

Smuggling increases, textile sector faces hard blow

Devaluation in India hits Bangladesh

Star Economic Report

Devaluation of the Indian currency has further accentuated the general decline in some economic sectors at a time when the country is experiencing a general decline in various economic activities, according to a Bangladesh Institute of Development Studies (BIDS) survey conducted recently.

Share trading falls further

Dhaka Stock Exchange (DSE) witnessed a further fall in share trading Wednesday. In volume terms transactions declined to 11,680 from Tuesday's 15,079. Traded issues valued Taka 9,30,390.00 against the previous day's Taka 14,61,798.00.

Advancers dominated trading. And the DSE All Share Price Index gained to 295.1794 from Tuesday's 293.8616. Index is the broad indicator of price movements of all the listed stocks. Transactions involved thirty six stocks. Of them nineteen gained, eight lost and nine remained unchanged at their previous quoted prices. Al Baraka Bank moved up Taka 56.56 to Taka 1060.00. Renwik Jayneswar, National Tubes and Apex Tannery gained Taka 16.61, Taka 8.16 and Taka 5.10 to Taka 99.61, Taka 128.57 and Taka 174.85. Rupali Bank and Islam Jute advanced Taka 5.00 each to Taka 95.00 and Taka 70.00. Dhaka Vegetable and Monno Ceramic gained Taka 4.79 and Taka 3.52 to Taka 146.29 and Taka 150.74.

Eastern Cables and Howlader PVC moved up Taka 2.71 and Taka 2.25 to Taka 86.71 and Taka 103.50. United Insurance, 6th ICB Mutual Fund, Bangladesh Thai Aluminium, Karim Pipe, Tulip Dairy, Zeal Bangla Sugar, Beximco Pharma, Dulamia Cotton and Tallu Spinning gained within the range between Taka 0.19 and Taka 2.00.

Kohinoor Chemical and the debenture of Quasem Silk lost, Taka 6.05 and Taka 4.00 to Taka 110.00 and Taka 1820.00. Rahim Textile declined Taka 3.00 to Taka 55.00. Aftab Automobiles, Atlas Bangladesh, Bengal Food, Eagle Box and Ashraf Textile lost within the range between Taka 0.06 and Taka 1.70.

The rapid appraisal survey, conducted by a group of BIDS researchers led by Sajjad Zohir on 'State of Industrial Production and Trade: An Attempt to Identify Crisis and Their Causes,' suggests that the recent devaluation of the Indian Rupee has contributed to the decline in certain economic sectors in the country. The survey found that the Indian devaluation had especially hit the textile sector hard and had also dampened the pace of economic activities in the assembling and re-exportation sectors.

The Indian currency has gone through a series of devaluation during the current calendar year (1991), the most recent and significant one coming in August last, the survey noted.

The official exchange rate after the devaluation, as of October, stands at Taka 1.00 is equal to Rupees 0.684, while pre-devaluation rates stood at around Rupees 0.50 for one Bangladesh Taka.

However, the survey points out that the value of Taka in the unofficial market has always been above the official exchange rate. Lately, one Taka has been fetching anywhere between Rupees 0.75 to Rupees 0.90 in the unofficial markets in the border areas, the survey found.

The BIDS research team carried out a quick survey on commodity traded through the Benapole border and on the border prices in the two countries. Compared to earlier surveys carried out also by the BIDS, the current survey suggests a significant increase in

the 'Smuggling-in' of salt, rice, yarn, green chilli and pulses.

However, the survey finds that 'inflows' of fruits, electronics and electrical items have reduced. Inflows of onion, cumin seeds, cardamom, saffron, cycle and cycle-parts, cosmetics, toiletries, sugar and cattle are reported to have remained at constant levels as compared to 1990.

In contrast, the survey notes, 'outflow' of video cassette players and recorders (VCP/VCR) and soybean oil were reported to have declined marginally in volume through the border posts. The survey also reports that the Indian devaluation accentuated the already existing problems of the jute and textile industries.

The devaluation of the Indian Rupee is expected to further intensify the problems of the jute sector, already facing a stiff competition from synthetic materials and a steady decline in labour productivity. The Indian devaluation also contributed to the general decline in the textile industry, particularly the large mills under Bangladesh Textile Mills Corporation. It has raised the margin on illegal trade of yarn across border and increased the volume of yarn and sarce smuggled-in, the survey notes.

The incentive to produce finished leather is reported to have also been negatively affected by the Indian devaluation and there are reports of smuggling-out of hides and skin/wet leather across the border, the survey points out.

UN rejects Iraq's request to buy oil equipment

UNITED NATIONS, Nov 20

Iraq's UN Representative said the UN sanctions committee had recently rejected a request by Baghdad to import American oil-metering equipment for a Gulf oil terminal, reports Reuters.

"The request was rejected, it said, because Iraq has not accepted yet resolution 706," Ambassador Abdul Amir Al-Anbari told Reuters.

Resolution 706 adopted in August, and a followup resolution in September, would allow Iraq to export up to 1.6 billion Dollars worth of oil over six months to buy food and other civilian necessities with part of the proceeds, to be paid into a UN escrow account.

The rest of the money would go for reparations and other debts stemming from Iraq's invasion of Kuwait in August 1990.

"We requested the sanctions committee to agree that an American company (could) export certain equipment for metering oil," Anbari said.

The request was made about a month ago "to prepare out ports in southern Iraq for oil exports," he added.

He noted that resolution 706, which Iraq has not yet agreed to implement, required that any oil be exported through a pipeline across Turkey.

"We have not decided yet on the resolution, and I assume Aga Khan, who arrived in Baghdad today, will discuss the matter with the government," Anbari said.

He was referring to Prince Sadruddin Aga Khan, who heads UN humanitarian operations in Iraq and the Gulf region.

Donors to become hesitant unless indiscipline removed: Saifur

Finance Minister M. Saifur Rahman Wednesday called upon the conscious citizens to create public opinion against defaulting borrowers of the banks and financial institutions, reports BSS.

Establishing rule of law in the financial and commercial domain was the prime task before the present democratic government, Rahman said, while addressing a function arranged in connection with the publication ceremony of the journal 'Banking and Finance' by the Department of Banking and Finance of the Dhaka University.

The Minister said the international donors and financial institutions would become hesitant to channelise development funds to Bangladesh unless indiscipline was removed from the country's financial and banking sectors and the public sector enterprises were managed properly.

He exhorted upon the intellectuals and the responsible citizens to speak in favour of the government actions taken so far to restore discipline and accountability in financial management as well as the measures being taken for saving national economy from ruination due to smuggling.

Vice-Chancellor of the Dhaka University Professor Maniruzzaman Miah, Chairman of the Department of Finance and Banking Shahjahan and Chief Editor of the Journal Dr. Azizur Rahman Khan also addressed the function held at Planning Academy auditorium in city.

The Finance Minister said the autocratic rule had pushed the country's economy to a

state of total chaos and indiscipline and accountability had been totally shattered. There was no place for truth in any sphere of our life, he said.

He said the present government, being a democratically elected one, would restore accountability and be 'open and transparent' in administering the country.

Turning to the impact of smuggling on the economy, Rahman regretted that the quarters responsible for running the national economy were now getting united to resist any action against them by the government.

The Minister pointed out

that the nation could no longer afford the mismanagement in the public sector and its consequence on the national exchequer.

He expressed the hope that the articles in the journal 'Banking and Finance' would come up with concrete suggestions for correcting the ills in the financial and banking sector of the country.

Vice-Chancellor Maniruzzaman Miah said indiscipline in the country's financial and economic sector deserved to be handled with priority by the new democratic government.

UN audit accuses Kabul of diverting aid money

UNITED NATIONS, Nov 20: A United Nations audit into the financing of a major aid programme in Afghanistan alleges that millions of Dollars donated by governments were unaccounted for or diverted last year, reports Reuters.

It accuses UN personnel in Afghanistan and Pakistan and the head office in Geneva of administrative mismanage-

ment that resulted in a lack of competitive bidding on equipment, manipulating exchange rates, and general inefficiency.

The confidential preliminary report, dated May 29 and obtained by Reuters on Tuesday, said programme for Afghanistan. It sought to raise over a billion Dollars for humanitarian assistance.

Gold & Silver

November-20

Tejgah	6,200.00
Gold	6,100.00
Silver	200.00

Exchange Rates

November-20

SELLING AND BUYING RATES, offered by Commercial Banks, for Bank Cheques, (B/Cs) and Overseas Drafts (O/Ds)		
One Unit of Foreign Currencies (FC) for Taka		
FC	Selling	Buying
US Dollar	38.2228	37.7297
UK Pound Sterling	68.3375	67.5667
German Deutsche	23.7334	23.3981
Mark		
French Franc	6.9451	6.8518
Saudi Riyal	10.2254	10.0935
Dutch Guilder	21.0651	20.7818
Pakistan Rupee (AMU*)	1.5412	1.5264
Singapore Dollar	32.9565	32.8603
UAE Dirham	10.4425	10.3077
Kuwait Dinar		Not available
Indian Rupee		
AMU	1.4745	1.4605
S. Krower	6.4910	6.4019
*AMU-Asian Monetary Unit		

Hides & Skin

(Wet/Salted) November-20

(Taka per 100 pieces)

Cow	14,000.00	28,000.00
Light	48,000.00	53,000.00
Medium	58,000.00	63,000.00
Heavy	68,000.00	70,000.00
Very heavy	78,000.00	80,000.00
Rejected	22,000.00	25,000.00
Goat		
Pig & heavy	8,500.00	9,800.00
Light & Medium	6,100.00	7,300.00
Rejected	2,900.00	3,600.00
Sheep	8,500.00	8,800.00
Buffalo	52,000.00	57,000.00

SECONDARY EXCHANGE MARKET

Wage Earners Fund/Export Performance - Benefit (XPB) Fund

US Dollar	Buying	Selling
UK Pound	68.98	69.11
Saudi Riyal	10.23	10.38
UAE Dirham	10.55	10.60

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

Dhaka Stock Exchange

Market Profile

November-20

135 Listed Stocks

19 Gains	8 Losers	108 Unchanged
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108 Unchanged stocks include nine traded on the day at its previous quoted prices. DSE All Share Price Index = 295.1794 Issued Capital=Taka 5,39,680,590 Market Capitalisation = 8,442,565,595 Turnover = Taka 9,30,390.00(Value) 11,680(Volume).



With the fast growing population the poultry farms in the country have not been established proportionately. As a result, a vast majority of the populace is falling prey to various diseases due to protein deficiency. Photo shows an employee at a poultry farm at Savar examining a bird which has been attacked by 'Ranikhet' a poultry disease prevalent in the country. —Star photo

Market Prices of Listed Shares and Debentures with Dhaka Stock Exchange

At the close of trading on November 20, 1991.

Company	EX/ML	Closing Rate	Company	EX/ML	NT
BANKS (Ten)			PHARMACEUTICALS & CHEMICALS (Fifteen)		
Al Baraka Bank	1000/1	1060.00	Ambee Pharma	10/50	14.00
AB Bank	100/5	170.00	Bangla Process	100/5	58.00
City Bank	100/5	180.00	Beximco Pharma	100/5	180.00
IFLC	1000/1	1190.00	Glaxo	10/50	125.00
Islami Bank	100/5	105.00	I C I	10/50	10.00
Rupali Bank	100/5	100.00	Kohinoor Chemical	100/5	110.00
Rupali Bank	100/10	95.00	Petro Synthetic	10/50	11.00
U.C.B.L.	100/5	120.00	Pfizer	100/5	110.00
Ultara Bank	100/5	190.00	Pharma Aids	100/5	176.00
INVESTMENT (Eight)			Pharmaco	100/5	54.00
LCB	100/5	92.00	Progressive Plastic	10/50	240.00
1st ICB M.Fund	100/5	345.00	Rockitt & Colman	100/10	50.00AL
2nd ICB Fund	100/5	150.00	Rahman Chemicals	100/5	42.00
3rd ICB M. Fund	100/5	132.00	Therapeutics	100/10	92.00
4th ICB M. Fund	100/10	128.00	The Ibrahina	100/10	92.00
5th ICB M. Fund	100/10	94.00	PAPER & PRINTING (Six)		
6th ICB M. Fund	100/10	67.00	Eagle Box	10/50	38.18
ICB Unit Cert.			Monospool	100/5	106.00
Sales Price			Paper Converting	100/5	113.00
St. purchase:			Paper Processing	100/10	75.00
INSURANCE (Four)			Padma Printers	10/50	50.00
IGIC	100/10	107.50	Sonali Paper	10/50	50.00
Green Delta	100/10	114.00	SERVICE (Two)		
Peoples	100/10	120.00	Bangladesh Hotel	10/50	12.00
United	100/10	133.00	Bl. Service	10/50	NT
ENGINEERING (Nineteen)			TEXTILE (Eighteen)		
Aftab Automobiles	100/5	195.00	Alhaj Textile	10/50	NT
Atlas Bangladesh	10/50	43.33	Arbee Textile	100/10	NT
Aziz Pipes	100/5	240.00	Ashraf Textile	10/50	29.00
Bangladesh Autocars	100/5	86.33	Chand Textile	10/50	NT
Bangladesh Lamps	105/5	235.00	Chand Spinning	10/50	NT
B.Thal Aluminium	100/10	87.00	Deah Garments	100/10	61.00
Bengal Carbide	100/5	250.00	Dulamia Cotton	100/10	90.00
Bengal Steel	10/50	18.00	Eagle Star	10/50	36.00
Beximco Cables	100/5	86.71	GMC Ind. Corp.	10/50	13.00
Flexider PVC	100/10	103.50	Modern Dying	10/50	35.00
Karim Pipe	100/5	130.00	Quasem Silk	10/50	5.85
Metalax Corp.	100/5	121.00	Quasem Textile	10/50	8.00
Monno Staffers	10/5	200.00	Rahim Textile	100/5	55.00
Monno Jutea	100/5	210.00	Saham Textile	100/10	77.00
National Tubes	100/10	128.57	S.T.M. (ORD)	100/5	50.00
Panther Steel	10/50	6.00	Stylocraft	100/5	90.00
Quasem Drycells	10/50	8.25	Swan Textile	100/5	100.00
Renwick Japrawar	100/5	99.61	Talla Spinning	100/5	60.00
Singer Bangladesh	100/5	990.00	MISCELLANEOUS (Fourteen)		
FOOD & ALLIED (Twenty one)			Apex Tannery*	100/5	174.85
AB Biscuit	100/5	180.00	Aramit	10/50	NT
Alpha Tobacco	10/50	48.00	Bata Shoe	10/100	35.25
Amara Sea Food	100/5	36.00	Beximco	10/100	9.25
Aranya Food	100/5	400.00	BSC	100/5	50.00
Aranya Tea	100/5	70.00	Chittagong Cement	100/5	207.50
Bangla	100/5	305.00	G. G. Ball Pen	10/50	50.00
Bengal Food	100/5	116.00	Himadri Ltd.	10/100	6.00
B.L.T.C.	100/5	480.00	Milton Tannery	100/5	32.00
B.T.C.	10/50	40.00	Monno Ceramic	100/5	90.71
Cig. Vegetable	100/10	99.00	Phoenix Leather	100/5	114.00
Dhaka Vegetable	100/5	146.29	Savar Refractories	100/5	100.00
E.L. Gamella	100/5	1000.00	The Engineers	100/5	208.59
Frogging Export	10/50	4.50	Umanasa Glass	100/5	208.59
Gemini Sea Food	100/15	100.00	DEBENTURES (Four)		
Modern Industries	100/5	160.00	Apex Tannery	1000/1	1055.00
N.T.C.	100/5	280.00	(17% 1992)		
Rubeyra Flour	10/100	NT	Bengal Food	900/1	950.00
Rupali Oil	10/100	5.85	(18.5% 1992)		
Tully Dairy	100/10	96.00	Beximco	2500/1	2200.00
Yousaf Flour	10/50	NT	Beximco Pharma	1571/1	1645.00
Zeal Bangla Sugar	10/50	11.69	(17% 1997)		
FUEL & POWER (Three)			Quasem Silk	2000/1	1820.00
Dhaka Oil Co.	10/50	40.00	(17% 1994)		
Eastern Lubricant	10/50	14.00	OTHERS		
Oxygen	10/50	46.00	Delta Jute	100/10	NT
JUTE (Twelve)			Anwara Jute	10/50	NT
Abad Jute	100/10	NT	Delta Jute	10/50	8.50

** FV = Face Value ML= Market Lot NT= Not Traded. Allotment Letter

Tea prices recover slightly

Star Economic Report

Mixed results were evinced at the weekly tea auction held in Chittagong Tuesday as prices for Fannings improved and demand for Brokenes eased further.

According to a Unity Brokers market report, better demand was witnessed as prices for Fannings hardened. However, prices for Brokenes eased further owing to the lack of competition.

Renewed interest from Pakistan led to an upward trend in prices for Fannings. Poland, Iran and the local traders also lent useful support. The local outlet interests were more prominent for good liquoring teas which received premium prices in the Fannings category.

Prices, however, slackened towards the end of the sale. Price differential between the Brokenes and Fannings have widened substantially and stands at around Taka 10.00 per kg. the market report noted.

Leaf offerings comprised of 28,420 packages at the sale, of which 43 per cent remained unsold while export buyers accounted for 34 per cent of the sale and internal buyers fetched the remaining 23 per cent. In the Dust category internal buyers accounted for 64 per cent of the sale while foreign buyers bought 18 per cent of the tea on offer and the other 18 per cent remained unsold.

Following is the category-wise market performance report of this week's sale as reported by Unity Brokers:

*CTC: All Brokenes came to a much lower market as prices eased further at between Taka 3 and Taka 5 with plainer types often being neglected. Few selective lines of Brokenes realised between Taka 39 and Taka 46.90.

Fannings: Fannings were the bright feature of the sale as most prices inclined by Taka 1 to Taka 2 and occasionally even more due to good competition between export and local outlets. A small quantity sold between Taka 49 and Taka 53.80.

Dust: 3,594 packages were on offer at the sale. Prices were generally firm to occasionally dearer with the powdery types often inclining sharply.

Green Tea: 850 packages were offered. There were large withdrawals and, where sold prices ranged between Taka 54 to Taka 61.40.

Top prices realised in the Unity Brokers catalogue at this sale were CTC Brokenes (clone) of grade BOP from the Phulbari gardens fetched Taka 46.60 and CTC Fannings (clone) of grade from the same gardens realised Taka 58. CTC Dust (clone) of grade CD from the Bangladesh Tea Research Institute gardens fetched Taka 70 while CTC Brokenes of grade BOP from the Kapnapahar gardens realised Taka 41.30. CTC Fannings of grade FOF from the Phulbari gardens sold for Taka 48.20 and CTC Dust of grade CD (s) from the Lallakhal gardens fetched Taka 63.20.

The next weekly tea auction sale (No. 30) will be held on November 26 beginning at 8:30 am. Total offerings will comprise of about 29,000 packages of Leaf and 4,500 packages of Dust.

Qulkhani of BTA Vice President today

Qulkhani of late AK Nuruzzaman, Proprietor of M/s Kushtia Tannery and a former Vice-President of Bangladesh Tanners Association (BTA) will be held today (Thursday) after Azar prayer at his residence at 150, Shankar, Jafarabad, Dharamondi, says a press release.

Nuruzzaman expired on last Sunday in PG Hospital. He died of