

Commentary

Real situation belies the World Bank's praise

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Recently the World Bank's Vice-President for the South Asian region lauded the economic policy of Bangladesh through a letter to our Finance Minister. His points of praise among others were the open door policy in trade, especially the import liberalisation step, budget allocation for the to be retrained workers and staff from the public sector, privatisation programme and other measures towards a competitive market economy.

As far as the policy measures are concerned we praise also them. We do not have any different opinion about those policies in the context of the changing world situation. But what we worry about is that, in practice these measures in Bangladesh are not working at the desired pace and direction.

penetrate and are seriously competitive. Therefore we must decide beforehand what to export and at what price.

The world is being divided among big market-blocs like ASEAN, EC, and North America Free Trade Area (NAFTA). Market-blocs attain economic efficiency, especially, in production beyond a level which did not exist earlier. Big markets can easily offer the producers the economies of scale and they can put their goods on the rest of the world market at a much cheaper price. It is hard to even imagine that Bangladesh's export products would be competitive in such a situation what Bangladesh can do is to also look for its own market-bloc and see how best it can use economies of scale in production.

women in public sector. The politicians are specially scared of admitting it. But it is the function of mainly the politicians to convince the would be affected persons in particular and the nation in general, that there are excess employees in the public sector, and they are taking a big share from our national budget without contributing anything. Unfortunately the politicians oppose such move and make things complex for the government.

Anyone who has even slightest faith in market economy will admit that we need a small-sized government in terms of employees. But Bangladesh has a government which has become a burden on itself. Such big-sized government cannot be sustained by the revenue we raise through tax, after making provisions for a predetermined growth rate of five per cent per annum. We hope that the government will show its strength in re-trenchment programme and the World Bank will also maintain its pressure in this respect.

The issuance of 91-Day Bangladesh Bank Bill. But these measures did not bring the desired competition in the money market. People still do not regard variation in returns in the money market as one element of decision making in their port-folio management. There are lack of instruments in money market, and also lack of secondary markets for them. Bangladesh Bank, as the central bank, can easily take the lead in organising a secondary money market, but at the moment it seems to be indifferent about it.

Huge foreign exchange reserve has piled up with the Bangladesh Bank. In our situation it symbolises decline in economic activities, or at least, a slow-down.

The slow-down of economic activities affects investment the worst. During the last one year no new investment took place worth naming. Private sector also failed miserably in this respect. This sector was spoon-fed earlier through loan diversion at a cheaper rate from the government-controlled banks and non-bank financial institutions. When fresh loan was stopped due to huge defaults this sector fell nose-down.

From now on, we should put private sector on a competitive basis by denying easy loan to them for industrial undertakings. Easy loan has a greater implicit cost. It suffers from higher probability of non-repayment. Further, it contains a subtle subsidy which the nation is to bear as a whole.

The World Bank seems to be more serious about many other things excepting investment. Without investment our other steps towards re-vamping the economy is bound to be affected. The World Bank should see that necessary reforms in the capital market are undertaken, and we feel, the sooner the better. The reforms and confidence in the capital market will help devise an alternative way to the present system of financing — from the government-controlled banks, and the reforms will not come unless organisations like the World Bank tell us to do so.

Import liberalisation was never a popular issue with our domestic entrepreneurs. They wanted more tax holidays and protection from foreign competitors. Protection for a too long period is not desirable as it undercuts the consumers' welfare by compelling them to pay higher prices for commodities. But protection cannot also be withdrawn forthwith. Therefore the government should be selective when withdrawing protection. Otherwise it may hit the new industries, which hoped much on protection, at least, for a few years while calculating domestic demand and prices for their products.

While we should advise the government to be selective in case of protection of domestic industries, we will at the same time urge the government to say loudly and clearly that entrepreneurs cannot expect protection for ever. Irrational protection keeps the domestic industries weak and does not put them on a cost-efficient footing. An industry that survives outside competition also attains export potentiality.

Import liberalisation also implies an export drive. If we import more commodities from abroad we won't be able to pay for them unless we export more. Here exists a difficult situation for Bangladesh. Export markets are not easy to

The poorest nations in the world in the coming days will be those who remain outside the market-blocs. They will end up by importing more and exporting less.

In privatisation, our performance is dismal. We have not moved a step forward from the point where we were two years back. Though we talked loudly about privatisation programme, we failed to hand over even one single public sector enterprise to the private entrepreneurs. Now the bureaucrats are putting lengthy notes in privatisation files and hobbling the process with other red-tapes which will only lengthen and make the issue complex. The government seems to be confused and is still trying to find a proper way out. But this is not a unique problem for Bangladesh. Other countries are finding solutions to such problem and Bangladesh should learn from their experience. Time-killing with privatisation issue is only accumulating losses in the state-owned enterprises, and government shall later be compelled to sell these at a much discounted price.

The retrenching of excess public sector employees will be much more thorny. In Bangladesh, no one wants to admit that there is excess

Shipping Intelligence

CHITTAGONG PORT

Berth position and performance of vessels as on 29.8.92

Berth No	Name of Vessels	Cargo	L/Port	Local Agent	Date of Arrival	Leaving
J/2	Banglar Shobha	GI	Col	BSC	23/8	4/9
J/4	Mehedintia	GI	Col	BSC	27/3	30/8
J/5	Oryx	GL	Mong	AQUA	28/8	31/8
J/7	Hafes	GL	Cal	BSC	22/8	1/9
J/11	Banglar Gourab	Urea	Mong	BSC	10/8	4/9
J/12	Al Mohammed	Urea	Mong	KSL	10/8	29/8
J/11	Miramar	GL	Mong	KSL	28/8	02/9
MPB/2	Kota Buzna	Cont	Strng	CTS	26/8	29/8
GSJ	Solbulk	Wheat	Para	LAMS	25/8	30/8
TSP	Al Tabith	P Sulp	Al Jubba	BSC	18/8	4/9
RM/4	Flying Dragon	Cement	Strng	USTC	23/8	10/9
RM/6	Tanary Star	Cement	Strng	PSAL	24/8	3/9
DDJ/1	Endurance Sea	Repair	Agaba	EOSL	25/1	06/9
DDJ/2	Banglar Beardi	Repair	BSC	R/A	8/9	

VESSELS DUE AT OUTER ANCHORAGE

Name of Vessels	Date of Arrival	Last Port	Local Agent	Cargo	Loading Port
Swan glory	29/8	Col	SEACOM	GI	
Andromache 16/8	30/8	Col	RSL	Cont	Mong
Diamond Star	30/8	Strng	BSC	Steel Cargo	
Andrian Goncharov 25/8	30/8	Strng	CT	Cont	Strng/Mongla
K Rossi	30/8	Mong	SUNBEAM	COPRA	
Fong Yun 18/8	02/9	Mong	BDSHIP	Cont	Strng
Benvilla 23/8	31/8	Mong	RSL	Cont	Strng
Carvus Explorer	02/9	Strng	ALAMIN	Wheat	
Safina-e-Haider	02/9	Kara	ASL	GI/GL	Karachi
NGS Ranger 22/8	03/9	Strng	BDSHIP	Cont	Strng
Delos	02/9	Rouen	ROYAL	Rapeseeds	
Horn	03/9	Hong	PROG	GI	
Optima 25/8	03/9	Strng	RSL	Cont	Strng
Shapiaerrett	05/9	Strng	EBPL	GI	Japa Fe Str
Asian Queen	06/9	Strng	EBPL	GI	
New Genior 26/8	06/9	Strng	BDSHIP	Cont	Strng
Pacific Timur	05/9	Cal	OTL	Logs	
Weser Star 25/8	08/9	Strng	BDSHIP	Cont	Cal
Safina-e-ismail-2	08/9	Strng	ASL	GI/GL	Karachi
Avon Delta	20/9	Sacra	AQUA	Wheat	

VESSELS AT KUTUBDIA

Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival
T T Energy	C Oil	Col	NNL	27/4

VESSELS AT OUTER ANCHORAGE

Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival
Shalamar	Cement	Col	PSAL	28/8
Petr Starostin	Cont	Strng	CT	28/8
Fong Shin	Cont	Strng	BDSHIP	28/8
Iyverrett	GI	Cal	EBPL	28/8
Banglar Shourabh	C Oil	-	BSC	R/A (28/8)

VESSEL NOT READY

Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival
Yao Sheng	Cement	Strng	Bright	17/8
Banglar Aaha	Wheat	Strng	Lampa	R/A (24/8)
Georgios-M	Cement	Strng	Dragon	27/8
Felista	Cement	Strng	Aeka	28/8

VESSELS AWAITING INSTRUCTION

Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival
Banglar Jyoti	-	-	BSC	R/A (27/8)

VESSELS NOT ENTERING

Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival
Alyn	Cement	Strng	Alamtn	R/A (18/9)
Nehaj	Scraping	Col	UMAL	10/6
Green Island	GI	Strng	Karna	27/8
Ultra Sea	Wheat	P Syed	Lams	27/8
Banglar Sampad	Wheat	-	BSC	R/A (26/8)

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

Raw Jute Prices

Kutcha Bales FOB	BT	240
Naryanganj/Daulatpur	Rejection	1550
Varities (Tk. per 100 Kg)	BT	
White	Habijabi	1150
Tossa	Baruga	
Mesha	Cut Ropes	1100
Mid. 1058	Cutting	
Bot. (B) 978	BW Cutting	
Bot. (C) 871	A	1200
Bot. (X) 790	BW Cutting	195
	B	1100
	BT Cutting	
	A	1450
	B	1350
	Mesha	
	Special	1700
	A	1600
	B	1550
	C	1450
	Spl Meshta	
	Cutting	800
	Ord. Meshta	
	Cutting	700
	Meshta SMR	900
	Remarks:	
	Quality	Normal
	Condition	Average
	N'ganj Imp	5,000/6,000mids
	Daulatpur	
	Imp	4,000/5,000
	Market	— firm
	** Indicative prices at which sales may be considered for EPC registration. Dollar prices shown above are without selling commission.	

Price Index

Essentials	August 29	100.00-120.00
Arroz (fine)	(Taka per kg)	16.00-17.00
MEAT		55.00-60.00
Beef		85.00-90.00
Mutton		54.00-56.00
Moderate		58.00-60.00
Small		64.00-68.00
TEA		80.00-90.00
Dust (Plain)		12.00-12.50
EGG		12.00-12.50
Fine		
Duck		
Gold & Silver	(Taka for 11.66 grams)	
Gold (Gutina)		6200.00
Silver		200.00
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 August 30 and 31.

Currency	Selling B.C.	T. T. (C)	Buying O.D. Transfer
US Dollar	39.1326	38.9087	38.6339
Pound sterling	77.5383	77.1771	76.6727
DM	27.7733	27.5948	27.3999
FF	8.1569	8.1017	8.0445
S Riyal	10.4641	10.4042	10.3307
S Gulder	24.6458	24.4894	24.3164
S Kroner	7.5890	7.5382	7.4880
Singapore Dollar	24.4900	24.3499	24.1779
UAE Dirham	10.6911	10.6299	10.5648
Kuwaiti Dinar	135.2657	134.4918	133.8419
Indian Rupee (AMU)	1.5104	1.5036	1.4961
Pak Rupee (AMU)	1.5554	1.5452	1.5405

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

At the close of trading on August 29, 1992

Star Economic Report

Index falls

The floor of Dhaka Stock Exchange (DSE) witnessed leadership of the gainers who outnumbered the losers by 19 to 14. Nine shares made business at their previous rates. Both the turnovers fell against Thursday's figures. Value reached 895337.75 from 1275023.50, a fall of 29.779 per cent while volume reached 14101.00 from 38834, a fall of 63.689 per cent.

The DSE index stood at 366.7962 from Thursday's 372.4996, a fall of 1.532 points while market capitalisation, reached 10,487,078,724 from 10,650,144,627.00, fell by 1.532 per cent.

THE DAY'S TRADING AT A GLANCE

DSE All Price Index	366.7962				
Market Capitalisation (Tk)	10,487,078,724				
Turnover in value (Tk)	895337.75				
Turnover (in volume)	14101.00				
Company	FV/ML	Previous day's price	Closing price	Change (Absolute)	Change (% over previous price)
Gains (19)					
Shares:					
5th ICBM Fund	100/10	88.00	90.00	2.00	2.273
Monno Ceramic	100/5	266.18	271.67	5.490	2.063
BD Thal Aluminium	100/10	87.74	89.53	1.790	2.041
Eagle Star	10/50	26.50	27.00	0.500	1.887
National Tubes	100/10	104.83	106.75	1.920	1.832
6th ICBM Fund	100/10	65.00	66.00	1.000	1.539
Apex Tannery	100/5	375.00	380.00	5.000	1.334
Eastern Cable	100/5	78.17	79.00	0.830	1.062
Dhaka Vegetable	100/5	122.00	123.24	1.240	1.017
Savar Refractories	100/5	100.00	101.00	1.000	1.000
Green Delta	100/10	135.79	138.04	2.250	1.657
Padma Textile	100/20	176.13	177.33	1.200	0.682
Singar Bangladesh	100/5	805.00	810.00	5.000	0.622
Amee Pharma	10/50	18.00	18.10	0.100	0.556
Bengal Food	100/5	146.20	147.00	0.800	0.548
Kohinoor Chemical	100/5	87.02	87.34	0.320	0.368
Bextimco	10/100	14.48	14.53	0.050	0.346
Bextimco Pharma	100/5	371.00	372.00	1.000	0.270
Rahman Chemicals	100/10	49.19	53.30	4.110	0.084
Losses (14)					
Shares:					
Progressive Plastic	100/5	79.00	68.70	-10.300	-13.038
Rupan Oil	10/100	7.98	7.41	-0.570	-7.143
Petro Synthetic	10/50	17.50	16.50	-1.000	-5.715
Atlas Bangladesh	100/5	53.00	51.00	-2.000	-3.774
Islami Bank	100/1	1450.00	1400.00	-50.000	-3.449
Zeal Bangla Sugar	100/50	12.37	12.20	-0.170	-1.375
Chittagong Cement	100/5	360.00	356.00	-4.000	-1.112
United Insurance	100/1	152.75	151.17	-1.580	-1.035
National Bank	100/5	102.00	101.00	-1.000	-0.981
BGC	100/10	138.00	137.00	-1.000	-0.725
Bata Shoe	10/50	43.00	42.81	-0.190	-0.442
Tallu Spinning	100/10	138.50	138.00	-0.500	-0.361
Bd Oxygen	10/50	55.50	55.35	-0.150	-0.271
Uamanta Glass	100/5	270.46	270.33	-0.130	-0.048
Traded at previous rates (9)					
Shares:					
BTC, Tulip Dairy, Shine Pukur Jute, Pharmaco, Ibrnsina, Eagle Box, Satham Textile, Tamjuddin, GQ ball pen.					

DSE SHARES AND DEBENTURES

Company	FV/ML Tk	Mutual Jute	100/5	105.00
BANKS (10)				
Al Baraka Bank	1000/1	1115.00		
A.B. Bank	100/5	215.00		
City Bank	100/5	305.00		
IFIC	100/5	160.83		
Islami Bank	1000/1	1400.00		
National Bank	100/5	101.00		
Pubali Bank	100/5	78.00		
Rupali Bank	100/10	80.00		
U.C.B.L	100/5	122.00		
Uttara Bank	100/5	115.00		
PHARMACEUTICALS & CHEMICALS (17)				
Ambee Pharma	100/5	18.10		