

Withdrawal of ban on import leads to problems in drycell battery industries

Star Economic Report

Domestic drycell battery manufacturers face serious operational problems following the recent withdrawal of the import ban on the item.

The four large mechanical units in the sector have submitted separate representations to National Board of Revenue and Tariff Commission, calling for reconsideration of the withdrawal of the import ban.

The ban has been withdrawn under the biennial import policy for 1991-93.

According to the local drycell manufacturers, importers have become very active on publication of the current import policy.

Very soon a huge quantities of the Chinese and the Indian batteries will be dumped into Bangladesh and with the favourable landed cost and customers' fascination for imported battery, the local battery industries will be completely crippled unless immediate corrective and protective measures are taken, they feared.

Explaining the disadvantages of local manufacturers, the related circles pointed out that the dry cell structure for imported drycell battery had also been substantially reduced from 150 per cent to 100 per cent under the national budget for 1991-92.

besides the withdrawal of the import ban itself under the current import policy. Besides, sales tax leviable on the duty paid value has been abolished and eight per cent development surcharge has been withdrawn under the budget.

"This has created a very favourable situation for the importers to earn substantial profit by importing batteries because of the very low landed cost of the same", the manufacturing circles said. According to them, Indian, Chinese and Hong Kong batteries are exported at a dumping price to cripple the local industries. There are no anti-dumping laws in Bangladesh.

The industry sources said, the latest quotations obtained from Hong Kong indicates that the C & F (cost and freight) Chittagong price of UM-1 standard size battery is only 1.09 US dollar. On the basis of this C & F price, the landed cost of imported batteries with the present rate of 100 per cent duty and 15 per cent Value

Added Tax (VAT) comes to only Taka 98 per dozen against the average Maximum Retail Price (MRP) of Taka 140 per dozen with a margin of three to four per cent for the local manufacturers, the sources pointed out. Similar will be the price advantages for supplies from India and China, they said.

The country's four drycell battery producers have a combined capacity of 152 million pieces per annum as against the estimated domestic demand at present for 118 million pieces only. The local production capacity is more than sufficient to meet the domestic demand, the industry circles said.

There are about four to five thousand workers employed by the units in the sector. Battery industries are paying about Taka 33.32 crore annually as duty, licence fees and VAT

(earlier Sales Tax). Linkage industries like carbon rod, sealing compound, zinc callop, brass cap manufacturing units have also been set up in the country in the last few years.

The related circles said, the four large domestic battery manufacturing units have been producing goods of international standard items duly approved by Bangladesh Standard and Testing Institution. There has never any shortage or quality complaint so far, they added.

The import of drycell battery (standard and medium size) was banned in 1981-82 as local industries had enough capacity to meet not only the entire domestic demand but also a surplus capacity. This was done to protect local industries from "uneven compe-

titution" faced by the local industries from foreign suppliers, particularly from India, China, and Hong Kong, exporting their products at dumping price, the sources said.

The complete ban on import of drycell batteries worked very well, the industry circles said. All the four manufacturing units which were at the verge of closure prior to the import ban regained their production and has been meeting the demand of the country since then. In recent years the units faced some declines in demand possibly because of rural electrification as well as sluggish market condition and declining purchasing power of the general public, they added. However, he units survived and maintained their operations with some margin, the sources said.

But the withdrawal of the ban on import of drycell batteries under the current import policy will force now complete closure of the units because of uneven competition and dumping practices, the manufacturers said in their representation to the NBR. This, they said, will throw the workers out of jobs and cripple the linkage industries. Besides, the capital invested in the industries will be lost including foreign exchange expenditure for plant and machinery, they pointed out.

The units have requested the NBR to recommend to Ministry of Commerce for repositioning of ban on import of standard and medium size industries. Pending repositioning of ban, they suggested that Ministry of Finance should fix a tariff value of Taka 65 per dozen for standard size battery and to raise the import duty from 100 per cent to 150 per cent as an interim measure to protect the local industry.



The 6th Annual General Meeting of BGIC was held at a local Hotel on Tuesday, the 10th September 1991. The Chairman & Managing Director of the Company, M. A. Samad is seen in the picture delivering his address of welcoming the Shareholders present. Other Directors of the Company are also sitting beside.

Govt rules needed for representation on board: BGIC AGM

Star Economic Report

The shareholders of Bangladesh General Insurance Company (BGIC) at their recent sixth Annual General Meeting (AGM) pressed for appointment of directors, representing the public shareholders, in the company.

Chairman and Managing Director of the company M. A. Samad, responding to the "overwhelming demand" from the shareholders, expressed his disappointment over the government's delay in framing rules which was preventing such appointment, said a BGIC press release.

Samad said, the company as well as Dhaka Stock Exchange (DSE) was actively pursuing the government to finalise the framing of the rules. Without such rules, the government's objective to ensure wider public participation in management of insurance companies in the private sector can not be achieved, he added.

The AGM was held in a local Hotel. A large number of shareholders including Chairman, Dhaka Stock Exchange Ltd., M. Aminul Islam Khan and several other members of Dhaka Stock Exchange attended the meeting and participated in the discussions that followed. A good number of suggestions were made by the members, the press release added.

M.A. Samad, Chairman and Managing Director of BGIC laid emphasis on the Company's policies of institution building and strengthening its financial base of the Company while paying out progressive rates of dividend at the same time to the shareholders. These points were well taken and highly appreciated by the shareholders, the press release stated.

USSR denies secret deposits of gold

MOSCOW, Sept 12: The Soviet Central Bank on Wednesday denied a British newspaper report that Soviet gold worth nearly four billion Dollars had been secreted in the West this year, amid turmoil on commodity markets about the key role that gold might play as the economy slides deeper into crisis, reports AFP.

The Guardian newspaper, reporting that secret and unofficial deposits had been made, also said that ousted apparatchiks were removed to be smuggling gold abroad.

Big unofficial deposits of gold, totalling nearly four billion Dollars and representing more than 10.8 million Ounces, were made from the spring, the report said.

24 out of 41 units earn profits

BTMC fails to achieve target

By Inam Ahmed

Bangladesh Textile Mills Corporation (BTMC) earned a profit of Taka 43.05 lakh in August against the target of Taka 3.06 crore.

Sources said half the total profits came from Darwani Textile alone. There are 41 units under BTMC.

The BTMC units incurred a total loss of Taka 1.81 crore in the first two months (July and August) of current fiscal year. The amount was however lower than that of the corresponding period in 1990-91 when the loss stood at Taka 7.82 crore.

Out of its total units, 14 produce cloth while the rest produce yarns. Only 24 units are making profits.

These mills made a profit of

Taka 1.41 crore during August. But the total profits of BTMC were slashed to Taka 43 lakh only because of losses by 13 other operational BTMC mills.

Sources said the profits could be higher but were hampered due to the slow down production during the Collective Bargaining Agent (CBA) elections.

In August, the units

achieved 86 per cent of cloth production target. The target for cloth was 54.27 lakh meter for the month of which 45.53 lakh meters were produced. Sharmin Textile Mills achieved the highest production while Meghna and Zinat Textile Mills recorded the lowest achievement of 68 per cent only.

The target for yarn production was 86.19 lakh kg of which only 38.82 lakh meters were achieved.

BTMC sources said the target for cloth and yarn for the first two months of the current fiscal year was 1.09 crore meters and 94.25 lakh kg respectively. The production during the same period was 89.40 lakh meters and 76.33 lakh kg.

The same sources said the mills of the corporation are running at 86 per cent of their production capacity.

BTMC has "sufficient stock" of raw cotton to run the mills smoothly, according to sources. At present, the raw cotton requirement for BTMC is 1.80 lakh annually while the requirement for the private sector mills is 2 lakh bales. Local production of cotton is only about ten thousand bales. The rest has to be imported from Pakistan, USA, Sudan, India and USSR at rates between 62 US cents and 80 cents.

Sources observed the country can save a huge foreign currency through nurturing the cotton sector. Cotton procurement is likely to be higher at between 15,000 and 20,000 bales in 1991-92 compared to 10,000 bales in 1990-91.

IFDC acted on behalf of Agri ministry

Star Economic Report

International Fertilizer Development Corporation (IFDC) in a press release issued on Thursday that it placed earlier advertisement in the newspapers relating to private importers of fertilizer applying to assistance under Asian Development Bank (ADB) on behalf of Ministry of Agriculture.

The IFDC noted that the advertisements seemed to have created some misunderstanding.

Clarifying the situation, it said that it placed advertisements and received applications on behalf of Ministry of Agriculture.

The evaluation and selection of successful applicants will be conducted by Ministry of Agriculture and Bangladesh Bank as in the past. IFDC's role is to assist and advise only, it said.

Kuwait to take back all public sector employees

Kuwait has reassured that it would take back all Bangladeshis employed in its public sector before the Iraqi invasion, said State Minister for Labour and Manpower Rafiqul Islam Mian Thursday.

He told UNB that Kuwait also showed interest in fresh recruitment of Bangladeshi skilled hands in massive reconstruction and rehabilitation programmes in the health, electricity and water works and telecommunication sectors.

The State Minister had talks here Thursday with the visiting high-powered Kuwaiti delegation on recruitment of Bangladeshi workers and technicians for the rebuilding works of the war-ravaged Gulf state.

The discussion took place when the six-member inter-ministerial team led by Shubnan Atahmer called on the State Minister at his office at the Secretariat Thursday morning.

Mian said that during the one-hour discussion the Kuwaiti officials were apprised of manpower resources of the country.

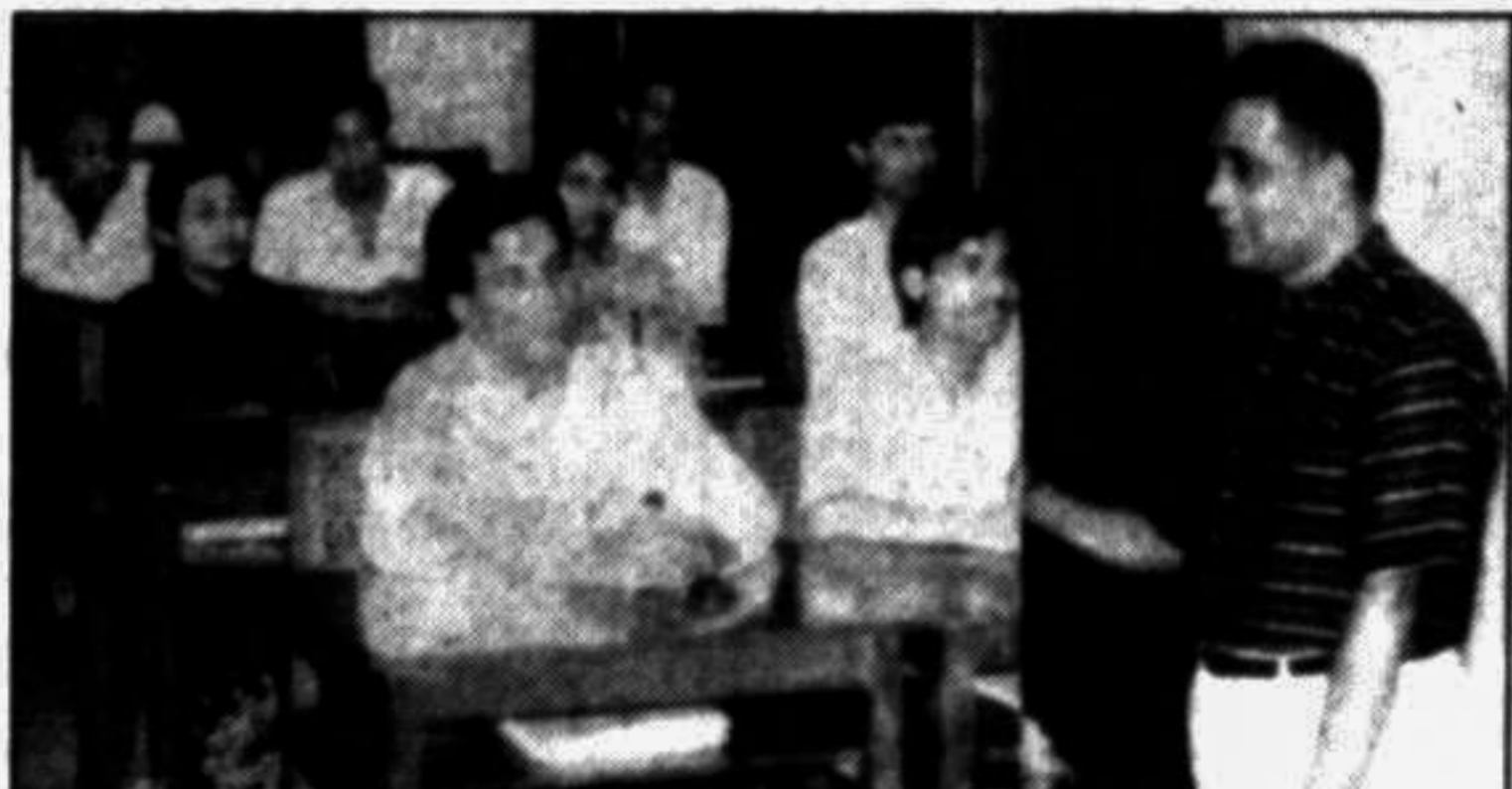
The delegation was well briefed that Bangladesh had adequate number of doctors, engineers, technicians and skilled personnel to provide all sectors in the oil-rich state, he added.

The State Minister said that recruitment of Bangladeshi women was also discussed.

Meanwhile, more than 20,000 Bangladeshis have been employed in Kuwait. After Iraqi invasion 13 months ago, 56,067 workers were evacuated from Kuwait.

Kuwaiti Ambassador to Bangladesh Muhammad Ibrahim Al-Nazran was present at the meeting.

The Kuwaiti team which flew here Tuesday is scheduled to leave for home today.



Md. Rafiqul Islam, General Manager, BSB addressing a group of people at concluding session of a training programme on "Project Appraisal" arranged for the BSB officers. Md. Sirajul Haque, Asstt. General Manager, Training Department also present.

Week ends with moderate rise at DSE

Star Economic Report

The week ended at Dhaka Stock Exchange (DSE) with a moderate rise in trading Thursday.

In all 7,278 shares and debentures changed hands compared with Tuesday's 4,987. Traded issues valued Taka 2,94,371.00 against Tuesday's Taka 2,94,371.00.

Advancers were more in number. But decliners involved more transactions. As a result DSE All Share Price Index declined slightly to 298.6471 points from Tuesday's 298.6490. Index is the broad indicator of price movements of all the listed stocks.

Transactions involved thirty-two stocks. Of them eight lost, twelve gained and twelve remained unchanged at their previous quoted prices.

Dhaka Vegetable declined Taka 1.52 to Taka 138.90. Aftab Automobiles, Bangladesh That Aluminium, Eastern Cables, Renwick Jaineswar, Eagle Box, Eagle Star and Quasem Silk lost within the range between Taka 0.10 and Taka 1.00.

The debentures of Beximco and Beximco Pharma advanced Taka 10.00 and Taka 0.25 to Taka 2535.00 and Taka 1600.25.

Pharma Aids and Kohinor Chemical moved up Taka 5.00 and Taka 2.08 to Taka 165.00 and Taka 86.08.

Karim Pipe, 5th ICB Mutual Fund, Quasem Drycells, Zee Bangla Sugar, Beximco, Q Ball Pen, Milon Tannery and Monno Ceramic gained within the range between Taka 0.02 and Taka 1.42.

Market Prices of Listed Shares and Debentures with Dhaka Stock Exchange

At the close of trading on September 12, 1991.

Dhaka Stock Exchange Market Profile		September-12	
135 Listed Stocks			
12 Gains		8 Losers	
115 Unchanged			
115 Unchanged stocks include twelve traded on the day at its previous quoted prices.			
DSE All Share Price Index = 298.6471			
Issued Capital=Taka 5,439,680,590			
Market Capitalisation = 8,533,917,192			
Turnover = Taka 2,94,371.00 (Value) 7,278 (Volume).			
Market Prices of Listed Shares and Debentures with Dhaka Stock Exchange			
At the close of trading on September 12, 1991.			
Company	EV/ML*	Closing Rate	
BANKS (Ten)			
AL Bank	1000/1	900.00	
AB Bank	100/5	180.00	
City Bank	100/5	290.00	
IFIC	100/5	177.00	
Islami Bank	1000/1	1180.00	
National Bank	100/5	117.00	
Pahali Bank	100/5	91.00	
Rupali Bank	100/10	80.00	
U.C.B.L	100/5	121.00	
Utara Bank	100/5	190.00	
INVESTMENT (Eight)			
LCB	100/5	90.00	
1st ICB Fund	100/5	390.00	
2nd ICB Fund	100/5	155.00	
3rd ICB Fund	100/5	134.88	
4th ICB M. Fund	100/10	130.00	
5th ICB M. Fund	100/10	106.00	
6th ICB M. Fund	100/10	73.00	
Selka Price		115.00	
Re-purchase		110.00	
INSURANCE (Four)			
BGIC	100/10	109.00KD	
Green Delta	100/10	117.00	
Peoples	100/10	127.50AL	
United	100/10	124.00	
ENGINEERING (Nineteen)			
Aftab Automobiles	100/5	207.00	
Atlas Bangladesh	10/50	41.40	
Jute Pipes	100/5	250.00	
Bangladesh Autocars	100/5	102.00	
Bangladesh Lamps	100/5	265.00	
B.Thal Aluminium	100/10	92.00	
Bengal Carbide	100/5	250.00	
Bengal Steel	10/50	18.00	
Eastern Cables	100/5	83.47	
Howlader PVC	100/10	102.00	
Karim Pipe	100/5	128.54	
Metalex Corp.	100/5	110.00	
Monno Staffers	10/5	200.00	
Monno Jute	100/5	200.00	
National Tubes	100/10	109.00	
Panther Steel	10/50	6.00	
Quasem Drycells	10/50	8.10	
Renwick Jaineswar	100/5	71.00	
Singer Bangladesh	100/5	990.00	
FOOD & ALLIED (Twenty one)			
AB Biscuit	100/5	190.00	
Alpha Tobacco	10/50	48.00	
Aman Sea Food	100/5	36.00	
Apex Food	100/5	340.00	
Aroma Tea	100/5	85.00	
Banga	100/5	305.00	
Bengal Food	100/5	141.67	
B.L.T.C.	100/5	600.00	
B.T.C.	10/50	42.00	
Ctg. Vegetable	100/10	99.00	
Dhaka Vegetable	100/5	138.90	
E.L. Camilla	100/5	700.00	
Frogging Export	10/50	4.50	
Genral Sea Food	10/15	100.00	
Modern Industries	10/5	160.00	
N.T.C.	10/5	280.00	
Rebaya Flour	10/50	NT	
Rupani Oil	10/50	6.10	
Tulip Dairy	10/50	95.00	
Yousaf Flour	10/50	NT	
Zee Bangla Sugar	10/50	8.25	
FUEL & POWER (Three)			
Padma Oil Co.	10/50	40.00	
Eastern Lubricant	10/50	14.00	
Oxygen	10/50	53.20	
JUTE (Twelve)			
Ahad Jute	10/50	NT	
Anonara Jute	10/50	NT	
Delta Jute	10/50	8.50	

Exchange Rates

September-12

SELLING AND BUYING RATES, offered by Commercial Banks, for Bank Cheques, (B/C) and Overseas Drafts (O/D)			
One Unit of Foreign Currency (FC) for Taka			
FC	Selling	Buying	
US Dollar	97.0226	97.744	
UK Pound Sterling	34.0922	33.3344	
German Deutsche Mark	21.8690	21.5682	
French Franc	6.4303	6.3404	
Saudi Riyal	9.9014	9.7744	
Dutch Guilder	19.4090	19.1441	
Pakistan Rupee	1.4038	1.4798	
(AMU)			
Singapore Dollar	21.8409	21.5542	
US\$ Drifram	10.1148	9.9819	
Kuwait Dinar	Not available		
Indian Rupee			
AMU	1.4299	1.4161	
S. Komer	6.0194	5.9388	
SECONDARY EXCHANGE MARKET			
Wage Earners Fund/Export Performance Benefit (XPB) Fund			
US Dollar	Buying	Selling	
UK Pound	65.10	65.15	
Saudi Riyal	10.08	10.11	
US Drifram	10.37	10.32	
* The rates of Pound Sterling are revised every day, based on the cross-rates of New York market.			
Source: Sonali Bank			

Gold & Silver

September-12

Gold (Taka for 11.66 grams)	
Tehaji	6,100.00
Gulshan	6,300.00
Silver	200.00
Source: Department of Agricultural Marketing	
Hides & Skin (Wet/Salted) September-12 (Taka per 100 pieces)	
Cow	10,000.00 - 26,000.00
Buff	48,000.00 - 51,000.00
Medium	98,000.00 - 11,000.00
Heavy	98,000.00 - 71,000.00
Very heavy	78,000.00 - 81,000.00
Rejected	21,000.00 - 24,000.00
Goat	
Sheep	
Light & Heavy	8,400.00 - 9,700.00
Medium	6,000.00 - 7,200.00
Rejected	2,800.00 - 3,500.00
Sheep	8,000.00 - 8,500.00
Buffalo	54,000.00 - 59,000.00
Source: Department of Agricultural Marketing	

Price Barometer Essentials

September-12

RICE (Taka per kg)	
Aman (Very fine)	19.50-21.00
Aman(fine)	15.50-17.00
Pajira	13.50-14.50
Uthi	13.50-14.50
VEGETABLES (Taka per kg)	
Potato(White)	6.00-7.00
Brinjal	10.00-14.00
Lady's finger	14.00-15.00
Patil	10.00-11.00
Karola	11.00-12.00
Lalchak	5.00-6.00
Pui Shak	5.00-6.00
Papa	5.00-6.00