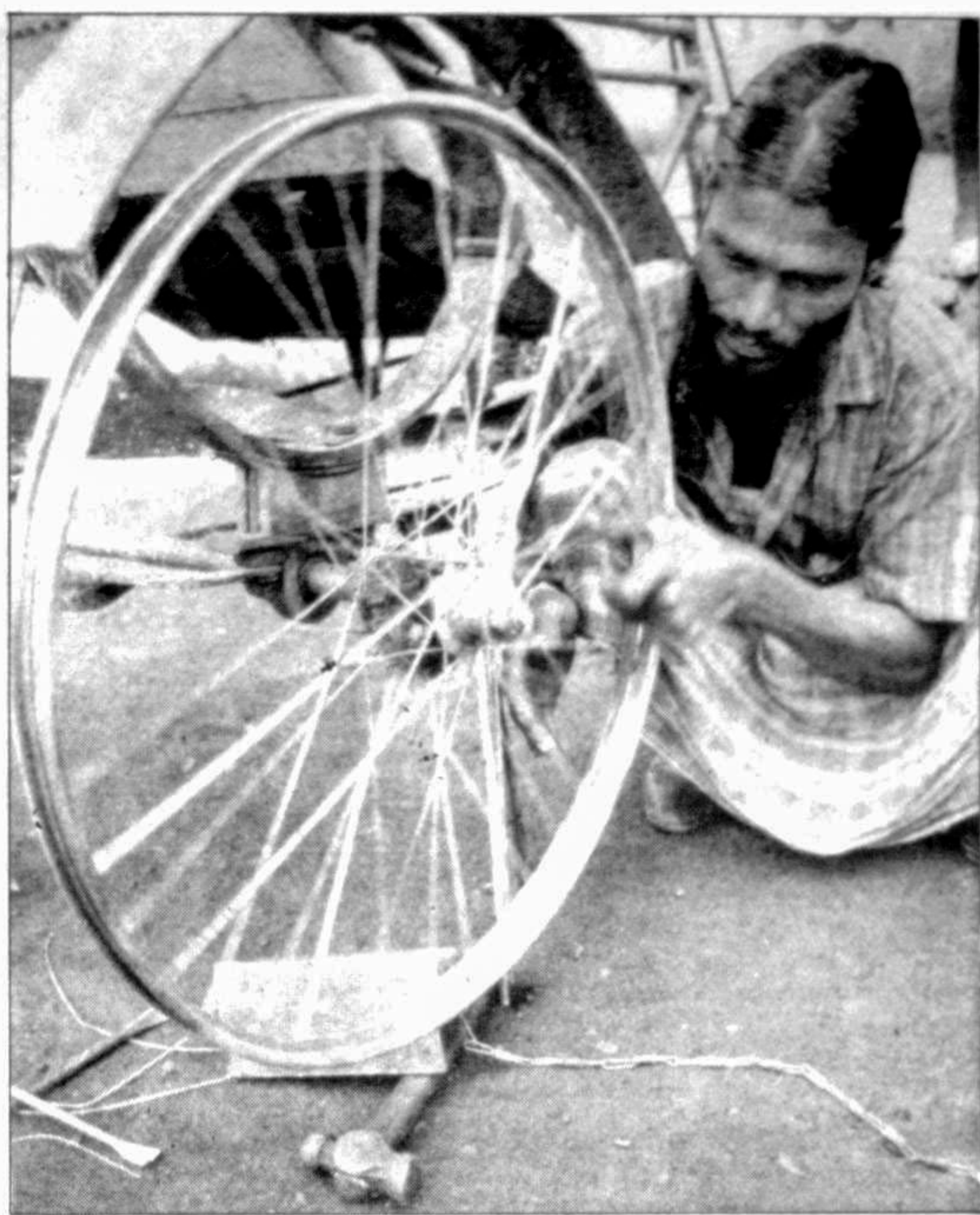
Department.

It put the growing urbanisation rate at nearly 20 per cent the rapid growth was mainly due to excessive migration to big cities and expansion of old cities and towns, the report said.

Migration alone has contributed about 40 per cent to the increase in urban population and, in some cases, upto 70 per cent.

Nearly 45 per cent of the country's urban population live in four metropolises of Dhaka, Chittagong, Khulna and Rajshahi. Dhaka alone comprises 25 per cent of the total urbanisation.

More than half of the people of urban areas live below poverty level.



A wayside mechanic attending a faulty rickshaw rim in the metropolis. —Star photo.

Plan to privatise Thai firms

BANGKOK, Mar 17: Thailand's military leadership, in a surprise move, has announced plans to privatise state enterprises and dissolve their unions to head off resistance to the plan, news reports said Saturday, reports AFP.

The decision was announced Friday in an interview granted by General Suchinda Kraprayoon, who was quoted as saying disbanding the unions was "one of the objectives" of the February 23 military coup, which toppled the elected government of former Prime Minister Chatichai Choonhavan.

Gen. Suchinda, the number two man in Thailand's ruling junta, said martial law, in force since the bloodless coup,

would only be lifted once state enterprise unions were denied the protection of the labour relations act and prevented from resorting to industrial action.

"I support the efforts by the previous governments to privatise state enterprises but this could not be done because of the resistance of the labour unions," one report in the English-language daily the Nation quoted the General as saying.

But 57-year-old Gen. Suchinda's expression of support for Mr. Chatichai's privatisation policy and his explanation that union resistance to this policy had been a central factor in the coup have baffled analysts here.

Many believe the coup was

prompted by the former Premier's erosion of the military's political power and corporate interests.

The military's strongest line of defense to protect its corporate interests is linked to board membership in some 60 state enterprises, which employ about 300,000 workers.

As a result the military establishment and the unions were frequently allied against Mr. Chatichai.

Analysts were all the more surprised by Gen. Suchinda's remarks in that he paralleled one of Mr. Chatichai's last major actions, when the deposed leader moved towards confrontation with state enterprise unions over a plan.

Snippets

90's to be a tight money period

BOCA RATON (Fla), Mar 17: The decade of the 1990's will be a tight money period for the world economy, raising already high real interest rates, a World Bank official said at the annual futures industry association conference here, reports Reuter.

Real interest rates averaged four to five per cent in industrialised countries in the 1980's, "the highest level in any recorded decade" said Jean-Francois Rischard, Director of the Investment Department at the World Bank.

In the 1990's, countries such as Germany and Japan that in the 80's had large current account surpluses will see them shrink, Rischard said.

\$800 m Chinese loan for USSR

BEIJING, Mar 17: China will provide the Soviet Union with an 800 million Dollar commodity loan on favourable terms, it was announced here Friday, reports AFP.

Premier Li Peng made the offer in a meeting here Thursday with Soviet Deputy Prime Minister Yuri Maslyukov, official reports said, adding that the aid would include grain, meat, peanuts, tea, silk and tobacco.

Mr. Li was quoted as telling Mr. Maslyukov that although China was not a prosperous country, it could use last year's bumper harvest to help its northern neighbour.

COMECON meet ends without decision

MOSCOW, Mar 17: The Soviet led trading bloc COMECON concluded two days of meetings in Moscow Friday without agreeing on the structure of a successor organisation, reports Reuter.

Representatives said two basic issues were still in dispute whether—the replacement organisation should have economic teeth or be purely consultative, and whether its membership should be restricted to European government.

Six COMECON members — the Soviet Union, Bulgaria, Romania, Vietnam, Cuba and Mongolia—favoured creating a broad based consultative body open to all governments.

Pak Rupee adjusted down against Dollar

KARACHI, Mar 17: The State Bank of Pakistan adjusted the Rupee down to 22.4700/22.5824 to the Dollars from 22.4200/22.5321 fixed Wednesday, reports Reuter.

New rate: 22.4700/22.5824, previous rate 22.4200/22.5321, year-ago rate 21.4200/21.5271.

8.4 p.c jobless in EC

BRUSSELS, Mar 17: Unemployment in the European Community (EC) in January was 8.4 per cent, unchanged from December and

0.1 percentage points lower than in January 1990, the EC Eurostat Financial Service said here Friday, reports AFP.

But Eurostat said the apparent stability masked changes in individual EC member countries. Unemployment in Britain rose from 6.3 per cent in August to 7.2 per cent in January, while it fell in former West Germany from 5.1 to 4.6 per cent.

New Kuwaiti Dinar close to old level

LONDON, Mar 17: Kuwait will probably seek to re-establish its new Dinar close to pre-invasion levels to ensure continuity in the banking system and to counter imported inflation, bankers said, reports Reuter.

"I see no reason why it shouldn't go back at the previous level," an executive at one Kuwaiti bank said.

A senior executive at another Kuwaiti bank said he expected the currency would come back bid 2.90 and offered 3.15 to the Dollar. The last official fixing before the Iraqi invasion was 2.8744/54 Dinars to the Dollar.

India to buy four Boeings

NEW DELHI, Mar 17: The Indian government has granted the purchase of four Boeing 747-400s to improve the competitiveness of the country's largest airliner, Air India, reports Xinhua.

The aircraft, at an estimated cost of 717 million U.S. Dollars, will replace four aged Boeing 747-200 aircraft of Air India, local press reported. Two of the new aircraft are expected to be delivered in the 1991-92 fiscal year starting on April 1, and the other two in 1993-94.

Downtrend in share prices halted

Star Economic Report

Dhaka Stock Exchange (DSE) on Sunday witnessed a moderate rise in transactions. The downtrend in stock prices was halted. Advancers dominated transactions.

DSE All Share Price Index moved up to 350.6227 points compared with Saturday's 348.6610.

In all 9751 shares changed hands compared with Saturday's 4119. Traded issues valued Taka 4,31,845.00. It was Taka 2,49,893.00 on the previous day.

Thirtyfive stocks were traded. Of them nineteen gained, twelve lost and four remained unchanged at their previous quoted prices.

Among the gainers Islami Bank advanced most. It moved up Taka 33.75 to Taka 1108.75.

IFIC Bank gained Taka 7.00 to Taka 187.00.

N.T.C., in the Food and Allied sector and Al Baraka Bank advanced Taka 5.00 each to Taka 275.00 and Taka 970.00 respectively.

Beximco Pharma and Oxygen moved up Taka 4.93 and Taka 3.26 to Taka 179.93 and Taka 57.86.

National Tubes and 5th ICB Mutual Fund advanced Taka 2.82 and Taka 1.69 to Taka 126.40 and Taka 145.00.

Green Delta, Atlas Automobile, Atlas Bangladesh, Bangladesh Thai Aluminium, Quasem Drycells, Kohinoor Chemical, Rahim Textile, Saham Textile, Bata Shoe, Beximco and G.G. Ball Pen moved up within the range between Taka 0.16 and Taka 1.50.

Renwick Jajneswar and Rupali Bank declined Taka 4.50 and Taka 4.00 to Taka 68.00 and Taka 95.00 respectively.

The 3rd ICB Mutual Fund and 4th Mutual Fund lost Taka 3.67 and Taka 2.12 to Taka 152.00 and Taka 145.00.

Karim Pipe, Chittagong Vegetable and Rahman Chemicals declined Taka 2.00 each to Taka 128.00, Taka 111.00 and Taka 58.00.

Bangladesh Autocars, Zeal Bangla Sugar, Petro Synthetic, Chittagong Cement and Savar Refactorites lost within the range between Taka 0.50 and Taka 1.10.

Quoted Prices of Traded Stocks

Stock	Price	Change
Banka	100/10	Unchanged
Al Baraka Bank	1000/1	970.00 (+5.00)
IFIC	100/10	187.00 (+7.00)
Islami Bank	1000/1	1108.75 (+33.75)
National Bank	100/5	114.00 Unchanged
Rupali Bank	100/10	95.00 (-4.00)
Investment	100/5	152.00 (-3.67)
3rd ICB M.F. Fund	100/10	145.00 (-2.12)
4th ICB M. Fund	100/10	145.00 (-2.12)
5th ICB M. Fund	100/10	145.00 (-2.12)
Insurance	100/10	110.00 Unchanged
Green Delta	100/10	111.00 (+1.00)
United	100/10	116.00 Unchanged
Engineering	100/5	207.00 (+0.34)
Atlas Automobile	100/5	42.50 (+0.50)
Bangladesh Auto	100/5	118.00 (+1.00)
Bangladesh Auto	100/5	95.91 (+0.91)
B.T. Aluminium	100/10	126.40 (+2.00)
Karim Pipe	100/10	128.00 (+2.00)
National Tubes	100/10	126.40 (+2.82)
Quasem Drycell	100/5	8.50 (+0.16)
Rahim Textile	100/5	68.00 (-4.50)
Saham Textile	100/10	110.00 (+2.00)
N.T.C.	100/5	275.00 (+5.00)
Zeal Bangla Sugar	100/5	9.00 (+0.50)
Fuel & Power	100/5	57.86 (+3.26)
Ceylon	100/5	15.00 Unchanged
Amber Pharma	100/5	179.93 (+4.93)
Beximco Pharma	100/5	57.86 (+0.34)
Kohinoor Chemical	100/5	94.00 (+1.00)
Petro Synthetic	100/5	138.00 (+0.50)
Rahman Chemicals	100/10	58.00 (-2.00)
Textile	100/5	58.75 (+0.75)
Saham Textile	100/10	88.00 (+0.40)
Bata Shoe	10/100	43.00 (+1.50)
Beximco	10/100	9.58 (+0.33)
Chittagong Cement	100/5	150.00 (+1.10)
G.G. Ball Pen	10/50	90.00 (+1.00)
Savar Refactorites	100/5	105.44 (+0.50)

* FV= Face Value, ML = Market Lot

** Changes: Plus signs mean gain and (-) signs losses.

Dhaka Stock Exchange

Market Profile

March - 17

134 Listed stocks

19 Gains	12 Losers	103 Unchanged
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114 Unchanged stocks include four traded on the day at the previous day's quoted prices. DSE All Share Price Index = 350.6227. Issued Capital-Taka 4,620,377,190.00. Market Capitalisation = Taka 10,019,134,838.00. Turnover = Taka 4,31,845.50 (Value) 9751 (Volume).

Price Barometer: Essentials

Commodity	Price	Change
RICE (Taka per Kg)	17.00-18.00	
Amam (Very fine)	14.25-15.00	
Amam (fine)	13.50-14.50	
Paljam	12.50-13.50	
Ufah	3.50-4.00	
Potato (White)	7.00-10.00	
Brinjal	10.00-12.00	
Lady's finger	9.00-12.00	
Karolla	3.00-5.00	
Lalshak	5.00-6.00	
Papay	5.00-8.00	
Green Banana (Four Pieces)	12.00-14.00	
Green Banana (Two Pieces)	10.50-11.00	
Wheat	9.50-10.00	
FISH (Taka per kg)	120.00-150.00	
Rubi (big)	13.00-16.00	
Katla (big)	55.00-60.00	
Hilsha	120.00-130.00	
Pangas	100.00-120.00	
Shrimp (big)	70.00-80.00	
Singi	80.00-90.00	
Koi	26.00-28.00	
PULSES (Taka per Kg)	27.00-28.00	
Mash	34.00-36.00	
Moogh	22.00-24.00	
Chholo	26.00-27.00	
Masur	18.00-20.00	
Khesari	20.00-22.00	
MEAT (Taka per Kg)	Not Available	
Buff	Not Available	
Mutton	Not Available	
OIL (Taka per Litre)	50.00-54.00	
Mustard	37.00-34.00	
Soyabean	33.00-38.00	
Palm Oil	60.00-64.00	
Coconut (Colombo)	44.00-52.00	
Vegetable Ghee	10.00-13.00	
SPICES (Taka Per kg)	20.00-28.00	
Onion (new)	58.00-60.00	
Chile	40.00-48.00	
Chillies	42.00-50.00	
Tumeric (Round)	14.00-16.00	
(Long)	22.00-24.00	
Green chillies	3.00-3.50	
Ginger	3.50-4.00	
Cinnamon* (10gms)	7.00-7.50	
Cardamom* (large)	220.00-230.00	
Jhira (50gms)	29.00-30.00	
Choc	16.00-18.00	
Sugar		
Molasses		

Source: Department of Agricultural Marketing

Hides & Skin (Wet/Salted)

March - 17

(Taka per 100 pieces)

Cow	15,000.00	19,000.00
Light	28,000.00	35,000.00
Medium	40,000.00	45,000.00
Heavy	55,000.00	60,000.00
Very heavy	70,000.00	75,000.00
Rejected	30,000.00	35,000.00
Opat		
Light & heavy	14,000.00	15,000.00
Light		
Medium	7,500.00	8,000.00
Rejected	3,500.00	4,000.00
Sheep	10,000.00	10,500.00
BUFFALO	60,000.00	63,000.00

Source: Department of Agricultural Marketing

Commodity prices steady

LONDON, Mar 17: The decision taken by OPEC to reduce production by around one million barrels per day in the second quarter of this year prompted an immediate jump in crude oil prices this week, the market welcoming the re-establishment of production discipline after all control had been abandoned during the Gulf crisis, reports AFP.

However, gains were quickly trimmed and a number of analysts estimated that the cut would be insufficient to prevent a persistent surplus of supply over demand in the April-June period. Iran and Algeria expressed reservations on the new production ceiling of 22.3 million barrels per day.

GOLD: Quiet. In quiet trading, gold prices fluctuated in a narrow range. Some operators estimated that prices could resume an upward trend, but any firming was likely to be restrained by producer selling.

SILVER and PLATINUM advanced at the beginning of the week to their highest levels since mid-January, supported by speculative buying based on hopes of a speedy recovery of the United States economy and industrial demand.

COPPER: Easier. After fluctuating in a narrow band in

the first half of the week, copper prices moved lower towards the weekend. Economic data from the United States were mixed.

LEAD: Steady. After firming early in the week on the strength of the Dollar, lead prices fell back close to previous levels.

ZINC: Easier. Copper fell back from recent levels as confidence about an economic recovery in the wake of the Gulf war receded.

TIN: Steady. Tin prices moved in a narrow band, tending to edge slightly lower towards the weekend.