

Salvation of sunken objects

Wrong prioritization may risk Karnaphuli Bridge

By Inam Ahmed

Wrong prioritization in salvaging the sunken vessels from the river Karnaphuli may delay the repair of Karnaphuli Bridge damaged in the April 29 cyclone, according to experts.

The delay may lead to rise in repair expenditure which may even make the future of the bridge uncertain, said the experts.

The Dutch government has already granted 10 million guilder (Tk 226 million) for repair of the bridge which should be done during the dry season, sources said. Salvation of the sunken crane 'Shaktiman' and a span of the bridge should be carried out first, they felt.

The Chittagong Port Authority, however, listed the salvation of the crane and the bridge span as number six in the priority list. Meanwhile, the authorities were urged to reprioritize the salvation of crane and bridge as the number one task.

The salvation of the vessels sunken in the Karnaphuli in April 29 cyclone is already scheduled to begin in January. About 20 vessels of various sizes including the 'Shaktiman' and the broken bridge span are lying under water along the main navigation channel of the Karnaphuli. These sunken vessels are obstructing the navigation of heavy duty vessels.

Experts view that salvation of the bridge span and the 'Shaktiman' should also be carried out first to facilitate the repair of Karnaphuli bridge which was built under Dutch assistance.

A Dutch experts team which visited the bridge site and submitted its report to the government in last October suggested that the sunken bridge span be re-used in the repair of the bridge. But local experts do not share the view. They feel that the plan to reuse the bridge span may also affect timely completion of the bridge.

Commentary

What can be done to attract more foreign investment

By Abu Ahmed

Bangladesh, which is striving to mobilise resources from a dwindling capital market to support its industrial development, may try the following options for a better result. First, it can work out and better incentives to invite more foreign investors to invest directly both singularly and in cooperation with resident Bangladesh citizens; Second, instead of waiting for foreigners to come with capital the authorities may go out on their own to float financial instruments like shares, bond and quasi-equity instruments like convertible bond abroad in cooperation with relevant international/regional investment banks and brokerage houses.

While the government has been endeavouring to attract foreign investors, still without a desired response, it has not yet attempted the second option which many underdeveloped countries have already resorted to and reaped considerable benefits.

In fact, fund raising abroad by selling financial instruments started as early as 1982, which has now gained momentum with help from investment banks of the west like International Finance Corporation (IFC).

IFC renders advisory assistance to the companies in the developing countries on the prospect, structuring of the issues, and their pricing. IFC, also in partnership with some international investment banks, brings companies from the developing countries to the international capital markets and helps them sell their securities to institutional investors.

The corporation came in a big way in 1989 in transferring International fund from one country to another by linking

the world capital markets and also through its country funds which are portfolios consisting of securities from a specific country. Till now it has helped establish country funds for 26 nations like Argentina, Chile, Korea, Malaysia. The funds value over \$10 billion.

The authorities can consider the option to utilise the service of IFC.

The first route Bangladesh has been following to bring more foreign investment is also not free from strains. The authorities recently did away with almost everything that prohibits a non-resident Bangladesh citizen as well as a foreigner to invest here either in the form of security purchase from the country's capital market or to invest directly in industrial ventures.

But who are the prospective foreign and non-resident investors? Obviously, not a person who does not know Bangladesh well, not to speak of, knowing a company having its securities in the capital market. The most prospective investors in this case may be those who are residents but have funneled their fund out of Bangladesh in many ways that are accessible to them. They may turn to be 'non-residents' and opt for buying securities in Bangladesh with 'flight capital'.

The authorities can not and perhaps should not do anything to install such investment. And about other foreigners, Bangladesh will not be that lucky to receive them with fund given its political volatility and low economic base. Most importantly, Bangladesh does not have a capital market to name where liquidity can be ensured through securities transaction and where fair pricing of them is guaranteed.

A competitive capital market is a sine qua non for foreign investment, and a competitive, reliable and well-regulated stock exchange is basic to any such capital market. Unfortunately, this aspect of capital market is being ignored by the authorities who are seemingly eager to have more foreign private investment in Bangladesh.

Apart from a largely non-functioning stock exchange, auditing system in the country not even satisfies its domestic stock investors in terms of abiding by laws and rules of corporate auditing making disclosures, placing the information in an appropriate format and applying valuation techniques for assets etc. The audit satisfies the management of the companies and least satisfies the shareholders who theoretically elect it under the present Company Law.

Who will manage the portfolios with stocks for foreigners in Bangladesh? No organisation with minimum reliability has yet developed in this respect. There are three investment banks — one sponsored and funded by govt together with govt-sponsored financial institutions and the other two are the product of private initiatives. But all of them failed in stock management miserably. They rather alienated the domestic investors in stocks to the extent that they seem not to return for help in their portfolio management.

In such a condition of the capital market few can be expected to stake their investment.

(The writer is an Associate Professor of Economics at Dhaka University.)

Faulty utilisation is the problem : Bureaucrat

Aid benefits rich: economist

An eminent economist Friday said increasing foreign aid instead of creating dynamism in Bangladesh economy benefited the richer class and opened up ways for donors to intervene into state affairs, reports UNB.

The government and a richer class as well as some foreign and local intermediary groups were major beneficiaries of the huge external aid which totalled 22.6 billion US dollar till June, 1990, Dr Selim Jahan of Dhaka University told a seminar in Dhaka.

Dr Jahan said this in a research paper, titled 'Foreign Aid and Economic Development of Bangladesh', at the seminar organised by Carl Dutsberg Samity, a forum of Bangladeshi people who studied in educational institutions in Germany, at the German Cultural Centre.

Reviewing the paper, a senior bureaucrat, however, observed that it is not the foreign aid itself but inefficient aid management which is responsible for the unwarranted situation.

The country does not have any forward looking plan of action yet to properly utilize foreign aids, said Dr Akbar Ali Khan, Additional Secretary at the Finance Ministry.

Moreover, he pointed out, the declining efficiency of bureaucracy and its loss of credit-

bility allowed the donors to intervene into internal policy matters.

Dr Jahan in his paper referred to a recent study to substantiate his claim of ineffectiveness of aid.

According to the study, 69 per cent of the 4.5 billion US dollar received as aid from three major donor agencies between 1971-84 was spent in purchasing foreign commodities. Another five per cent had gone to foreign experts and contractors.

So, Dr Jahan said, three-fourths of the aid given to us were being recycled to donor countries.

Benefits of foreign aid flow, he added, have also accrued to some local groups, including bureaucrats, brokers and contractors.

Apart from that the weakness of aid dependence provided the donor countries and agencies the advantage of frequently intervening in the internal affairs of the country.

Big donors intervene at the state policy level, medium donors at the sector level and the small donors at the project level, the economist said.

Donors' interventions are more prominent in seven areas — family planning, agriculture, industrialisation, trade policy, rural development, domestic resources mobilisation and economic management, he said.

Dr Jahan referred to another study revealing that about 18 donor countries and agencies had made recommendations 379 times on 154 socio-economic policy reforms at the state level.

Contradicting Dr Jahan's observations, Dr Akbar Ali Khan said foreign aid, particularly the food aid, had con-

tributed significantly to the Bangladesh economy although not upto the expectation.

Despite recurring natural calamities, he said, there had not been any famine in Bangladesh in last 15 years because of food aid.

Achievement in family planning is also better in the country than many other developing countries who received more foreign aid to the sector than Bangladesh, Dr Khan said.

Members of Carl Dutsberg Samity, economists and elite were present at the seminar.

BAF Women Assoc launches handicrafts exhibition

A three-day handicraft exhibition organised by the regional unit of Bangladesh Air Force Women's Welfare Association (BAFWWA) began Thursday in the Shaheen College premises, reports UNB.

State Minister for Social Welfare and Women's Affairs Sarwar Rahman inaugurated it. Wives of top defence officials, including president of BAFWWA and wife of Air Force Chief Begum Suraiya Akhter, Begum Sufia Khan, the wife of Army Chief and patron of BAFWWA, wife of Navy Chief Begum Shirreen Islam as well as wives of diplomats attended the inaugural function.

Garments, hosiery and handicraft items have been put on display in 150 stalls in the exhibition.

The sales proceeds from the exhibition will be sent for development of the association.

Local chambers seek more time to repay loans

Council of Chamber Presidents (CCP) Thursday urged the government to extend date upto March 31 for repayment of overdue industrial loans, reports UNB.

The council, comprising presidents of 64 district chambers in the country, at a meeting today noted with dissatisfaction the statement of the finance minister who had repeatedly spoke against further extension for repayment of overdue loans.

The meeting reviewed the industrial sector which is undergoing a severe recession. The participants in the meeting viewed that government should extend the date considering the condition of the industrial sector.

Hyundai boss plans political career

SEOUL, Jan 3 : Chung Ju-Yung, founder of the colossal Hyundai business group, announced Friday that he has retired to start a new venture that aides said would be a career in politics, reports AP.

Chung, a frequent critic of President Roh Tae-woo's economic policies, was forced with his family last year to pay 181 million dollar in tax penalties on stock transactions. Chung called the tax bill government retaliation.

South Korea's second-largest conglomerate will be taken over by Chung's younger brother, Chung Se-Yung, who distinguished himself by making Hyundai cars a name brand in the competitive world market.

Hyundai's other products include ships, computer chips and cement. Its 1991 sales have been estimated at 5.5 billion dollar.

"I retired from the group's management as of Dec 31, 1991, and now I will do a new venture," Chung said in an announcement after meeting with senior corporate officials.

He did not say what the "new venture" would be, but insiders said the 7-year-old magnate would enter politics and form a new political party soon — a rare break between a business leader and Roh's governing party.

Exchange Rates

(Valid for Jan 3/4)

SELLING AND BUYING RATES, offered by Commercial Banks, for Bank Cheques, (BC) and Overseas Drafts (OD)

One Unit of Foreign Currencies (FC) for Taka	Buying	Selling
US Dollar	38.9226	38.7087
UK Pound Sterling	72.7396	72.2274
German Deutsche Mark	25.6643	25.4998
French Franc	7.5104	7.4648
Saudi Riyal	10.4106	10.3507
Dutch Guilder	22.7543	22.5970
Pakistan Rupee (AMU)	1.5790	1.5687
Singapore Dollar	24.0339	24.0339
UAE Dirham	10.6364	10.5783
Kuwait Dinar	Not available	
Indian Rupee	Not available	
AMU	1.5075	1.5036
S. Kroner	7.9206	6.9739

*AMU-Asian Monetary Unit
 Performance Benefit (XPB) Fund
 Buying Selling
 US Dollar 36.75 36.75
 UK Pound 72.51 72.56
 Saudi Riyal 10.35 10.40
 UAE Dirham 10.57 10.62

The rate of Pound Sterling are decided basing on the cross-rates of New York market.
 Source: Small Bank

Shipping Intelligence

Chittagong Port

Berth No	Name of Vessel	Last Port	Local Agent	Date Arrival	Date Leaving
J/2	Saumdra Samrat	Singapore	SSL	31/12	05/1
J/3	Yun long	W. PU	Prog	01/01	08/1
J/5	Safina-E-Najam	Kara	ASL	28/12	05/1
J/6	Atlantia-2	Cara	Royal	28/12	05/1
J/7	Stefan Czarniecki	Mad	BSA	01/01	04/1
J/8	Ping Yin	Kand	OWSL	28/12	09/1
J/9	Sea Glory	Singapore	Prog	25/12	09/1
J/11	Progress	Na	EBSL	30/12	07/1
J/12	Danglar Sampad	Na	BSC	01/01	05/1
J/13	Atlantia Clipper	Singapore	BDship	31/12	04/1
MPB/2	Fong Yun	Singapore	BDship	20/12	05/1
CCJ	Swam Glory	Bisa	PRSA	25/12	03/1
OSJ	Hargevan	Pira	Ista	01/01	04/1
TSP	Lion of Gulf	Col	Seacoast	27/01	03/1
RM/6	Papua	Singapore	ECSL	01/01	03/1
DD/1	Banglar Maya	Na	BSC	31/12	15/1
DD/1	Martiz Star	Singapore	Delmure	29/12	05/1
DD/2	Banglar Baari	Na	BSC	29/12	05/1
RM/9	Banglar Swapna	Na	BSC	25/12	10/1

Vessel At Ready At Outer Anchorage

Vessel Name	Arrival	Last Port	Local Agent
Global Uranus	02/1/92	Mala	OTL
Botary	02/1/92	Col	JF
Ciacinta	03/1/92	Singapore	MSP/L
T T Energy	05/1/92	Taru	NNL
Ronjoy Choomie	03/1/92	Col	Psal
Great Promise	03/1/92	Singapore	ECSL
Elli	04/1/92	Moro	Aqua
Hang Choon	06/1/92	Singapore	Bright
Aghion Aros	08/1/92	Ind	Aqua

Vessel Due At Outer Anchorage

Name of Vessels	ETA	L. Port	Local Agent
NGS Ranger	03/01/92	Singapore	BDSHIP
Nikos-A	03/01/92	Mongla	AQUA
Weiser Star	03/01/92	Singapore	BDSHIP
Mild	03/01/92	Singapore	OSA
Clare	03/01/92	NA	ROYAL
Blue shark	03/01/92	Busan	PROG
Smit Madura	03/01/92	Singapore	SW
Smit Cyclone	03/01/92	Singapore	SW
Fong Shin	04/01/92	Singapore	BDSHIP
Kota Buana	04/01/92	Singapore	CTS
Randasa	04/01/92	Mong	SSL
Jonathan	04/01/92	NA	SEACON
Ocean Brave	04/01/92	Singapore	JF
Azalea	04/01/92	NA	ISL
Smit Lombok	05/01/92	Singapore	SW
Smit Langkawi	05/01/92	Singapore	SW
Matraman	05/01/92	Singapore	SW
Semico	05/01/92	NA	SW
Gold Horizon	05/01/92	NA	AML
Dippach	05/01/92	Tempa	ROYAL
Golden Chase	05/01/92	NA	OWSL
Hai Ning	07/01/92	NA	TSLL
Seabulk hope	07/01/92	NA	BBA
King Dong	08/01/92	Singapore	OSA
Johnverrette	09/01/92	Singapore	EBPL
Fong Shan	10/01/92	Singapore	BDSHIP
Infinity	10/01/92	Singapore	RSL
Pevo Yavorov	10/01/92	NA	UMAL
Optima	13/01/92	Col	RSL

Mongla Port

Name of Vessel	ETA	EID	L. Port	Local Agent
Marwaan	3/1/92	-	NA	TMIL
Dea Gak Bong	3/1/92	-	Gresik	BML
Laurel Star	3/1/92	-	Tatic Original	BML
Hand Tone	3/1/92	-	Chittagong	BRIGHT
Romina	4/1/92	-	Chittagong	GLOBE
Lion of Gulf	5/1/92	-	Colombo	MAKH
Safina-E-Najam	5/1/92	-	Chittagong	ATLAS
Karabieverette	7/1/92	9/1/92	Chittagong	
Ronjoy Choomie	7/1/92	-	Chittagong	PIONEER
Golden Horizon	7/1/92	10/1/92	Chittagong	AGT
Ronjoy	8/1/92	-	Chittagong	TMIL
Su King	8/1/92	-	Singapore	AL-AMIN
Su Hong	10/1/1992	-	Singapore	AL-AMIN
Golden Chase	12/1/92	-	Chittagong	OWSL
New Genord	12/1/92	-	Chittagong	BSLL
Anting	14/1/92	-	Chittagong	TMIL
Banglar Kakoli	14/1/92	26/1/92	Chittagong	BSC
Andrian Goncharov	14/1/92	17/1/92	Chittagong CT	
Tea Ghong	15/1/92	-	Chittagong	BRIGHT
Nga Ranger	25/1/92	-	Chittagong	BSLL

NOTE : Berthed = Vessel At Port Jetty. ETA = Expected Time of Arrival. ETB = Expected Time of Berth. ETD = Expected Time of Departure. NA = Not Available.

Source : Aquamarine Limited

Dhaka Stock Prices

Prices of Shares, Debentures with Dhaka Stock Exchange

At the close of trading on Dec 26, 1991 and Jan 2, 1992

Company	EV/ML*	December 26		January 2	
		Taka	Taka	Taka	Taka
BANKS (10)					
AL Baraka Bank	1000/1	1070.00	1080.00	1080.00	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
I.F.C	100/5	180.00	180.00	202.00	140.00
Islami Bank	1000/1	1320.00	1320.00	1400.00	1000.00
National Bank	100/5	104.00	105.00	125.00	102.00
Pubali Bank	100/5	100.00	100.00	110.00	85.00
Rupali Bank	100/10	88.00	88.00	110.00	86.00
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 (08)					
ICB	100/5	93.50	90.00	100.00	90.00
1st ICB M.Fund	100/5	345.00	345.00	450.00	345.00
2nd ICB Fund	100/5	150.00	150.00	200.00	150.00
3rd ICB M. Fund	100/5	128.00	126.00	168.00	126.00
4th ICB M. Fund	100/10	123.00	120.00	157.00	122.00
5th ICB M. Fund	100/10	90.00	91.00	139.00	90.00
6th ICB M. Fund	100/10	66.00	65.00	100.00	59.50
Sales Price		116.00	116.00		
Re-purchase		111.00	111.00		

INSURANCE (04)					
BGIC	100/10	105.00	106.83	127.50	104.00
Green Delta	100/10	113.00	114.00		