

New taxes to hit textile industry

By Moazzem Hossain

A 10 to 15 per cent price hike for locally produced yarn and fabrics will be unavoidable to absorb the burden of additional taxes on the textile mills, according to related industry circles.

The industry—already in serious troubles because of shortage of working capital, high costs of production, and marketing constraints—has been burdened with the customs duty increase from five per cent to 10 per cent on imported raw materials and the new Value Added Tax (VAT) at 15 per cent on imported polyester yarn and viscose under the taxation measures for 1991-92.

Imported polyester yarn and viscose as used by the domestic textile industry for making items like lungis and

sarees for ordinary males and females.

Imported raw cotton, polyester yarn and viscose—the basic inputs for the domestic textile industry—were subjected to only five per cent duty in 1990-91. The items were exempted from development surcharge at 8 per cent earlier too. But, the duty structure has been raised to 10 per cent in 1991-92 and the VAT has all the more been imposed on imported viscose and polyester. Raw cotton has however been spared of VAT.

Industry sources said that there was a no sales tax on imported polyester yarn and viscose in 1990-91. The VAT is therefore a fresh burden for the textile industry, using polyester yarn and viscose as its raw materials, the sources said.

to the "last straw on the camel's back." "We will not be able to operate our mills by effecting any fresh hikes by about 10 to 15 per cent to absorb the new taxes. If we hike the prices, we will further lose the market to imported yarn and fabrics including smuggled supplies," he said. The exporting countries like India and Pakistan provides all kinds of incentives for exports of their yarn and fabrics while the domestic textile mills in Bangladesh are subjected to additional taxes, the BTMA functionary noted.

The enhanced tax rates will however affect both BTMA and Bangladesh Textile Mills Corporation which manages and controls the public sector units. Despite some encouraging trends in production of some BTMC units in July, the plummeting sales forced by new tax-induced price increases will lead to piling up of finished stocks, the source said. Without price increases, additional production will en-

tail more losses, they added.

The domestic textile industry is dependent mostly on imported raw materials. Locally produced raw cotton can meet only seven per cent of its total needs for raw materials like raw cotton. The rest 93 per cent are imported.

With price competitiveness of domestic textile industry with imported as much as smuggled supplies of raw materials now further lost be-

cause of additional tax burden, it will be difficult for most units to operate without effecting price-hikes in yarn and fabrics, the textile circles said. "But we cannot pass the VAT and the enhanced duty to the end-users because that will force us out of the market," they observed. In any case, the textile sector they said will be the loser with employment of several lakh people at stake.

The same circles also re-

ported the provision about deduction of 2.5 per cent as advance income tax at import stage. For the industrial operators in the textile sector, this will mean more liquidity problems, for the mills, they explained.

There are now 77 textile mills in the country. These include 27 composite mills both in public and private sector having 16.20 lakh spindles and 8707 looms.

Sharp rise in share trading

Star Economic Report

Dhaka Stock Exchange (DSE) witnessed a sharp rise in trading on Wednesday.

In all 10,091 shares and debentures changed hands compared with Tuesday's 3,806. Traded issues valued Taka 6,97,424.00 against the previous day's Taka 2,54,671.00.

Advancers dominated trading. And DSE All Share Price Index, which is the broad indicator of price movements of all the listed stocks, moved up slightly to 302.0292 points from Tuesday's 301.9484.

Transactions involved twenty-two stocks.

Of them fourteen gained, five lost and nine remained unchanged at their previous quoted prices.

The debenture of Apex Tannery advanced Taka 5.00 to Taka 998.00.

Jute Spinners and Usmania Glass gained Taka 4.00 and Taka 3.50 to Taka 100.00 and Taka 140.00 respectively.

Bangladesh Thai Aluminium, 6th ICB Mutual Fund, Howlader PVC, Bengal Food, Chittagong Vegetable, Dhaka Vegetable, Sonali Aansh, Kohinoor Chemical, Talu Spinning, Apex Tannery and Savar Refractories moved up within the range between Taka 0.18 and Taka 1.86.

Rupan Oil, Zeal Bangla Sugar, Oxygen, Eagle Box and Chittagong Cement declined within the range between Taka 0.10 and Taka 1.33.

80 sick units apply for FBCCI consideration

Star Economic Report

About 80 applications from different sick industries have so far been submitted to the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) till noon of Wednesday for consideration of the sick industries cell.

The FBCCI office was crowded with entrepreneurs willing to buy and submit applications. The time for procuring and submitting of applications have been extended to August 28 and 31 respectively.

FBCCI sources said this extension of date has flickered new incentive among the industry owners.

Sources said about 177 applications have been taken by entrepreneurs till Wednesday.

The initiative to sort out the industries which became sick due to situational causes was taken by the Ministry of Industry on June 15. A nine-member cell with the Secretary of the Ministry will try to define sick industries.

It will identify the sick units in the light of the definition and try to find out the reasons of sickness. It will also recommend measures to help overcome the problem of industrial sickness.



Rueben Dudley, Director, ILO, Dhaka speaking at a lunch on the occasion of his farewell organised by Bangladesh Employers' Association at Dhaka Sheraton Hotel.



First meeting of the reconstituted Board of Directors of Bangladesh Shipba (BSB) was held in its Head Office on Wednesday. Chowdhury A K M Aminul Haque (middle), Chairman of the Board, is seen along with Abdul Karim, Managing Director (right).

Dhaka Stock Exchange Market Profile

August - 07

134 Listed Stocks

14 Gains 5 losers 120 Unchanged

120 Unchanged stocks include nine traded on the day at its previous quoted prices.

DSE All Share Price Index = 302.0292

Issued Capital = Taka 5,439,680,590

Market Capitalisation = 8,630,561,473

Turnover = Taka 6,97,424.00 (Value) 10,091.00 (Volume).

Market Prices of Listed Shares and Debentures with Dhaka Stock Exchange

At the close of trading on August 07, 1991.

Company	EV/ML*	Closing Rate	Delta Jute	10/50	8.50
BANKS (Ten)					
AL Baraka Bank	1000/1	800.00	Ganania Jute	10/50	NT
A.B Bank	100/5	185.00	Ialam Jute	100/5	56.00
City Bank	100/5	270.00	Jute Spinner	100/5	100.00
L.F.L.C.	100/5	185.00	Mutual Jute	100/5	100.00
Islami Bank	1000/1	1300.00	Northern Jute	10/50	NT
National Bank	100/5	109.00	Shamsar Jute	100/5	100.00
Pupali Bank	100/5	110.00	Specialised Jute	10/50	NT
Rupali Bank	100/10	77.70	Shine Pakur Jute	100/5	94.00
U.C.B.L.	100/5	131.00	Sonali Aansh	100/5	86.00
Utara Bank	100/5	214.00	PHARMACEUTICALS & CHEMICALS (Fifteen)		
INVESTMENT (Eight)					
ICB	100/5	90.00	Ambee Pharma	10/50	15.00
1st ICB M.Fund	100/5	400.00	Bangla Process	100/5	51.00
2nd ICB Fund	100/5	160.00	Beximco Pharma	100/5	169.91
3rd ICB M. Fund	100/5	142.00	Glass	10/50	125.00
4th ICB M. Fund	100/10	135.00	I.C.I.	10/50	10.00
5th ICB M. Fund	100/10	104.00	Kohinoor Chemical	100/5	68.00
6th ICB M. Fund	100/10	64.50	Petro Synthetic	10/50	15.75
ICB Unit Cert.	100/10	114.00	Pfizer	100/5	110.00
Sales Price	109.00		Pharma Aids	100/5	160.00
Re-purchase			Pharmaco	110/5	45.00
INSURANCE (Four)					
BOC	100/10	112.00	Progressive Plastic	10/50	240.00
Green Delta	100/10	112.50	Reckitt & Colman	100/10	35.00AL
Peoples	100/10	120.00AL	Rahman Chemicals	100/5	40.00
United	100/10	120.00	The Ibrastra	100/10	90.00
ENGINEERING (Nineteen)					
Alfab Automobiles	100/5	200.00	PAPER & PRINTING (Six)		
Atlas Bangladesh	1050	40.00	Eagle Box	10/50	14.39
Aziz Pipes	100/5	236.67	Monospool	100/5	105.00
Bangladesh Autocars	100/5	101.00	Paper Converting	100/5	113.00
Bangladesh Lamps	105/5	268.00	Paper Processing	100/10	106.00AL
B. Thai Aluminium	100/10	92.95SD	Padma Printers	10/50	50.00
Bengal Carbide	100/5	400.00	Sonali Paper	10/50	55.00
Bengal Steel	10/50	18.00	SERVICE (Two)		
Eastern Cables	100/5	78.70	Bangladesh Hotel	10/50	12.00
Howlader PVC	100/10	97.00	Ed. Service	10/50	NT
Kairim Pipe	100/5	117.00	TEXTILE (Eighteen)		
Metalex Corp.	100/5	102.00	Alhaj Textile	10/50	NT
Monzo Staffers	100/5	250.00	Arbee Textile	100/10	NT
Monzo Jute	100/5	350.00	Ashraf Textile	10/50	30.00
National Tubes	100/10	111.00	Chand Textile	10/50	NT
Panther Steel	10/50	6.00	Chand Spinning	10/50	NT
Quasem Dryocils	10/50	8.20	Deah Garments	100/10	67.00
Remwick Jagannath	100/5	66.86	Dulamia Cotton	100/10	86.00AL
Singer Bangladesh	100/5	1010.09	Eagle Star	10/50	33.00
FOOD & ALLIED (Twenty one)					
A.B Biscuit	100/5	190.00	G.M.G. Ind. Corp.	10/50	13.00
Alpha Tobacco	10/50	48.00	Modern Dying	100/5	37.00
Annan Sea Food	100/5	36.00	Quasem Silk	10/50	6.10
Apex Food	100/5	340.00	Quasem Textile	10/50	8.00
Aroma Tea	100/5	55.00	Rahim Textile	100/5	48.00
Bangla	100/5	305.00	S.T.M. (IGRD)	100/10	77.22
Bengal Food	100/5	149.00	Syncraft	100/5	100.00
B.L.T.C.	100/5	600.00	Swan Textile	100/5	60.00
B.T.C.	10/50	47.00	Talu Spinning	100/10	115.40AL
Ctg. Vegetable	100/5	102.00	MISCELLANEOUS (Fourteen)		
Dhaka Vegetable	100/5	134.00	Apex Tannery	100/5	151.00
E.L. Cemelha	100/5	700.00	Aramit	10/50	NT
Frogleg Export	10/50	5.00	Bata Shoe	10/100	38.00
Gemini Sea Food	100.00	100.00	Bextimco	100/5	9.00
Modern Industries	100.00	180.00	B.S.C.	100/5	45.00
N.T.C.	100/5	268.00	Chittagong Cement	100/5	175.00
Rubaya Flour	100/100	NT	G. Q. Ball Pen	10/50	45.00
Rupali Oil	10/100	8.25AL	Himadri Ltd.	10/100	NT
Tulip Dairy	100/10	92.00AL	Milton Tannery	100/5	28.00
Yousuf Flour	10/50	NT	Monzo Ceramic	100/5	140.00
Zeal Bangla	10/50	8.25	Phosco Leather	100/5	90.00
FUEL & POWER (Three)					
Padma Oil Co.	10/50	40.00	Savar Refractories	100/5	112.00
Eastern Lubricant	10/50	14.00	The Engineers	100/5	100.00
Oxygen	10/50	50.90	Urematics Glass	100/5	140.00
JUTE (Twelve)					
Ahad Jute	100/10	NT	Apex Tannery	1000/1	998.00
Anonara Jute	10/50	NT	Bengal Food	1470/1	899.38
			B.T.M. (1992)		
			(18.5% 1992)		
			Beximco Pharma	1714/1	1565.00
			(17% 1997)		
			Quasem Silk	2000/1	1560.00
			(17% 1994)		

Price Barometer: Essentials

August - 07

RICE (Taka per kg)	
Amann (Very fine)	19.00-20.00
Amann (fine)	15.50-17.00
Pattani	14.00-15.00
Ushhi	13.50-14.50
VEGETABLES (Taka per kg)	
Potato (White)	5.75-6.00
Brinjal	12.00-14.00
Lady's finger	12.00-14.00
Peas	10.00-12.00
Karolla	12.00-13.00
Lalshak	6.00-8.00
Pui Shak	5.00-6.00
Pappa	6.00-8.00
Green Banana (Four Pieces)	6.00-8.00
OTHER FOODGRAIN (Taka per kg)	
Flour	12.00-14.00
Ata	9.00-10.00
Wheat	7.50-8.00
Suzi	17.00-18.00
FISH (Taka per kg)	
Rohib (big)	140.00-160.00
Katib (big)	110.00-120.00
Hilsha	55.00-60.00
Pungas	120.00-125.00
Shrimpi (big)	70.00-90.00
Singi	90.00-110.00
Koi	70.00-80.00
EGG (dpc)	
Han	12.00
Dak	12.00
Fim	13.00-14.00
PULSES (Taka per kg)	
Mash	35.00-36.00
Mashur	27.00-28.00
Mooch	29.00-30.00
Chhola	24.00-25.00
Matar	23.00-24.00
Kharai	16.00-18.00
MEAT (Taka per kg)	
Beef	95.00-98.00
Mutton	90.00-95.00
OIL (Taka per Litre)	
Mustard	54.00-56.00
Soyabean	37.00-38.00
Coconut (Colombo)	70.00-80.00
Vegetable Ghee	55.00-56.00
SPICES (Taka Per kg)	
Onion	16.00-18.00
Garlic	36.00-44.00
Chillies	65.00-70.00
Tumeric (Round)	52.00-60.00
" (Long)	52.00-60.00
Green chillies	38.00-40.00
Ginger	16.00-20.00
Cinnamon* (10gms)	3.00-3.50
Cardamom* (large)	3.00-4.00
Rais (50gms)	6.00-7.00
MILK (Two kg)	
Dano	260.00-261.00
Red-Cow	258.00-269.00
Eskom	248.00-249.00
MISCELLANEOUS (Taka)	
Che	220.00-240.00
Tea (Dust)	80.00-90.00
Salt	8.00-9.00
Sugar	27.00-27.50
Molasses	22.00-24.00

Call money market

Money rates in the call money market during the week ended 7.8.1991 ranged from 10.25 per cent to 12.00 per cent. During the same week interest rates offered by the bank on Certificate of Deposits varied from 9.00 per cent to 14.00 per cent. The bank rate, however, remained unchanged at 9.75 per cent.

Raw Jute

August - 07

Kutcha bales

White	Tossa Meshla
Medium 1313	1420
Bot. (B) 1259	1367
Bot. (C) 1125	1206
Bot. (X) 991	1045
857	

* FOB = Freight on board
* Bot. = Bottom

Exchange Rates

August - 07

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

One Unit of Foreign Currencies (FC) for Taka

FC	Selling	Buying
US Dollar	36.9226	36.1392
UK Pound Sterling	92.6135	91.8670
German Deutsche Mark	21.3294	21.0355
French Franc	6.2699	6.1818
Saudi Riyal	9.7974	9.6980
Dutch Guilder	18.9313	18.6953
Pakistan Rupee (AMU)*	1.4836	1.4695
Singapore Dollar	21.2194	20.9392
UAE Dirham	10.0053	9.8732
Kuwait Dirham	Not available	
Indian Rupee	1.4231	1.4094
S. Kroner	5.8737	5.7915

* AMU - Asian Monetary Unit

Gold & Silver

August - 07

Gold (Taka for 11.60 grams)

Gold	6,000.00
Tejahi	6,300.00
Gutani	6,300.00
Silver	200.00

Source: Department of Agricultural Marketing

Hides & Skin

(Wet/Salted) August - 07

(Taka per 100 pieces)

Cow	20,000.00	21,000.00
Buff	40,000.00	42,000.00
Medium	45,000.00	48,000.00
Heavy	55,000.00	58,000.00
Very heavy	75,000.00	80,000.00
Rejected	25,000.00	30,000.00
Goat	8,500.00	9,000.00
Light & heavy	8,500.00	9,000.00
Medium	8,500.00	9,000.00
Rejected	2,500.00	3,000.00
Sheep	7,000.00	7,500.00
Buffalo	55,000.00	62,500.00

Source: Department of Agricultural Marketing

Shipping Intelligence

Chittag