

WB for change in commercial laws to encourage investment

The legal system for conducting business has been eroded to the point that it has become a major obstacle to investment in Bangladesh, says a recent report published by a World Bank affiliate.

"The most pressing need in the field of Bangladesh law today is the strengthening of the general legal framework, establishing public confidence in the reliability of regular law, enforcement and speedy, competent, independent and impartial administration of justice and transparency of legal rules as well as proceedings," points out the report which was based on a study conducted last year by the Washington-based Foreign Investment Advisory Service (FIAS).

The FIAS study was conducted at the request of the government of Bangladesh to identify major constraints to investment in the country, which could also serve as a basis for discussions with the World Bank on the Second Industrial Sector Adjustment Credit (ISAC-2).

A joint service of the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA) and the World Bank, the FIAS report was completed late last year.

In order to improve the enabling environment for business transactions, the report underlines the immediate need for both legal and institutional reforms.

It suggests ensuring greater autonomy and independence of the judiciary by repealing the amendments to Articles 115 and 116 of the Constitution and establishing a judicial appointments committee.

Originally Articles 115 and 116 provided for separation of the executive and judicial branches of the government but was amended in 1975 placing the power of appointing and control of officials performing judicial duties with the President.

It also calls for a permanent law reform commission and a permanent administrative reform commission to ensure greater transparency and predictability in the way rules and regulations are made and implemented by the government.

"Necessary reforms in more specific technicalities of commercial law," it says, "can only bear fruit in correlation with fundamental, long-term reforms."

The FIAS report also recommends that the existing 1861 Admiralty law, 1911 Patents law and the 1940 Trademark law be revised, modernised and brought into line with the new demands of

international trade and commerce.

It suggests reduction of registration fees and stamp duties on mortgages under the 1882 Land Transfer and Stamp Acts and the 1908 Registration Act and reform of the laws to provide for registration to be effective from the date of registration and not from the date of execution as is done presently.

It also recommends reform and modernisation of land registration offices so that "title to land and any encumbrances can be determined quickly, reliably and efficiently." Amendment to the Banking Companies' Ordinance is also needed to allow commercial banks to enter the leasing sector, the report says.

On labour legislation, FIAS calls for a new comprehensive labour code to rationalise the presently applicable 47 different codes, ordinances, rules and regulations to provide "an integrated framework for establishing the rights and duties of both employees and employers, and to provide speedy and effective access to justice for aggrieved persons."

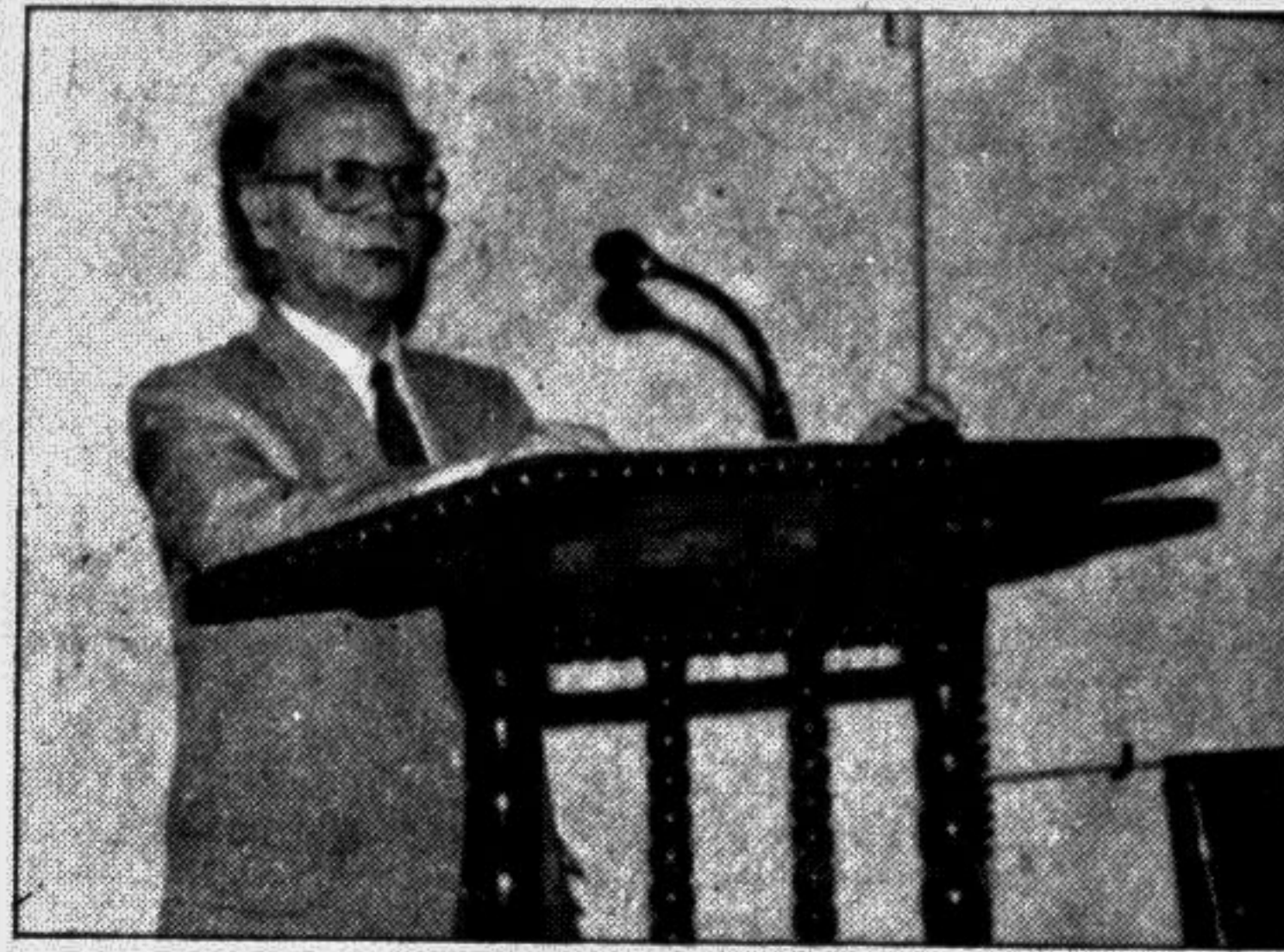
On judicial administration and enforcement of law, the report goes on to suggest provision for original side jurisdiction to the High Court division of the Supreme Court in cases

involving more than Taka one million.

It calls for increasing the number of sitting Supreme Court judges, authorising the Chief Justice to implement a case management programme and providing funds for modernisation court facilities and equipment.

To stop abuses of the judicial process, the report recommends progressively higher costs for repeated adjournments, imposition of fines and discipline counsel for senseless and frivolous defenses, imposition of interest above commercial bank rate on awards in commercial legislation and posting of a significant percentage of an award to lodge an appeal. To expedite legal capacity building in the country, the FIAS report suggests establishment of a permanent judicial training institute and a practicing law institute.

In terms of timing and sequencing of legal reforms, FIAS recommends an initial package consisting of a law reform commission, a cadre of legal draftsmen, modernisation of commercial laws, review of existing laws relating to the securities market, modernisation of courts and administrative procedures and preparation of an action-plan for legal capacity building.



A H M Nurul Islam Choudhuri, Director General, BIBM, speaking at the concluding session of the course on frauds, forgeries and malpractices in banks and financial institutions.

Dhaka Stock Prices

At the close of trading on April 28, 1993

Transactions fall

The Dhaka Stock share market came up with further decrease in figures as both the turnovers failed to show any positive moves. Figures in both the turnovers declined. Value suffered a loss of 30.44 per cent from Tuesday's Taka 770443.50 to Taka 535875.00. Volume showed a similar loss of 27.33 per cent and finished at 7028 issues from Tuesday's 9671 issues.

A large number of stocks traded on the day. Out of 39 stocks, eleven companies remained unchanged to gain prices while 13 companies lost prices.

In general, changes among losers and gainers were more or less even.

The Composite Index fell a little from Tuesday's 379.7143 to 379.0962, shedding 0.162 point.

DAY'S TRADING AT A GLANCE

DSE Share Price Index	379.0962
Market Capitalisation (Tk)	10,838,234,894
Turnover in Volume	7028
Turnover in Value (Tk)	535875.00

Company's name	Previous price Tk	Closing price Tk	Change (absolute) Tk	Change (% over price)	Change Number of share sold
Gains (11)					
Shares :					
Petro Synthetic	10.00	10.30	0.300	3.000	100
1st ICB M Fund	360.00	365.00	5.000	1.388	5
Ambee Pharma	12.15	12.30	0.150	1.234	500
Singer Bangladesh	1520.00	1535.00	10.000	0.657	25
City Bank	289.67	291.50	1.830	0.631	40
Howlader PVC	92.00	92.25	0.250	0.271	80
Sonali Ansh	99.00	100.00	1.000	1.010	30
6th ICB M Fund	61.75	61.79	0.040	0.064	140
Debitures :					
Beximco Infusion	1610.00	1620.00	10.000	0.621	12
Beximco Pharma	1235.00	1238.00	3.000	0.242	37
Beximco	1874.47	1875.00	0.530	0.028	3
Losses (13)					
Shares :					
Chittagong Cement	256.68	246.00	-10.680	-4.160	80
Islami Bank	1750.00	1700.63	-49.370	-2.821	40
Rahim Textile	73.00	71.00	-2.000	-2.739	5
Dhaka Vegetables	86.00	84.00	-2.000	-2.325	5
Quasem Drycells	9.37	9.20	-0.170	-1.814	1000
Zeal Bangla Sugar	7.10	7.00	-0.100	-1.408	650
Bengal Food	122.37	121.50	-0.870	-0.710	50
Bata Shoe	35.31	35.06	-0.250	-0.708	2080
BGIC	176.20	175.00	-1.200	-0.681	90
Beximco	20.88	20.80	-0.080	-0.383	400
Beximco Infusion	265.00	264.50	-0.500	-0.188	10
National Bank	99.07	99.00	-0.070	-0.070	26
IDLC	238.11	238.00	-0.110	-0.046	20
Traded at previous rates (15)					
Shares :					
A B Bank (30), Al Baraka Bank (1), 2nd ICB M Fund (20), B That Aluminium (80), BTC (50), Islam Jute (50), Ashraf Textile (149), Shaiham Textile (50), Modern Dyeing (20), Eagle Star Textile (300), Desh Garments (70), Talhu Spinning (20), Kohinor Chemical (10), Eagle Box (150), Paper Processing (60).					

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Company	FV/ML Tk	Shameer Jute	Specialised Jute	Shire Pukur Jute	Sonali Ansh
BANKS (10)					
Al Baraka Bank	1000/1 922.00				
A.B. Bank	100/5 176.00				
City Bank	100/5 291.50				
IDLC Ltd	100/20 238.00				
LFIC	100/5 189.00				
Islami Bank	1000/11 700.63				
National Bank	100/5 99.00				
Pubali Bank	100/5 100.00				
Rupali Bank	100/10 72.00				
U.C.B.L	100/5 112.00				
Uttara Bank	100/5 94.00				
TEXTILE (20)					
Alhaj Textile	100/50 NT				
Arbee Textile	100/10 112.00				
Ashraf Textile	100/50 30.00				
Chand Textile	100/50 NT				
Chand Spinning	100/50 NT				
Desh Garments	100/10 50.00				
Dulama Cotton	100/10 78.50				
Eagle Star Textile	100/50 14.50				
GMG Ind. Corp.	100/50 10.00				
Modern Dyeing	100/5 33.00				
Padma Textile	100/20 178.00				
Quasem Silk	100/100 2.03				
Quasem Textile	100/50 4.00				
Rahim Textile	100/5 71.00				
Saiham Textiles	100/10 63.50				
S.T.M. (ORD)	100/5 40.00				
Stylecraft	100/5 130.00				
Swan Textile	100/5 16.00				
Talhu Spinning	100/10 94.00				
Tamijuddin	100/10 160.00				
PHARMACEUTICALS & CHEMICALS (18)					
Ambee Pharma	100/50 12.30				
Bangla Process	100/5 63.00				
BCJL	100/10 280.00				
Beximco Infusion	100/00 264.50				
Beximco Pharma	100/5 450.00				
Glaxo	100/50 125.00				
I.C.I.	100/50 10.00				
N Polymer	100/10 64.36				
Kohinor Chemical	100/50 10.30				
Petro Synthetic	100/5 450.00				
Pharma Aids	100/5 159.00				
Pharmaco	100/5 50.00				
Progressive Plastic	100/5 37.00				
Reckitt & Colman	100/50 110.00				
Rahman Chemicals	100/10 32.25				
Therapeutics	100/5 75.00				
The Ibristna	100/10 101.00				
Wata Chemical	100/20 117.00				
PAPER & PRINTING (06)					
Eagle Box	100/50 14.30				
Monosop Paper	100/5 38.00				
Paper Converting	100/5 110.00				
Paper Processing	100/10 25.00				
Padma Printers	100/50 50.00				
Sonali Paper	100/50 51.67				
SERVICE (02)					
Bangladesh Hotel	100/50 12.00				
Bd. Service	100/50 NT				
MISCELLANEOUS (17)					
Apex Tannery	100/5 370.00				
Aramit	100/50 30.00				
Bata Shoe	100/100 35.06				
Beximco	100/100 20.80				
BSC	100/5 50.00				
Chittagong Cement	100/5 248.00				
G. G. Ball Pen	100/50 83.00				
High Speed	100/5 80.00				
Hemad Ltd.	100/10 6.00				
Milon Tannery	100/5 8.50				
Monno Ceramic	100/5 298.82				
New Dhaka Refac	100/20 70.00				
Phonix Leather	100/5 90.00				
Savar Refractories	100/5 80.00				
The Engineers	100/5 100.00				
Textpick Ind	100/10 100.00				
Umanita Glass	100/5 249.39				
DEBITURES (04)					
Beximco	1875.00				
17% 1998	1999/1				
Beximco Infusion	1500/2 1620.00				
(17% 1998)					
JUTE (02)					
Ahad Jute	100/10 NT				
Anowara Jute	100/50 NT				
Delta Jute	100/50 8.50				
Quasem Silk	1500/1 1150.00				
Gawala Jute	100/50 NT				
Islam Jute	100/5 40.00				
Jute Spinner	100/5 78.00				
Mutual Jute	100/5 105.00				
Northern Jute	100/50 NT				
Note : FV = Face Value MLE Market Lot NT= Not Traded AL = Allotment Letter					

Shipping Intelligence

CHITTAGONG PORT

Berth position and performance of vessels as on 27.04.93						
Berth No.	Name of vessels	Cargo	L/Port call	Local agent	Date of arrival	Leaving
J/1	Samudra Rani	GI	Kara	SSL	18/4	28/4
J/2	Simara Express	R Seeds	Rouen	Royal	25/4	02/5
J/3	Ji Lin	GI	Sing	Prog	20/4	30/4
J/6	Handy Shipper	M Seeds	Sing	Royal	19/4	30/4
J/8	Qing He Cheng	GI	S Hai	BDSHP	21/4	28/4
J/9	Niaga-54	GI	Sing	MBL	21/4	28/4
J/10	Endurance Sea	Repair	Agaba	CLA	25/1	29/4
J/11	Arti	GTSP(P)	IND	H&SL	16/1	02/4
J/12	Banglar Doot	GL	Mong	BSC	24/4	29/4
MPB/1	Knud Jespersen	Cont	Sing	CT	26/4	29/4
MPB/2	Eponyma	Cont	Sing	RSL	24/4	28/4
CCJ	Banglar Asha	Repair	—	BSC	R/A	30/4
TSP	Hang Cheong	Cement	Sing	H & H	28/3	29/4
RM/3	Sorja	CDSO	Elon	Seacom	26/4	28/4
RM/4	Ronjay Choomie	Cement	Vish	PSAL	15/3	29/4
DQJ	Banglar Jyoti	Repair	—	BSC	R/A	01/5
DDJ/1	Barge: Laboy-90/Tug GI	—	Sing	ILA	31/1	31/7
DDJ/2	Banglar Monil(Ebb)	Repair	—	BSC	R/A	01/5
CUFJ	Lily	Urea	—	Dynamic	R/A	29/4
CUFL	Smit Lombok	P Mat	Sing	Anchor	31/3	31/8

VESSELS DUE AT OUTER ANCHORAGE:

Name of vessels	Date of arrival	Last Port	Local agent	Cargo	Loading port
NGS Express	17/4	Mong	BDSHP	Cont	Sing
Bo Tong Gang					