

Kibria assures all help for economic development

Politicising of labourers must be stopped for growth of industries

Star Economic Report

The Executive Secretary of ESCAP, SAMS Kibria on Thursday said politicising of the labour forces must be stopped for healthy growth of the industrial sector.

He said any populist step, taken by any government, will result in a collapse of the economy although such steps may yield some positive effects.

Moderate rise in share trading

The week ended at Dhaka bourse with a moderate rise in share trading Thursday.

In volume terms transactions moved up to 15,767 from Wednesday's 11,680. Traded issues valued Taka 11,72,599.00 against the previous day's Taka 9,30,390.00.

Advancers dominated trading. And the Composite Index of Dhaka Stock Exchange gained to 296.5813 points from Wednesday's 295.1794. Index is the broad indicator of price movements of all the listed stocks.

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

Eastern Cables and Uttara Bank moved up Taka 10.41 and Taka 10.00 to Taka 97.12 and Taka 170.00.

AB Bank and Islami Jute gained Taka 5.00 each to Taka 175.00 and Taka 75.00.

The 2nd ICB Mutual Fund and Apex Tannery advanced Taka 3.00 and Taka 2.54 to Taka 153.00 and Taka 177.39.

Beximco Pharma and Chittagong Cement moved up Taka 2.50 and Taka 2.22 to Taka 182.50 and Taka 209.72.

Dhaka Vegetable, 5th ICB Mutual Fund, 6th ICB Mutual Fund, Bangladesh Textile Aluminium, Zeal Bangla Sugar, Monopol Paper, Ashraf Textile, Talu Spinning, Beximco and Monno Ceramix gained within the range between Taka 0.04 and Taka 1.91.

Osmania Glass, Renwick Jagnewar and National Tubes declined Taka 4.00, Taka 3.16 and Taka 2.46 to Taka 204.00, Taka 96.00 and Taka 126.11.

United Insurance, Atlas Bangladesh, Bangladesh/Autocars, Rupam Oil, Kohinor Chemical, Eagle Box and Quasem Textile lost within the range between Taka 0.10 and Taka 1.15.

Speaking at the Bangladesh Chamber of Industries, the ESCAP official assured that ESCAP will do what ever needed for the economic development of the country. He said ESCAP will provide database, expertise and technological assistance for the industrial development of Bangladesh.

Kibria on Thursday said Bangladesh should opt for export oriented industries by taking the operational advantages the country enjoys. He said export oriented industries have a larger market than the import substitute units.

"Bangladesh should exploit the rich market", he said adding that the products of local enterprises should be able to compete with world standard in terms of quality and cost. He said the present low labour wage facility should be utilised for that purpose.

Kibria said a massive investment surge is going on all over the Asia. "Industries are being relocated", he said, "the industries are being set up in the low wage countries".

He pointed out that Bangladesh should also enter into this process. He mentioned that the correct entrepreneurship ability and right kind of climate should prevail in the country for that reason.

Kibria said decline in the banking sector and supportive role of the government is essential for creating the right climate. He said the loans drawn from the banks should be returned to the financial agencies.

Kibria said trade volume and investment rate in Bangladesh is too low to have any effective influence in the international forum. He stressed the need for a consensus on economic framework.

work of the country. He said a stable framework, laws and regulations should be there to attract investment.

Kibria also pointed out that a consensus on the labour front is essential to use the low wage facility in increasing export of manufactured products. He said all the industrialised countries once enjoyed this facility and once the wage rate in real terms goes up, the advantage disappears.

Kibria said Bangladesh should limb up the ladder of industrialisation by using the low wage advantage within next 10 to 15 years.

Earlier, the Senior Vice President of BCI, Sharif M. Afzal Hossain in his welcome address said Bangladesh needs economic and commercial co-operation towards achievement of sustained economic growth.

He said, in that view, the forum of regional co-operation needs to be further broad based to enable the component units to achieve success. The BCI Senior Vice President said some sort of protection to the local industries is imperative in consideration of the infancy of the industrial sector.

He said not only financial support, but also active co-operation of the developed countries and funding agencies is needed for strengthening the industrial base of the country.

The Chairman of Board of Investment (BOI), Ekram Hossain also speaking at the meeting said BOI will try to assist, help and encourage the entrepreneurs.

He said BOI will take on a supportive policy from now on. Hasnat Khan, Managing Director of Bangladesh Oxygen Limited said the bureaucratic complications, labour unrest and restrictive role of the government poses a great threat to industrialisation.

Dhaka Stock Exchange

Market Profile

November-21

135 Listed Stocks

Table showing market profile with 18 Gains, 10 Losers, and 107 Unchanged. Includes DSE All Share Price Index = 296.5813 and Market Capitalisation = 8,482,661,071.

Market Prices of Listed Shares and Debentures with Dhaka Stock Exchange

At the close of trading on November 21, 1991.

Large table listing market prices of various shares and debentures including Banks, Insurance, Engineering, Food & Allied, and Jute.



S A M S Kibria, Executive Secretary, ESCAP speaking with Mahbubur Rahman, President, Dhaka Chamber of Commerce and Industry (DCCI) and members of the Board of Directors of DCCI on Thursday at the DCCI office.

Govt decision causes Tk 2 cr loss to PIL

Star Economic Report

Pragoti Industries Limited (PIL), the only automobile assembling plant in the public sector under Bangladesh Steel and Engineering Corporation (BSEC), in a statement released to the press in Dhaka.

"CBU importers have already started selling vehicles on deferred payment basis but our assembled chassis are lying unsold under the open sky and being rusted which will require huge costs for rehabilitation," added Bikrampur.

The sale on deferred payment was stopped on September 12 last under an order of the Ministry of Industries.

The PIL earned a profit of Taka 14 crore earlier in fiscal 1989-90. Since its inception in 1966, it has been assembling trucks, bus chassis, jeeps and other automobiles.

Labour unions at the enterprise, located at Barabkund, Chittagong, have strongly resented the recent government orders, disallowing any sale of PIL assembled automobiles on deferred payment basis.

Some interested business quarters are earning more profits by importing now CBU vehicles while the public sector assembling plant is becoming sick due to the decision of the government to stop sales on deferred payment basis," said Abdul Quader Bikrampur.

Shyampur Sugar Mill begins crushing today

Star Economic Report

RANGPUR, Nov 21: The Shyampur Sugar Mills will start crushing sugar from today (Friday), official sources said here Thursday, reports UNB.

The mill has set a target to produce 12,000 metric tons of sugar by crushing about 1.48 lakh metric tons of sugarcane during the present crushing season.

The mill has fixed price of sugarcane at mill gate at Taka 37.50 and at different purchasing centres at Taka 37.00 per mound.

During the current plantation season about 12,000 acres of land were brought under sugarcane cultivation in the mill zone areas covering Rangpur Sadar, Mithapukur, Pirganj, Badarganj upazilas and Kurigram Sadar, Bajidpur, Kishoreganj and Parbatipur upazilas.

Of the total land, the mill has taken up a programme to cultivate sugarcane on 10,000 acres of land.

The mill provided loan in the form of seeds, fertilizers, pesticides and other inputs to the growers.

But the farmers said during this season the mill has provided loans to the growers 50 per cent less than the last season.

Meanwhile, the industry, has to pay Taka 60 lakh a month as interest charges on account of accumulated bank credits while its stocks of chassis are lying unsold.

Sources noted, October-February period is the prime time for selling vehicles. "If no action, reversing the earlier government decision to disallow sales of PIL's assembled products, is taken in time, the unit will face harder times ahead," they observed.

Addressing a conference of the Regional Managers of Dhaka division of BKB, Khondakar Qudus stressed for timely disbursement of loans to the borrowers for cultivating winter crops, irri and boro, procuring cattle, power tillers, irrigation equipments and other agro-inputs.

Presided over by Mohammad Helaluddin, General Manager, BKB, Dhaka Division the conference was attended by all the General Managers of head office of the bank.

The Managing Director advised the Regional Managers to perform their duties with dedication befitting the motto of the year, "service and production."

He also advised the field level officers to maintain close contact with the borrowers to ensure maximum recovery of loans.

He also asked them to communicate the defaulters regarding the steps taken by the bank authority to remit interest on loans.



Khandakar Ruhul Qudus, Managing Director of Bangladesh Krishi Bank is seen (3rd from left) addressing Regional Managers' conference of Dhaka Division of the bank Wednesday.

India eager to compromise with US on copyright act

NEW DELHI, Nov 21: India is willing to give patent protection to foreign pharmaceutical companies as long as they produce their medicines in India, Commerce Minister P Chidambaram said on Wednesday, reports Reuters.

India faces possible punitive tariffs against its exports by the United States at the end of this month for pirating copyrights and patents, especially on pharmaceuticals.

Chidambaram told a meeting of the Indo-US Joint Business Council that the dispute with Washington could be worked out if foreign drug companies agreed to produce medicines under patent in India at "affordable prices to the vast majority of people."

"The Commerce Minister suggested that intellectual property treatment for pharmaceuticals would be upgraded to world standards if they were produced indigenously," said Paul Griess, Vice Chairman of the Council.

"We find that very encouraging news."

The Bush administration at the end of April cited China, India and Thailand for not protecting copyrights and patents under the super 301 provisions of the US Trade Act.

The United States could impose 100 per cent tariffs on exports from the three countries at the end of this month if it finds they have not acted to end piracy of such goods as films, pharmaceuticals and computer software.

US officials have said the pharmaceuticals issue was the biggest irritant in trade ties between the two countries.

Donald Kendall, Chairman of PepsiCo Inc and head of the Indo-US Council, said he did not think India would be penalised under super 301 as it had made great strides in opening up its economy over the past four months.

"I think today India has made a lot of progress and I don't think it is up against the (super 301) deadline. India still has problems. It has the highest tariffs in the world - but I don't think any action taken against India," he said.

Since the Congress Party of the late former Prime Minister Rajiv Gandhi came to power in June, India has liberalised foreign investment, abolished licences on domestic industry, and deregulated its highly-protectionist trade regime.

Griess said if India quickly implemented the policies it had announced it could attract four to five billion Dollars from the United States alone within five years. India approved a total of 70 million Dollars in investment from all countries in 1990.

The US delegates at the joint business council meeting complained that bureaucratic delays continued to hamper the investment environment in India.

BKB to give Tk 114 cr agri loan

Bangladesh Krishi Bank (BKB) has fixed a target to disburse Taka 114 crore as agri-loan in Dhaka division, the Managing Director of the Bank, Khondakar Ruhul Qudus said in Dhaka on Wednesday, reports BSS.

Addressing a conference of the Regional Managers of Dhaka division of BKB, Khondakar Qudus stressed for timely disbursement of loans to the borrowers for cultivating winter crops, irri and boro, procuring cattle, power tillers, irrigation equipments and other agro-inputs.

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Exchange Rates

November-21

Table showing exchange rates for various currencies including US Dollar, UK Pound Sterling, German Deutsche, etc.

BTC's profits fall 32pc

Star Economic Report

The post-tax profit of Bangladesh Tobacco Company (BTC), the country's largest multinational, declined by 32 per cent in first half of 1991 compared to the same period last year.

Sources in the capital market told this correspondent that the decline in BTC's profits caused the market prices of its shares to drop by about 100 per cent in the last one year period.

The company's sales increased by 4.5 per cent in January-June, 1991 over that the corresponding period last year. Sales of filter brands increased by 26.2 per cent while plain brands decreased by 12.7 per cent.

BTC's net turnover rose by Taka 12.6 crore during the period under report because of the small improvement in its sales volume together with a larger increase in filter brands. But the company could not increase prices of its products sufficiently due to the depressed state of the market.

The sources said while noting that its aggregate costs increased by Taka 11.3 crore mainly as a result of the higher sales of filter brands requiring more expensive materials in their manufacture. Inflation and depreciation also pushed the costs of production.

The sources said, overhead costs, predominantly labour, increased by 15 per cent for the company in January-June 1991. In large part, this was due to the large increase in wages following the settlement agreed with the Collective Bargaining Agent (CBA). This had taken 10 months of negotiations which ultimately were settled after tripartite conciliation in accordance with the labour laws.

BTC increase prices by 4.7 Taka to recover a one Taka increase in costs, because of what the sources said of its very high level of taxation. The cigarette market in Bangladesh is too depressed and remain price sensitive to sustain much of any price increases. An assessment by the related industry circles said.

The multinational company, to recall, closed down its Chittagong factory under a restructuring programme for its production facilities in view of the "depressed market conditions". It is now operating only its factory in Dhaka to meet the entire market demand.

The sources said, the company's "ability" to invest in the profitable and rapidly growing leaf export business and also in quality improvements of its products is badly affected because of its growing production costs, leading to a situation where expenditures exceed costs.

BTC could not announce any interim dividend for its shareholders for 1991. Sources said, its profits for 1991 would be considerably lower than those of 1990. "Depressed trading conditions and the impact of value added tax (VAT) on its business will have unfavourable effects in BTC's operations in the second half of 1991, the sources feared.

Shipping Intelligence

Table showing shipping intelligence for Chittagong Port with columns for Name of Vessels, Berthed, ETA, Berth No, L. Port, L. Agent.

Table showing shipping intelligence for Vessel at Outer Anchorage with columns for Name of Vessels, Ready On, L. Port, L. Agent.

Table showing shipping intelligence for Vessels Due at Outer Anchorage with columns for Name of Vessels, ETA, L. Port Call, Local Agent.

Table showing shipping intelligence for Mongla Port with columns for Name of Vessels, Berthed, ETA, L. Port, L. Agent.

Legend for shipping intelligence: Berthed = Vessel at Port Jetty, ETA = Expected Time of Departure, ETA = Expected Time of Arrival, NA = Not Available, ETB = Expected to Berth.