

MEP remains a hurdle to jute export

Star Economic Report

A high-level meeting of the Export Price Check (EPC) Committee on December 1 ended without suggesting any measures to ensure a desired flow of foreign currency earning through export of raw jute.

Bangladesh has the scope of exporting at least 18 lakh bales of raw jute to the overseas mills.

The government still remained firm to maintain the Minimum Export Price (MEP) which the jute exporters consider inflated compared to the international market.

Circles concerned said exporters will have to sell over one lakh bales of raw jute in December through different London-based intermediaries at a lower price from which

they (intermediaries) will receive "kickbacks" against their clause Letter of Credit (LC).

Exporters said overseas parties are not interested to buy raw jute at the MEP, fixed by the government as the competitive price is lower in the international market.

Besides, the importing mills will incur higher duties if they buy jute at MEP. Instead the mills will depend on the intermediaries from whom they will buy jute at a much lower price.

Sources said the local jute exporters will have to make arrangements with the intermediaries under which LCs will be opened at MEP level, but the exporters will 'kick back' a margin of the price

through special arrangements.

Sources said due to reimplication of MEP, although raw jute will be more expensive but the local exporters will not gain and the export earnings will also fall.

Meanwhile a London-based intermediary has made arrangements to dispose of a cargo of raw jute under barter deal in a third country violating the norms of barter protocol. Under the barter protocol, the parties can not sell their goods in a third country.

Circles concerned, however, expressed the fear that if the current situation continues to prevail production of raw jute will decline in the next year.

'Optimise use of manpower, technology in garment sector' Great scope of cooperation with Dhaka, says Tokyo diplomat

The two-week long Bangladesh-Japan training course "Titled Industrial Sewing Machine Maintenance Technology" ended in Dhaka Friday with a call on the entrepreneurs to set up more modern factories and apply the latest technology for producing quality garments, reports BSS.

To get the optimum results in the garments sector there is no option but to go for appropriate utilisation of human resources as well as the technology, speakers at the closing ceremony said.

They said only skilled workers involved in production could produce quality garments of international standard for export.

The closing ceremony held at Hotel Sonargaon was addressed by the Additional Commerce Secretary and Vice Chairman of the Export Promotion Bureau Abu Sayed Chowdhury as the chief guest while the First Secretary of the Embassy in Japan in Dhaka Hajime Kitaoka was the special guest. It was also addressed by the Association for Overseas Technical Scholarship (AOTS) representative in Bangladesh Dr Moazzem Hossain, representative of Brother Industries

Limited of Japan Hideo Ohta and Chairman of Fairlon Agency Limited KH, Zillur Rahman, K. Naganawa of Brother Industries of Japan conducted the course.

Hajime Kitaoka said there was a lot of scope for economic collaboration between Japan and Bangladesh and hoped that such trainings would further develop friendship between the two countries.

Moazzem Hossain, giving a shot description of his organisation, said since its establishment in 1959 AOTS has trained about 50,000 people in Japan and 10,000 overseas. It

is also involved in imparting management and technical training to the people of the developing countries.

Fifty-one persons from different garment units of Bangladesh and two from Nepal participated in the two-week long training course, the first of its kind in Bangladesh.

AOTS of Japan organised the training course in cooperation with Brother Industries Limited of Japan, Fairlon Agency Limited, Bangladesh AOTS Alumni Society and Chattogram AOTS Alumni Society.

Earlier, the AOTS, which receives the support of the Japanese ministry of international trade and industry, had organised seminars and trainings on galvanised industry, shrimp culture and processing technology, energy conservation technology and industrial boilers in Bangladesh.

Abu Sayed Chowdhury hoped that the participants would apply the knowledge and skill they acquired in the course in their respective industries. He said garments sector is a success story for Bangladesh and such trainings would always be useful for a country like ours.

\$60.5m WB aid to Kenya

NAIROBI, Dec 6: The World Bank has pledged to grant Kenya 60.5 million US dollar for various wildlife projects, reports Xinhua.

Richard Leakey, Director of Wildlife Services in Kenya, told national parks managers in Nakuru in western Kenya on Monday that the money was part of 154 million US dollar to be granted to Kenya by various donors to fund various wildlife projects in the country.

Market Prices of Listed Shares and Debentures with Dhaka Stock Exchange

At the close of trading on November 28 and December 5, 1991.

Company	EV/ML*	1990-91			
		November 28	December 5	High	Low
BANKS (Ten)					
Al Baraka Bank	1000/1	1060.00	1070.00	1070.00	725.00
AB Bank	100/5	177.00	177.00	185.00	135.00
City Bank	100/5	270.00	270.00	290.00	178.00
IFIC	100/5	182.00	182.00	202.00	140.00
Islami Bank	1000/1	1300.00	1300.00	1400.00	1000.00
National Bank	100/5	105.00	105.00	125.00	102.00
Pubali Bank	100/5	100.00	100.00	110.00	85.00
Rupali Bank	100/10	86.00	92.00	110.00	68.00
U.C.B.L	100/5	120.00	120.00	138.00	119.00
Utara Bank	100/5	190.00	190.00	230.00	160.00
INVESTMENT (Eight)					
LCB	100/5	93.50	93.50	100.00	90.00
1st ICB M.Fund	100/5	345.00	345.00	450.00	345.00
2nd ICB Fund	100/5	153.00	153.00	200.00	150.00
3rd ICB M. Fund	100/5	132.00	132.00	168.00	130.00
4th ICB M. Fund	100/10	128.50	128.50	157.00	123.00
5th ICB M. Fund	100/10	93.53	93.00	138.00	94.00
6th ICB M. Fund	100/10	85.53	85.00	100.00	59.50
ICB Unit Cert.		116.00	116.00		
Sales Price		111.00	111.00		
RE-PURCHASE					
INSURANCE (Four)					
BGC	100/10	107.00	106.50	127.50	104.00
Green Delta	100/10	113.00	113.00	122.00	104.50
Peoples	100/10	120.00AL	120.00AL	135.00	108.00
United	100/10	131.00	128.00	133.00	105.00
ENGINEERING (Nineteen)					
Afrah Automobiles 100/5		195.00	195.00	220.00	194.00
Atlas Bangladesh	1050	40.00	41.00	49.97	36.00
Atiz Pipes	100/5	240.00	240.00	300.00	218.00
Bangladesh Autocars 100/5		86.00	86.00	123.00	86.00
Bangladesh Lamps 100/5	235.00KD	235.00	235.00	290.00	230.00
B-Thai Aluminium 100/10		87.40	87.40	110.00	75.00
Bengal Carbide	100/5	230.00	230.00	250.00	230.00
Bengal Steel	10/50	18.00	18.00		
Eastern Cable	100/5	90.00	89.50	109.00	75.00
Howlader PVC	100/10	103.50	100.00	122.00	97.00
Karim Pipe	100/5	130.00	130.00	139.00	110.00
Metalax Corp.	100/5	121.00	120.00	153.07	75.00
Morino Staffers	10/05	200.00	200.00	200.00	200.00
Morino Jute	100/5	240.00	240.00	240.00	210.00
National Tubes	100/10	125.00	124.33	148.44	103
Panther Steel	10/50	6.00	6.00		
Quasem Drycells	10/50	8.07	8.25	9.30	7.50
Renwick Japaneer 100/5		94.75	99.83	100.00	48.00
Singer Bangladesh 100/5		700.00	700.00	1125.00	700.00
FOOD & ALLIED (Twenty one)					
AB Biscuit	100/5	180.00	180.00	200.00	180.00
Alpha Tobacco	10/50	48.00	48.00	48.00	48.00
Amam Sea Food	100/5	36.00	36.00	40.00	36.00
Apex Food	100/5	400.00	450.00	450.00	270.00
Aroma Tea	100/5	70.00	70.00	85.00	45.00
Bango	100/5	305.00	305.00		
Bengal Food	100/5	114.49	113.00	255.00	112.00
B.L.T.C.	100/5	480.00	500.00	500.00	400
B.T.C.	10/50	39.00	39.00	83.00	35.00
Cig. Vegetable	100/5	98.00	97.50	117.00	92.00
Dhaka Vegetable	100/5	152.00	145.00	175.00	127.00
E.L. Cerealia	100/5	1000.00	1000.00	500.00	1000.00
Frogging Export	4.50	4.50	4.50	6.75	
Genius Sea Food	100/00	100.00	100.00	100.00	100.00
Modern Industries 100/5		180.00	180.00	180.00	135.00
N.T.C.	100/5	280.00	180.04	282.00	220.00
Rabays Flour	10/100	NT	NT		
Rupani Oil	10/100	6.24	6.30	7.50	5.75
Tulsi Dairy	100/10	97.00	95.00	105.00	90.00
Young Flour	10/50	NT	NT		
Zeal Bangla Sugar 10/50		12.25	11.50	15.59	7.50
FUEL & POWER (Three)					
Padma Oil Co.	10/50	40.00	40.00	45.00	40.00
Eastern Lignite 10/50		14.00	14.00	81.50	46.50
Guyana	10/50	47.00	47.00		
GEN (Twelve)					
Abad Jute	100/10	NT	NT		
Acowara Jute	10/50	NT	NT		
Delta Jute	10/50	8.50	8.50		
GEN (Five)					
Beasmo	1714/1	1660.00	1666.25	1670.00	1540.00
Genam 98%	2000/1	1820.00	1820.00	1825.00	1400.00
GEN (Five)					
Beasmo	1714/1	1660.00	1666.25	1670.00	1540.00
Genam 98%	2000/1	1820.00	1820.00	1825.00	1400.00

** FV = Face Value* ML= Market Lot NT= Not Traded, AL=Allotment Letter XB= Ex-Bonus/ XD= Ex. Dividend

WB keen on telecom development

A high-powered World Bank delegation led by Frederic Temple called on Post and Telecommunication Minister Md Keramat Ali at his office Thursday, reports UNB.

They discussed matters relating to telecommunication sector in Bangladesh.

The Minister informed the delegation about various telecommunication programmes undertaken by the government, its extension and necessity of improving services.

The World Bank delegation showed keen interest in telecommunication development of Bangladesh.

Post and Telecommunication Secretary M Azizul Haq was present on the occasion.

Dollar dives slightly in Tokyo

TOKYO, Dec 6: The US dollar opened lower against the Japanese yen in Tokyo Friday, and share prices rose in early trading.

The dollar opened at 128.50 yen, down 0.35 yen from Thursday's close at 128.85 yen. In New York, the dollar finished at 128.70 yen Thursday.

On the stock exchange, the 225-issue Nikkei Stock Average gained 22.72 points, or 0.10 per cent, to stand at 22,481.89 points after the first 15 minutes of trading. On Thursday, the Nikkei fell 210.27 points, or 0.93 per cent, closing at 22,459.17 points.

The Tokyo Stock Price Index of all issues listed on the first section stood at 1,711.21 points as of 9:30 am (0030GMT), down 3.66 points, or 0.21 per cent, from Thursday's close.

Currency dealers said the dollar's lower opening followed its fall overnight in New York on expectations that US interest rates would be cut further. Falling rates make the dollar less attractive to foreign investors.

A foreign exchange dealer at Citibank said he expected the dollar to have around the mid-128 yen level in a slow trading day.

Market players in Tokyo do not expect the US Federal Reserve to lower interest rates until next year, he said.

Financial commentary

Recent monetary measures : Wrong prescription for economic cure

By Abu Ahmed

Bangladesh Bank in the first week of the last month has adopted yet some other measures to pull out the economy from the present nose-down position. It has cut the cash-deposit ratio of the Commercial Banks from eight per cent to seven per cent and withdrawn the minimum 10 per cent L/C margin requirement. Earlier, it reduced the discount rate by a half per cent.

All these steps were aimed at increasing the money supply in the economy to raise the liquidity level for greater transactions. But the present problem is quite a different one which calls for different measures. The measures adopted by the Bangladesh Bank can be of little value in addressing the situation that is marked by low investment and low output. The problem rather demands a push in the other sector — the real sector.

When the real sector does not move and only the money sector speeds up through in-

creased money supply, the kinds of measure adopted do not deliver any good to the economy, rather harm it by creating inflation.

When does a central bank use the tools like lowering the discount rate and L/C margin? They are resorted to when liquidity is in short supply in the market. But are we facing such a situation now? There is hardly any evidence to support it.

The Commercial Banks are rather facing problems with the idle money, which is reflected by the current low rate of inter-bank borrowing for short-term financing. The Bangladesh Bank measures make one feel as if it has exhausted with all other measures and is now using them as the last resort. Actually the measures have wrongly been applied to cure and economy from a disease which it is not suffering from.

What is the problem with our economy, then? It is fundamentally an investment re-

lated one. There is almost a complete halt to the investment and no matter what we do in the money sector, the economy will not move in the real sense. So, the way out must come from investment in the productive sector and investment only takes place when there is an equity expansion by the productive enterprises. Mere savings with the banks do not lead the investment or capital formation. Idle savings either are used in trading activities or just become a burden on the institutions they lie with. Has Bangladesh Bank really done anything to turn the whatever small savings we have into investment? The Bank may say that it is not its function, rather it is the function of the government's economic policy. Although a central bank normally remains busy with short-term money management it should come up with the suggestion that mere monetary measures, ones adopted by it will not held much unless

something is done in investment sector. Why our investors, be small or big, are shy of investing in the productive sector? Everything seems alright in paper, but in practice there is little real incentive for investment. The small share investors now lost all interest in equity financing. The DFIS are dried-up because of unpaid loans, and there does not exist a competitive stock exchange. In this situation, the measures adopted by Bangladesh Bank will hardly do anything to check the further slide of the economy.

Bangladesh Bank must not forget that a market economy is essentially a competitive one and if measures are not enforced to remove the impediments in the way of competition it can not gear up the economic activities by some temporary measures that it has adopted.

The writer is an Associate Professor of Economics at Dhaka University



Works Minister Barrister Rafiqul Islam Mia inspecting the development work of the extended housing project of Rajuk at Uttara on Thursday. —PID photo

'Use export uplift fund to raise earnings'

CHITTAGONG, Dec 6: Planning Minister Zahiruddin Khan Thursday underscored the importance of export earnings in view of the country's deficit balance of payment, reports BSS.

The minister was inaugurating a one-day seminar on "Export Development Fund" organised by Export Development Project of USAID and World Bank here.

The minister said the annual export earnings should be increased through utilizing the Export Development Fund, particularly through increasing the export of non-traditional items.

He said through increasing the export earnings the loans and deficit balance of payments accumulated over the past could be repaid.

Dr. Kabir Uddin Ahmed, Adviser of Export Development Project and Dr. Jim Mudge of USAID also spoke on the occasion. A large number of bankers and exporters attended the seminar.

The Export Development Fund (EDF) was created in 1989 with 30 million US dollar out of which 25 million US dollar was contributed by the World Bank and five million US

dollar by Bangladesh government.

The objective of the fund is to provide low cost foreign exchange for purchase of input components for non-traditional exports.

Raw Jute
December—4
Kutchha Bales FOB Narayanganj/Daulatpur Varieties (Tk per 100 Kg)

	White	Tossa	Meshta
Mid.	1045	1072	871
Bot. (B)	965	1005	804
Bot. (C)	884	938	737
Bot. (X)	804	871	670

Note: *FOB = Freight on board Bot. = Bottom

Pucca Bales

	FOB (Ready)	FOB (Slight)
Variety	N'ganj	Mongla
	Tk per bale	Ctg M/T**
Bangla White (BW)		
Special	2900	555
A	2700	530
B	2500	425
C	2300	395
D	2100	365
E	1900	335
Bangla Tossa (BT)		
Special	2950	565
A	2750	540
B	2550	425
C	2350	395
D	2150	365
E	1950	335

Jobs under world bodies

By Staff Correspondent

Some international organizations have invited applications for filling up vacancies at their disposal according to govt sources. Name of the organizations, post-titles and last date for submission of applications to the Ministry of Establishment are as follows:

International Telecommunication Union-Head, ITU Regional Office of Africa-January-15.

International Civil Aviation Organization-Manpower and Training Officer, Technical Officer (Air Routes and Ground Aid Section) December -10.

United Nations Industrial Development Organization-Industrial Development Officer, Industrial Development Officer December -10.

World Health Organization-WHO Representative, Scientist, Editor/Writer-December-10.

Details of the posts and procedure of applications are available with the Ministry of Establishment, ministry/division concerned, Divisional Commissioner, Deputy Commissioner and District Labour and Manpower Offices.

Shipping Intelligence

Chittagong Port				
Name of Vessels	Berthed	EID	Berth No	L. Port L. Agent
Al Swamruz	26/11	06/12	J/1	Hong ASSL
B. Kiron	01/12	08/12	J/3	NA NA
Banglar Sampad	01/12	08/12	J/4	NA BDSHIP
B. Buari	01/12	09/12	J/5	NA NA
Banglar Asha	28/11	07/12	J/7	NA AQUA
Shan Yin	06/11	08/12	J/8	Jaka BDSHIP
Safina-c-Ismael-2	28/11	06/12	J/9	Aquaba AQUA
Langhang Jiang	28/11	06/12	CGJ	Hong BDSHIP
Banglar Mamata	02/12	08/12	TSP	S. Araba AQUA
Fong Yun	21/11	10/12	RM/4	Singapore BDSHIP
Esso Byrone	03/12	05/12	RM/6	Singapore EC-SL
Vivari No. 2	23/11	08/12	DD	NA BSC
Banglar Swarna	11/11	10/11	DDJ/1	NA BSC
Maritz Star	22/10	10/11	DDJ/2	Singapore UNISEA
Shakir-2	24/11	12/12	RM/6	NA NA
Banglar Shourabh	03/12	05/12	RM/9	NA BSC

Vessel at Outer Anchorage			
Name of Vessels	Ready On	L. Port	L. Agent
Dubai Pioneer	05/12	Salt	Seacoast
Ronjoy	05/12	NA	PSAL
Banglar Maya		NA	AQUA
Sea Star	07/12	Col	OWSI
Sea Tabith		NA	KSL
Banglar Jyoti		NA	BSC
Min Hai You-12		NA	Unister
Splendor		UAE	JF
Carol Bay		Tuti	ULA
Alyn		Singapore	Alamin