

Chambers leaders sit with Saifur tomorrow

Economy to slide further if time for loan repayment not extended: MCCI

The business community of the country may go into further inaction if the government does not extend the deadline for repayment of defaulted loans, business circle observes.

This will certainly lead to a further slide of the economy, said the President of the Metropolitan Chamber of Commerce and Industry, Manzur Elahi Saturday.

Meanwhile business leaders are preparing for a fresh dialogue with the authorities on the deadline. Sources said representatives of different Chamber bodies will meet the Finance Minister M Saifur Rahman tomorrow.

The last date for repayment of defaulted loans was set on December 31. The leaders will urge the government to shift the deadline to April 30, according to sources.

Star Economic Report

The business leaders also asked for concessions in repaying the loans. In a memorandum to the Finance Minister on December 14, the Dhaka Chamber of Commerce and Industry (DCCI) suggested that the borrowers be given the chance to apply for repayment by April 30 without any down payment.

The DCCI also urged the government to allow the borrowers to repay the loans in a two-year time period in quarterly instalments without new interests on the principle amount. The DCCI views that the borrowers who previously failed to pay instalments of their loans. But whose time limit for repayment has still not expired should also get interest exemption.

The DCCI also urged the government to allow same facilities to the borrowers against whom legal actions have been taken. It said the government should also not take any legal actions against those enterprises which are under the consideration of Sick Industries Rehabilitation Cell until any final decision.

Meanwhile, Principal Finance Secretary Khorshed Alam told this correspondent that the time for repayment would not be further extended. He said that if the borrowers had the willingness to repay the loans, they would have done it by December 31. He said that enough concession had been given to the borrowers.

On the other hand, the business circle views that if the government's objective is to recover the loans, such hard and fast rules, set without the consultations of the borrowers, would bring no result. They said that only the small borrowers would be able to repay the loans under the conditionalities set by the government.

The President of Metropolitan Chamber of Commerce and Industry (MCCI) Manzur Elahi warned that the foreign reserve of the country had already reached a staggering one billion US dollar because of the slower import due to slow down of the productive sector.

The second phase work of the BSCIC industrial estate in Bhola will start soon, reports BSS.

Government has acquired about 14.45 acres of land for the industrial estate in Bhola in 1989 along Bhola Kheyaghat Road.

Preliminary works on the project has already been completed. An official source said a total of 96 units will be established in this industrial estate. The industrial units include biscuit factory, textile mills, automatic rice-mill, engineering industry, fish processing plant.

The estate will generate job opportunity for about 5000 people.



Safat Ahmad Chowdhury, Managing Director and Actuary of Delta Life Insurance handing over to Md Kamruzzaman former MP and Principal of KL Jubilee School and College the agreement on a group life insurance for the college teachers and employees recently.

Tk 100 crore plan for Barisal, Patuakhali region roads

BARISAL, Dec 28: Government has sanctioned Tk 100 crore for construction and development of roads and highways in greater Barisal and Patuakhali districts under Roads and Highways Department (R and H) during the current fiscal year, reports BSS.

According to an official source, Tk 40 crore have been sanctioned for Barisal and Tk 60 crore for Patuakhali.

The Danish government is providing financial assistance for the implementation of the programme. A total of Tk 20 crore has been allotted for the expansion and development of Barisal-Pirojpur highways via

Bhandaria under the programme. Besides, Tk 20 crore has also been sanctioned for construction and reconstruction of 20 roads in the upazilas of Barisal, Pirojpur and Jhalakati districts. Patuakhali-Barguna road via Amtali will be constructed within this fiscal year, the source added.

Tk 60 crore will be spent for the construction and reconstruction of important roads of Patuakhali and Barguna districts.

Commentary

Privatization: Wiser moves needed

By Abu Ahmed

The privatization programme in Bangladesh is already experiencing a slow-down. The need for privatization was felt mainly for two reasons: inefficiency of the public sector management, and government's overall commitment to a market economy under a private sector management.

The privatization programme in this country is relatively more painstaking because of the sheer size of the public sector that is to be privatized. Roughly, three-fourths of the industrial enterprises were brought under public sector immediately after the independence, which many view as an act of haste.

It was in 1982 that the government embarked on a pronounced policy of privatization as part of the new industrial policy though piecemeal efforts for privatization were started even earlier. Till now, it is learnt, 470 units worth Tk 179 crore were privatized; most of them through an outright sale to private individuals and only 11 projects through sale of 49 per cent of their shares to the public and staff of the projects. These enterprises are now popularly known as Holding Companies.

Of the Tk 179 crore sale proceeds, about Tk 132 crore has already been received by the government, while the rest remains outstanding, as of now. Interestingly, some of the private parties who purchased the enterprises with down payment for a portion of the

total purchase price have filed suits against the government after taking over the management of the projects. The government also, in the process of dispute, retook the management of about eight such projects. The government has meanwhile planned the resale of those projects and obviously at lower prices as materials and machinery were, it is also learnt, had been embezzled during the period of dispute.

However, what happened in the past with privatization programme, of course, is an important matter, but more important is whether the government can proceed with the privatization programme now with a desired pace. But what we have seen in the recent time is quite disappointing as numerous meetings and committees could hardly push the programme forward from the place it was left in a year ago.

In the beginning of October this year it was decided that about 40 industries from various sector corporations would be privatized, but the final decision about when and how is yet to come. The latest position of these 40 units is that the Inter-Ministerial Committee on Privatization (ICOP) has completed its deliberation about it and is now waiting to send it to ECNEC for final approval.

Obviously, the focal points emerged before the ICOP for consideration were: Who will buy the projects, how they are

to be privatized — whether through tender, or floating shares, how the money should be received against the sale — whether all at a time or in instalments etc. Floatation of shares should have received the priority amongst all the options for sale because it will help spread the ownership of assets as well as broaden the base of capital market.

Although all shares may not be subscribed fully, given the present bearish in share market, it is believed that a large portion of the shares of the sound projects would be sold easily while the government may sell the rest on discount as the law to sell the shares at par no longer exists. It is also learnt that ICB has opted for the shares of seven Holding Companies though it is not understood how the organization will pay for them as it is facing acute financial crisis due to a huge amount of stuck loans.

The remaining portion of the Holding Companies should be disposed of through sale of shares to public as 49 per cent of their shares are already in the public hands, who also have already suffered losses by buying the shares, and now look for a better management in the companies in future when the government gives up the total ownership.

One good option, many small investors believe, could be the sale of right shares to the present shareholders so that they can get a better chance for controlling the

management. If ICB takes over the remaining shares, the uncertainty about the future shape of management will remain, and prices of the shares are expected to remain dull.

Pricing of the shares should not pose that much of a problem as the law prohibiting sale of shares at a price lower or above than the par value no longer exists. The valued price plus the market trend may be taken into consideration while off-loading the shares is considered. Sale through tender will pose no less a problem as the projects may not bring the expected bid price. Again there may be collusion in bidings and gross violation of payment schedules etc. Care should be taken against these things.

Problems may also come from politicians and trade unions. The political parties instead of organising agitation should come out to lend a hand in this respect when public sector can no longer bear the burden of the projects. The trade unions should be made convinced that privatization instead of hampering their interest will help them in the form of higher salary and benefits. A political government in lieu of succumbing to pressure is expected to face it for the sake of implementing its economic policy, otherwise it is meaningless whether we have an elected government.

The author is an Associate Professor of Economics at Dhaka University

Hides & Skin

(Wet/Salted) December—28 (Taka per 100 pieces)

Cow	15,000.00	—	32,000.00
Light	54,000.00	—	61,000.00
Medium	62,000.00	—	69,000.00
Heavy	70,000.00	—	75,000.00
Very heavy	78,000.00	—	81,000.00
Rejected	22,000.00	—	28,000.00
Goat			
Big & heavy	9500.00	—	10200.00
Light & Medium	7000.00	—	8200.00
Rejected	3200.00	—	4200.00
Sheep	9000.00	—	9400.00
Buffalo	57000.00	—	64000.00

SELLING AND BUYING RATES, offered by Commercial Banks, for Bank Cheques, (B/Cs) and Overseas Drafts (O/Ds)

One Unit of Foreign Currencies (FCs) for Taka	Selling	Buying
US Dollar	38.7125	38.2185
UK Pound Sterling	72.5023	71.6782
German Deutsche Mark	25.4973	25.5450
French Franc	7.4598	7.3614
Saudi Riyal	10.3518	10.2191
Dutch Guilders	22.6125	22.3097
Pakistan Rupee (AMU*)	1.5610	1.5461
Singapore Dollar	23.8657	23.5599
US Dollar	10.5763	10.4408
Kuwait Dinar	Not available	Not available
Indian Rupee	1.4873	1.4732
AMU	6.9664	6.8710

*AMU: Asian Monetary Unit SECONDARY EXCHANGE MARKET

Wage Earners Fund/Export Performance Benefit (EPB) Fund	Buying	Selling
US Dollar	38.70	38.75
UK Pound	72.51	72.56
Saudi Riyal	10.35	10.40
US Dollar	10.57	10.62

The rates of Pound Sterling are decided basing on the cross-rates of New York market

Source: Sonali Bank

Price Index

December—28

RICE (Taka per kg)	
Aman(fine)	14.00-15.50
Patilim	13.00-14.00
Ulati	13.00-14.00
VEGETABLES (Taka per kg)	
Peas(New)	7.00-8.00
Brinjal	6.00-7.00
Carrot	16.00-18.00
Lalchak	2.00-3.00
Papa	6.00-7.00
Green Banana (Four Pieces)	4.00-6.00
OTHER FOODGRAIN (Taka per kg)	
Flour	12.00-12.50
Maize	9.50-10.00
WHEAT (Taka per kg)	
Hard-Wheat	13.00-15.00
Soft-Wheat	9.00-11.00
Hibiscus	60.00-65.00
Pungo	110.00-120.00
Shrimp(big)	50.00-60.00
Shrimp	55.00-60.00
Koi	60.00-70.00
EGG (4p-2s)	
Hen	10.00
Duck	10.00
Pigeon	11.00
PULSES (Taka per kg)	
Mung	28.00-31.00
Moong	23.00-24.00
Cholai	23.00-24.00
Kharai	18.00-20.00
OIL (Taka per Liter)	
Mustard	52.00-53.00
Soyabean	36.00-37.00
Cocunut (Colombo)	80.00-85.00
Vegetable Ghee	45.00-48.00
SPICES (Taka Per kg)	
Onion	10.00-11.00
Custard	40.00-44.00
Chillies	80.00-85.00
Turmeric(Round)	50.00-52.00
" (Long)	54.00-60.00
Green chillies	28.00-30.00
Cinnamon	12.00-14.00
Cardamom* (10gms)	3.00-3.50
Cardamom* (large)	3.00-4.00
Jinta (50gms)	6.00-7.00
MILK (Two kg)	
Deno	247.00-275.00
Red-Cow	273.00-274.00
Elden	255.00-256.00
MISCELLANEOUS (Taka)	
Chae	220.00-240.00
Salt	7.00-7.50
Sugar	27.00
Melassins	15.00-16.00

Source: Department of Agricultural Marketing

Gold & Silver

December—28

Gold (Taka for 11.66 grams)	6450.00-6500.00
Tehani	6400.00
Silver	200.00

Source: Department of Agricultural Marketing

Dhaka Stock Prices

At the close of trading on Dec 28, 1991

Market Profile 135 Listed Stocks

8 Gains 17 losers 110 Unchanged

110 unchanged stocks include 18 traded on the day at its previous quoted prices.

DSE All Share Price Index = 295,9955

Market Capitalisation = 8465,213,442

Turnover = Taka 577141.00 (Value) 880*(Volume).

Company FV/ML Tk

BANKS (10)

AL Baraka Bank 1000/1 1070.00

A.B Bank 100/5 177.00

City Bank 100/5 270.00

I.F.C.I 100/5 180.00

Islami Bank 1000/1 1320.00

National Bank 100/5 104.00

Pubali Bank 100/5 100.00

Rupali Bank 100/10 86.00

U.C.B.L 100/5 120.00

Utara Bank 100/5 190.00

INVESTMENT (08)

1st ICB M.Fund 100/5 93.50

2nd ICB Fund 100/5 345.00

3rd ICB M.Fund 100/5 150.00

4th ICB M.Fund 100/10 122.00

5th ICB M.Fund 100/10 90.00

6th ICB M.Fund 100/10 64.84

ICB Unit Cert. 116.00

Sales Price 111.00

Re-purchase 111.00

INSURANCE (04)

BGIC 100/10 105.00

Green Delta 100/10 114.00

Peoples 100/10 120.00

United 100/10 125.00

ENGINEERING (18)

Afah Automobiles 100/5 182.00

Atlas Bangladesh 10/5041.00XDD

Aziz Pipes 100/5 245.00

Bangladesh Autocars 100/5 70.00

Bangladesh Lampo 105/5 235.00

B.Thal Aluminium 100/10 85.00

Bengal Carbide 100/5 220.00

Bengal Steel 10/50 18.00

Eastern Cables 100/5 84.21

Howlader PVC 100/10 98.00

Karim Pipe 100/5 133.00

Metalex Corp. 100/5 200.00

Monno Juffers 10/5 200.00

Monno Staff 100/5 240.00

National Tubes 100/10 122.00

Panther Steel 10/50 6.00

Quasem Dycells 10/50 7.51

Quasem Jayceswar 100/5 85.00

Singer Bangladesh 100/5 700.00

FOOD & ALLIED (21)

A.B Biscuit 100/5 180.00

Alpha Tobacco 10/50 48.00

Aman Sea Food 100/5 36.00

Apex Food 100/5 450.00

Aroma Tea 100/5 70.00

Bargos 100/5 155.00

B.D. Plantation 100/5 350.00

Bengal Food 100/5 115.00

B.L.T.C. 100/5 800.00

B.T.C. 10/50 41.00

Cig. Vegetable 100/10 85.00

D.L. Kamela 100/5 146.33

E.K. Camella 100/5 1000.00

Frogleg Export 10/50 3.00

Gemfri Sea Food 100/15 100.00

Hill Plantation 100/5 300.00

Modern Industries 100/5 160.00

N.T.C. 100/5 280.04

Rabeya Flour 100/10 NT

Rupali Flour 10/100 6.30

Talip Dairy 100/10 95.00

Yousaf Flour 10/50 NT

Zaid Bangla Sugar 10/50 12.03

FUEL & POWER (03)

Padma Oil Co. 10/50 40.00

Eastern Lubricant 10/50 14.00

Oxygen 10/50 47.00

JUTE (12)

Ahad-Jute 100/10 NT

Appawra-Jute 10/50 NT

Delta-Jute 10/50 8.50

Gawra-Jute 10/50 NT

Islam-Jute 100/5 75.00

Jute Spinner 100/5 95.00

Note: FV = Face Value ML = Market Lot NT = Not Traded, AL=Allotment Letter

R & H Notice Inviting Tender