418.4240

Move to hand over power plant Tea export increases without proper tests

Moves are underway to hand over the 210 Megawatt Thermal Power Plant at Rauzan in Chittagong to Power Development Board (PDB) without final operation tests, reports PROBE.

China National Machinery and Equipment Import and Export Corporation (CMEC) which constructed the Tk 525 crore project failed to keep it running for more than 15 minutes at 210 Megawatt production capacity during the test run, a PDB source said.

Prime Minister Begum Khaleda Zia's planned visit to Rauzan in late April to inaugurate the plant was postponed at the eleventh hour.

Chairman of the PDB Kazi Golam Rahman told PROBE that "CMEC has to satisfy the contractual obligations before handing over the project to us." He said the 72-hour Continuous Operation Test (COT) is expected to be completed soon before the plant goes into commercial operation.

PDB has written to the Energy Ministry seeking permission to allow CMEC to commence the 72-hour COT pending four required tests

UK minister

congratulates

Saifur

The UK Minister for Over-

In a letter written to the

Finance Minister recently the UK Minister assured her gov-

ernment's fullest support in the

government of Bangladesh's

Finance Minister of providing

further assistance in order to help achieve the objectives of a transparent and accountable

system of government based on

the principles of democratic

pluralism in Bangladesh

Chalker also assured the

agenda for good governance.

seas Development Assista-ncc, Baroness Chalker, has congratulated the Finance Minister, M Saifur Rahman, for the latter's achievements in macro economic stabilisation and fundamental structural reform in Bangladesh, according to an official handout yesterday

reports BSS.

to the Prime Minister's sched-

uled visit. Massive irregularities, including supply of rusted machine parts, have also been reported. It was alleged that the plant was originally designed with the capacity to generate 200 MW instead of 210 MW for which Bangladesh has to

Experts suggested that the government form an enquiry committee to probe the anoma-

about Tk 25 crore.

shoulder the excess burden of

Contractors are putting pressure on PDB to take over the project despite absence of warehouse, workshop and necessary spares as provided in the

The government appointed consultant informed authorities concerned that the unit is not operating as designed due to deficiency and flaws which include excessive consumption of natural gas, steam, feedwater and combustion air.

The construction firm failed to complete the fire fighting and fire alarm system to provide protection of the plant and security of personnel at site. It also demonstrated lack of conwhich were unsuccessful prior cern for the protection and unknown reasons.

longevity of the plant.

The consultant detected more than 575 problems none of which were rectified. The deficiencies have been ignored by the authorities.

The contractors have not raised the 65 metre chimney to a height of 100 metres required to save the surroundings from harmful chemicals like sulphur emitted along with the smoke.

Environmentalists say the chemicals will fall on nearby grounds, due to the pressure of the winds, instead of missing with the upper atmosphere.

In case of a similar situation in Pakistan, the contractors were forced to raise the height of chimney. The Chinese designed plant

is the fifth of its kind in the world. Four such plants were installed in Pakistan by the same construction company. According to the agreement between PDB and the CMEC,

the plant has to go through a COT of 72 hours before going into commercial operation. The COT in case of Pakistan was fixed at 30 days. For Bangladesh, terms and ref-

erence of the contract signed in

January, 1990 was relaxed for

(PROBE is a newly launched news agency, based in Dhaka. The story is exclusive to The Daily Star.)

The foundation of the project was laid by Prime Minister Begum Khaleda Zia in 1991 The plant initially planned to be installed in Pahartali of Chittagong was shifted to the present site by a former minister from Rauzan constituency during the

Ershad regime. Experts expressed utter surprise as to why the site of the water-based thermal plant was selected four kilometers short of a river. Water is now being drawn from four kilometers and has to be drained out through another line covering the same

distance. The plant in which steam admission to the turbine was let on March 23 and synchronised with the national grid line on March 29 kept on tripping.

Surprisingly, PDB has not yet claimed any liquidity damage for the delay of project implementation as provided in the agreement. Provisions are there that the authorities can claim up to 10 per cent of the project cost which amounts to Tk 52.50 crore for such delay.



A meeting of Bangladesh Association of Banks was held on July 10 at the board room of Islami Bank Jahurul Islam, Chairman, IFIC Bank presided over the meeting.

Commentary

Six pc growth rate seems to be lofty

By Abu Ahmed **Guest Columnist**

Bangladesh has fixed its growth rate at six per cent per annum for the next financial year beginning July '93. It is another ambitious growth rate fixation. To achieve the target, Taka 9750 crore will be spent from the government's fund and the rest will come from the pri-

vate sector. In the past, Bangladesh always fixed growth rate at or above five per cent which it never achieved. The main reason behind the failure was nonavailability of the promised investment, both in the public sector and the private sector.

It was easy to set growth rate, but hard to supply resources to attain that target. As a result Bangladesh became known to the world as one of the least developed countries (LDCs).

What caused Bangladesh to fail in achieving targeted growth rate? Simply the lack of in vestment.

In Economics the only source of investment is saving and Bangladesh did not have that much of saving which could attain the average five per cent growth rate it set throughout the last decade.

In addition to saving or in vestment rate, one more element also determines the growth rate, that is marginal capital output ratio (MCOR)

which means how much of output can be produced by using a unit of capital. In other words, it means how efficiently the factors of production can produce. In technologically advanced countries this ratio is about five per cent while it is not above four in LDCs.

When we fix a growth rate, we can calculate how much investment or saving we need to achieve this target. If investment or saving rate is known, the MCOR fixed, then the achievable growth rate can also be calculated.

In our case, as we have already set the growth rate at six per cent we have to calculate how much investment is needed to reach that target. The calculation shows 15 per cent of the output or national income should be saved and invested for achieving the six per cent

Now the question is how much saving we have ? Around four per cent and the rest come from outside. But we do not receive that amount of resources from donors, so we fail to attain the set growth rate. The four per cent saving rate includes that of private sector also, which means there is no extra room to augment the required resources.

in terms of amount of money. 15 per cent saving of GNP means Tk. 15000 crore, provided our GNP is Tk. 100000 crore per annum. Where the rest of the money about 5250 crore taka will come from ? Definitely from the private sector. In the way private sector is moving now it is not expected that it will be able to spend this money during the current financial year.

Again, will the government be able to spend 9750 crore? Most unlikely. From where money will come to the government's purse? From the tax surplus, and the foreign aid. When these two are added it seems government is capable to spend this money. But all of the committed foreign aid will not come because of our non-capacity to use it. This year, tax surplus of around Tk. 3000 crore may not be sufficient to fill up the gap of non available foreign

aid part of our ADP. However, the situation will be grimmer if we further lose the labour productivity. This will reduce marginal capital output ratio say to. 3, then it will require 20 per cent saving of GDP to be invested which is almost impossible for Bangladesh.

The relationship between saving rate and output growth rate was first enunciated by two English economists-Sir Roy Domar, and Evsy Domar. Later.

numerous growth models came into the scene, but none contradicted the basic foundation of Harrad-Domar model.

An economy, if not impoverished, is expected to grow dynamically with a saving rate of 15 to 20 per cent. In Bangladesh, this rate is unbelievably low, much lower than what our neighbours have. It is because we depend on external assistance to finance our ADP So long the voluntary saving rate will be counted our difficulties in attaining targeted

Chipsam

Tony Best

Marine Thi

Trans Asia

Al Salma

Stern

Currency

US Dollar

UK #

D.M

FE

S Riyal

D. Gutlders

UAE Dirham

Kuwatt Dinar

Singapore Dollar

S. Kroner

growth rate will not go. The technique of raising vol untary saving is not the way we are following now. The operation of market is the best guar antor of more saving in the private sector.

If we want to raise the forced or involuntary saving through taxation this will not simply work. Because it will also bring a fall to the private saving.

In economics, there is a concept like crowding-out effect Government coming with more taxation means it will lead to a crowding-out effect, meaning an equal fall in private investment.

So, the six per cent growth rate seems to be lofty, However, nothing is wrong to expect, so we expect that the economy will be able to achieve this rate during the 1993-94 fiscal year.

CHITTAGONG, July 12: Export of tea, the second cash crop after jute, recorded an increase by 9.36 million kgs in 92-93 fiscal year compared with that of 91-92 fiscal.

According to official reports, a total of 33 million kgs of Bangladesh tea were exported in the just ended fiscal year, up from 23.64 million kgs exported in the previous year. The total exports of tea in

by two million kgs, official reports said. The officials of the stateowned Bangladesh Tea Board

92-93 also exceeded the target

attributed the rise in exports to better enquiries from foreign

buyers for Bangladesh tea in

the backdrop of global production shortage and re-entry of traditional buyers including CIS countries

Among all the export buyers Pakistan topped the list with a total import of 13 million kgs. officials informed.

Bangladesh tea is exported to 25 countries of the world.

However, there was a record production of 49.13 million kgs tea in the year 1992, official reports added.

Bangladesh tea market picked up almost from the ending part of last season overcoming the dull trading marked earlier due to collapse of Soviet Union, officials and brokers said.

Shipping Intelligence

CHITTAGONG PORT

Berth position and performance of vessels as on 12.7.1993

Berth No.	Name of Vessels	Cargo	L Port Call	Local Agent	Date of Arrival	Leaving
J/1	Vishva Shobha	GI/GL	Bomb	SSL	11/7	15/7
J/2	Meng Kiat	Cont	Sing	AML	11/7	12/7
J/3	Meptune iris	Pulses	Sing	MSA	11/7	18/7
J/4	Banglar Sampad	Repair	(4)	BSC	R/A	15/7
J/5	Agra	Cement	Long	PSAL	12/6	14/6
J/6	Andrian Goncharov	Cont	Sing	CT	11/7	13/7
J/7	Pear One	Urca	Rang	Cross	6/7	17/7
J/8	Sam Hae	065	Hong	(36)	27/6	22/7
J/9	Mary-M	M Seeds	Pena	USTC	30/6	13/7
J/11	Portaitissa	urca	200	UMAL.	R/A	15/7
J/12	Optima	Cont	Sing	RSL	11/7	14/7
J/13	Simara Express	SPL	Col	OWSL	8/7	13/7
MPB/I	Banglar Moni	Cont	Sing	BSC	10/7	13/7
MPB/2	NGS Ranger	Cont	Sing	BDShip	11/7	13/7
CCJ	Vishva Mamta	C Clink	Visa	UMAL	5/7	16/7
GSJ	Banglar Kallol	Wheat (G)		BSC	R/A	14/7
TSP	Orsha (PC Stop	ldle	Sing	USTC	6/5	14/7
	By The Court)	53654	SER	565093000	7451515040	14077622
RM/4	Efstratios-G	ldle	Ant	BSL.	20/5	14/7
RM/6	Ronjay Choomic	Cement	Sing	USTC	2/6	14/7
DOJ	Banglar Kiron	Repair	15	BSC	R/A	17/7
DD .	Banglar Shobha	Reputr	Second Second	BSC	23/6	15/7
DDI/1	Barge Labroy-90	GI	Sing	ILA	31/1	7/8
DD.1/2	Banglar Asha	Repair	惠	BSC	R/A	15/7
CUFJ	Mandalay	Urca	Yang	MTA	9/7	16/7

VESSELS DUE AT OUTER ANCHORAGE

Name Of Vessels	Date of Arrival	Last Port Call	Local Agent	Cargo	Loading Port
Arktis Ocean	13.7.93	Sing	BSL	GI	*
Rafah	17.7.93	Niko	Dynamic	M.Seeds	
Kota Buana	13.7.93	Sing	CTS	Cont	Sing
Vishva Parimal	14.7.93	NAD	SSL	GI	
Eponyma	16.7.93		CTS	Cont	Sing
Mukachevo	15.7.93	Sing	USTC	Cement	5.40
Boris Lavrenyov	15.7.93	Gr.	USTC	G(Soda Ash	a) -
Banglar Robi	15.7.93	Sing	BSC	Cont	Stng
Lhotse	15.7.93	90	RSL	Cont	Cal
Lanka Mahpola	16.7.93	Mong	BARIDHI	Cont	Col
Soung Royal	16.7.93	200000	BBA	GI	15 (54)
Petr Starostin	17.7.93	36	CT	Cont	Sing
Fong Shin	18.7.93	Sing	BDShip	Cont	Sing
Dancing Sister	19.7.93	Kand	OWSL	Sugar in Ba	gs -
Fair Spirit	19.7.93	90	Prog	GI	
NGS Express	19.7.93	Sign	BDShip	Cont	Sing
Tiger Hope	20/7.93	CESSION IN	Prog	GI	343
Golden Union	25.7.93	200	OWSL	GL DI	E Salma
Fong Yun	29.7.93	Sing	BDShip	Cont	Sing

TANKER DUE

VESSELS AT KUTUBDIA

Name Of Vessels	Cargo	Last Port Call	Local Agent	Date of Arrival
	VES	SELS REA	ADY	
		Ready On		
Banglar Maya	GI	Malc	BSC	12/7

	VESSEL	SNOT	READY	
	Cement	Titiz	USTC	14/4
ESS	ELS AWA	ITING 1	INSTRUCT	TION
	Cement	Mong	AEKA -	27/6
ree	27		BML	R/A(5/7)
415.000.0	Repair	[60	ASIL	R/A(6/7)
G.	(A)	6	Cross	R/A(7/7)

VESSELS NOT ENTERING

Scraping

Samudra Samrat		Mong	LS FOR 1	11/7
Cherry Blossom	Scraping	Slova	LTL	9/7
Dolores	F4:	587	Scacom	R/A(30/6)
Promitheas	Scraping	Sing	ARL	5/6
Stern	Scraping	Mong	NFT	9/4

The state of the s	and the second second	- Charles and Char
INCOMING		SHIFTING
DOJ B Jyoti		
J/6 Arktic Occa	in	
	DOJ B Jyoti	INCOMING

The above were the Monday'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 Banks' BC selling and TT (C). OD transfer buying rates for some selected foreign currencies effective on July 11, 12 and 13. (Figures in Taka)

Buying OD Transfers	T. T. (C)	Selling B. C.
39.4556	39.7087	39.9326
58.4339	58.7887	59.1004
22.9033	23.0503	23.1870
6.7336	6.7768	6.8185
10.5465	10.6142	10.6740
20.3799	20.5107	20.6370
4.9384	4.9700	5.0012
the second secon		

24,4046

10.8405

1.2664

132.3610

24.2490

10.7714

1.2601

131.5173

1.2721 Indian Rupee (AMU) 1.4507 1.4580 Pak Rupee (AMU) 1.4645 Authorised dealers will apply T T clean buying rate for purchase of remittances of Bangladeshis working abroad.

24.5422

10.9016

133.1093

Note: AMU-Asian Monetary Union.

Dhaka Stock Prices

At the close of trading on July 12, 1993

Index surges

The DSE Composite Index surged while both the turnovers declined moderately on Monday.

The DSE Composite index surged to 418.4240 from 416.3238 showing an increase of 2.100 points.

Turnover in volume term fell to 9666 issues from 21720, a loss of 55.497 per cent. Turnover in value suffered a loss of 91.390 per cent. It dropped to Taka 157904.00 from Taka 1834020.70.

A total of 37 stocks were traded on the day against Sunday's 34. Of these, only nine stocks gained, 11 lost while 17 traded at

DAY'S TRADING AT A GLANCE

previous rates.

DSE Share Price Index

Turnover in Volui Turnover in Value			A Tree Tree	157	9666
Company's name	Previous price Tk	Closing price Tk	Change (absolute) 'Tk	Change (% over price)	Number of share sold
Gains (09) Shares:					
Islami Bank	1325.00	1400.00	75.00	5.660	1
5th ICB M Fund	93.00	94.00	1.00	1.075	20
B Autocars	61.00	62.00	1.00	1.639	50
B Lamps	290.50	297.26	6.76	2.327	96
Eastern Cables	76.00	76.50	0.50	0.657	300
Singer Bangladesh	860.00	863.13	3.13	0.363	40
Kohinoor Chemical	64.00	64.25	0.25	0.390	10
Eagle Box Debenture:	18.75	20.00	1.25	6.666	100
Beximeo	1907.57	1912.00	4.43	0.232	2
Losses (11) Shares:			=======================================		
BGIC	213.47	208.31	5.16	2.417	1680
Green Delta	214.08	210.73	3.35	1.564	110
United Insurance	220.00	215.35	4.65	2.113	130
Aftab Automobiles	178.00	175.00	3.00	1.685	35
Howlader PVC	107.38	107.00	0.38	0.353	10
Quasem Drycells	9.40	9.35	0.05	0.531	950
Aman Sea Food	18.00	15.00	3.00	16.666	10
Ambee Pharma	13.00	12.60	0.40	3.076	100
Apex Tannery	332.01	332.00	0.01	0.003	10
Ctg Cement	209.00	208.00	1.00	0.478	90
Monno Ceramic	290.00	289.00	1.00	0.344	195

Shares: AB Bank (10), IDLC (260), Renwick Jajneswar (320),

6th ICB M. Fund

INSURANCE (04)

ENGINEERING (19)

Bangladesh Autocars 100/5 62.00

Aftab Automobiles

Bangladesh Lamps

B. Thai Aluminium

Bengal Carbide

Bengal Steel

Eastern Cables

Howlader PVC

Karim Pipe

Metalex Corp.

Monno Jutex

National Tubes

Panther Steel

A.B Biscuit

Apex Food Aroma Tea

Alpha Tobacco

Aman Sca Food

B.D. Plantation

Ctg. Vegetable

Frogleg Export

Hill Plantation

Rabeya Flour

Rupan Oil

Tulip Dairy

Yousul Flour

BD Oxygen

Zeal Bangla Sugar

Eastern Lubricant

National Oxygen

Padma Oil Co.

Anowara Jute

JUTE (12)

Ahad Jute

Delta Jute

Gawsia Jute

Islam Jute

Jute Spirmer

Mutual Jute

Northern Jute

FUEL & POWER (04)

Gemini Sea Food

Modern Industries

E.L. Camcilia

Dhaka Vegetables

Bengal Food

BLT.C.

B.T.C.

N.T.C

Monno Staffllers

Quasem Drycells

Singer Bangladesh

FOOD & ALLIED (23)

Renwick Jagneswar 100/5

Atlas Bangladesh

Aziz Pipes

ICB Unit Cert.

Sales Price

Re-purchase

Green Delta

BGIC

Peoples

United

100/10

100/10 208.31

100/10 210.73

100/10 330.00

100/10 215.35

100/5 175.00

10/50 43.00

100/5 255.00

100/5 297.26

100/10 90.00

100/5 251.00

10/50 20.00

100/5 76.50

100/10 107.00

100/5 84.00

100/5 36.00

100/5 165.00

100/5 279.00

8.00

100/10 65.00

100/5 863.13

100/5 200.00

10/50 45.00

100/5 15.00

100/5 650.00

100/5 120.00

100/5 500.00

100/5 116.00

100/5 800.00

10/50 74.00

00/10 68.50

100/5 76.00

100/51040.00

100/5 70.00

100/5 550.00

100/5 320.00

100/52 205.00

100/10 50.00

10/50

10/100

10/100

10/50

10/50

10/50

10/50

100/10

10/50

100/10

10/50

10/50

10/50

100/5

100/5

10/50

60.00

3.00

4.50

6.60

68.00

14.00

70.00

43.00

NT

NT

8.50

100/5

10/50

10/50

60.00

B Thai Aluminium (160), Dhaka Vegetables (100), B Oxygen (207), National Oxygen (100), Modern Dyeing (20), Padma Textile (100), Beximco Pharma (10), Pharmaco (10), Pharma Aids (50), Ibnsina (30), Wata Chemical (80), Monospool Paper (50), Bata Shoe (320), Apex Footwear (3900).

DSE SHARES AND DEBENTURES

Company	(Taka)	Closing Rate (Taka)	Shamser Jute Sprialised Jute Shine Pukur Jute Sonali Aansh	100/5 10/50 100/5 100/5	N 135.0
BANKS (12) Al Baraka Bank A.B. Bank City Bank Eastern Bank IDLC Ltd LF.I.C Islami Bank National Bank Pubali Bank Rupali Bank U.C.B.L Uttara Bank	100/20 100/20 100/5 1000/1 100/5 100/5 100/10 100/5	900.00 190.00 355.00 110.00 222.00 182.00 1400.00 100.00 100.00 68.00 88.00	TEXTILE (20) Alhaj Textile Arbee Textile Ashraf Textile Chand Textile Chand Spining Desh Garments Dulamia Cotton Eagle Star Textile GMG Ind. Corp. Modern Dying Padma Textile	10/50 100/10 10/50 10/50 10/50 100/10 10/50 10/50 100/5 100/20	112.0 29.4 N N 50.0 76.0 15.0
INVESTMENT (08 I.C.B Ist ICB M. Fund 2nd ICB Fund 3rd ICB M. Fund 4th ICB M. Fund 5th ICB M. Fund	100/5 100/5 100/5	100.00 360.00 177.00 150.00 152.00 94.00	Quasem Silk Quasem Textile Rahim Textile Satham Textiles S.T.M. (ORD) Stylecraft Swan Textile Tallu Spinning Tamijuddin	10/50 100/5 100/10 100/5 100/5 100/10 100/10	3.5 93.7

PHARMACEUTICALS &

100/10 160.00

CHEMICALS (18)

The state of the s		
Ambee Pharma	10/50	12.6
Bangla Process	100/5	60.0
BCIL	100/10	280.0
Beximeo Infusion	100/00	243.0
Beximeo Pharma	100/5	425.0
Glaxo	10/50	125.0
1 C 1	10/50	10.0
N Polymer	100/10	
Kohinoor Chemical	100/5	64.2
Petro Synthetic	10/50	10.0
Pfizer	100/5	450.0
Pharma Aids	100/5	181.5
Pharmaco	100/5	50.0
Progressive Plastic	100/5	32.0
Reckitt & Colman	10/50	95.0
Rahman Chemicals	100/10	34.0
Therapeutics	100/5	68.0
The Ibnsina	100/10	101.0
Wata Chemical	100/20	131.00

PAPER & PRINTING (06)

Sonalt Paper SERVICE (02) Bangladesh Hotel	10/50	12.00
Paper Processing Padma Printers	100/10	50.00
Paper Converting	100/5	70.00
Monospool Paper	100/5	30.00
Eagle Box	10/50	20.00

MISCRI LANDOUS (17)

MISCELLANEOUS	an	
Apex Tannery	100/5	332.00
Aramit	10/50	30.00
Bata Shoe	10/100	37.50
Beximeo	10/100	20.60
B.S.C	100/5	60.00
Chittagong Cement	100/5	208.00
G. Q. Ball Pen	10/50	79.00
High Speed	100/5	50.00
Himadri Ltd	10/100	6.00
Milon Tannery	100/5	10.00
Monno Ceramic	100/5	289.00
New Dhaka Refac	100/20	80.00
Pheonix Leather	100 100 100 E 10 CC 100 E	100.00
Savar Refractories	100/5	82.00
The Engineers	100/5	100.00
CAN CARL THE REST OF THE PARTY	A SECTION APPEAR OF THE PARTY O	LEWIS CONTRACTOR

DENTI DES OO		
ximco	arasasasasiii	1912.0
% 1998 ximco Infusion	1500/2	1710.0
% 1998)		
ximco Pharma	1428/1	1070.0

100.10 100.00

100/5 250.00

NT

1500/1 1200.00 Quasem Silk (17% 1994)

Texpick Ind

Usmania Glass

45.00 Note: FV = Face Value ML= 80.00 Market Lot NT= Not Traded 100/5 105.00 AL = Allotment Letter NT

Israeli airport workers go on strike

JERUSALEM, July 12: Fli ghts to and from Israel's international Ben Gurion Airport were thrown into chaos on Sunday night when airport workers declared they were striking from midnight, reports Reuter.

Airport Manager Shaul Hazan told Israel radio he had received notice of the strike only 90 minutes before the dealing.

He said the airport would try to allow flights already incoming to land and flights for which passengers were already at Ben-Gurion to depart.

The radio said airport au thorities were checking the possibility of taking out restraining orders against the strike, de clared in sympathy with a five day-old strike by Israel's 60,000 government workers.



Safat Ahmed Chaudhury, Managing Director and Actuary of Delta Life Insurance Company, distributed prize recently to a girl student of Mohammadpur Preparatory School under the programme to develop mental faculties by inculcating reading habit. It was organised by Biswa Sahitya Kendra in collaboration with Delta Life Insurance Co. Also seen in the picture are the Principal of the school Zakera Rahman and Biswa Sahitya Kendra president Abdullah Abu Sayeed