

Pak-Bangla joint venture medicine plant opens soon

Special Correspondent KARACHI, May 8: The first Pakistan-Bangladesh joint venture to manufacture basic raw material for anti-biotic medicines, will go on stream this coming July. The plant, based on Korean technology and being set up at a cost of Rs 200 million, will have an annual capacity of producing 200 tons of raw material. The domestic market is expected to lift about 120 tons while the remainder will be exported. The sponsors of the project are ASF Rahman of Bangladesh, Nadeem Shaquillan and Parvez Soofi from Pakistan. Talking to newsmen here, Rahman said that an identical project was operating in Bangladesh. It was producing 60 tons a year and was exporting the product to Germany and Malaysia. He said civil works on the Pakistan project, which will be located 35 kilometres from Lahore on the road to Ferozepur, has been completed and 95 per cent of the machinery had already reached Pakistan. Some multinational drug-manufacturing firms have set up such plants in Pakistan but their produce was for in-house use only and was not available in the open market. The joint venture would yield a saving of 3.5 million US dollars now being spent on importing this material. Of the total investment in the project, 60 per cent is in foreign exchange and the rest in Pakistani currency. Pakistan and Bangladesh hold equal shares of 40 per cent each the remaining 20 per cent shares will be offered for public subscription.

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New BSFIC CBA executives meet

executives meet management by Staff Correspondent. The newly elected officers of Central Employees Union of Bangladesh Sugar and Food Industries Corporation (BSFIC) Wednesday met the Chairman and Directors of BSFIC and assured the management of their whole-hearted co-operation in running the industry efficiently. The Chairman of BSFIC, Wasequl Alam, thanked the CBA leaders and said the present co-operative relation between management and workers would make the industry efficient.

BSFIC Directors Dr M Shah-jahan, Muzaffar Ahmed, Shawkat Ali, Secretary AS Salah-uddin Ahmed, Chief of Personnel Masud Alam Siddiqui were present in the meeting.

BCIC Sale Notice. Bids for surplus and obsolete materials (viz — pipe fittings, hardware goods, Chevrolet truck spares, Hillman car spares, Vauxhall car spares, Fiat car spares, Chevrolet pick-up spares, Phosper bronze wirenet, Buffalo launch spares and electrical fittings). Schedule containing detailed information of the said materials will be available at Taka 100/= (one hundred) only from Accounts Department of this mills, Cash Department of BCIC Head Office, Dhaka and BCIC branch office, Chittagong up to 01-6-92. Tenders will be received at the MPIC (Store) Division of this mills and office of the Commissioner, Metropolitan Police, Khulna, up to 3 PM on 02-6-92 and opened on the same day at 3-10 PM. No tender schedule will be sold on the date of opening tender. The said articles can be inspected on the spot everyday during office hours (except Thursday and Friday) between 3 PM and 5 PM up to the day before the date of opening tender. The mills authority reserves the right to accept or reject any or all tenders without assigning any reason. BCIC - 335-29/4 DFP (BA) 3833-29/4 G-524

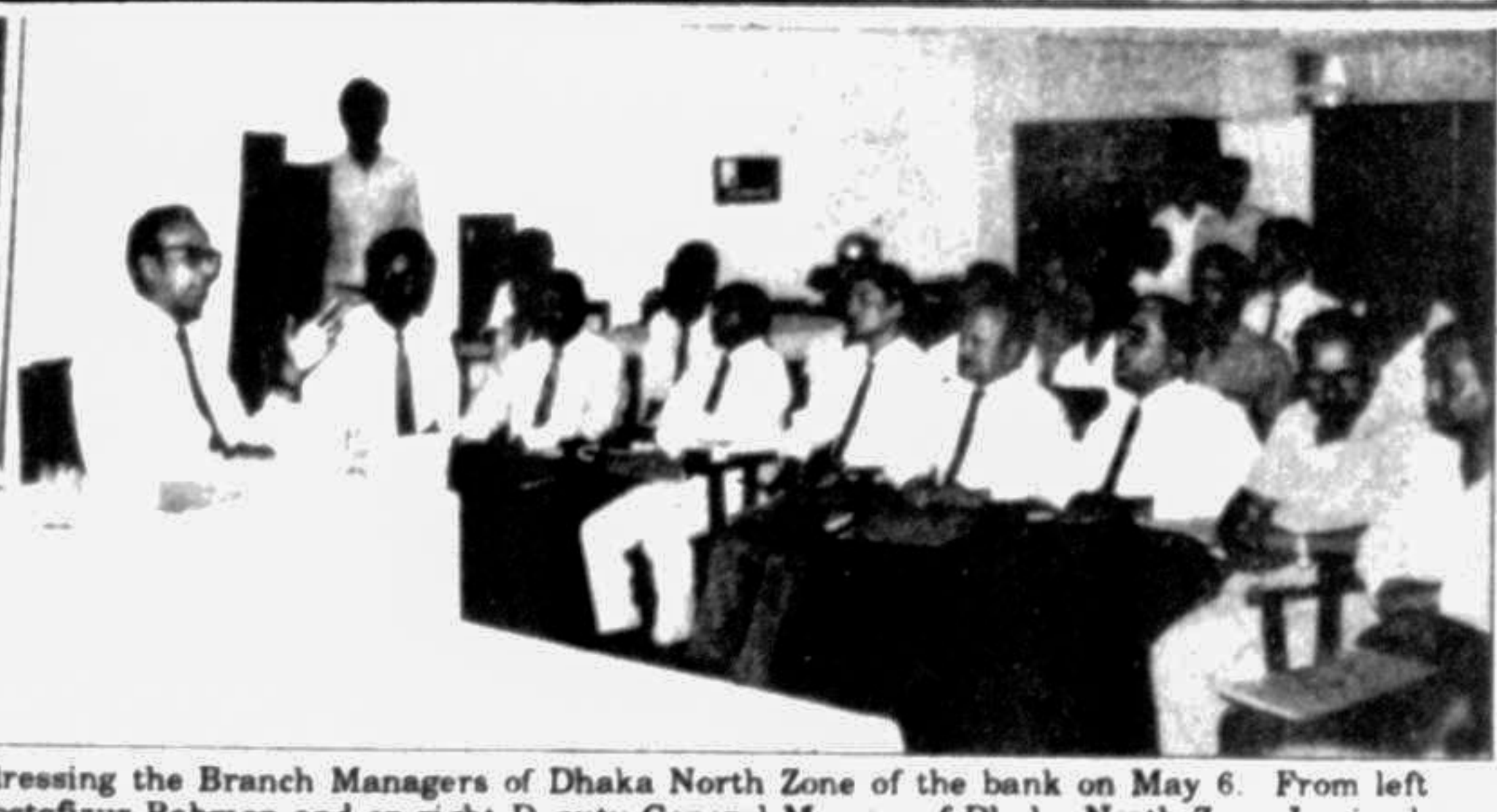
BCI debacle: A result of a 'putting the cart before the horse' case

Commentary By Abu Ahmed Guest Columnist

The BCI (Bank of Credit and Commerce) debacle has not only done an irreparable harm to the institution itself but it has also sent a shockwave throughout the whole banking sector of the country. What is more striking is that the scandal has tarnished the image of the private sector and has also shaken the confidence of people in our financial system. Financial institutions deal in money, but they provide much less money in the form of capital than they accept from the clients either as deposits or as lending. Hence, there is always a risk involved in dealing with financial institutions. But the risk is minimised by taking recourse to different methods, such as making supervisory arrangement by the central bank, and also by giving an insurance coverage to the deposits. Normally, an elaborate set of laws and supervisory strategies is developed to keep the financial institutions always under guard. The functions of supervision and regulation are carried out by the central bank as the guardian of financial sector of a country.

In Bangladesh, there is the 1991 Banking Companies Law to regulate the traditional banks which accept deposits as well as make advances. But apart from the banks, there are other financial institutions in the country for which till now there is no law. Of course, the history of other financial institutions in the country is not that old. Only from the middle of the last decade Bangladesh has started permitting the operation of non-bank financial institutions in the private sector. The scandal-ridden BCI obtained a no-objection certificate at that time from the Bangladesh Bank to carry out certain functions which the central bank advertised in the media while calling for applications for establishing such institutions in the country. For a time, there was confusion among people as to whether BCI was a bank. Later the Bangladesh Bank clarified that it was not a bank rather an investment company. But the basic fault with the Bangladesh Bank was that it permitted investment companies to operate without having proper laws framed before hand. The BCI was registered under the Companies Act of 1913 which said nothing about how the interest of the depositors was to be protected. For this, there was need for other laws, but those other laws never came.

The BCI took the advantage of this vacuum in laws, and indulged in illegal activities since the very beginning in the form of conducting commercial banking. The depositors with the BCI were not depositors in the legal sense, they were money lenders to it as the existing directives issued by Bangladesh Bank prohibited BCI from accepting 'deposits'. The risk elements in deposit making and in money lending are different. It is higher in the latter case. But very few people understood the difference between a bank and a non-bank financial institution like BCI. On the other hand, BCI since the start posed itself as a bank, put up sign boards describing it as bank. And most of the people who lent BCI money did so also by considering it a bank. Now if some one says that the money lenders were at fault, we say yes, they were at fault, but the least. Ranking of parties as to who contributed how much to the collapse of BCI is very difficult, but we can definitely say that the management of BCI contributed the most to its debacle. The Bangladesh bank and the government authorities did not wake up till BCI failed to pay back the money to its lenders. This is undoubtedly a lapse by them for which they should pay. The Bangladesh Bank knew about the irregularities in the BCI from a much early period but did not do anything to stop them by citing the example of non-existence of law. It, instead, sent notes containing its opinion to the Ministry of Finance regarding the malpractice in the BCI. The Ministry in its turn sent back the note with its suggestion for considering legal actions. But what legal action could have been taken when there was no law in that regard? Thus, much of the valuable time was wasted before a fraudulent act had been unmasked. But by that time, the 'money lenders' had become the worst losers, the financial sector as a whole being the second most worst loser. Now the Bangladesh Bank suspended BCI's activities under the Banking Act of 1991. Could it not suspend the same much before? Yes, it could have done so much earlier, but that would not have solved the problem, any way. The closure of a financial institution brings more problems, and does not solve anything except denying the closed institution a further opportunity of doing the mischievous activities. In the case of BCI, the Bangladesh Bank did not have any option but to close it, because, had it kept the BCI opened still the latter was not in a position to master strength to meet the money lenders' claim. The BCI scandal is also a failure of the country's intelligence agencies. Why the Bangladesh Bank should take all the responsibilities of necking down a corrupt person? It is also the responsibility of intelligence agencies to see that persons behave as per the existing laws. The BCI since the very beginning wanted to get itself converted into a Scheduled Bank, but the Bangladesh Bank refused. By refusing the Bangladesh Bank did the right thing because the BCI was allowed for specific purposes only. If it was later allowed to be a bank then the very purpose of having investment banks in the country would have been defeated. Besides, the very efforts of converting the BCI into a commercial bank by its management were nothing but an attempt to circumvent the laws of the land. This cannot be entertained. The BCI's bad deeds cost the whole nation dearly, and the government should see no one else can put the nation in such a situation again. The government should also admit its lapses. What are the lapses? The lapses are that it did not act timely, it put the cart before the horse in the form of allowing investment companies in the country before framing appropriate laws and it also did not warn the public adequately about the danger of banking on BCI. There might be debates on the operational efficiency of the private sector-dominated economy. But most enthusiastic advocates of a private sector-based economy did even say that it could go unregulated. But actually a private sector-based economy is not a free for all economy and in it, the financial sector is the most rigorously regulated one. And unregulated market economy based on private sector's initiative can very much produce the same result as was produced by the BCI. Due to the BCI scandal the cause of investment companies should not be lost forever in the country. Multiplicative financial institutions of different types do a lot to bring the economy in to a competitive framework which is basic to any market economy. Also the scandal like that of the BCI is not an uncommon phenomenon in the other market economies of the world, and in those countries the authorities tackled the situation through framing laws and other compensatory measures. We are also obliged to think in terms of laws and compensation in the case of BCI debacle.



Pubali Bank MD KA Majid addressing the Branch Managers of Dhaka North Zone of the bank on May 6. From left General Managers B Mawia, Mostafizur Rahman and on right Deputy General Manger of Dhaka North Zone Jamir-ul-Islam.

R&H employees demand halt to retrenchment

Leaders of Bangladesh Roads and Highways Employees' Union (BRHEU) Friday demanded that the government should immediately stop retrenchment of workers and employees of the department of roads and highways. The demand was voiced by President of the union Mohammad Azizul Huq at a press conference at a local hotel this afternoon. He also put forward a three-point charter of demands, including regularization of workers under master roll, reinstatement of retrenched workers and employees and providing job security and pension. Huq warned that if the government does not desist from its retrenchment plan, the union would go for a greater movement to resist the move. At present there are 6,100 casual or master roll workers and employees in the department out of the total of 22,000 all over the country. These casual workers, who have been working in the department for at least 10 years, are yet to be regularised. The government issued a notice to the department on April 25 to retrench the ad hoc workers, the BRHEU President said adding that many workers had already been sacked and some more were in the list of retrenchment. The press conference was attended, among others, by General Secretary of the Union Mazzum Hossain, Advisor Muzaffar Rahman, Organising Secretary Mokarram Hossain, Tawhiduddin Mahmud Chowdhury, Shahbuddin Talukder and Shawkat Ali Khan.

Shipping Intelligence Chittagong Port

Table with columns: Birth No, Name of vessels, Last Port, Local Agent, Date of Arrival, Leaving, Cargo. Lists vessels like PNS Aslat, PNS Taimur, Al Salma, Hua Yin, Becco Europe, Banglar Kahol, Loyal Bird, Banglar Sampad, Banglar Kiron, Al Tahir, Kota Eagle, APJ Anand, Khanak, Al Samad, Zeno, Sheg San, Zang San, Petrobalk, Banglar Jyoti, Endurance Sea, Eastern Breeze, Banglar Urmi, Al Tahir.

Table with columns: Name of Vessels, Cargo, Last Port, Local Agent, Date of Arrival. Lists vessels like T T Energy, Banglar Shourab.

Table with columns: Name of Vessels, Cargo, Last Port, Local Agent, Date of Arrival. Lists vessels like Safar, Term, Banglar Asha, Banglar Mamata, New Genrod.

Table with columns: Name of Vessels, Cargo, Last Port, Local Agent, Date of Arrival. Lists vessels like Al Tabith, Riva-1.

Table with columns: Name of Vessels, Cargo, Last Port, Local Agent, Date of Arrival. Lists vessels like Banglar Beari.

Table with columns: Name of vessels, Date of Arrival, Last port, Local Agent, Cargo, Loading Port. Lists vessels like CGM Bretagne, Kota Duara, Mar Borita, Stonehall Jackson, Onsha, Kamelevrett, Tanary Star, Elbella-IV, Hyundai-20, Pet Starostin, Eastern Mars, Maria-C, Sea Tradition, Fong Shin, Nikos-N, Ronjoy Choomie, Golden Flash, Continent-1, Unity, Safina-E-Najam, Mandiri, Safina-E-Ismail-2, Optima, Strong Texan, Vahva Partmal, Fong Yun, Hang Cheong, Mariner, Gold Future, Mild Wind, Amitic, I Yamburenko, NGS Ranger, Andrian Goncharov, Safina-E-Rehmat, Ahlers Breeze, Karabieverett, Chong Chong Gang.

Table with columns: Name of vessels, Date of Arrival, Last port, Local Agent, Cargo, Loading Port. Lists vessels like Dan Frigg, Urubum, Nodar Dambadz, Arenayev.

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Table with columns: Currency, SELLING, TT(C), BUYING. Lists currencies like US dollar, Pounds sterling, DM, SF, S Riyal, D Oulders, S Kroner, Singapore Dollar, UAE Dirham, Kuwaiti Dinar, Indian Rupee, Pak. Rupee.

Dhaka Stock Prices

Table with columns: Company, FV/ML, Apr 30, Apr 7, High, Low. Lists various stocks and prices under categories: BANKS (10), INVESTMENT (06), INSURANCE (04), ENGINEERING (10), FOOD & ALLIED (28), FUEL & POWER (05), JUTE (12), PHARMACEUTICALS & CHEMICALS (18), PAPER & PRINTING (08), SERVICE (02), TEXTILE (18), MISCELLANEOUS (18), DEBENTURES (06).