

Withdrawal of taxes on fish export, equipment demanded

Bangladesh Marine Fisheries Association, the representative body of deep sea trawler owners, has expressed serious concern over imposition of one per cent tax at source on export in the new budget, reports UNB.

They said that proposed one per cent tax on export, high fuel price and heavy duty on spare and fishing equipment will seriously affect the commercial viability and export performance of this sector, a press release said.

Deep sea fishing industry operates 40 deep sea trawlers in the Bay with a capital investment of Tk 150 crore including BSB and BSSR financed projects.

The association urged the government to withdraw the proposed tax on export, reduce fuel price, duty/tax on spare parts, provide sufficient export benefit on basis of export performance and provide 100 per cent exemption of income tax on export as per export policy 1991-92.

In another statement, Bangladesh Frozen Food Exporters Association also urged the government to withdraw proposed tax on export and provide 100 exemption of income tax on export as per export policy 1991-92.

Pindi wants to boost cement output

KARACHI, June 26 : After privatising five of its 15 state-owned cement plants, Pakistan wants to boost production to meet the expected demand of 9.663 million tonnes in the fiscal year beginning July, industry sources said, reports AFP.

Five units belonging to the State Cement Corp of Pakistan (SCCP) were handed over to new owners under the country's privatisation programme during 1991-92.

These included the major cement factories — Zeal Pak, Maple Leaf, Dandot Cement and Pak Cement — which are responsible for 19 per cent of the country's total cement output.

The Seventh Five-Year Plan (1988-93) had envisaged the country's demand for cement to increase to 10.075 million tonnes a year, with demand racing ahead at seven per cent a year.

Weak growth in Germany to continue

KIEL (Germany), June 26 : Relatively weak growth in Western Germany "will continue well into the coming year," the Institute fuer Weltwirtschaft (IWW) forecast on Thursday, reports AFP.

Its report ruled out any relaxation of the Bundesbank's tight monetary policy until the autumn.

It said that the end of July 1 of a one-year 7.5 per cent "solidarity tax" on incomes, to help finance the cost of German unification, would be only a temporary spur to demand.

The effect would be largely offset early next year by new increases in Value Added Tax (VAT) and social charges.

Antarctic ozone layer gap reaches record size

TOKYO, June 25: The gap in the earth's protective ozone layer over the south pole reached a record size last year, Japan's environment agency said Thursday, reports Reuters.

The amount of the ozone layer destroyed over the south pole was 4.3 times larger in 1991 than 10 years earlier, with the total area 13 times larger and twice as deep, an agency spokesman said.

With the exception of tropical zones, depletion of the ozone layer has been occurring at a "significant" rate throughout the world, particularly in the Arctic and Antarctic, he said.

The agency based its conclusions on research carried out in cooperation with Japan's Meteorological Agency.

The ozone layer of the atmosphere protects the earth from the sun's harmful ultraviolet rays, which can cause skin cancer in people and kill plants.

Scientists first discovered a hole in the ozone layer over the Antarctic in 1986. It is caused by chemicals containing chlorine that are widely used in refrigerators, air conditioners and aerosol sprays.

Commentary

Basic criteria for portfolio management of stocks, bonds

By Abu Ahmed
Guest Columnist

Portfolio management, in general a tricky matter, is more so when it concerns financial assets like stocks, bonds etc. People hold assets for their future and those assets may breed additional income or may decay in value.

In the primitive days people used to hold land and precious metals like gold and silver as assets. Later, with the advent of exchange and commerce economies people started to hold commodities. Holding of paper assets like stocks and bonds are the latest inclusion in the portfolio of a modern man.

Behind the asset holding, whether it is land, gold, commodity or stock and bond there is only one motive, and that is profit earning. As the holding of assets of any type is for the purpose of earning an income, the holding can be termed as investment in the modern economic sense.

Investment comes from surplus income or from borrowed fund. The investor is to see whether he is receiving a reasonable income from an investment no matter whether the money is from his self-source or from borrowing.

Portfolio management, in this sense, has become wider to include almost every type of assets and also has become complicated. But there are always some people who want to compartmentalise the investment, i.e. they prefer one type of investment over the other. For example, a person who wants to earn his income from investment in land and houses normally does not invest in financial assets like stocks and bonds. Of course, there are overlappings also.

Despite overlappings investment choice now-a-days is a matter of specialisation and needs skill in the process of decision making. Of all the investments, investment in financial assets is much more intricate and complex.

No branch of economic science has developed so much during the last two decades as the one regarding investment in financial assets. Starting with Markowitz's Risk-Return theory and ending up with the Sharpe's Capital Assets Pricing Model, all sophisticated analyses were devoted to investment analyses of financial assets. The use of computer along with the application of advanced mathematics and statistics has given a fillip to the basic decision making process in investment. Now, the brokerage firms of the West regularly publish and also sell researched-out results on investment decision.

But though, the investment decision has attained so much of sophistication, the basic tools which were developed much earlier than the elements of modern portfolio theory still remain in use. The basic tools are the present value and internal rate of return concepts. These are widely used by the decision makers to know the present value of an asset compared to the receivable future incomes.

Both the tools offer the investors the same result. The present value concept uses a 'discount rate' for the receivable future income to know the present net worth of an asset, whereas, the internal rate of return concept equates the future receivable incomes with the

present outlay at a given rate.

The basic rule is, if the net present value is positive a particular investment is worth to be undertaken, if the net present value is negative, the investment decision is to be rejected. But here the controversy centres around the discount rate to be used in discounting the future receivable incomes from an investment asset.

The agreement among the financial analysts is that the discount factor must cover the opportunity cost of investable fund and also the risk factor. That is, the discount factor must be greater than the market rate of interest which is the borrowing price of money.

The accounting science has given the decision makers some other extra tools. These are: the price-earning ratio of a financial asset, its book value, and above all, the yield rate to investment. These criteria are used to know whether an asset like stock or bond is overvalued or undervalued in the market. The market price is not necessarily to be a right price.

Market price is determined by many factors other than the above mentioned economic factors. Of the other factors, the human factor is important. The market price may be a manipulated price by people if the scope for manipulation exists. Investor is to see the price at which he is buying a stock and compare the earning it would generate. If the stock offers higher prospect the price-earning ratio of it will be higher.

Price-earning ratio is to be seen in the light of stock's book value, prospect, and dividend policy. Normally, a price-earning ratio between 10 and 12 is said to be not that much risky in stock investment.

Book value, as it represents the share capital and reserve money over the stock outstanding, can also be considered as a good guide to investment decision. A stock being sold much above the book value can be thought to be a risky stock. Above all, investor is to be always on guard to see how much his invested money is bringing him in the form of dividend. Dividend must reflect the opportunity cost of his invested money, otherwise, by investing in stock or bond he is simply losing money.

An investor is also to see whether the financial asset he is buying has an easy marketability at a later stage. An asset may bring good return, but if it finds difficulty in marketing itself the investor should think twice before buying such an asset. No investor holds an asset perpetually. He might have to sell it sometimes to meet his liquidity needs, and if at that time he can not sell it easily, the holding of such an asset is not desirable.

Profitability, marketability and the liquidity are the three other criteria to be added to the above book-based criteria for investment decision in financial assets like stocks and bonds.

However, a competitive financial market can ease many of the problems an investor normally faces. But if a financial market remains hostage to vested interests the ordinary investors keep away from it and the slogan of achieving a market economy remains in paper only.



Mir Nasiruddin, Mayor Chittagong City Corporation inaugurating the repairing work of a damaged link road to BSCIC Industrial Estate, Sholashahar. Md Moniruzzaman Chowdhury, Chairman BSCIC and other seminar officials are seen present on the occasion.

—Star photo

Tug-of-war on sites for EC bodies

BRUSSELS, June 26 : EC leaders at the Lisbon summit will probably sidestep again one of the hottest issues in the Community—where to site a growing list of its institutions, reports Reuters.

The problem is so controversial, in fact it seems unlikely even to figure on the summit agenda.

For two years France has blocked agreement on the siting of any new EC institution unless the Alsacian capital, Strasbourg, is made permanent home to plenary sessions of the European parliament, the 518-member elected Euromember.

Belgium wants Brussels to be the unrivalled capital of Europe and is equally adamant that all three major EC institutions — the executive commission, the council of ministers and the parliament be sited in Brussels.

In turn, Germany insists that the future European Central Bank (ECB) be on German soil to underline that a future Euro-currency will be as stable as the mark.

The war between Strasbourg and Brussels over the proportions that both cities are preparing new facilities to house its plenary sessions.

Several other EC institutions including an environmental agency, a trademarks office, a European police agency

called Europol, an agency to monitor medicines, and a drugs observatory have been caught in the crossfire of the dispute.

The environment agency has been unable to start work for two years even though EC leaders rushed to the Rio Earth Summit earlier this month to declare green issues

top of their agenda.

With jobs, and the prestige of hosting an EC institution at stake, any EC leader who has tried to break the deadlock over the last two years has got his fingers badly burnt.

Informal proposals in 1990 by then Italian Prime Minister Giulio Andreotti were dismissed even before being discussed by a summit. Dutch Prime Minister Ruud Lubbers was bitterly denounced by Belgium when he tried before the crucial Maastricht Summit last December to do a deal with France.

Lobbying is especially fierce over the home of the European Monetary Institute, the forerunner of a future EC central bank. The Maastricht Treaty says a site should be chosen by year-end.

Frankfurt, London, Lyon, Amsterdam, Luxembourg, Manchester and Edinburgh are mounting publicity campaigns, distributing glossy brochures and dispatching city fathers around Europe.

But since the Danish rejection of the Maastricht Treaty has heightened unease about giving up the mark by 1999, Germany's resolve to secure the bank has stiffened.

"We could forget ratification of Maastricht," if the bank is not sited in Germany, a senior EC diplomat said on Monday.

Suharto supports Uzbekistan's NAM membership

JAKARTA, June 26 : Uzbekistan won support from Indonesia's President Suharto on Tuesday to join the Non-Aligned Movement (NAM). Uzbekistan President Islam Karimov said, reports Reuters.

Indonesia, which will become NAM Chairman at its summit in Jakarta in September, is expecting former Soviet Central Asian republics also to apply to the 103 member Movement, NAM diplomats said.

"Uzbekistan will join the Non-Aligned Movement at the initial stage as an observer and then will become full member," Karimov, who arrived Tuesday for a two-day visit, told a news conference.

Karimov said diplomatic relations were established between Uzbekistan and Indonesia during his visit to Jakarta.

Shipping Intelligence

CHITTAGONG PORT

Berth Position and Performance of Vessels as on 24.06.92

Berth No.	Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival	Date of Leaving
J/4	Armas	Gl/GL	Pena	OWSL	8/6	26/6
J/5	George	Cement	Sing	Bright	15/6	29/6
J/7	Sea Glory	Gl	Sing	Prog	16/6	29/6
J/8	Qing He Cheng	Gl	S. Hai	BDSHIP	21/6	28/6
J/9	Komosolets	Gl	Mala	Alamin	19/6	28/6
Martopolay						
J/13	Andrian Goncharov	Cont	Sing	CT	20/6	24/6
MPB/1	Kota Eagle	Cont	Sing	CTS	22/6	25/6
GSJ	Banglar Mamata	Wheat		Lams	R/A	26/6
TSI	Banglar Kiron	Repair		BSC	R/A	26/6
RM/3	Global Jupiter	CPO	Pena	BSL	21/6	24/6
RM/4	Youhao	Cement	R. Cha	USTC	15/6	24/6
RM/5	Hang Loy	Cement	Buha	USTC	19/6	27/6
DD	Banglar Jyoti	Repair		BSC	R/A	24/6
DDJ/1	Endurance Sea	Repair	Aqaba	EOSL	25/1	30/6
RM/8	Ranjay Choomie	Cement	Sing	MSA	27/5	26/6

VESSELS DUE AT OUTER ANCHORAGE

Name of Vessels	Date of Arrival	Last Port	Local Agent	Cargo	Loading Port
NGS Ranger	24/6	Sing	BDSHIP	Cont	Sing
Nicotrade	24/6	Cal	Ancient	GI	
Sam Houston	24/6		Karna		
Tiger Sun	24/6	Hong	Prog	GI	
Knud Jespersen	25/6	Sing	CT	Cont	Sing
2/6					
Eastern Breeze	25/6	Mong	RRSA		
Safina-e-Rehmat	25/6	Kara	ASLL	GI/GL	Karachi
Georgios-M	26/6	Aqaba	UMAL	C. Clinker	
Aboltiz	26/6	Cal	BDSHIP	Cont	Sing

TAKNER DUE

Bunga Sclash	28/6		Seacom	CDSO
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VESSELS AT KUTUBDIA

Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival
T. T. Energy	C. Oil	Col	NNL	27/4
Obestnut Hill	Wheat	Angel	BSL	29/6
Banglar Baani	Wheat		Lams	R/A
Banglar Asha	Wheat		Lams	R/A
Hikari Orient	C. Oil	R. Tanu	ECSL	20/6
Banglar Shourabh	C. Oil		BSC	R/A
Chong Chon Gang	Urea	Mong	RRSA	10/6

VESSELS AT OUTER ANCHORAGE

READY ON :

Karrington	Cement	Sing	I&H	18/6
Boris Lavrenyov	Cement	Chin	PSAL	10/6
Fong Yun	Cont	Sing	BDSHIP	23/6
Ever Cheer	Cont	Cal	BDSHIP	23/6

VESSELS NOT READY

Piya-1	Cement	Pena	I&H	18/6
Orhmaad	Salt	Col	PSAL	21/6
Hang Fook	Cement	Vish	MSA	13/6
Kum Gang	Cement	Sing	MSA	23/6

VESSELS AWAITING INSTRUCTION

Banglar Sampad		Lams	R/A (23/6)
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VESSELS NOT ENTERING

Alyn	Cement	Sing	Alamin	R/A (18/9)
Red Deer		Sing	OTL	R/A (26/11)
North Cape	Scraping	Pra	OTL	15/6
Bafin Bay	Scraping	Kawa	OTL	21/5
Nehaj	Scraping	Kara	OTL	21/6
Axon	Scraping	Kara	OTL	21/6

MOVEMENT OF VESSELS FOR 25/6/92

Outgoing	Incoming	Shifting
MPB/1 Kota Eagle	MPB/1 Banger	J/11 Karrington to RM/4
RM/4 You Hao	J/3 Tiger Sun	
RM/6 Banglar Shourabh	J/2 Nicotrade	
DLJ Banglar Jyoti	J/1 Boris Lavrenyov	

The above were the Wednesday's (24.06.92) shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group Dhaka.

Price Index

Essentials		FRUITS	
RICE	(Taka per kg)	Green Coconut (Small)	5.00-6.00
Arman (fine)	16.00-17.00	Coconut (Large)	6.00-7.00
Pajam	14.00-15.00	Mango :	(Taka per kg)
VEGETABLES	(Taka per kg)	Langra	40.00-45.00
Potato (local)	11.00-12.00	Himagar	30.00-40.00
Brinjal	6.00-8.00		(One piece)
Karolla	6.00-7.00	Pineapple	5.00-8.00
Lalchak	3.00-4.00	Jackfruit	15.00-40.00
Papa	8.00-8.00	Banana :	(4 pieces)
OTHER FOODSTUFF	(Taka per kg)	Sagar (Large)	8.00-10.00
Flour	14.00-14.50	Champa	2.50-3.00
Atta	10.50-11.00		(Taka per kg)
FISH	(Taka per kg)	Dates	45.00-50.00
Ruh (big)	120.00-130.00	Oil	(Taka per litre)
Katla (big)	110.00-120.00	Mustard	54.00-56.00
Hilsha	48.00-50.00	Soyabean	39.00-40.00
Pangas	120.00-130.00	Coconut (Colombo)	95.00-100.00
Shrimp (big)	90.00-100.00	Vegetable Ghee (1kg)	48.00-50.00
Singi	120.00-130.00	SPICES	(Taka per kg)
Koi	130.00-140.00	Onion (local)	9.00-10.00
MEAT		Garlic (local)	26.00-32.00
Beef	60.00	Chillies (dry)	80.00-90.00
Mutton	85.00-90.00	Chillies (local)	36.00-48.00
CHICKEN		Turneric (Round)	50.00-56.00
Large	68.00-70.00	(Long)	56.00-60.00
Moderate	72.00-74.00	Green chillies	8.00-10.00
Small	76.00-78.00	Ginger	15.00-16.00
TEA		Cinnamon (10gm)	3.00-3.50
Dun (Plain)	70.00-80.00	Cassia (10gm) (small)	8.00-9.00
EGG	(4 per)	Hiira (50gm)	8.00-9.00
Hen	11.00	MILK	(Two kg)
Duck	11.50-12.00	Dano	31.00
Firm	11.50-12.00	Red-Cow	31.00
PULSES	(Taka per kg)	MISCELLANEOUS	(Taka per kg)
Mushor	27.00-28.00	Ghee	220.00-240.00
Moogh	30.00-31.00	Salt	7.00-7.50
Chola	23.00-24.00	Sugar	27.00-27.50
Khasari	13.00-14.00		

Source: Department of Agriculture marketing

Exchange Rates

The following are the Commercial Bank's BC selling and TT (C), OD transfer buying rates for some selected foreign currencies effective on June 26 and 27.

Currency	SELLING B.C.	(Figures in Taka) BUYING T.T. (C)	O.D. TRANS-FER
US Dollar	39.1326	38.9087	38.6339
Pound sterling	73.4966	73.1457	72.6655
DM	25.2599	25.1040	24.9267
FF	7.5031	7.4559	7.4032
S Riyal	10.4641	10.4042	10.3507
D Gulder	22.4230	22.2819	21.1245
S Kroner	6.9942	6.9480	6.8989
Singapore Dollar	24.1873	24.0489	23.8790
UAE Dirham	10.6911	10.6299	10.5548
Kuwaiti Dirar	135.5005	134.7255	133.7737
Indian Rupee (AMU)	1.5104	1.5035	1.4960
Pak Rupee (AMU)	1.5523	1.5451	1.5374

Authorised dealers will apply T.T. clean buying rate for purchase of remittances of Bangladeshis working abroad.

Note: AMU—Asian Monetary Union.

Dhaka Stock Prices

Weekly comparison : At the close of tradings on June 18 and June 25, 1992

		June 18	June 25	High	Low
Company	FV/ML*	Taka	Taka	Taka	Taka
BANKS (10)					
AL Baraka Bank	1000/1	1190.00	1190.00	1200.00	760.00
A.B Bank	100/5	200.00	200.00	188.00	155.00
City Bank	100/5	275.00	275.00	290.00	172.00
I.F.I.C	1000/5	175.00	175.00	200.00	170.00
Islami Bank	1000/1	151.00	151.00	190.00	119.00
National Bank	105.00	109.76	118.50	118.00	102.50
Pubali Bank	100/5	105.00	105.00	110.00	85.00
Rupali Bank	100/10	81.00	85.00	170.00	68.00
U.C.B.I	100/5	122.00	122.00	131.00	118.00
Uttara Bank	100/5	125.00	135.00	200.00	125.00