

### Garments earned Tk 2537 crore in 1990-91

The country earned Tk 2,537 crore, equivalent to about 719.51 million US dollar during 1990-91 by exporting readymade garments.

Commerce Minister MK Anwar informed the Jatiya Sangsad about the income while replying to Independent Member Nurul Islam Mondol.

The Minister said raw materials valued at Tk 6,497 crore, equivalent to 1,998 million US dollar were imported for manufacturing these garments.

In reply to another question from Mont. Labour Minister Abdul Mannan Bhuiyan informed the House that there were about 88,450 temporary and 1,62,100 permanent workers employed in country's nearly 750 garment industries. The workers enjoy trade union rights, the Minister added.

BSS adds: Taka 8,271.12 crore (US dollar 2,532.71 million) was earned by exporting readymade garments from the fiscal 1986-87 to 1990-91.

Answering a question from Abdul Mannan Bhuiyan, Commerce Minister told the Jatiya Sangsad that the export earnings in the garments sector were estimated at taka 3,265 crore (907 million dollar) in the current fiscal year (1991-92).

The year-wise break-up of the export earnings in this sector is: 1986-87 — Taka 907.67 crore, 1987-88 — Taka 1,342.13 crore, 1988-89 — Taka 1,494.28 crore, 1989-90 — Taka 1,990.04 crore and 1990-91 — Taka 2,537 crore.

# Steps to save export earnings urged

Star Economic Report

The Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka has expressed serious concern at the falling export performance of the country and called for urgent steps to improve the situation.

In a recent study on the export performance of the country, MCCI presented a detailed picture of the falling prices and volumes of the major items exported during July to November of 1991.

According to the study, the unit price of raw jute fell by 11.24 per cent, tea by 9.3 per cent, leather by 15.55 per cent and shrimp by 1.13 per cent. The unit price of garment products also sharply declined.

The study observes that export performance was particularly disconcerting for frozen food, leather, raw jute and jute goods. During the five months frozen food export stood at 22.13 million pounds compared to 29.58 million pounds in the same period of 1990 showing a decline by 25.18 per cent. Export of leather declined by 15.11 per cent to 42.73 million sq ft from 50.34 million sq ft. Export of raw jute fell by 7.86 per cent to 396.17 thousand bales from 430 thousand bales. Export of jute goods stood at 204.21 thousand tons against 233 thousand tons last year, showing a decline by 12.35 per cent.

Market demand for leather has fallen further. Italy, the major market for Bangladesh leather accounted for only

22.95 per cent of the leather exported during July-November, 1991 compared to 34.84 per cent last year. Growing recession in Italy and some other western countries is likely to cause further setback in export in the coming months. Unit price of leather, is also substantially lower compared to that of last year, the study says.

Worsening financial condition of the frozen food units has hit the export by this sector. Besides, price competitiveness is a major problem in view of higher productivity in the competing countries. Most of the frozen food units are facing acute shortage of working capital due to heavy losses in recent years. Currently, only about 20 units are in a position to export compared to a total of 92 factories. The exporters are also facing difficulties in exporting to the US market due to 100 per cent checking by the US Food and Drug Authority. Many US buyers of frozen food have already switched over to other countries.

According to the study, declining trend in export of jute goods is a matter of serious concern. Exporters are facing stiff competition from their Indian counterparts. India has been out pricing Bangladesh exporters with the help of devaluation benefit and higher premium on EXIM scrips.

Financial position of the Bangladesh mills has deteriorated sharply since 1986-87

mainly due to large wage increases in the face of stagnant export price and sharp fall in export sales, the study notes. Loss : Sales ratio in jute industry increased from 13.6 per cent in 1983-87 to 36.5 per cent in 1988-91.

Garments export to US market has also fallen, the study says. Recession in US and intensified competition from other countries are attributed to the decline. During the first eight months of 1991, export declined by about seven per cent. Mexico has already overtaken Bangladesh in selling garments while other countries are posing serious challenge.

The Chamber study points out that little has been done by the government to help the exporters face the situation marked by declining cash incentives. The XPB premium is now only 43 paisa per dollar compared to 57 paisa in September, 1991 and 62 paisa in August, 1991. In 1985 XPB premium was Tk 3.16 per dollar. Premium is so negligible that the exporters are almost reluctant to apply for reimbursement under XPB, notes the study.

Meanwhile, price competitiveness from the Indian exporters has become stiffer. Since July, 1991, Indian rupee has been devalued by about 28 per cent. Higher premium on EXIM scrips has further boosted their price competitiveness. The premium on EXIM scrips has recently de-

clined but it can be still sold with 20 per cent premium. The Indian government has taken measures to improve the premium while Indian exporters are increasingly outpricing Bangladesh exporters in major markets, observes the study.

The study views that government's response to the challenge by adjusting taka value ignoring other follow-up steps has largely failed to boost exports. Since 1984-85, de-shipment 46 per cent devaluation, unit export prices fell by 6.34 per cent. More recently, during July-November of 1991, unit price decreased by 0.57 per cent against a five per cent devaluation.

Effect of devaluation on export of output growth in other LDCs has also been consistently negative. According to a UNCTAD study, 10 per cent devaluation caused six per cent output fall in the long run in the LDCs covered by the study, points out the MCCI survey. Bangladesh faces a relatively more inelastic demand schedule for its products and thus enjoys little flexibility in augmenting export earnings by restructuring the prices of most products.

Export competitiveness depends on devaluation of real effective exchange rate and not on the devaluation of nominal exchange rate, says the study. Countries like Korea and Brazil achieved export break-through

by improving export price competitiveness and not by devaluing their currencies, it adds.

With regard to barter, the study mentions that the operations of Special Trade Agreements (STAs) with former socialist nations have come virtually to a standstill over the last six to eight months. It is therefore, imperative that the government now take immediate steps to reactivate STAs that exports start moving, it views.

The study says that adequate and timely export financing is the need of the hour and a clear cut policy guideline with commitment from the highest level policy planners must be put in order to boost exports.

The Export Promotion Fund remains still unimplemented, the study says, adding the Fund should immediately be set up to help the export sector.

Although in the 1991-93 Export Policy, the government stated that effective steps would be taken to restructure the XPB with a view to improving price competitiveness no steps have so far been taken in this regard, the study notes.

Given the growing imbalance in the country's foreign trade and the need for an urgent help to exports, the promotional aspects of cash incentives should not be ignored, the study concludes.

## Dhaka Stock Prices

At the close of trading on Jan. 12, 1992

Market Profile

135 Listed Stocks

13 gains 07 losses 115 unchanged

115 unchanged stocks include 09 traded on the day at its previous quoted prices. DSE All Share Price Index = 295.3094. Market Capitalisation = 8,445,592,863. Turnover = Taka 835995 (Value) 6870 (Volume).

Company	FV/ML Tk	Company	FV/ML Tk
<b>BANKS (10)</b>		<b>PHARMACEUTICALS &amp; CHEMICALS (15)</b>	
Al Baraka Bank	100/1 1090.00	Ambee Pharma	10/50 12.50
AB Bank	100/5 177.00	Bangla Process	100/5 207.00
City Bank	100/5 270.00	Beximco Pharma	10/50 125.00
IFIC	100/5 180.00	Glaco	10/50 10.00
Islami Bank	100/1 1320.00	IC I	10/50 106.50
National Bank	100/5 105.00	Kohinoor Chemical	100/5 13.00
Pubali Bank	100/5 100.00	Petro Synthetic	100/5 110.00
Rupali Bank	100/10 87.00	Pfizer	100/5 145.00
U.C.B.L.	100/5 120.00	Pharmacia	100/5 52.00
Utara Bank	100/5 166.50	Progressive Plastic	110/5 40.00
<b>INVESTMENT (08)</b>		Reckitt & Colman	10/50 240.00
ICB	100/5 90.00	Rahman Chemicals	100/10 45.00
1st ICB M.Fund	100/5 340.00	Therapeutics	100/5 67.00
2nd ICB M.Fund	100/5 150.00	The Bostina	100/10 92.00
3rd ICB M.Fund	100/5 128.00	<b>PAPER &amp; PRINTING (06)</b>	
4th ICB M.Fund	100/10 123.00	Eagle Box	10/50 28.50
5th ICB M.Fund	100/10 91.00	Monospool	100/5 104.50
6th ICB M.Fund	100/10 66.00	Paper Converting	100/5 115.00
ICB Unit Cert.		Paper Processing	100/10 70.00
Sales Price	116.00	Padma Printers	10/50 50.00
Re-purchase	111.00	Sonali Paper	10/50 50.00
<b>INSURANCE (04)</b>		<b>SERVICE (02)</b>	
BGC	100/10 119.92	Bangladesh Hotel	10/50 12.00
Green Delta	100/10 136.52	Bd. Service	10/50 12.00
Peoples	100/10 120.00	<b>TEXTILE (18)</b>	
United	100/10 131.00	Alhaj Textile	10/50 NT
<b>ENGINEERING (19)</b>		Arbee Textile	100/10 NT
Alfab Automobiles	100/5 185.29	Ashraf Textile	10/50 27.00
Atlas Bangladesh	10/5041.00XKD	Chand Textile	10/50 NT
Atza Pipes	100/5 240.00	Chand Spinning	10/50 NT
Bangladesh Autocars	100/5 72.00	Desh Garments	100/10 60.00
Bangladesh Lamps	105/5 240.00	Dulamia Cotton	100/10 73.50
B.Thal Aluminium	100/10 85.00	Eagle Star	10/50 24.50
Bengal Carbide	100/5 220.00	GMG Ind. Corp.	10/50 15.00
Bengal Steel	10/50 18.00	Modern Dyeing	100/5 35.00
Eastern Cables	100/5 86.00	Quasem Silk	100/5 4.50
Howler PVC	100/10 91.58	Quasem Textile	10/50 6.50
Karim Pipe	100/5 135.00	Rahim Textile	100/5 61.00
Metalex Corp.	100/5 110.00	Saltham Textile	100/10 73.50
Monno Staffers	10/5 200.00	S.T.M. (ORD)	100/5 50.00
Monno Jute	100/5 223.97	Sylecraft	100/5 100.00
National Tubes	100/10 123.00	Swan Textile	100/5 60.00
Panther Steel	10/50 62.00	Tallu Spinning	100/10 112.00
Quasem Drycells	10/50 7.25	<b>MISCELLANEOUS (14)</b>	
Rerwick Jaineswar	100/5 82.00	Apex Tannery	100/5 200.00
Singer Bangladesh	100/5 700.00	Aramit	10/50 NT
<b>FOOD &amp; ALLIED (21)</b>		Bata Shoe	10/100 33.50
AB Biscuit	100/5 180.00	Beximco	10/100 9.00
Alpha Tobacco	10/50 48.00	B.S.C.	100/5 50.00
Aman Sea Food	100/5 36.00	Chittagong Cement	100/5 228.47
Apex Food	100/5 448.00	G. Q. Ball Pen	10/50 48.00
Aroma Tea	100/5 70.00	Ihmadi Ltd.	10/100 6.00
Bargos	100/5 155.00	Milton Tannery	100/5 152.00
B.D. Plantation	100/5 250.00	Monno Ceramic	100/5 90.00
Bengal Food	100/5 113.11	Phonix Leather	100/5 108.00
B.L.T.C.	100/5 500.00	Savar Refractories	100/5 108.00
B.T.C.	10/50 41.00	The Engineers	100/5 100.00
Cig. Vegetable	100/10 85.00	Usmania Glass	100/5 228.00
Dhaka Vegetable	100/5 142.67	<b>DEBENTURES (04)</b>	
E.L. Camellia	100/5 1000.00	Apex Tannery	1000/1 995.00
Frugleg Export	10/50 2.50	(17% 1992)	
Gemini Sea Food	100/5 100.00	Bengal Food	900/1 590.00
Hill Plantation	100/5 300.08	(18.5% 1992)	
Modern Industries	100/5 160.03	Beximco	2500/2190.00
N.T.C.	100/5 280.04	Beximco Pharma	1571/11425.00
Rabeya Flour	10/100 NT	(17% 1997)	
Rupam Oil	10/100 6.20	Quasem Silk	2000/11800.00
Tulip Dairy	100/10 88.00	(17% 1994)	
Yousuf Flour	10/50 NT	Note: FV = Face Value ML = Market Lot NT = Not Traded, AL = Allotment Letter	
Zeal Bangla Sugar	10/50 12.15		
<b>FUEL &amp; POWER (03)</b>			
Padma Oil Co.	10/50 40.00		
Eastern Lubricant	10/50 14.00		
Oxygen	10/50 46.00		
<b>JUTE (12)</b>			
Ahad Jute	100/10 NT		
Anowara Jute	10/50 NT		
Delta Jute	10/50 8.50		
Gawaja Jute	10/50 NT		
Islam Jute	100/5 65.00		

### Salt demand fixed at 7.5 lakh tonnes

The demand for salt in the country during the fiscal 1991-92 has been fixed at about 7.50 lakh metric tons. Commerce Minister M K Anwar told the Jatiya Sangsad Sunday, reports BSS.

In a written reply to a question from Dr. Mizanul Huq, the Minister said the total salt production in the country during fiscal 1991-92 was fixed at 6.50 lakh metric tons.

He said since the production of salt in Bangladesh largely depended on water condition there was possibility of production target going up or down.

## WB VP unhappy over slow reform as Saifur upholds own priorities



Visiting World Bank Vice President Josef Wood at a meeting with Economic Relations Division (ERD) Secretary Enam Ahmed Chowdhury Sunday at ERD office.

The government Sunday requested World Bank to relax its rigidity for quick release of funds to help the country pace up its development efforts for consolidating democracy, reports UNB.

A visiting senior World Bank executive, on the other hand, expressed dismay over low aid utilization and slow implementation of structural reforms in Bangladesh and asked the government to raise its efficiency.

Yours detailed conditionalties often reduce aid absorption capacity of the country and thus deter development, Finance Minister Saifur Rahman was quoted to have responded to World Bank Vice-President Joseph Wood during their meeting this morning.

Meeting sources said Rahman also asked for flexibility in WB's development strategy and urged the multilateral funding agency to be more accommodative to the country's own development priorities.

Education, particularly female education, agriculture and infrastructure building were pointed out by the Finance Minister as the new government's priority sectors, urging increased World Bank assistance in these fields.

Similar arguments were moved by Bangladesh side to the visiting World Bank official when he met with Economic Relations Division Secretary Enam Ahmed Chowdhury prior to meeting the Finance Minister.

In his turn, Joseph Wood, the new World Bank Vice-President for South Asia, suggested that the government cut its current expenditure by trimming superfluous manpower from the public

sector and improve its (govt's) efficiency.

Wood also stressed overall improvement in socio-political environment for buoyancy of the economy.

Expressing frustration over a pace of aid utilization, the World Bank official called for a sustainable set of rules and policies for smooth project implementation.

Existing difficulties in credit negotiation, domestic opposition to implementation of structural reforms, World Bank's credit suspension in energy and financial sector, slow project implementation, Jamuna bridge were the major issues that came up in the two-hour-long meeting between Rahman and Wood.

Joseph Wood, sources said, positively responded to a request by Saifur Rahman for early floating of tender for the Jamuna Bridge project.

The World Bank executive said he would ask the Asian

Development Bank and Japan to come up with adequate financing support for the project. Both Japan and the ADB had earlier indicated 150 million US dollar each to fund the Jamuna Bridge.

The Finance Minister reportedly expressed concern at the existing stalemate over credit negotiation in agriculture sector resulting from the government's farm loan waiver and urged the World Bank to settle the matter.

He also requested for immediate resumption of the Bank's assistance to the power sector.

When the issue of discipline in financial sector came, Wood suggested discouragement of 'default culture'.

Saifur Rahman agreed and apprised the World Bank executive that the government action against loan default had started yielding returns.

Alternative Director to the World Bank M A Saheed and Bank's Resident Mission Chief Christopher Willoughby were present.

## 'Raising productivity a must'

A four-day national workshop on "Consultancy and Productivity Improvement" began in Dhaka Sunday with a call for increasing the efficiency and productivity of small and medium scale enterprises, reports BSS.

Industries Secretary Dr. Ekram Hossain inaugurated the workshop, jointly organized by the Bangladesh Small and Cottage Industries Corporation (BSCIC) and International Labour Organisation (ILO), at the BMDC, Sobhanbagh in Dhaka.

Deputy Resident Representative of the United Nations Development Programme (UNDP) Winston Terpe, Director in-charge of ILO Per Bertilsson and BSCIC Chairman M Mantruzaman Chowdhury spoke on the occasion.

The purpose of the workshop is to improve the capabilities of the national consultants to conduct and report on in-depth needs assessment for productivity improvement in small and medium scale enterprises.

### 84 investors receive counselling

A total of 208 entrepreneurs were so far registered and 84 investors advised by the Investment Counselling Centre.

The Industrial Investment Counselling Week-92 sponsored jointly by the Board of Investment (BOI) and Bangladesh Small and Cottage Industries Corporation (BSCIC) was inaugurated in Dhaka Saturday.

A good number of entrepreneurs have collected prescribed project briefs from the Counselling Centre,

scale food processing enterprises for increasing the efficiency and productivity in the Asia and Pacific region.

Skill development through enhancement of managerial knowledge and development of expertise in the small and medium scale enterprises in accordance with identified needs are also among the objectives of the workshop.

Dr. Ekram Hossain, in his inaugural speech, said the government has laid great emphasis on private sector and its increasing role for participation in economic development and in particular in the industrialisation process of the economy.

Dwelling on the subject of the workshop, the Industries Secretary said there cannot be any compromise on the question of efficiency and productivity.

"To rebuild our industrial base and to sustain effort in this direction, the enterprises must look into the vital aspects of efficiency and productivity, or we will lose our existence," he said.

The UNDP Representative said, productivity and efficiency must be increased in Bangladesh because agricultural land is limited and population is vast here.

## 'Canals can contribute to development'

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He also inaugurated the construction work of an embankment on the old Masua river in Netrokona.

KISHOREGANJ, Jan 12: Deputy Minister for Shipping ADM Zahidul Huq said the economy of the country could be improved more through implementing canal digging programme which was launched by Shaheed President Zaur Rahman, reports BSS.

Huq said this while presiding over a meeting on materialisation of canal digging programme of the district committee here Saturday.

Seven local parliament members and district administration officials were present.

The Deputy Minister said 13 canals in 13 upazilas would be re-excavated during the current year.

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## Shipping Intelligence

### Chittagong Port

Name of Vessels	Berthed	ETD	Berth	L Port No	L Agent
Banglar Kakoli	02/01	12/01	J/1	Male	BSC
Al Salma	05/01	15/01	J/2	Hong	ASLL
Yun Long	01/01	15/01	J/3	W Pu	PROG
Romina	06/01	10/01	J/4	Kand	GLOBE
Saifina-E-Najam	28/12	10/01	J/5	Kara	ASLL
Pearl One	06/01	11/01	J/6	Singapore	CLA
Kabireverette	04/01	0			