

## Arab fund activity lags behind for low demand

ABU DHABI, Mar 2: Activity by an Arab Fund set up three years ago to support flagging inter-Arab trade still lags far behind capacity due to low demand from its members, the fund said, reports AFP.

The Arab Trade Fund Programme (ATFP) set a financing capacity of one billion dollars a year when it was established by the Abu Dhabi-based Arab Monetary Fund (AMF) with a capital of 500 million dollars.

But the fund has received applications for only 397 million dollars in credits since it launched operations in early 1991 just after the Gulf War.

Around 263 million dollars have been approved, the ATFP said after a board meeting here Monday.

In 1993, it received applications for credits of 140 million dollars, but agreed on only 95 million dollars, the ATFP said.

It gave no reason for the weak demand but economists said a deep Arab political rift caused by the Gulf War was still overshadowing the fund's activities.

Other factors include existing trade barriers and low non-oil exports, which do not exceed five per cent of total Arab exports, mostly oil.

ATFP's operations cover only home-made products, excluding oil, with the aim of encouraging Arab exports and tackle a chronic deficit in trade and balance of payment in most member states.

The AMF, the 21-member Arab League's main financial organisation, contributed half the ATFP's capital while the

## Country needs efficient stock market to enhance capital investment: Experts

Experts and economists have said an efficient stock market is essential to channel funds from the surplus units to the productive (deficit) units to enhance capital investment in the country.

They told UNB that the government is now set for liberalisation and privatisation, and an efficient capital market is of paramount importance in this process.

The capital market is now at its infant stage and public issues of corporate units are limited although the very small securities market is expanding at a considerable pace.

In the Western market economies, exchange markets, the most important component of the capital market, plays an important role in raising the rate of savings and channelling that savings into the productive ventures.

In Bangladesh, economists said, the securities market presents a gloomy picture in terms of low rate of investment, low rate of return, poor quality and insufficient quantity of securities.

It is also related to low rate of turnover, inadequate disclosure mechanism of the companies, weak regulatory framework based on outdated laws and absence of appropriate monitoring mechanism.

Chairman of Dhaka Stock Exchange (DSE) Khurshed Alam, however, said that country's money market is gaining momentum with foreign investment pouring in the share market. About fifty foreign investors are interested in buying shares.

"For example, recently issued shares of Eastern Insurance and Apex Knitting were oversubscribed five times and ten times more respectively in the primary market."

Alam said foreign investors have already bought shares of Apex Knitting showing interest in investment. There is much enthusiasm in capital market but there is scarcity of the shares. "In fact, the market is hungry of securities," he said.

"We hope to bring investment of around one thousand crore taka within this year if the present favourable investment climate continues. If we cannot provide good security, the domestic investors will invest in conspicuous consumption and foreign investors will go to other countries."

So the crying need of the time is to make available good securities in the market, said the DSE chairman.

About the complaint that

share market is limited among few companies, Alam said. "Confidence is the key factor in share market. If people find confidence in other companies then the market will expand. Let them come with more shares and build confidence."

Dhaka Stock Exchange sources said in last two months alone, 30 million US dollars were invested in the stock market mainly through Beximco, Bata and Apex shares. The money market also shows upward trend.

Prof Muzaffer Ahmed of the Institution of Business Administration (IBA) of Dhaka University said the supply of money is quite abundant. Takers of money for investment are not visible in abundance. "Therefore the interest rate on deposits is too low."

Some investors complained that lending rate of monetary intermediaries is still very high and the financial institutions have been shy and not adventurous in advancing money to entrepreneurs.

The managers of financial institutions point out to the fact that large scale default was caused by liberal lending policy in the past and all the blame does not lie with the managers as such.

"The money market suffers from a crisis of confidence on the part of investors as well as managers unless the crisis is resolved through appropriate changes in institutional, legal and behavioural aspects," Prof Muzaffer said.

Some steps have been taken to amend the legal format and institutional environment under the prescription of the donors but the most potent aspect is the behavioural nature of these functionaries have not been adequately addressed yet.

On the country's stock market, Prof Muzaffer said, it is too small either in terms of manufacturing GDP or non-agricultural GDP as the business houses are primarily small and family dominated.

Dr Abu Ahmed of the Economics Department of Dhaka University said money is not demanded at desired level resulting in an excess liquidity with the banks.

The stock exchange, he said, should also be reformed by offering fresh membership so that competitiveness and fair transaction can be maintained on the floor of the exchange.

"Now brokers themselves are also investors and the real investors face the chance of an unfair treatment," he pointed out.

## Pindi cuts interest rate

KARACHI, Mar 2: Pakistan's central bank Tuesday reduced commercial bank interest rates from 22 to 19 per cent to increase the flow of credit to the private sector, reports AFP.

The State Bank of Pakistan (SBP) also lowered its lending rate to commercial banks from 17 per cent to 15 per cent and cut the liquidity ratio by five per cent, down from 35 per cent of the reserves to 30 per cent.

SBP Governor Mohammad Yaqub, announcing the decisions at a news conference, said that the measures were designed to reduce the cost of borrowing and to enhance credit flow to the private sector.

His announcement gave an immediate boost to Pakistan's premier Karachi Stock Exchange (KSE).

The KSE 100-index surged by 44 points to 2501.73, dealers said, forecasting further a rise as the rate cut would reduce the cost of production of many loss incurring companies listed on the stock exchange.

Yaqub described the measures as "fruits" of autonomy given to the central bank by the government through a bill enacted by the parliament last month.

The act extended independence to SBP in regulating and supervising national monetary and credit system.

The SBP has also tried to reduce the spread between maximum and minimum lending rates by raising minimum lending from 11 to 12 per cent, the governor said.

Yaqub, a former International Monetary Fund executive, said the decisions "have the approval" of Prime Minister Benazir Bhutto.

He said the present government's "determined efforts to contain expenditures" have helped reduce government borrowing from banks.

This, coupled with tight monetary policy, reduced domestic bank credit growth to five per cent during July 1993 to February 10, 1994 period, compared to 19 per cent during the corresponding period of the previous fiscal year, he said.

The money supply has been restricted to 9.6 per cent compared with 16.4 per cent last year, Yaqub said.

## US Senate rejects bill for balanced budget

WASHINGTON, Mar 2: The Senate Tuesday narrowly rejected a proposal to amend the constitution to require a balanced budget by the year 2001, 63-37, falling short of the two-thirds needed, reports Reuters.

The amendment by Illinois Democratic Senator Paul Simon was aimed to balance the budget by 2001.



Muhammad Taheruddin, Managing Director, Janata Bank addressing a conference on "Agriculture loan and employment rehabilitation programme" yesterday. Golam Mostafa GM and Mosiruddin are also seen in the picture.

## Canadian economy grows by 2.4pc in '93

OTTAWA, Mar 2: The Canadian economy turned in its best performance in four years during 1993, led by exports and a modest revival in consumer and business spending, the government said Tuesday, reports AP.

Statistics Canada, the government's statistical agency, said the economy grew by 2.4 per cent, up from a meagre 0.7 per cent in 1992, to match the pre-recession growth rate in 1989. That's still a far cry from the healthy growth rates of four to six per cent during the mid-1980s.

"There's a bit of progress," said George Saba, chief economist at Montreal Trust. "But the numbers are not spectacular."

Saba said the economy is still growing too slowly to bring down the unemployment rate which averaged 11.2 per cent in 1993. The rate is expected to remain above 10 per cent through 1995.

Growth for the entire year was buoyed by a surge in the last three months as the economy expanded by 0.9 per cent — a compound annual rate of 3.8 per cent.

The economy shrank in both 1990 and 1991 during the second worst recession since the 1930s.

The 1993 numbers indicate it was finally on a more solid footing.

"Merchandise exports were the principal driving force, jumping 10.2 per cent in volume," Statistics Canada said.

## Profile of top ten award-winning companies

By Staff Correspondent

These companies were selected for national award for the year 1992-93. Prime Minister Begum Khaleda Zia distributed the awards among the owners of the companies yesterday morning at the Osmany Memorial Auditorium in the city.

**Apex Tannery Ltd**  
Apex Tannery is a 100pc export oriented goat and cow finished leather company. Sales during the FY 1992-93 amounted to Tk 879.1 million representing 15,078 million sq ft of finished leather against Tk 800.6 million representing 14.78 million sq ft in the last year, recording an increase of about 9.8pc in value and 15pc in volume. The unit price of sales has increased from Tk 54.17 to Tk 58.31 per sq ft compared from the previous year.

During the year 1992-93, the net profit after tax was Tk 32.372 million against Tk 28.197 million in the previous year showing an increase of 14.81pc.

The company issued right shares to the existing shareholders in the proportion of 1:1 at a premium of Tk 200 per share (ie, each share @ Tk 300) by a special resolution dated 19-11-92.

The company issued Tk 40 million 50pc convertible debenture in 1987 which was converted into shares in 1990 and fully redeemed in 1992.

The composition of shareholders are sponsors/directors and their relatives 30pc, Investment Corporation of Bangladesh (ICB) 21pc, General Public-Local 9pc, General Public-Foreign 34pc and financial institutions 6pc.

**Aziz Pipes Ltd**  
Initial production capacity of the company was 1,200 mt per year. In 1989, the capacity of the company has been increased to 2,400 mt per annum. Due to market demand of different type of quality pipes, the company enhance its existing capacity to 3,600 mt pa of 8" dia in 1990.

Net sales in 1992 amounted to Tk 93.864 million which is 19.4pc higher compared to Tk 78.599 million in the previous year. This revenue includes high sales of corrugated pipes which has in fact doubled in volume sales in 1992. About 123,000 metres of corrugated pipes sales in 1992 against about 60,000 metres in 1991. Though sales increase but net profit reduced by 31.1pc to Tk 4.546 mfl. in the previous year.

The reason for lower profit anticipated in 1992 was due to higher production cost, adm and other expenses. All the 3 units of the Company are enjoying tax holiday.

Gross and net profit margin to sales in 1992 was 14.7 pc and 3.3pc and in 1991 it was 20.7pc and 5.8 pc respectively.

The shareholding of the Co are sponsors/directors and relatives 50pc and General Public 50pc including ICB and NCL. Total no. of shareholders as on 31-12-92 was 1910 of which ICB 1568, NCL 9 and others 333.

**Bangladesh Export Import Company Ltd**  
The Bangladesh Export Import Co Ltd (BEXIMCO) is the flagship and management company of the BEXIMCO GROUP which consists of 15 independently incorporated companies. The Beximco in 1972 and subsequently converted into public limited company. The company has offices in Dhaka, Chittagong, Khulna, UK and USA. The company is specialize in mobilisation of non-traditional exports from Bangladesh and is a pioneer in the formulation and execution of special Trade Agreements (STA.s). The company is also a pioneer on developing markets for crushing animal bones and allied products since 1973. It has two bone mills, one at Chittagong and other at Khulna. The combined production capacity of these two mills are 8,550 metric ton per annum.

Total sales for the FY 1991-92 was Tk 644.043 million which was considerably lower than the sales of the previous year of Tk 1,229.206 million i.e. decline by 47.6 pc. Even though the turnover reduced considerably, gross profit for the year 1991-92 was Tk 41,998 million which is 6.52pc of sales as compared to Tk 43,418 million in the last year which was only 3.53pc of sales of that year. During the year under review, Tk 15.18 million was earned as commission, interest and service charges as against Tk 25.42 million during the previous year. STA turnover during 1991-92 was Tk 343.2 million against last year's turnover of Tk 1,212.5 million which is a reduction of 71.68 pc.

**BGIC**  
Gross premium income has gone up Tk 137.682 million as against Tk 123.022 million in 1991 registering an increase by 11.75pc. Net premium income has also risen to Tk 82.791 million in 1992 in place of Tk 82.038 million in 1991. Gross claim paid in 1992 was Tk 38.184 whilst it was Tk 57.338 million in 1991. Against these, the net claim paid in 1992 and 1991 was Tk 18,994 million and Tk 20,359 million respectively. Underwriting profit in 1991 was Tk 14,634 million and it rose to Tk 18,588 million in 1992 making a 27pc increase over the previous year. In the investment sector also the income rose to Tk 20,297 million in 1992 as against Tk 19,246 million in 1991 making a 6pc increase over 1991.

Pre-tax profit rose to Tk 34,478 million in 1992 as against Tk 29,495 million in 1991, showing an increase of 17pc. The rise of Tk 63,630 million in 1991 has gone up to Tk 72,280 million in 1992 an increase of 14pc over 1991. The assets of the company has also gone up 25pc in 1992 to Tk 253,984 million from Tk 203,768 million in 1991.

**Beximco Pharmaceuticals Limited**  
Gross sales during the FY 1992-93 was Tk 1,097.12 million which includes Formulation Unit Tk 749.58 mfl. and Basic Chemical Unit Tk 347.54 mfl. which is an overall growth of 34pc over the preceding year. The turnover includes an export revenue of Tk 74.48 mfl. earned through sales of basic chemicals to countries like Malaysia, Thailand and Singapore.

Net pre-tax earning of the company went up by 73pc to Tk 99,364 mfl. over the previous year's earnings of Tk 57,355 mfl. Gross and net profit margin to sales ratio in FY 1992-93 was 23.68pc & 9.46pc compared to 22.55 pc and 7.08pc for the previous year respectively.

The BMRE programme undertaken earlier with BSRS was completed during the year resulting in substantial addition to much needed production capacity of the formulation plant. The company has embarked on and massive expansion programme to create sufficient production capacity to support its growth objective for the next five years and the required infra-structure in terms of plant space and environment so that, thereafter, replacement of production machinery alone will generate the required production capacity to meet company's sales demand for the year 2000 and beyond. To finance this expansion, the company issued a right shares @1:1 of 590,000 shares at Tk 425 each which include a premium of Tk 325 for each share of Tk 100 each. The company is enjoying tax-holding for five years in respect of its DRY-3 and Basic Chemical units effective from 1-10-89 and 1-12-90 respectively. Dry-1, Dry-2 & Wet units are taxable.

The composition of shareholding are Beximco Group and its associates 48pc, General public Local 22.48pc and General Public-Foreign 29.52pc.

**The City Bank Ltd**  
The deposit of the Bank grew by 7.93pc from Tk 5.39 billion of 1991 to Tk 5.82 billion in the year ending 31-12-92 while net loans and advances increased by 9.65pc from Tk 3.34 billion to Tk 3.66 billion. Total assets of the Bank stood at Tk 6.29 billion on 31-12-92 against Tk 5.87 billion of 1991 with cash reserves including deposit with Central and other Banks standing at Tk 1.41 billion against Tk 1.26 billion. Total liquid assets inclusive of investment increased by 7.56pc from Tk 2.11 billion in the previous year to Tk 2.27 billion in 1992. Total import and export handled by the Bank rose to a high figure of Tk 6.53 billion against Tk 5.35 billion in 1991. The share of import accounted for 91.88pc amounting to Tk 6.0 billion, registering a growth of 25pc. Export was Tk 533.0 million against Tk 554.8 million in the preceding year.

Gross income increased by 8.2pc to Tk 711.526 million from Tk 657.92 million while gross expenditure was Tk 627.453 million in 1992 against Tk 573.567 million in 1991.

At 31-12-92, the total number of branches of the Bank rose to 60 from 56 of the previous year. The total number of employee of the Bank on 31-12-92 stood at 1,619 comprising 46 executives, 985 officers and 588 other staff.

The shareholding of the Bank as on 31-12-92 was Sponsors/Promoters 50pc, General Public 45pc, Government of Bangladesh (GOB) 5pc.

**GQ Ball Pen Industries Ltd**  
The company is situated at BSCIC Industrial estate, at Jessore and is engaged in manufacturing of Ball pen, Ball pen refill, gems clips and its marketing. During the year under review, the company imported and put into operation one set of machine which enabled the company to maintain the increased of production.

Net sales for the year 1992 was Tk 235.076 million which is 30.26pc higher than the sales of the previous year of Tk 180.703 million. The net profit for the year 1992 was Tk 30.266 million against Tk 27.300 million in the previous year showing an increase of 10.86pc. Gross and net profit margin to sales in 1992 was 17.76pc & 12.87pc and in 1991 it was 21.13pc & 18.11pc respectively.

With a view to maintain overall operational performance in future, the management has decided to import further one set of machine at a cost of Tk 5,000 million. Besides, the company is expecting to put, the unit at Savar in operation for production of Gems Clip, Ball pen ink and other plastic items.

**Monno Ceramic Industries Ltd**  
During FY end 30-6-1993, the company achieved a net sales of Tk 387.911 million registering a growth of 25.05pc over previous year sales of Tk 310.210 million. Out of the total sales proceeds, Tk 168.353 million was export sales and Tk 219.558 million was local sales. Value of export sales was increased by 11pc over last year.

During the FY 1992-93, the net profit was Tk 46.960 million which was marginally decreased over previous year profit of Tk 47.818 million. The reason for lower profit in the FY 1992-93 was due to increase of input cost, for exchange devaluation, repairs and maintenance, depreciation and financial expenses.

Gross and net profit to sales ratio during FY 1992-93 was 25.08 pc & 12.11pc and in FY 1991-92 it was 26.71pc & 15.42pc respectively.

The erection and installation of the plant and machinery of the Unit-2 of the company has been completed and the Unit-2 has commenced commercial production from March 1992. The Unit 2 has been granted tax holiday by NBR for 7 years. After implementation of Unit-2, the total production capacity of the company has increased by 80pc.

**Singer Bangladesh Ltd**  
Principal activities of the company are manufacturing and marketing of sewing machines and related products. Other activities are marketing of electric bulbs, refrigerators and fans. Net sales for the year 1992 was Tk 338,906 million which is 34.7pc higher than the sales of the previous year of Tk 251,524 million, a record for the company's business.

The net profit after tax for the year 1992 was Tk 12,283 million against Tk 7,850 million in the previous year showing an increase of 56.5pc. Sale volume of sewing machines, refrigerators and fans in 1992 has a growth of eight per cent, 39 pc and 216 pc respectively over 1991. Decorative fans marketed by the company, manufactured by Electrical and Systems Services Co Ltd (ESSCO), where Singer holds 31pc equity, generated quite a stir in the market for ceiling box, table and wall mounting fans.

The shareholding position of the company are Singer Sewing Machine Co, USA 60 pc, Singer Sewing Machine Co Ltd (Bangladesh management) 20 per cent and local shareholders 20 pc.

**Usmania Glass Sheet Factory Ltd**  
During the FY 1992-93, 1,314 million sq m of glass (2 mm basis) worth of Tk 168,312 million were produced against 1,374 million sqm in the previous year. Sales during the FY 1992-93 were 1,309 million sqm of glass valuing Tk 167,670 million against 1,336 million sqm amounting to Tk 174,990 million in the previous year.

Net profit after tax for the FY 1992-93 was Tk 23,676 million compared to Tk 26,117 million in the previous year, a decrease by 9.4pc.

The company has taken an effective step for the factory's BMRE program by increasing the production capacity and improvement of quality of glass under a Belgian grant and technology is under active consideration by the GOB. On completion of BMRE, annual production capacity will rise to 1,867 million sqm from the existing 1,245 million sqm, thus indicating the capacity increase by 50pc.

The shareholding of the company as on 30-6-1993 was GOB/BCIC 61.72pc, Officers/Staff and Workers 4.28pc and General Public 34pc.

**ঢাকা ওয়াসা কর্তৃক বিভিন্ন বাসের এম এস রড (ডিফরমড) ক্রয়ের দরপত্র বিজ্ঞপ্তি (২য় আহ্বান)**

মিরপুর অবকাঠামো উন্নয়ন প্রকল্পের জন্য বিভিন্ন বাসের এম এস রড (ডিফরমড) ক্রয়ের জন্য প্রকৃত প্রস্তুতকারক পতিষ্ঠানের নিকট হইতে স্থানীয়ভাবে সীমাহীনকৃত দরপত্র আহ্বান করা যাইতেছে।

দাখিলকৃত দরপত্রের মোট টাকার অঙ্কের ২% বায়না হিসাবে যে কোন রাজস্ব ব্যাংক/বিধিবিহীন ব্যাংক হইতে বিডি অথবা পিও আকারে ঢাকা ওয়াসার অফিসে প্রদান করিতে হইবে। এক কপি দরপত্র দলিলের মূল্য ২,০০০.০০ (দুই হাজার) টাকা নগদ প্রদানপূর্বক (অফেরতযোগ্য) সকল কার্যনির্বাহী ওয়াসা হিসাব বিভাগের ক্যাম শাখা ও ওয়াসার সকল মাস্ক কোন অফিস হইতে দরপত্র দলিল ও স্পেসিফিকেশন সংগ্রহ করা যাইবে। তবে দরপত্র খোলার দিন কোন দরপত্র দলিল ও স্পেসিফিকেশন বিক্রয় করা যাইবে না।

দরপত্র-জমা/দাখিলের শেষ তারিখঃ ২৪-৩-৯৪ হইল বেলা ১১:০০ ঘটিকায় এবং এদিনই বেলা ১১:০০ ঘটিকায় দরপত্রদাতাদের উপস্থিতিতে (যদি কেহ থাকেন) নিম্নস্বাক্ষরকারীর অফিসে খোলা হইবে।

যে কোন কারণ দর্শানো ব্যতীতই ঢাকা ওয়াসা কর্তৃক যে কোন দরপত্র গ্রহণ অথবা সকল দরপত্র বাতিল করিবার ক্ষমতা সংরক্ষিত।

আবদুর রউফ চৌধুরী  
সদস্য (অর্থ),  
ঢাকা ওয়াসা।

ওয়াসা-জঃ২৪-৯৭/৯৪  
D-160  
ফোনঃ ৮১৬৭৯৯, ৩২৫৮১-৫।

**Notice Inviting Tender**

- Tender Notice No. : 10/1993-94.
- Name of work : Supplying and installation of 75.00 KVAR each 415 Volts Capacitor panel with accessories in connection with installation of PFI plant at North Ruppogonj Water Conservancy Project Pump House, during the year 1993-94.
- Cost of tender documents : Tk 400/- per set (Non-refundable).
- Available of tender documents at (up to 9.30 during banking hours) : The tender documents with schedule, terms and conditions etc. will be available at:  
1) Sonali Bank, Ramna Branch, (Secct), Dhaka.  
2) Sonali Bank, Manikganj Branch, Manikganj.  
3) Sonali Bank, Satirpara Branch, Narsingdi.
- Eligibility of contractor : Experienced Firm/Agent in connection with supplying and installation of PFI Plant in Pump House in addition to current 'A', 'B', 'C' enlisted licence holder of BPDP (attested copy of experience certificate should be enclosed with tender).
- Earnest money : Tk 2% of quoted rate.
- Receiving & opening date of Tender : Receiving on 8-3-94 & 9-3-94 during office hours and up to 12-30 Noon on 10-3-94.  
Opening on 10-3-94 at 12-30 PM
- Where tender documents will be received : (a) In the office of the Superintending Engineer, Dhaka O & M Circle, BWDB, 156/157, Motijheel C/Area, Rupali Sadan, 3rd floor, Dhaka-1000.  
(b) In the office of the Executive Engr, Dhaka O&M Division-II, WDB, 156/157, Motijheel C/Area, Rupali Sadan, 3rd floor, Dhaka-1000.  
(c) In the office of the Executive Engr., Dhaka O&M Division-I, WDB, 54, Motijheel C/Area, Elite House (5th floor), Dhaka-1000.
- Address of Advertiser : Executive Engineer, Dhaka O&M Divn. I, WDB, 54, Motijheel C/Area, Dhaka-1000.
- Other information : Will be available in the office of the advertiser in the office of the Sub-Divisional Engineer, DND Mechanical Sub-Division, WDB, Shimrail, N-Ganj.

PANI-490/93-94  
DFPO) 3923-27/2  
G-355

Executive Engineer  
Dhaka O&M Division-I  
WDB, Dhaka.