

Economy reflects need to spur business, investment: MCCI

The current state of the country's economy reflects the need to give more attention to spur business and investment. This was the view expressed by the Metropolitan Chamber of Commerce and Industry (MCCI) in its February issue of Chamber News.

The government's policy measures for macro economic stabilisation have yielded good results, but micro-level performance, representing ground level economic situation facing individual enterprises, remains lacklustre. Consequently, much of the beneficial impact of the government's macro economic achievements continue to be eroded. To stimulate micro-level operations, the Government recently has taken moves which are of monetary nature. While such measures are welcome, these can be counter-productive if the over-all situation does not improve quickly, reasons MCCI.

MCCI points out that it would be relevant to mention that in any economy like that of Bangladesh, three factors come to affect the micro-level scenario — (i) public invest-

ment, (ii) real exchange rate and (iii) credibility of the government policies.

It is well known that in the last few years there have been persistent shortfalls in ADP utilisation, says MCCI. In our country, where public investments provide more than 50 per cent of the gross national investment, decline in public investments quite naturally causes economic recession which, in turn, affects business and industry. It is, therefore, essential that implementation of annual development programmes is taken more seriously.

Exchange rate situation affects both export-oriented and import substitution industries, adds MCCI. Our exports stand marginalised by currency value adjustments made by our neighbouring countries in the recent months in respect of items in which we compete against them. Quick and correct decision is required in exchange rate so as to restore the competitive edge which we used to have until recently.

In any economy seeking industrial break-through, prices of non-tradables (wage) have to be contained in relation to

tradables goods (import and export products), emphasises MCCI. In our country, the opposite is being done in the recent years, as the cost of labour (non-tradable) has been raised. As a result, not only exporters have been affected but the domestic tradable goods have also become less competitive vis-a-vis imports from other countries. Value of non-tradables (wages) must be contained if manufacturing activities have to be profitable.

MCCI admits that cannot be denied that the government's business-friendly policies and postures have not fully assured the trade and industry. During the last two years, handling of the issues, which concern business such as labour, tariff, localised law and order, has fallen short of the expectations of the business community. Quite naturally, these have had a powerful impact on their operations. In a non-market economy, with tariff and other protections these would not have had as much impact at micro-level, but the economic liberalisation has been changing the scenario in fundamental ways. Therefore, it is no longer possible for micro-level

enterprises to function on the basis of business as usual.

Business function by responding to the signals it receives from the economy which include both market and non-market, says MCCI. The combined effect of these signals has an impact not only on efficient use of resources but also on future investments. When different sectors of the economy are found to be in a stalemate, reflecting inefficient use of resources, and new investments also do not come forward, it becomes clear that there is something fundamentally wrong in the economy.

From this view-point, to make the recent moves for reduction of interest rate, withdrawal of credit restrictions, etc. productive, other issues like labour, tariff, law and order situation must be tackled on a priority basis. Micro-level situation will improve when the mis-match in the balance of power between the labour and capital, handicaps such as tariff anomalies and micro policy distortions in vital issues like exchange rate are removed, concludes MCCI.

Goalundo Textile Mills facing closure

From Our Correspondent

RAJBARI, Mar 10: The Goalundo Textile Mills, an unit of Bangladesh Textile Mills Corporation (BTMC) may be closed at any time due to lack of fund to purchase raw cotton and other materials.

About 2500 bales of yarn of different counts worth about Taka 10 crore produced in the mills during the last few months have been lying unsold. Due to fund constraints, management is unable to pay the salaries of the labourers. About 80 employees including a large number of skilled labourers have resigned recently.

Electricity and other expenses of the mills per month stand at about Taka 15 lakh, an

official source informed, adding that although a huge amount of bills had also been lying unpaid.

The competition of the yarn produced in different mills with the smuggled Indian cotton has resulted the situation, sources said. The smuggled Indian yarn are sold in the open markets at lower prices than that of the local yarns, sources added. For this reason, sources expressed that the merchants of Narayanganj and Narsingdhi are not interested to buy the local yarns.

It will be hard to keep the mill running if the stockpiled yarns are not sold immediately, experts said.

Dhaka Stock Prices

At the close of trading on March 10, 1993

Record surge in value

Business at Dhaka Stock Exchange on Wednesday met with a flourishing transactions resulting in ever firmer figures. The active trading on the floor resulted in substantial surge in both the turnovers. Value finished with a record surge of 1013.37 per cent. It jumped from Tuesday's Tk 425936.50 to Tk 4742283.50.

Volume also showed a substantial rise against previous day's close. Volume more than doubled to 27,182 issues from 7,338 issues on Tuesday showing more than a rise of 27.42 per cent.

The floor appeared very busy with as many as 41 stocks taking part in business. Gainers ruled the floor by 15 to 12 while another 14 traded at previous rates.

The index slightly fell from 383.8104 to 383.6249 losing 0.186 point.

DAY'S TRADING AT A GLANCE

DSE Share Price Index	383.6249
Market Capitalisation Tk	10,956,908,264.00
Turnover in Volume	27,182
Turnover in Value (Tk)	4,742,283.50

Company's name	Previous price Tk	Closing Price (absolute) Tk	Change Tk	Change (% over price)	Number of shares sold
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Gains(15)					
BLTC	500.00	800.00	300.00	60.00	05
Apex Tannery	340.00	386.52	28.52	8.388	135
Dhaka Veg	84.00	89.68	5.68	6.762	170
Ctg Vegetables	78.88	79.83	0.95	1.204	180
Singer Bangladesh	1050.00	1055.00	5.00	0.476	35
Quasem Drycells	9.50	9.60	0.10	1.053	100
Aziz Pipe	222.00	224.00	2.00	0.901	25
Atlas Bangladesh	44.05	4.15	0.10	0.227	200
Green Delta	169.73	170.67	0.94	0.554	150
2nd ICB M Fund	168.00	170.00	2.00	1.190	15
National Bank	100.00	100.83	0.83	0.830	60
B Oxygen	67.04	67.97	0.93	1.387	150
Tallu Spinning	102.00	102.33	0.33	0.324	30
Debuture					
Beximco	2075.00	2083	8.00	0.386	05
Beximco Infusion	1530	1535	5.00	0.327	02

Losses(12)					
Beximco Infusion	225.00	215.02	9.98	4.436	20050
Rupan Oil	4.30	4.20	0.10	2.326	500
Bengal Food	130.23	130.03	0.20	0.154	370
UCBL	114.25	112.00	2.25	1.969	05
AB Bank	182.50	182.00	0.50	0.274	05
Kobinoor Chemical	66.48	66.45	0.03	0.045	55
Pharma Aids	167.56	167.17	0.39	0.233	30
Bata Shoe	36.41	36.31	0.10	0.275	320
Ctg Cement	251.33	250.00	1.33	0.529	50
Savar Refat	86.00	85.00	1.00	1.163	05
Usumia Glass	250.00	250.00	0.50	0.200	20
Debuture:					
Beximco Pharma	1205.59	1205.00	0.59	0.049	04

Traded at previous rates (14)					
Stocks: IFIC (03), Islami Bank (09), 5th ICB (100), Eastern Cables (400), Bangladesh Tobacco (22), Zeal Bangla (2410), Tamijuddin Textile (30), Ambee Pharma (1200), Beximco Pharma (77), Pharmaco International (05), Ibn Sina Pharma (10), Beximco Ltd (200), BGC (20), United Insurance (20).					

DSE SHARES AND DEBENTURES

Company	FV/ML Tk	Shamser Jute	100/5	100.00
Specialised Jute	10/50	NT		
Shine Pukur Jute	100/5	124.00		
Sonali Aarab	100/5	100.82		
TEXTILE (20)				
Alhaj Textile	10/50	NT		
Arbee Textile	100/10	112.00		
Ashraf Textile	10/50	30.00		
Chand Textile	10/50	NT		
Chand Spinning	10/50	NT		
Desh Garments	100/10	50.00		
Dulamia Cotton	100/10	78.50		
Eagle Star Textile	10/50	15.88		
GMG Ind. Corp.	10/50	10.00		
Modern Dying	100/5	32.00		
Padma Textile	100/20	175.00		
Quasem Silk	10/100	3.20		
Quasem Textile	10/50	4.00		
Rahim Textile	100/5	79.00		
Satham Textiles	100/10	72.00		
S.T.M. (ORD)	100/5	40.00		
Stylecraft	100/5	130.00		
Swan Textile	100/5	18.00		
Tallu Spinning	100/10	102.33		
Tamijuddin	100/10	180.00		

INVESTMENT (06)				
ICB	100/5	80.00		
1st ICB M.Fund	100/5	330.00		
2nd ICB Fund	100/5	170.00		
3rd ICB M. Fund	100/5	145.00		
4th ICB M. Fund	100/10	146.00		
5th ICB M. Fund	100/10	92.00		
6th ICB M. Fund	100/10	61.09		
ICB Unit Cert.				
Sales Price		117.00		
Re-purchase		112.00		

INSURANCE (04)				
BGC	100/10	157.50		
Green Delta	100/10	170.87		
Peoples	100/10	208.00		
United	100/10	188.00		

ENGINEERING (19)				
Alfab Automobiles	100/5	177.00		
Atlas Bangladesh	10/50	44.15		
Aziz Pipes	100/5	225.00		
Bangladesh Autocars	100/5	59.00		
Bangladesh Lamps	100/5	175.00		
B. Thai Aluminium	100/10	75.00		
Bengal Carbide	100/5	260.00		
Bengal Steel	10/50	20.00		
Eastern Cables	100/5	72.50		
Howlader PVC	100/10	94.03		
Karim Pipe	100/5	88.00		
Metallex Corp.	100/5	46.00		
Monno Staffiers	100/5	150.00		
Monno Jute	100/5	220.00		
National Tubes	100/10	70.25		
Parulher Steel	10/50	8.00		
Quasem Drycells	10/50	8.80		
Renzwick Japanswar	100/5	78.00		
Singer Bangladesh	100/5	1055.00		

PAPER & PRINTING (06)				
Eagle Box	10/50	14.24		
Monopol Paper	100/5	50.00		
Paper Converting	100/5	110.00		
Paper Processing	100/10	34.00		
Padma Printers	10/50	50.00		
Sonali Paper	10/50	51.87		

SERVICE (03)				
Bangladesh Hotel	10/50	12.00		
Bd. Service	10/50	NT		

MISCELLANEOUS (17)				
Apex Tannery	100/5	368.52		
Aramit	10/50	37.00		
Bata Shoe	10/100	36.31		
Beximco	10/100	18.00		
BSC	100/5	50.00		
Chittagong Cement	100/5	250.00		
G. Q. Ball Pen	10/50	78.25		
High Speed	100/5	80.00		
Himadri Ltd.	10/100	6.00		
Milton Tannery	100/5	10.00		
Monno Ceramic	100/5	295.00		
New Dhaka Refac	100/20	95.00		
Phenox Leather	100/9	90.00		
Savar Refractories	100/5	85.00		
The Engineers	100/5	100.00		
Teaspick Ind	100/10	100.00		
Usumia Glass	100/5	250.00		

FUEL & POWER (04)				
BD Oxygen	10/80	67.97		
Eastern Lubricant	10/80	14.00		
National Oxygen	100/10	95.00		
Padma Oil Co.	10/80	38.67		

JUTE (12)				
Ahad Jute	100/10	NT		
Anowara Jute	10/50	NT		
Delta Jute	10/50	8.50		
Gawata Jute	10/50	NT		
Islam Jute	100/5	48.00		
Jute Spinner	100/5	78.00		
Mutual Jute	100/5	105.00		
Northern Jute	10/50	NT		

IFC interested in financing \$ 62.69m Sind oil project

KARACHI, Mar 10: The International Finance Corporation (IFC) has expressed interest in financing Pakistan's 1.7 billion rupee (\$ 62.69 million dollar) oil pipeline project in the southern province of Sind, officials said here yesterday, reports AFP.

An IFC delegation, led by M A K Alizai, its director of oil, gas and mining, discussed the project during a meeting Tuesday with Pakistan State Oil Co (PSO) officials.

The Petroleum Transportation Co Ltd, a subsidiary of PSO, is responsible for the planned 80 kilometre (48 mile) pipeline, which will transport an annual 1.5 million tonnes of furnace oil from Karachi's port Qasim to a planned 1,292 megawatt power station on the hub river, west of there.

The power generation project is being financed by the Hub River Power Company (HUBCO), with World Bank assistance.

The IFC is an independent body affiliated to the World Bank.

US banks earn record \$ 32.2b in 92

WASHINGTON, Mar 10: US commercial banks earned a record \$ 32.2 billion dollar last year, the government said Tuesday, reports AP.

The Federal Deposit Insurance Corp said the country's 11,461 commercial banks earned \$ 32.2 billion dollar in the fourth quarter, pushing profits for the full year well past the old record of 24.8 billion dollar set in 1988.

In 1991, banks earned 17.9 billion dollar.

The earnings were largely the product of favourableness interest rate conditions for banks — a wide gap between the rates they pay to depositors and rates banks earn on loans and other investments.

The report prompted FDIC officials to all but declare the banking industry's crisis over.

"These developments mean that it becomes more and more unlikely the public will have to pick up the bill for bank failures," said Andrew C. Hove Jr, acting FDIC chairman.

The number of commercial banks on the agency's problem list declined dramatically over the past year, from 1,016 to 787.

Coca-Cola launches products in S Arabia

The Coca-Cola company the world's leading soft drink company, recently announced the launching of its products in Saudi Arabia, the first step in its plan to take soft drink leadership in this important Middle East market, says a press release.

The Company's products will be produced and marketed by the Coca-Cola Bottling Company of Saudi Arabia, which will be managed by the Olayan Group of Companies of Saudi Arabia.



Prime Minister Begum Khaleda Zia presenting the President's Export Trophy to A Q I Chowdhury, Deputy General Manager, James Finlay, PLC for their excellence export performance of tea for 1987-88.

Adamjee Jute Mills coming to life once more

By Staff Correspondent

The railway track running in front of the Adamjee Jute Mills (AJM) was lying rusty because of unuse for years.

Many looms of the mills remained silent as plastic replaced jute as packing material in the global market.

Now, with a world-wide growing awareness for the environment-friendly packing materials, jute is picking up and so is the Adamjee Jute Mills, the pride enterprise of Bangladesh.

The daily production of the 3297 loom mills has shot up to 237 tons from a daily 127 tons in July 1992, AJM officials told a group of journalists who visited the mills Monday.

Although, the mills is incurring a daily loss of Taka 25 lakh, officials said that it was a very good sign for productivity.

They pointed out that the reasons for increased production were labour harmony, and better understanding and co-operation between the management and the workers.

A hotbed of labour politics, the guns of AJM are silent since November.

Talking to the newsmen,

the Executive Director of AJM M A Latif hoped that despite the daily loss, the mills could still earn profits if the government allowed its export earnings at secondary exchange rate.</