

Commentary

Mere observance of Thrift Day will do little to raise saving

Abu Ahmed
Guest Columnist

A few days back Bangladesh, like many other countries of the world, observed the Thrift Day for creating awareness among the people about need of saving. Perhaps no other country in this region needs more saving from its current income than Bangladesh. With only four per cent or less annual saving rate Bangladesh is finding an insurmountable problem in keeping up its investment rate for the targeted growth rate in national income.

Gross domestic saving in our neighbourhood is much higher — 35 per cent in Malaysia, 31 per cent in India. With four per cent of GDP as saving Bangladesh is investing about 11 per cent of GDP annually. The balance comes from external sources. Saving-investment gap is almost three times in case of Bangladesh, and no country can receive external finance with such a gap for a long time. The donor countries may think that the country will not be able to repay the money.

Is the 11 per cent of GDP as investment enough to attain our targeted growth rate of five per cent? Not at all. Yet we depend on this meagre investment simply because we do not get more fund from the outside world.

A sizable segment of Bangladesh economy is led by the government but little is saved here. This sector rather spends almost five times more than what it saves.

To talk about saving became

a rhetoric in this country, because there is only talk about saving but little action to increase it. Mere advice to the people to save more will not bring more saving. What is actually needed is ways to save more.

The bureaucrats on behalf of government's saving directorate are telling the people that they have opportunities for savings in govt-floated certificates. But in a country where people think that the present consumption is better than future consumption they will not save. To divert people from such a trend we must do something to convince them that postponement of present consumption — which is saving — is better than present consumption. This should not be a hard job. Other countries did this much ago, by opening their economies to the investors and reducing government's grip on the economy. As long as we depend on a few government sponsored certificates and ICB units for saving, it will not increase. Past performance of our government in this respect bears evidence on this.

Bank accounts, ICB Unit and government saving certificates — all provide fixed interest to savers which apparently are risk-free investment opportunities. But a nation with the philosophy of market economy cannot prosper or save more through only risk-free financial assets. Out financial assets-GDP ratio is also very dismal. It means people are holding other

assets from their income. To bring them to hold more of financial assets will be a big leap forward. This can be achieved by opening up opportunities on competitive basis through creation of different financial assets and making them tradable in the secondary market on a continuous basis. Not a single word was, however, uttered in the Thrift Day seminar that financial assets are needed to be traded in the secondary market in order to reflect the opportunity cost of investment.

The success of this government, among other things, should be seen in terms of how quickly it can bring about reforms in our financial market. It should not boast by saying that government's saving directorate so far sold saving certificates worth Tk 1320 crore or so. Last year, ICB's Unit Certificate sale actually fell and money moved to other fixed-interest offering assets. Also the banks lowered interest rates on term-deposits which prompted many savers to shift their saving to saving certificates. In a zero-sum game sense it did not benefit the economy in any way. But still the ministers and bureaucrats are telling people that they have increased national saving.

People cannot be blamed for less saving as they do not have the instruments to save within the country. The saving instruments are money and capital market instruments like bonds, stocks, CDS,

treasury bills, trade bills etc. We are not creating these instruments rapidly enough, yet counselling them to save more. This only unmask our ignorance about how saving-investment works.

Our capital market is also narrow. Only 142 companies so far have released their stocks to the public. Again many of these companies behave like private limited companies. When investors want to invest — which is an act toward saving — they do not have places to turn to — excepting running after briefcase carrying stock brokers, or applying for stocks at the first issue.

The message for the Thrift Day should have been reduction of dependence on the government sponsored saving certificates, and more reliance on capital and money markets for investment. We are spending millions of taka in the name of studies on the capital and money market problems. But we need more than studies. We need results and solutions to these complex problems.

The Minister for Finance recently is meeting the senior bankers frequently. But scolding them will not bring more investment in the economy. Bankers are always there to forward credits. If markets function, credits will be automatic. Rolling of the economy on a continuous basis is the main thing and guarantees more saving. Nothing else can perform the job better.

50 pc handloom factories in southern dists closed down

BARISAL, Nov 27: About 50 per cent of handloom factories have closed down in the southern districts of Barisal, Patuakhali, Bhola, Barguna, Jhalokathi and Pirojpur in the last five years, reports UNB.

Concerned sources said gradual fall in the demand for handloom products and abnormal price-hike of raw materials were responsible for the closure which rendered thousands of artisans unemployed.

It was stated that following the price-hike of raw materials including cotton yarn, dyes and chemicals, the production cost of handloom products shot up abnormally.

Local products failed to compete with the smuggled Indian cloths.

The recent government decision to take steps to revise the decaying handloom industry is yet to have any impact on the southern districts.

Tk 26 lakh for uplift of roads

PATUAKHALI, Nov 27: Roads and Highways Department has taken up a programme to develop three roads in the district in the current fiscal year, reports UNB.

Official sources said Taka, 26.00 lakh had been sanctioned for the programme under which Lebukhali-Dumki Road, Bauphal-Khaliya Road and Dasmina Road will be developed. Work on the roads will be completed by next June.

On completion, the three roads are expected to considerably improve surface communication in the areas and increase economic activities.

Shares, dollar close higher in Tokyo

TOKYO, Nov 27: Share prices made up earlier losses to end morning trading higher Friday, and the US dollar also gained against the Japanese yen, reports AP.

After slipping about 45 points, the 225-issue Nikkei Stock Average rebounded to finish the morning session up 39.99 points, or 0.18 per cent, at 17,510.03.

The Tokyo Stock Price Index of all issues listed on the first section was up 2.70 points, or 0.21 per cent, to 1,305.76. The TOPIX rose 8.92 points, or 0.69 per cent, on Thursday.

The Nikkei index has advanced a total of 1,485.56 points in the last six trading days, mainly supported by buying by public-pension funds — a surge that traders say has strengthened market sentiment.

"I think the mood in the market is improving," said Zhang Qing Jie, an analyst with Sanyo Securities Co.

Fish output dips in N-dists

DINAJPUR, Nov 27: Fish production is decreasing in 16 northern districts of the country due to siltation of rivers, ponds, tanks and canals.

Besides, the resources of fish cultivation are gradually losing its usual depth which is threatening the breeding of fishes.

According to source, some 20 lakh maunds of fishes may be produced annually in 16 northern districts of Panchagarh, Thakurgaon, Dinajpur, Nilphamari, Rangpur, Lalmonirhat, Kurigram, Gaibandha, Bogra, Joypurhat, Sirajganj, Pabna, Naogaon, Natore, Rajshahi and Chapainawabganj but the production of fishes has been decreasing for lack of proper maintenance of water bodies.

There are more than 800

From Our Correspondent

different categories of water bodies in 16 northern districts of the country. Other than private and public ponds and beels, all are lying uncultivated and fully dependent on natural gift, sources said.

Most of the water bodies have been dried up due to continued siltation. Moreover, many of the marshy lands have been turned into cultivable lands for IRRI, boro, sugarcane and wheat cultivation.

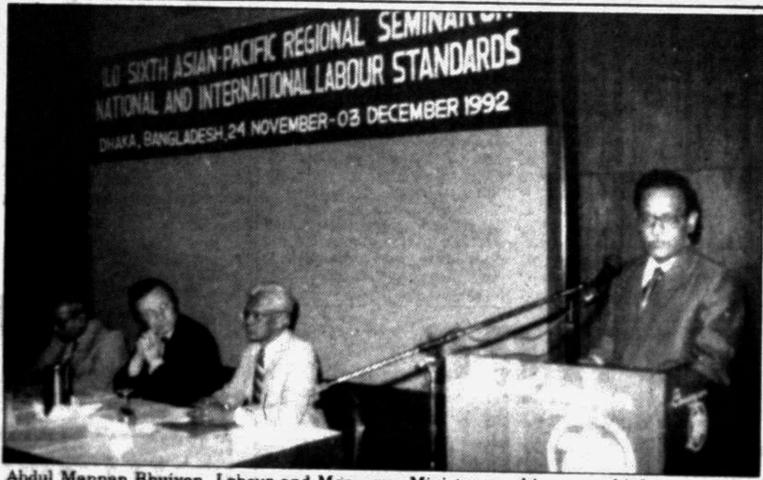
As a result, breeding of fishes of all the species are decreasing alarmingly. Besides, every year rain and flood water washes away huge quantity of fish fries. On the other hand, random catching of fish fry is also the main reason of decreasing fish cultivation.

Fish fry are being sold

openly in different markets of 16 northern districts of the country ignoring the Fish Preservation Act.

According to existing Fish Preservation Act, the government put restriction on catching and sale of below nine inches fish fry of ruhi, katla, mrigel and like other species. But the fishermen have been catching small size fish at random and openly selling those remote hat and bazars. As a result, quality fish fry are decreasing sharply.

Despite restriction, fishing nets with 4.5 cm nose are being used for catching fish fry. The current nets are very popular among the villagers and fishermen. Such practice should be stopped for the preservation of fish fries.



Abdul Mannan Bhuiyan, Labour and Manpower Minister speaking as a chief guest at the inaugural session of a week-long Asia-Pacific regional seminar on "national and international labour standard" on Tuesday at a local hotel. — PID photo

140 tons of aman paddy likely be produced in N-dists

CHAPAINAWABGANJ, Nov 27: About 140 lakh metric tons of aman paddy are expected to be produced on 32 lakh acres of land in 16 northern districts of the country, officials sources said, reports UNB.

The bumper production is expected in Chapainawabganj, Rajshahi, Natore, Naogaon, Sirajganj, Pabna, Joypurhat, Bogra, Lalmonirhat, Gaibandha, Nilphamari, Rangpur, Kurigram, Panchagarh, Thakurgaon and Dinajpur districts.

The Bangladesh Agricultural Development Corporation, Rajshahi Agriculture Development Bank and other commercial banks distributed seeds, fertilizers, loans and other necessary inputs among the farmers at fair prices to made the ambitious scheme a success, official sources said.

The farmers of these districts have urged the government to ensure fair prices of

their produce. Another report says: A scheme has been taken to bring 85,835 hectares of land under potato cultivation in 16 northern districts during the current season.

According to Agriculture Extension Department here,

Tk 2 lakh smuggled cows, goods seized

SATKHIRA, Nov 27: The BDR personnel seized contraband goods including cows worth over Taka 1.50 lakh from a border check-post in the district and arrested one person in this connection Thursday, reports UNB.

The BDR at the Bakal check-post seized 30 Indian cows worth about Taka 1.50 lakh and 1000 pieces of eye glasses worth Taka 50,000.

the production target has been fixed at 8,58,350 metric tons.

The districts are: Rajshahi, Bogra, Pabna, Dinajpur, Rangpur, Chapainawabganj, Joypurhat, Sirajganj, Lalmonirhat, Panchagarh, Natore, Kurigram, Thakurgaon, Naogaon Gaibandha and Nilphamari.

The Bangladesh Agricultural Development Corporation and Rajshahi Kishi Unnayan Bank are distributing seeds, fertilizers, loan and other necessary inputs among the growers to make the scheme a success.

High Yielding Variety and local variety seeds are being sold in different markets at Taka 330 to Taka 350 and Taka 300 Taka 325 per maund respectively.

It may be recalled that due to natural calamities and shortage of necessary inputs cultivation and production targets of potato could not be achieved in the last year.



The Chairman of the Board of Directors of Janata Bank, Imamuddin Ahmed Chowdhury inaugurating the new office of Benapole Branch under Jessore area on Thursday. Muhammad Taheruddin, MD, Md Enamul Hoque Chowdhury and Golam Mostafa, GM of the bank are also seen in the picture.

Shipping Intelligence CHITTAGONG PORT

Berth position and performance of vessels as on 26.11.92.

Berth No	Name of Vessels	Cargo	L.Port	Local Agent	Date of Arrival	Leaving
J/1	Nikoula	Wheat (G)	-	Lams	20/11	28/11
J/2	Skiathos	Wheat (G)	Sing	BSL	25/11	28/11
J/3	Sagaland	Copra	Sing	BSL	22/11	29/11
J/4	Arti	Wheat (F)	Damam	Seacoast	R/A	26/11
J/7	Horn	GI	Hong	Prog	21/11	27/11
J/9	Jiang Cheng	GI	S Hai	BDSHIP	22/11	29/11
J/10	Endurance Sea	Repair	Aqaba	EOSL	25/11	30/11
J/11	Soaror	-	-	-	-	-
J/12	Bellona	Wheat (P)	Sing	OWSL	16/11	9/12
J/13	Thaia	Wheat (P)	Derm	Alamin	R/A	27/11
J/13	Kruad	-	-	-	-	-
J/13	Jespersen	Cont	Sing	CT	24/11	28/11
MPB/1	Fong Shin	Cont	Derm	BDSHIP	19/11	26/11
MPB/2	Shenton	Cont	Sing	OMNI	28/11	26/11
CGJ	Thai Binh	C Clink	Aqaba	UMAL	R/A	1/12
GSJ	Banglar	-	-	-	-	-
ASha	Wheat (G)	-	BSC	R/A	28/11	-
TSP	Samudra Raj	GI	Kara	SSL	R/A	10/12
DD	Safir	Repair	Col	ASLL	19/11	2/12
DDJ/1	Banglar	-	-	-	-	-
Kiron	-	-	BSC	R/A	29/11	-
RM/8	S E Haider	Cement	Kara	ASLL	R/A	30/11
RM/9	Banglar Robi	Repair	Mong	BSC	R/A	30/11

VESSELS DUE AT OUTER ANCHORAGE

Name of Vessels	Date of Arrival	Last Port	Local Agent	Cargo	Loading Port
Banglar Kakoli	26/11	Cal	BSC	GI	UK. Cont.
Tanary Star	27/11	Mong	PSAL	-	-
Fong Yun 17/11	28/11	Sing	BDSHIP	Cont	Sing
Optima 18/11	29/11	Sing	RSL	Cont	Sing
Samudra Rani	29/11	Mong	SSL	-	Karachi
Weser Star 31/10	29/11	Sing	BDSHIP	Cont	Cal
NGS Express 21/11	29/11	Sing	BDSHIP	Cont	Sing
Continent-1	29/11	Kara	CLA	GI	-
Ronjay Choomie	29/11	-	PSAL	Cement	-
Hafez 11/11	29/11	Mong	SSL	-	Abbas
Vishva Parag 11/11	30/11	-	SSL	E/L	Dundee. Ant.
Trans Asia	30/11	Bank	HOWL	Sugar (P)	-
Qiang Berani	30/11	-	BBA	GI	-
Vishva Manata	30/11	Mad	SSL	GI/GL	Japa
Kota Berani	30/11	Bang	OWSL	Sugar	-
Ingenuity 19/11	30/11	Sing	RSL	Cont	Sing
Pratagad	30/11	Yang	HSL	LOGS	-
Scandinavian Express	30/11	Mad	SSL	GI	-
Petr Starostin	30/11	Sing	CT	Cont	Sing
21/11	30/11	-	USTC	Cement	-
Oga-1	30/11	-	USTC	Cement	-
Da Shi Zhai	1/12	S Hai	BDSHIP	GI	Africa
Komsomolets Rossi	1/12	-	Sunbeam	Copra	-
Severus	2/12	L Pall	Ancient	Wheat (G)	-
Banglar Kallol	2/12	-	BSC	GI	-
General Island	2/12	-	Karna	-	New York
Philla	2/12	-	AML	Wheat (G)	-
Kota Buana 24/11	3/12	Sing	CTS	Cont	Sing
Al Swamruz	5/12	-	ASLL	GI	-
Ahler Breuze 21/11	7/12	Viza	RSL	Cont	Mong
Lena 11/11	15/12	Bank	Prog	Const. Materials	-

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

Height	Wheat (G)	Lams	R/A (17/11)
NGS Ranger	Cont	Sing	BDSHIP 25/11

VESSELS NOT READY

Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival
Damon	Wheat	Mers	Royal	8/11
Supreme	Wheat (P)	P Land	Royal	22/11
You Yue	Wheat (P)	USA	Royal	23/11
Bi Ryu Gang	Sugar (P)	Bank	TSL	25/11

VESSELS AWAITING INSTRUCTION

Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival
Banglar Jyoti	-	-	BSC	R/A (10/11)
Banglar Shourabh	-	-	BSC	R/A (19/11)
Al Reza	-	-	KSL	R/A (24/11)
Artemis-1	Cement	-	Bright	R/A (2/11)

MOVEMENT OF VESSELS FOR 27/11/92 & 28/11/92:

OUTGOING

Date	Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival
27/11	J/7	Horn	-	-	-
J/12	Thaia	-	-	-	-

INCOMING

Date	Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival
28/11	J/1	Nikoula	MPB/1	Fong Yun	GSJB Asha To J/8
J/2	Skiathos	J/7	Bi Ryu Gang	J/4Height To GSJ	-
J/13	K Jespersen	CUFJ	Tanary Star	-	-
MPB/1	NGS Ranger	DOJ	Banglar Jyoti	-	-

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

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 November 24

Currency	Selling B. C.	T. T. (C)	Buying OD Transfers
US Dollar	39.1326	38.9087	38.6339
Pound Sterling	59.6495	59.3438	59.0484
DM	24.7205	24.5682	24.3947
FE	7.2751	7.2294	7.1783
S Riyal	10.4641	10.4042	10.3307
D Guilders	21.8252	21.6882	21.5351
S Kroner	6.5609	6.5162	6.4708
Singapore Dollar	23.9255	23.7886	23.6206
UAE Dirham	10.6911	10.6299	10.5548
Kuwait Dinar	131.8495	131.0951	130.1692
Indian Rupee (AMU)	1.5104	1.5036	1.4961
Pak Rupee (AMU)	1.5357	1.5287	1.5210

Authorized 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 review: At the close of tradings on November 19 and November 26, 1992

Company	FV/ML*	November 19		November 26		High	Low
		Taka	Taka	Taka	Taka		
BANKS (10)							
AL Baraka Bank	1000/1	890.00	890.00	1200.00	760.00	-	-
AB Bank	100/5	182.00	185.00	215.00	155.00	-	-
City Bank	100/5	300.00	300.00	305.00	172.00	-	-
I.F.I.C	100/5	178.00	178.00	200.00	160.00	-	