

BTMC units lose Tk 700 cr in 5 years

By Shahiduzzaman Khan

Country's textile sector suffered a heavy loss during the last five years. Experts say the loss in this sector will be more acute in very near future if effective steps to rescue the ailing sector are delayed.

An unconfirmed report said that most textile mills under Bangladesh Textile Mills Corporation (BTMC) suffered a staggering loss of over Taka 700 crore during the last five years. There are only three, to four textile mills under BTMC which are profitable concerns. But this profit is too little to offset the total losses by other units, says a textile expert.

A union leader of the Bangladesh Nationalised Textile Mills Workers' employees Federation, however, denied such a huge loss suffered by the textile units. He said BTMC had in fact deposited Tk 580.27 crore to the national exchequer till to-date as contributions to the revenue budget.

He, however, admitted the shortfall of Taka 125 crore in the sector from the target but

maintained that the mills under BTMC did not suffer any loss. The owners of at least 19 disinvested textile mills have laid off their units resulting in tremendous sufferings to the workers. The owners of these disinvested units look huge bank loans and became willful defaulters. The union leader cautioned the government against its denationalisation policy and its after-effects.

Since nationalisation of most large mills and factories in 1972, widespread malpractices and inefficiency caused colossal damage to these mills and as a result, these units continued to suffer losses, experts say.

The government is considering disinvestment of large industrial units which were incurring continued losses. Nearly 40 such industries have been identified for immediate disinvestment, concerned Ministry sources say.

Experts suggested that these was a need to bring in substantial changes at the management level of the public sector mills, otherwise there

was no scope for improvement in the whole situation, they said.

Most textile mills under BTMC need to be brought under rigorous process of modernisation and expansion to enable them becoming viable and profitable. This completion of the modernisation process needs an estimated Tk 1200 crore both in local and foreign currency.

The experts say mobilisation of this money would not be difficult for the present government as many donor agencies and countries showed their interest in funding the Balancing, Modernisation, Replacement and Expansion (BMRE) programme of the sick Textile units, United Nations Development Programme (UNDP) and International Finance Corporation (IFC) have already responded to government's appeal to fund the BMRE programme of these units, experts say.

Analysts have found out two options for the losing textile units under the management of BTMC. They said either

these mills should be sold out to private entrepreneurs or expanded as joint venture projects in association with private entrepreneurs. These mills should be turned into public limited companies and 50 per cent shares of these mills will be sold to the members of the public through the stock exchange.

The rest 50 per cent shares should be distributed among BTMC, private entrepreneurs and banks through the Investment Corporation of Bangladesh (ICB). Mill management should rest upon the private entrepreneurs, they suggested.

The analysts proposed that the representatives of BTMC should be inducted in the Board of Directors. Steps should also be taken to absorb the surplus workforce, now engaged in different mills but sitting idle, in productive works after modernisation and expansion of the mills. The

ministry sources said the government's decision to denationalise the losing industrial units was taken in order to fulfil the conditions to get \$120 million ADB loan. The denationalisation process will be completed phase-wise, they added.

The slow pace of development in industrial sector in the past two decades was viewed as a matter of grave concern for Bangladesh in the context of rapid rise in unemployment and under-employment in the agricultural sector.

In 1988, only 1.5 per cent of the employment was in the formal (modern industrial) sector and 7.3 per cent of the employment was with informal sector.

The modern manufacturing sector comprises 8 per cent of national GDP. Of the modern industrial sector share in GDP, public sector units contribute 35 per cent and the rest is being contributed by the private sector.

Call money market

Star Economic Report

Money rates in the Call money market during the week ending on 9th October, ranged from 10.25 per cent. During the same week interest rates offered by the bank on Certificate of Deposits varied from 10.00 per cent to 14.50 per cent. The bank rate, however, remained unchanged at 9.75 per cent says a Bangladesh Bank press release, issued on Saturday.

L K Siddiqi made Agrani Bank Chairman

Star Economic Report

L K Siddiqi, MP from Chittagong-2 has been appointed by the Government as the Chairman of Board of Directors of Agrani Bank, recently.

Born in Chittagong in 1939, Siddiqi obtained his B Sc Eng (Civil) Degree from Ahsanullah Engineering College in 1961. He is the Chairman of architectural and engineering and consultancy firm "Puraley Kaushali Ltd." and a construction firm "Beacon Ltd."

He was elected member of the Parliament in 1979. Later

Wages of private, public sectors should not be linked: BTMA

Star Economic Report

Bangladesh Textile Mills Association (BTMA) on Saturday urged the government to declare categorically that any wage settlements in sector corporations would not be applicable to private sector industries including its member mills.

In a statement issued to the press, Saleh Ahmed, President of the Association, observed that such a declaration would be the first step to build a fair system of wages and relate it productivity. "This is essentially needed for the economy of the country which is also being demanded by the donors", he said.

The BTMA chief expressed concern over the government's dialogues with Sramik Karmachari Oikya Parishad (SKOP) on wages and other demands of the workers and employees. "SKOP has till no legal status and such an unreg-

istered body cannot bargain and negotiate for wages with the government", he added. The Association President stated that the process of collective bargaining at the enterprise level would protect the interests of employees and workers. "Any deviation from the existing legal provisions will create legal and financial problems", he added.

He expressed the view that sector corporations should be allowed by government to conduct their wage negotiations with this respective Collective Bargaining Agents (CBAs) to determine how much they would afford to pay to their workers or employees. "There should not be any imposition of central settlement of wages applicable to all public sector enterprises. Private sector mills including our member textile mills will not be bound to implement such settlement", he added.

Moderate fall in share trading

Star Economic Report

The week began at Dhaka Stock Exchange (DSE) with a moderate fall in trading Saturday.

In volume terms transactions went down to 2,971 from Thursday's 4694. Traded issues valued Taka 1,54,130.00 against Thursday's Taka 2,38,635.00.

Transactions involved twenty six stocks. Of them eight gained six lost and twelve remained unchanged at their previous quoted prices.

DSE All Share Price Index, which is the broad indicator of price movements of all the listed stocks, stood at 292.4347 points.

Quasar Silk, the lone traded debenture, advanced Taka 10.00 to Taka 81.54.

Kohinoor Chemical moved up Taka 1.54 to Taka 81.54. Bengal Food, Sonali Aansh, Rahman Chemicals, Eagle Box, Monospool Paper and Tallu Spinning gained within the range between Taka 0.04 and Taka 1.00.

Aroma Tea declined Taka 8.00 to Taka 72.00.

United Insurance, 3rd ICB Insurance, Atlas Bangladesh, Dosh Garments and Eagle Star lost within the range between Taka 0.50 and Taka 1.00.



Year-Un-Nesa, 8-year old daughter of late Firoza Begum, a policy holder of 'Grameen Bima Prokalpa' (rural insurance project) of Delta Life Insurance receiving a cheque for her mother's death insurance claim Thursday from Mahbubur Rab Sadi, Project Chief of the project in a simple ceremony in Ershadnagar High School ground.

Dhaka Stock Exchange

Market Profile

October-12

135 Listed Stocks

| 8 Gains | 6 losers | 121 Unchanged |
|--|----------|---------------|
| 121 Unchanged stocks include nine traded on the day at its previous quoted prices. | | |
| DSE All Share Price Index = 292.4347 | | |
| Issued Capital=Taka 5,439,680,590 | | |
| Market Capitalisation = 8,356,396,932 | | |
| Turnover = Taka 1,54,130.00 (Value) 2,971 (Volume). | | |

Market Prices of Listed Shares and Debentures with Dhaka Stock Exchange

At the close of trading on October 12, 1991.

| Company | EV/ML* | Closing Rate |
|---|---------|--------------|
| BANKS (Ten) | | |
| AL Baraka Bank | 1000/1 | 765.00 |
| AB Bank | 100/5 | 180.00 |
| City Bank | 100/5 | 280.00 |
| IFIC | 100/5 | 175.00 |
| Islami Bank | 1000/1 | 1190.00 |
| National Bank | 100/5 | 108.00 |
| Pubali Bank | 100/5 | 87.00 |
| Rupali Bank | 100/10 | 70.00 |
| U.C.B.L | 100/5 | 119.00 |
| Uttara Bank | 100/5 | 190.00 |
| INVESTMENT (Eight) | | |
| ICB | 100/5 | 92.00 |
| 1st ICB Fund | 100/5 | 345.00 |
| 2nd ICB Fund | 100/5 | 154.00 |
| 3rd ICB Fund | 100/5 | 133.00 |
| 4th ICB Fund | 100/10 | 130.00 |
| 5th ICB Fund | 100/10 | 100.00 |
| 6th ICB Fund | 100/10 | 66.00 |
| ICB Unit Cert. | | |
| Sales Price | | 115.00 |
| Re-purchase | | 110.00 |
| INSURANCE (Four) | | |
| BGC | 100/10 | 106.00 |
| Green Delta | 100/10 | 115.00 |
| Peoples | 100/10 | 32.87 |
| United | 100/10 | 123.00 |
| ENGINEERING (Nineteen) | | |
| Atlas Automobiles | 100/5 | 200.00 |
| Atlas Bangladesh | 10/50 | 38.50 |
| Auto Pipes | 100/5 | 290.00 |
| Bangladesh Autocars | 100/5 | 89.00 |
| Bangladesh Lamps | 105/5 | 265.50 |
| B.Thai Aluminium | 100/10 | 89.63 |
| Bengal Carbide | 100/5 | 250.00 |
| Bengal Steel | 10/50 | 18.00 |
| Eastern Cables | 100/5 | 78.50 |
| Howlader PVC | 100/10 | 98.00 |
| Karim Pipe | 100/5 | 138.00 |
| Metalex Corp. | 100/5 | 116.89 |
| Monno Staffers | 10/5 | 200.00 |
| Monno Jute | 100/5 | 200.00 |
| National Tubes | 100/10 | 107.00 |
| Panther Steel | 10/50 | 6.00 |
| Quamem Drycell | 10/50 | 7.80 |
| Renwick Jute | 100/5 | 71.00 |
| Singer Bangladesh | 100/5 | 990.00 |
| FOOD & ALLIED (Twenty one) | | |
| AB Biscuit | 100/5 | 180.00 |
| Alpha Tobacco | 10/50 | 48.00 |
| Aman Sea Food | 100/5 | 36.00 |
| Apex Food | 100/5 | 330.00 |
| Aroma Tea | 100/5 | 72.00 |
| Bangla | 100/5 | 305.00 |
| Bengal Food | 100/5 | 116.16 |
| B.L.T.C. | 100/5 | 600.00 |
| B.T.C. | 10/50 | 42.00 |
| Cig. Vegetable | 100/10 | 99.00 |
| Chitragong Vegetable | 100/5 | 133.00 |
| E.L. Camelia | 100/5 | 78.00 |
| Frogging Export | 10/50 | 4.50 |
| Gemini Sea Food | 100/15 | 100.00 |
| Modern Industries | 100/5 | 160.00 |
| N.T.C. | 100/5 | 280.00 |
| Rabeya Flour | 10/100 | NT |
| Rupali Oil | 10/100 | 6.00 |
| Tulip Dairy | 100/10 | 94.00 |
| Yousaf Flour | 10/50 | NT |
| Zeal Bangla Sugar | 10/50 | 8.15 |
| FUEL & POWER (Three) | | |
| Padma Oil Co. | 10/50 | 40.00 |
| Eastern Lubricant | 10/50 | 14.00 |
| Oxygen | 10/50 | 50.00 |
| JUTE (Twelve) | | |
| Ahali Jute | 100/10 | NT |
| Anonara Jute | 10/50 | NT |
| Delta Jute | 10/50 | 8.50 |
| GAWSTA JUTE | | |
| Islam Jute | 100/50 | 70.00 |
| Jute Spinner | 100/5 | 100.00 |
| Mutual Jute | 100/5 | 100.00 |
| Northern Jute | 10/50 | NT |
| Shamsar Jute | 100/5 | 100.00 |
| Specialised Jute | 10/50 | NT |
| Shine Pukur Jute | 100/5 | 100.00 |
| Sonali Aansh | 100/5 | 96.00 |
| PHARMACEUTICALS & CHEMICALS (Fifteen) | | |
| Ambee Pharma | 10/50 | 14.10 |
| Bangla Process | 100/5 | 62.00 |
| Beximco Pharma | 100/5 | 174.00 |
| Glaxo | 10/50 | 125.00 |
| ICI | 10/50 | 10.00 |
| Kohinoor Chemical | 100/5 | 81.45 |
| Petro Synthetic | 10/50 | 12.00 |
| Phar | 100/5 | 110.00 |
| Pharma Aids | 100/5 | 170.00 |
| Pharmaco | 100/5 | 53.00 |
| Progressive Plastic | 110/5 | 46.00 |
| Reckitt & Colman | 10/50 | 240.00 |
| Rahman Chemicals | 100/10 | 49.00AL |
| Therapeutics | 100/5 | 40.00 |
| The Ibsinsa | 100/10 | 90.00 |
| PAPER & PRINTING (Six) | | |
| Eagle Box | 10/50 | 18.04 |
| Monospool | 100/5 | 106.00 |
| Paper Converting | 100/5 | 113.00 |
| Paper Processing | 100/10 | 106.00 |
| Padma Printers | 10/50 | 50.00 |
| Sonali Paper | 10/50 | 54.00 |
| SERVICE (Two) | | |
| Bangladesh Hotel | 10/50 | 12.00 |
| Bd. Service | 10/50 | NT |
| TEXTILE (Eighteen) | | |
| Alhaj Textile | 10/50 | NT |
| Arbec Textile | 100/10 | NT |
| Ashraf Textile | 10/50 | 28.93 |
| Chand Textile | 10/50 | NT |
| Chand Spinning | 10/50 | NT |
| Desh Garments | 100/10 | 64.00 |
| Dulania Cotton | 100.10 | 83.00 |
| Eagle Star | 10/50 | 34.00 |
| GMG Ind. Corp. | 10/50 | 13.00 |
| Modern Dying | 100/5 | 40.10 |
| Quamem Silk | 10/50 | 5.85 |
| Quamem Textile | 10/50 | 8.00 |
| Rahim Textile | 100/5 | 55.00 |
| Safham Textile | 100/10 | 78.00 |
| S.T.M. (ORD) | 100/5 | 50.00 |
| Stylecraft | 100/5 | 100.00 |
| Swan Textile | 100/5 | 60.00 |
| Tallu Spinning | 100/10 | 116.35 |
| MISCELLANEOUS (Fourteen) | | |
| Apex Tannery | 100/5 | 162.00 |
| Aramit | 10/50 | NT |
| Bata Shoe | 100/100 | 36.52 |
| Beximco | 100/100 | 9.75 |
| BSC | 100/5 | 45.00 |
| Chitragong Cement | 100/5 | 174.00 |
| G. G. Ball Pen | 10/50 | 50.50 |
| Ilindri Ltd. | 10/100 | NT |
| Milton Tannery | 100/5 | 33.00 |
| Monno Ceramic | 100/5 | 150.50 |
| Phoenix Leather | 100/5 | 90.00 |
| Savar Refractories | 100/5 | 115.00 |
| The Engineers | 100/5 | 100.00 |
| Umanis Glass | 100/5 | 145.50 |
| DEBENTURES (Four) | | |
| Apex Tannery | 1000/1 | 1055.00 |
| Bengal Food | 900/1 | 935.00 |
| (18.5% 1992) | | |
| Beximco | 2500/1 | 2630.00 |
| Beximco Pharma | 1571/1 | 1630.00 |
| (17% 1997) | | |
| Quamem Silk | 2000/1 | 1810.00 |
| (17% 1994) | | |
| ** FV = Face Value ML = Market Lot NT = Not Traded, AL = Allotment Letter | | |

Gold & Silver

October-12

| Gold | (Taka for 11.66 grams) |
|---------|------------------------|
| Tajpalt | 6,200.00 |
| Gultra | 6,100.00 |
| Silver | 200.00 |

Source: Department of Agricultural Marketing

Hides & Skin

(Wet/Salted)

October-12

(Taka per 100 pieces)

| Cow | 13,000.00 | 27,000.00 |
|------------|-----------|-----------|
| Light | 47,000.00 | 52,000.00 |
| Medium | 57,000.00 | 62,000.00 |
| Heavy | 67,000.00 | 72,000.00 |
| Very heavy | 77,000.00 | 82,000.00 |
| Rejected | 21,000.00 | 24,000.00 |

Source: Department of Agricultural Marketing

| Goat | 8,500.00 | 9,800.00 |
|---------------|-----------|-----------|
| Light & heavy | 8,500.00 | 9,800.00 |
| Light & heavy | 8,500.00 | 9,800.00 |
| Rejected | 2,900.00 | 3,600.00 |
| Sheep | 8,500.00 | 8,500.00 |
| Ruffalo | 54,000.00 | 59,000.00 |

Source: Department of Agricultural Marketing

Exchange Rates

October-12

| SELLING AND BUYING RATES, offered by Commercial Banks, for Bank Cheques, (B/Cs) and Overseas Drafts (O/Ds) | SELLING | BUYING |
|--|---------------|---------|
| One Unit of Foreign Currencies (FCs) for Taka | | |
| US Dollar | 37.8226 | 37.3318 |
| UK Pound Sterling | 65.0143 | 63.2313 |
| German Deutsche | 22.3869 | 22.0833 |
| Mark | | |
| French Franc | 6.5744 | 6.4847 |
| Saudi Riyal | 10.1184 | 9.9871 |
| Dutch Guilders | 19.8805 | 19.8070 |
| Pakistan Rupee | 1.5324 | 1.5178 |
| (AMU) | | |
| Singapore Dollar | 22.2971 | 22.0078 |
| UAE Dirham | 10.3332 | 10.1991 |
| Kuwait Dinar | Not available | |
| Indian Rupee | | |
| AMU | 1.4636 | 1.4498 |
| S. Kroner | 6.1440 | 6.0594 |

*AMU-Asian Monetary Unit

*The rates of Pound Sterling are decided every day, based on the cross-rates of New York market

Source: Sonali Bank

Shipping Intelligence

Chittagong Port

| Name of Vessels | *Berthed | **ETD | Berth No | LPort Call |
|---------------------|----------|-------|----------|------------|
| Al Mohammed | 29/9 | 16/10 | J/1 | CA |
| Sca Rhapsody | 8/10 | 20/10 | J/2 | *NA |
| Kapitan Sifin | 9/10 | 16/10 | J/3 | S. Hai |
| Safina-e-Haider | 6/10 | 16/10 | J/5 | Kara |
| Horn | 6/10 | 13/10 | J/6 | Hong |
| Vivari-II | 20/9 | 13/10 | J/7 | Singapore |
| Banglar Asha | 7/10 | 13/10 | J/8 | *NA |
| Karabeverette | 10/10 | 16/10 | J/9 | *NA |
| Arktis Sea | 7/10 | 14/10 | J/11 | *NA |
| Fong Shan | 12/10 | 16/10 | J/12 | Singapore |
| Anting | 11/10 | 17/10 | J/13 | Kand |
| Fong Soon | 9/10 | 13/10 | MPB/1 | Singapore |
| Kota Duana | 10/10 | 13/10 | MPB/2 | Singapore |
| Magda-p | 6/10 | 14/10 | GSJ | *NA |
| Fong Yun (Attached) | 03/7 | 15/10 | TSP | Singapore |
| Global Ceres | 11/10 | 14/10 | RM/3 | *NA |
| Amphion | 4/10 | 13/10 | RM/4 | Braz |
| Ranjoy Choomie | 9/10 | 22/10 | RM/5 | *NA |
| Red Deer | 06/07 | 20/10 | RM/8 | *NA |