

# Handloom factories facing closure as demand falls, input prices rise

From Our Correspondent

SIRAJGANJ, Oct 31: Handloom industries in Sirajganj district have been facing closure due to extensive fall of demand, price hike of raw materials and absence of planned and proper marketing system.

It is gathered that the economic infrastructure of Sirajganj district is mainly dependent upon handloom industries. There are about 1,38,000 semi-automatic handlooms in the district which include 55,000 in Shahzadpur, 50,000 in Belkuchi, 18,000 in Chowhatti and 15,000 in Ullapara thanas. At least five workers including women and children are engaged in every loom in different position.

High class shari, dhuti, bedsheet, lungi and even woolen sheets are produced in these factories. Cloth merchants from every districts of

the country use to come to the weekly hats of Shoaipur (Wednesday), Enayetpur (Friday), Shahzadpur (Thursday and Monday) and Sirajganj (Thursday and Monday) to purchase handloom products.

Besides local people also go to the different markets to sell handloom products at retail shops. The government in 1986 took up a scheme to disburse handloom loans among the weavers at the rate of Tk 5,500 per semi-automatic and Tk 3,500 per pty looms. Huge amount of handloom loans were allegedly grabbed by the fake weavers.

On information, Bangladesh Handloom Board advised the authority to suspend the disbursement, subject to issuing new passbooks with security marks. Since then the scheme is remaining stopped. Due to devastating floods of 1988 and

1989, a large number of handloom factories were inundated and 80 per cent of loanees could not pay back the loans causing inconveniences for the disbursing banks.

One the otherhand, following continuous price like of raw materials including cotton yarn, dyes and chemicals the production cost of handloom products raised up abnormally and failed to contest smuggled Indian clothes. The locally produced handloom goods have been remaining unsold for months together. As a consequence, small scale factory owners could not afford to run the business and meanwhile, during last two years 70 per cent of handloom factories have been closed down rendering lakhs of workers unemployed.

A few months ago, high power agencies of the present

government have taken up some steps to encourage the prospective handloom industries. As informed by the State Minister for Textiles primary and secondary units will be formed consisting of the weavers' representatives and concerned authorities. The local MPs will forward the committees to the higher authority. Cotton yarn, dyes chemicals and equipments will be supplied to the weavers at a fair price through the facilities and services centres of Bangladesh Handloom Board. Even unsold products will be purchased by the centres on cash payments.

The encouraged weavers of Sirajganj district have started to form the committees at primary and secondary levels. Knowledgeable sources have opined proper and planned steps to save this prospective sector of production.



The Chairman of the Board of Directors of Janata Bank, Imamuddin Ahmed Chowdhury is inaugurating the opening of Jamuna Fertilizer Branch at Tarakandi, Jamalpur. Muhammad Taheruddin MD, Janata Bank and Dr Shariful Hoque, MD, Jamuna Fertilizer Co Ltd are also seen in the picture.

## Molasses production may hit sugar target

From Our Correspondent

RANGPUR, Oct 31: The sugar production in the Rangpur Sugar Mills may face a drastic fall in the forthcoming sugarcane crushing period due to farmers' growing tendency to produce molasses in large scale.

According to information received here, the farmers in the Mokamtola sub-zone area under Rangpur Sugar Mills have started massive production of molasses. There are six sugarcane purchasing centres in the Mokamtola sub-zone area where 1,359 acres of land are under sugarcane cultivation.

At least 55 machines are functioning day and night to produce molasses in large scale. In other areas within the Rangpur Sugar Mills zone, more than two hundred machines are engaged in producing molasses, which caused a strong doubt that the mills might face shortfall in sugar production during the ensuing season.

It may be mentioned here that the farmers purchased those machines for irrigation purposes but now they are using those in manufacturing molasses.

## Dhaka Stock Prices

At the close of trading on October 31, 1992

**Bullish mood**  
Trading on the floor of Dhaka Stock Exchange (DSE) opened the week with bullish mood on Saturday. Both the turnovers increased. Value reached Tk 1771506.00 from Tk 1363091.00 a rise of 29.963 per cent while volume increased by 4.645 per cent.

Gainers dominated the floor on the trading day. Total 48 shares were traded against Thursday's 33. Of these, 27 gained against Thursday's 18 while 13 lost against 10 and eight took part in the trading at their previous rate against Thursday's five.

The DSE index, maintained its gaining trend, jumped to 361.1584 from 359.7017, an increase of 0.405 per cent.

### DAY'S TRADING AT A GLANCE

DSE All Share Price Index	361.1584
Market Capitalisation Tk	10,324,444.847
Turnover in Volume	21898
Turnover in Value Tk	1771506.00

Company	FV/ML	Previous Price Tk	Closing Price Tk	Change (absolute) Tk	Change (% over Price)
<b>Gains (27)</b>					
Shares:					
Froglegs Export	10/50	2.00	3.88	1.880	94.000
Islamic Bank	1000/1	1600.00	1677.50	77.500	4.844
BD Oxygen	10/50	58.63	60.05	1.420	2.422
Atlas Bangladesh	10/50	43.00	44.04	1.040	2.419
Bata Shoe	10/100	38.25	39.00	0.750	1.961
Progressive Plastic	100/5	64.00	65.00	1.000	1.563
Ashraf Textile	100/5	34.58	35.00	0.420	1.215
Beximco Pharma	100/5	435.00	440.29	5.290	1.216
IFC	100/5	173.00	175.00	2.000	1.156
United Insurance	100/10	159.00	160.82	1.820	1.145
Therapeutics	100/5	90.00	91.00	1.000	1.112
Pharmaco	100/5	48.00	48.50	0.500	1.042
Monro Ceramic	100/5	294.59	297.42	2.830	0.961
Beximco	10/100	14.86	15.00	0.140	0.943
Rupan Oil	10/100	5.85	5.90	0.050	0.855
BD Autocars	100/5	70.00	70.50	0.500	0.715
Dulamia Cotton	100/10	86.00	86.50	0.500	0.582
Dhaka Vegetables	100/5	102.00	102.50	0.500	0.491
BD Thal Aluminium	100/10	80.13	80.52	0.390	0.487
BGC	100/10	147.25	147.98	0.730	0.496
Green Delta	100/10	148.00	148.72	0.720	0.485
Quasem Drycells	10/50	10.51	10.56	0.050	0.476
Rupali Bank	100/10	78.67	79.00	0.330	0.420
Talru Spinning	100/10	134.62	135.00	0.380	0.288
Howlader Pvc	100/5	99.00	99.25	0.250	0.253
Apex Tannery	100/5	420.00	421.00	1.000	0.238
4th ICB M Fund	100/10	139.83	140.00	0.170	0.122
<b>Losses (13)</b>					
Shares:					
Kohinoor Chemical	100/5	81.17	80.58	-0.590	-0.727
Rennick Jaineswar	100/5	97.50	97.00	-0.500	-0.513
National Bank	100/5	106.57	106.00	-0.570	-0.535
Bengal Food	100/5	136.75	136.03	-0.720	-0.527
Zeal Bangla Sugar	10/50	10.17	10.13	-0.040	-0.394
GQ Ball Pen	10/50	84.25	84.00	-0.250	-0.297
Chittagong Cement	100/5	287.74	286.96	-0.780	-0.265
6th ICB M Fund	100/10	63.21	63.05	-0.160	-0.254
Umaria Glass	100/5	283.09	282.45	-0.640	-0.228
Eagle Star Textile	10/50	22.30	22.25	-0.050	-0.225
Wata Chemical	100/20	103.21	103.00	-0.210	-0.204
Eastern Cables	100/5	79.00	78.91	-0.090	-0.114
Saiham Textile	100/10	78.13	78.05	-0.080	-0.103
<b>*Traded previous rates (05)</b>					
Shares:					
UCBL, 3rd ICB M Fund, Atz Pipe, National Tubes, BTC, Dosh Garments, Swan Textile, The Ibsina.					

Company	FV/ML Tk	Specialised Jute	10/50	NT
<b>PHARMACEUTICALS &amp; CHEMICALS (18)</b>				
Ambech Pharma 10/50 15.00				
Bangla Process 100/5 61.00				
BCL 100/10 195.00				
Beximco Pharma 100/5 440.29				
Glaxo 10/50 125.00				
I C I 10/50 10.00				
N Polymer 100/10				
Kohinoor Chemical 100/5 80.58				
Petro Synthetic 10/50 11.75				
Pfizer 100/5 110.00				
Pharma Aids 100/5 195.00				
Pharmaco 100/5 48.50				
Progressive Plastic 100/5 65.00				
Reckitt & Colman 10/50 11.00				
Rahman Chemicals 100/10 40.00				
Therapeutics 100/5 91.00				
The Ibsina 100/10 101.00				
Wata Chemical 100/20 103.00				
<b>PAPER &amp; PRINTING (06)</b>				
Eagle Box 10/50 18.50				
Monosop Paper 100/5 78.00				
Paper Converting 100/5 105.00				
Paper Processing 100/10 40.00				
Padma Printers 10/50 50.00				
Sonali Paper 10/50 55.00				
<b>SERVICE (02)</b>				
Bangladesh Hotel 10/50 12.00				
Bd. Service 10/50 NT				
<b>MISCELLANEOUS (15)</b>				
Apex Tannery 100/5 421.02				
Aramit 10/50 36.25				
Bata Shoe 10/100 39.00				
Beximco 10/50 15.00				
B.S.C. 100/5 30.00				
Chittagong Cement 100/5 287.78				
G. Q. Ball Pen 10/50 84.25				
High Speed 100/5 84.00				
Himadri Ltd. 10/100 6.00				
Milan Tannery 100/5 15.00				
Monro Ceramic 100/5 297.42				
Phoenix Leather 100/5 90.00				
Savar Refractories 100/5 93.00				
The Engineers 100/5 101.00				
Texpick Ind 100/10 120.00				
Umaria Glass 100/5 282.45				

## Dhaka-Cairo air service accord signed

An air service agreement between Bangladesh and Egypt was signed in Cairo on October 26, according to a delayed information received in the city Saturday, reports BSS.

Mohammad Rafiqul Islam, Joint Secretary, Ministry of Civil Aviation and Tourism, Bangladesh and Ali Motawen, first vice chairman, civil aviation authority of Egypt signed the agreement on behalf of the respective government.

## Sugar mills begins crushing

RAJSHAHI, Oct 31: The sugarcane crushing programme of Rajshahi Sugar Mills began yesterday with a target to produce 19 thousand metric tonnes of sugar in the current season, reports BSS.



Sheikh A Rahman, Member, PDB giving away certificate at Sonargaon Hotel on October 29 to an PDB engineer who received training on Ashuganj/Comilla 230 KV sub-station project. Alois Seuh, Project Manager, ABB (2nd from left), Ruhul Amin, Executive Engr PDB (3rd from left) are seen in the picture. The KFW financed project is being implemented by ABB/Siemens consortium of Germany.

# Much remains to be done for attracting foreign investors to stock market

Abu Ahmed, Guest Columnist

It is not an uncommon phenomenon for investors to burn fingers in stock market. But in other stock markets it is not an one-way track; once the investor loses, the other time he wins. In Bangladesh, it seems to be an one-way track for many small investors — they always lose and seldom win.

Recently some foreign investors showed interest in our stock market and visited Bangladesh. They found our market almost a non-functioning entity compared to other markets of the world and our companies non-cooperative when it comes to supply of information.

Some companies were however, able to convince them about the worth of their stocks, and foreign investors decided to buy those stocks even at rising prices. The companies which cut a good figure with the foreign investors were Dexamco Group and Apex Tannery. Noticeable that, prices of those two stocks rose phenomenally in the last few months.

Foreigners, till writing of this write-up, staked about Taka seven crores in different stocks of the companies listed with the Dhaka Stock Exchange. But in some cases they lost money in the form of capital loss from falling prices once they stopped buying. The loss was to the tune of 30 to 40 per cent.

Two questions are worth pondering in this respect: first, why foreign buyers are coming to Bangladesh equity market now, and second, what problems they face. The security market was opened to the foreign investors from last

July. At the same time government eased restrictions on foreign exchange remittance from the income of investment in local stocks and in other securities. It should be mentioned that the security markets of other SAARC nations are now also open to the foreign investors. These reforms brought this region's security markets almost at par with other markets of the world.

In fact, there is a competition as to which security market can attract more money from abroad in the way of investment in stocks and bonds. In our region, India is much ahead of others. Already foreign investors are beginning to take the Indian market as their next bet after East and South East Asian markets for investment.

Pakistan is next in queue. Many investors from Europe and Far East think that Pakistan's market is much more growth-oriented than others because of its late start and other favourable points. Sri Lanka is closely following Pakistan in term of attracting foreign investments.

Bangladesh is lagging far behind all of them. Its security market has the potential, yet it is going largely unexplored. It has a crippling law and order problem which no other countries in our neighbourhood has. The companies in Bangladesh did not develop any corporate culture presentable to foreign equity investors. Disclosures of the companies regarding their business performances are also not at all satisfactory.

Foreign equity investors need prompt service and information which Bangladesh

market is lacking. These services sought by the foreign investors could have been better met by established brokerage firms, but unfortunately Bangladesh has none such firm. Its stock exchange is also not competitive and not overseen by any independent regulatory body.

Given these gaps, foreign equity investors will always feel reluctant to come to Bangladesh. Even if they come, they will not invest the amount they desire to. Already such symptoms are discernible. The Holland-based Himalayan Fund, which has a programme of \$100m investment in four countries of SAARC, namely India, Sri Lanka, Nepal and Bangladesh, wanted to come to Bangladesh in a big way. But practical problems deterred them from it. Most of the fund is now diverted to India and Sri Lanka. One foreign investment fund normally is expected to be followed by another, but if one goes out or does not feel comfortable, others will also prefer to stay away.

What is the harm in welcoming foreign investment in our equities? We find no harm. Foreign fund involvement in our security market will also foster joint collaboration in project financing. It will provide our local entrepreneurs the much needed foreign exchange-part of their projects.

We hope that our entrepreneurs will be more forward looking and encourage foreign investors to come to our market. Their participation will help bring necessary reforms in our financial markets at a quicker pace.

Bangladesh's stocks are not yet over-priced when judged by the criteria the equity investors normally apply. In that sense, foreigners can gain by investing in our market. The local investors also can gain from competitiveness in the market.

Though the government eased restrictions on foreign investment in Bangladesh stock market, many of the hurdles practically remain intact. At this moment authorised dealers, which are the banks, have to go through cumbersome official procedures to remit abroad profits and other incomes of foreign investors, after fulfilling many conditions outlined in numerous circulars of Bangladesh Bank relating to foreign exchange. The authorised dealers, it is learnt, feel discouraged to certify so many things on behalf of foreign-investors.

As far as the sources of foreign funds invested in Bangladesh stocks concerned, authorised dealers can handle it properly. But how can they certify that a company in Bangladesh declared the mentioned dividend, which foreign investors are also to receive proportionately, and which they are wanting to remit. Either Bangladesh Bank or a regulatory body should take this up instead of leaving it to authorised dealers.

In this respect, we will advise Bangladesh Bank to see what other countries are doing. Our efforts should be to make our market open and competitive. To attain these twin-objectives, we should aim to reducing restrictions imposed by numerous circulars.

## Shipping Intelligence

### CHITTAGONG PORT

Berth No	Name of vessels	Cargo	L port call	Local agent	Date of arrival	Leaving
J/1	Symplica	Wheat (P)	Damam	Dynamic	21/10	4/11
J/2	Lamda	Wheat (P)	Monka	Dynamic	19/10	5/11
J/3	Johanna-K	Wheat (P)	N Orle	Alamin	9/10	4/11
J/4	Samudra Rant	GI	Behw	SSL	29/10	31/10
J/5	Gold Asia	GI/GL	Mong	AML	29/10	31/10
J/7	Banglar Shobha	GI	Cal	BSC	26/10	31/10
J/11	Al Tafsir	Rice	Viet	KSL	24/10	1/11
J/12	Haight	Fert (P)	Tempa	SSST	19/10	3/11
J/13	Optima	Cont	Sing	RSL	30/10	2/11
MPB/1	Fong Yun	Cont	Sing	BDSHP	30/10	1/11
MPB/2	I Yamburenko	Cont	Sing	CT	29/10	1/11
CCJ	Safina-e-Najam	C Clink	-	ASLL	R/A	2/11
GSJ	Banglar Kiron	Repair	Col	BSC	23/10	4/11
TSP	Al Reza	Repair	Padra	KSL	18/10	7/11
RM/3	Amphon	CDSO	Lira	Seacom	29/10	1/11
DD/1	Banglar Jyoti	C Oil	-	R/A	30/10	31/10
DD/1	Endurance Sea	Repair	Aqaba	EOSL	25/1	6/11
RM/8	Al Salma	Repair	Hong	ASLL	13/10	5/11
RM/9	Banglar Urm	GI	Col	BSC	21/10	4/11
CUFJ	Artemis-L	Cement	-	Bright	R/A	2/11

### VESSELS DUE AT OUTER ANCHORAGE

Name of vessels	Date of arrival	Last port call	Local agent	Cargo	Loading port
Glanris N K	31/10	Damam	Dynamic	Wheat(P)	-
Tanary Star	31/10	Sing	PSAL	Cement	-
Ranger	1/11	Hald	Lutful	Softwood Pulp	-
Ahler Breeze	15/10	Viza	RSL	Cont	Mong
Janbaz-1	1/11	Bang	MMI	GL	Abbas
NGS Express	20/10	Sing	BDSHP	Cont	Sing
Komsomolets	2/11	-	CT	Mustered Seeds	-
Ingenuty 24/10	2/11	Sing	RSL	Cont	Sing
Banglar Gourab	2/11	-	BSC	Cement	-
Vishva Mamata	3/11	Mad	SSL	GI/GL	Japa
Sac Byol	3/11	-	H&H	Cement	-
Banglar Doot	3/11	-	BSC	GI	-
Kisu Maru	4/11	Mad	SSL	GI	-
Eastern Pearl	4/11	-	BWA	GI	-
Fong Shin 22/10	4/11	Sing	BDSHP	Cont	Sing
Hafez	5/11	Mong	SSL	GL	Abbas
Nikos-N	5/11	Sing	RSL	Wheat	-
Kota Buana 27/10	5/11	Sing	CTS	Cont	Sing
Chestnut Hill	5/11	N Orle	LAMS	Wheat	-
Banglar Robi	6/11	-	BSC	GI	-
Karabieverett	6/11	-	EBPL	GI Japa Fe	-