

Weekly report on Dhaka Stock Exchange

Market capital falls by Tk 2.12b

By Sharier Khan

The Dhaka Stock Exchange (DSE) lost Tk 2.12 billion in market capitalisation in just one week while the All Share Price Index fell by 35.66 points.

Yet it was one of the busiest weeks for the DSE in terms of volume and value of trading which, in average, has nearly doubled this week that the previous week.

The trading was vibrant due to an amazing increase of purchase of Shine Pukur Holdings shares. The Shine Pukur sold 4 lakh 43,100 shares in the whole week. In the recent months, no other single issue sold such enormous figure. However, Shine Pukur Holdings shares were traded one to four Taka below the Face Value (FV) which is Tk 100 per share.

More than 35 issues of shares and debentures are selling at prices below their FV while seven issues at their FV level at the closing of the week Thursday.

Market operators attribute the cause of this downturn to withdrawal of nearly all the investment in the DSE by foreigners. The foreigners started selling out their shares and debentures after the govern-

ment introduced the lock in period from early this year.

In the first week of January, the DSE index stood at 840 points. At the closing of the week, it came down by 120 points to 720.95 points. In terms of percentage, the fall was 14.28. At the closing of the previous week, the index stood at 756.61.

The market capitalisation steadily came down to Tk 42.69 billion from the previous week's Tk 44.81 billion. Two weeks ago it stood at Tk 44.87 billion.

A total of 9 lakh 11 thousand 355.5 shares and debentures worth Tk 14 crore 42 lakh 41,090 were traded this week against a total of 3 lakh 18 thousand 89 shares and debentures worth Tk 6 crore 36 lakh 2,167.5 of the previous week.

The daily average number of trading, this week significantly rose to 1.51 lakh shares 79,522 of the previous week.

The daily average value of trading increased by nearly one crore taka. This week's average stands at Tk 2.40 crores from the previous week's Tk 1.59 crores.

Trading of issues have risen

to a daily average number of 80.16 issues this week from the previous week's 68.

The number of total issues traded this week was 481 out of which 282 incurred losses while only 117 marked gain. The trend of issues incurring losses have further increased. While the previous week's average number of issues incurring losses stood at 32 daily, it stood at 47 this week.

The price of Singer shares, one of the most expensive shares, further declined by nearly Tk 300 at the closing of the week. Its price declined to Tk 3468.13 Thursday from the previous week's Tk 3731.

Volume leaders, other than Shine Pukur, of the week were Ashraf Textiles 54200, BOC Bangladesh 54749, Beximco Pharma 37350 and Apex Weaving 35486.

The issues which sell below their FVs include: Pulp Bank, UCBL, Howlader PVC, Metalex Corp, Panther Steel, Renwick Jajneswar, Aroma Tea, Froglegs Export, Rupun Oil, Tulip Dairy, Zeal Bangla Sugar, National Oxygen, Delta Jute, Islam Jute, Saleh Carpet, Dynamic Textile, Delta Millers, Modern Dyeing, Quasem Silk, Quasem Textile, Satham Textile, STM

(ORD), Swan Textile, Bangla Process, Progressive Plastic, Rahman Chemicals, Monosopul Paper, Paper Processing, Shine Pukur Holdings, High Speed, Himadri Ltd, Milton Tanneries, New Dhaka Refractories, Savar Refractories, Texpick Ind, Beximco (Deb), Beximco Infusion (Deb), Beximco Synthetic (Deb), and Beximco Fisheries (Deb).

One of the reason of the declining trend of the prices of shares and debentures is book closing of some companies, including the big ones like Singer, Beximco Knitting and Beximco Ltd.

Singer, which proposed 60 per cent dividend plus one bonus each share, will hold its Annual General Meeting (AGM) on Sunday. Dynamic Textile will hold its AGM Monday. It proposes no dividend. Beximco Ltd and Beximco Knitting, proposing no dividend will separately hold their AGMs Tuesday. Bata Shoe will hold its AGM Wednesday.

Eastern Cables, United Insurance, Beximco Pharma, Beximco Infusion, Beximco Fisheries and Waia Chemical will hold separately their AGMs in the next month.

BUDGET '95-96: Business leaders speak out

BCMA chief demands rationalisation of tariff on cotton, synthetic yarn

The Secretary General of Bangladesh Cloth Merchant Association (BCMA), Muhammad Ayub, has demanded rationalisation of duty and tariff on cotton, synthetic yarn and dyes chemical.

In an interview with The Daily Star, he said it will help reduce the price of clothes to half of its present price.

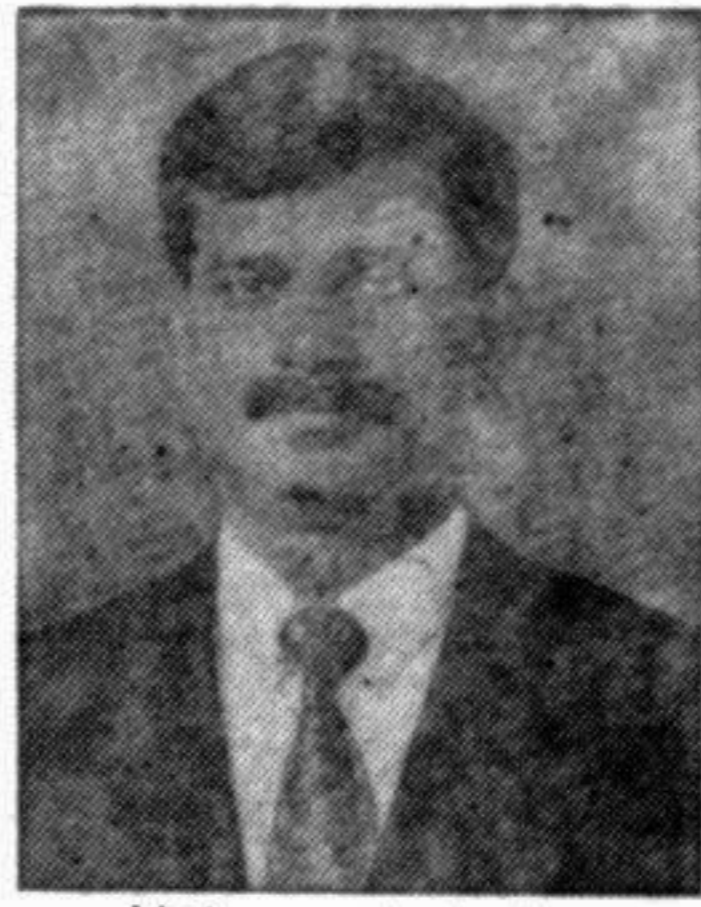
He was interviewed by Rafiq Hasan and Eshanul Haq Babu.

The text of his interview is given below.

The Daily Star (DS): What is your sector's expectation from the next year's budget? Do you think the priorities in the last budget were implemented properly?

Muhammad Ayub (MA): As we represent the textile sector devoting ourselves in cloth trading we get the direct reaction of the customer. With this interaction we could feel the pulse of the people regarding their taste, choice etc.

Since the textile sector is a vast one and most of the rich nations are exploring this



Muhammad Ayub

sector effectively. Our country shall not be an exception. As a signatory of GATT, Bangladesh has to tap the world market for export of clothes. If we fail, other competitors will avail the opportunity elbowing out Bangladesh. Keeping this in mind the government should formulate the next budget.

DS: Do trends in your sector show a growth or decline? Why?

MA: Our sector is growing fast. The textile arena must be equipped with plenty of facilities and preferences in the next national budget.

DS: What kind of problems did your sector face with the fiscal policies adopted in the last budget like VAT, tax structure and tariff duties?

MA: Due to VAT, tax and other duties, the price of cotton yarn is 70.21 per cent higher in the local market in comparison with the international market. Similarly the price of synthetic yarn and dyes/chemical are 113.32 per cent and 93.38 per cent higher respectively in the local market than those of international market.

It may be mentioned here that the production capacity of yarn in Indonesia and Malaysia is also 300 per cent and 200 per cent higher respectively in comparison to Bangladesh and as per in Malaysia. So, it is clear that the protection given to the yarn producers by the way of high tariff and tax is against the interest of common

people. The common people could enjoy their cloth at half a price than they are paying now.

DS: If there is any sick industry in your sector did the situation improve. If not why?

MA: The weaving industries (both power and handloom) can progress very calmly and the sick industries in this sector could be revitalised if the duty and tariff are imposed rationally.

DS: How many members are there in your association? When was it formed?

MA: Bangladesh Cloth Merchants Association is the former east zone of Pakistan Cloth Merchant Association. After independence, it was reorganised as a national character organisation of cloth merchants of the country having licence from the government. The association is an affiliated trade organisation with the FBCCI.

(Readers are invited to send their views on the next budget along with passport size photographs.)



SEOUL. South Korean President Kim Young-Sam (Centre R) and Bangladesh Prime Minister Begum Khaleda Zia watch South Korean Foreign Minister Gong Ro-Myung and his counterpart ASM Mustafizur Rahman (L) signing the scientific and technological cooperation agreement at the Blue House yesterday. — AFP photo

US State Department sceptical about F-16s sale to Pakistan

WASHINGTON, May 26: A compromise proposal in Congress to reimburse Pakistan for 28 F-16 jet fighters that were never delivered might be welcome news to the South Asian country. But the State Department said Thursday it was not likely to work out, reports AP.

The problem is that Taiwan and the Philippines, which would take the planes and reimburse Pakistan under the proposal, have shown no interest in receiving them, spokesman Nicholas Burns said.

He left the door ajar, though, saying "we would certainly consider the proposal, but it takes two to tango."

Pakistan paid for the planes before Congress prohibited weapons sales based on a conclusion the longtime US ally had deceived the United States about its nuclear program.

The planes are in storage at an Air Force base in Arizona. Pakistan is out \$658 million,

and the issue hurts relations between the two countries.

President Clinton assured Prime Minister Benazir Bhutto during a visit here in April that he did not think it was right for the United States to keep the money and the planes.

This week the dispute appeared to be nearing resolution. Sen Larry Pressler of South Dakota proposed that the 28 F-16s paid for by Pakistan be sent to Taiwan and the Philippines, with the proceeds given to Pakistan.

Administration officials said they were not opposed in principle to such an arrangement, though they also specifically disapproved of providing Taiwan with 17 of the planes. The Philippines would get the 11 others.

Taiwan has already ordered 150 F-16s. "We think they have enough of them," said an official, speaking on condition of anonymity.

Besides, US relations with

China were bruised this week when Clinton decided to allow a private visit by Taiwan's President Lee Teng-hui to Cornell University to give a speech in June.

China opposed former President George Bush's decision in 1992 to permit the sale of the 150 F-16s to Taiwan.

Meanwhile, the Senate Foreign Relations Committee approved a plan Tuesday that would permit resumption of economic aid to Pakistan while keeping military sanctions in place.

The proposal would not resolve the dispute over the 28 planes, though.

The Clinton administration has been trying to find a buyer for the planes, Burns said.

However, the spokesman went on: "Indications are that the sale of the planes is not likely to generate, unfortunately, sufficient funds to cover the original purchase price."

Tk 94.07 cr BSB loan for four new projects

Bangladesh Shilpa Bank has sanctioned Tk 94.07 crore as loan for four new industrial projects, two existing ones and for rehabilitation of four sick industries, reports UNB.

The loan was sanctioned at the 230th meeting of the Board of Directors of the Bank, held at its head office here on Wednesday with its Chairman A T M Alamgir, MP, in the chair.

Seminar

By Staff Correspondent

A seminar and informal discussion will be held at Sonarghata Pan Pacific Hotel in the city today (Saturday).

Peakward Enterprises Ltd, Hong Kong, Rainbow Associates, Dhaka and Rainbow Agri-Enterprise has jointly arranged the seminar.

Mohamed Ahmed Abdel Karim, Chairman of holding company for mining and refractories of the government of Egypt and Yehia Mahmoud Kotb will address the seminar.

JS body on textiles meets

The 40th meeting of the Parliamentary Standing Committee on the Ministry of Textiles was held Thursday at the Jaiya Sangsod Bhaban with the State Minister for the Textiles Abdul Mannan in the chair, reports BSS.

The meeting elaborately discussed the recommendations made in the report of the sub-committee headed by Shahidullah Khan MP with a view to ensuring the proper distribution of yarn produced by the different textiles mills under the Bangladesh Textile Mills Corporation (BTMC) among the Tanti, Samity and factory owners. The report of the sub-committee was accepted in the meeting with some modifications.

Members of the committee Shahjahan Siraj, Shahidullah Khan, Abdul Ali Mridha and Begum Rabeya Chowdhury attended the meeting.

Secretary, Ministry of Textiles, Dr Md Abdur Rashid, heads of different organisations under the Ministry of Textiles were also present.

Trade enquiries abroad

By Staff Correspondent

The Export Promotion Bureau of Bangladesh (EPB) has received a number of trade enquiries from abroad.

Interested exporters have been asked to contact with their FOB and C & F value.

Name and address of the company	Expected goods	Tel/Fax
M/s Amin Shargh Ltd, Mirdamad St Shangarf 1st Alley, No 39/6, Tehran, Iran.	Cosmetics	Fax: 2229080
Takat Trading Est, PO Box 24196 Sharjah, UAE	Food-Stuff, House Hold	Tel: 06-524831 Fax: 06-524565
Corporation Agrosib, Moscow Representatives' Office, 113093 Moscow, 20, 1st Schipkovsky per	Raw Jute & Cotton	Fax: 237-62-42
Asian Trading Company, 150 Block-B, Room, E-1 36-44, Nathan Road, T. S. T. Kowloon, Hongkong.	Towels Garments, Shirts	Tel 27188160 Fax: 23832291
Avam Company Ltd, Unit 40, No 332, Mirdamad Ave PO Box 19395/3173 Tehran, Iran	Paste and Toy	Fax: 8016484
M/s Setrach Taban Co Ltd, 3rd Floor, No 38th St Miramad St Motahari Ave Tehran, Iran	Jute Goods Rubber, Ortel	Fax: 98 (21) 878618
Keyline Builders Merchant Ltd, Mid Craige Road Dundee DD47th, UK	Natural Roofing	Tel: 0382 455023 Fax: 0382 450290

WTO head hopes to win over Asian support

SINGAPORE, May 26: Renato Ruggiero, the new Director-General of the World Trade Organisation (WTO), said he hopes to win over some Asian trade officials who may have opposed his nomination for the job, reports Reuter.

"I think that the past is past, and now we are on a different track," Ruggiero told reporters in response to a question on whether some Asians were initially opposed to his nomination.

Asked if he was using his first official trip to Singapore to win over Asian sceptics, he said: "I hope so." He did not elaborate.

The 64 year old former Italian trade minister was inspecting the convention centre which will host the WTO's first ministerial meeting next year.

Singapore will host the first ministerial meeting of the powerful new world trade body from December, 6-16 next year. Ministers from over 120 countries will attend.

WTO was set up on January

1 to replace the previous world trade watchdog, the General Agreement on Tariffs and Trade.

Ruggiero said he was impressed with Singapore's infrastructure and the country's massive new convention centre, where the meeting will be held.

"This is really the best location, where you can give a strong push to the future of the trading relations in the world," he said.

"It will be a very important meeting. The 1996 event will help assess what we have done in implementing the Uruguay Round meetings, and what we have, still to do in order to go ahead and improve the international trading system. I'm sure that with this infrastructure, everything will be facilitated.

Ruggiero leaves for Manila, later on Friday for a meeting of the Cairns group, a lobby group of agriculture-products exporting countries.

Asia-Pacific economies set for soft landing with moderate inflation

SINGAPORE, May 26: Asia-Pacific economies are set for a soft landing with moderate inflation after robust growth in 1994, according to the annual Pacific economic outlook released here yesterday, reports AFP.

Buy the region could fly into recession stemming from overtight monetary policies and a distorted dollar-yen rate, warned the report on 19 economies prepared by the Pacific Economic Cooperation Council (PECC).

The outlook for the region is for expanding real economic growth as far as the eye can see but at a moderating pace," said the PECC, forecasting an average regional growth rate of 4.1 per cent in 1995 and four per cent 1996.

In 1994, the region's economic performance was "nothing short of sensational," with the average growth rate reaching 4.7 per cent, one percentage point above 1993, it said, tipping Chile, Malaysia and New Zealand as the star performers.

The council, a non-government body grouping officials, academics and business people, said inflation in the region, a moderate 3.9 per cent in 1994, would rise to 4.6 per cent in 1995 and drop back to 4.1 per cent in 1996.

The report analysed the economies of Australia, Canada, Chile, China, Colombia, Hong Kong, Indonesia, Japan, Malaysia, Mexico, New Zealand, Peru, the Philippines, Singapore, South Korea, Taiwan,

Thailand, the United States and Vietnam.

In 1995-96, only Chile, Japan and the Philippines, and possibly Taiwan, Vietnam, could see growth accelerating, the PECC said.

The story that these numbers are portraying is one of a soft landing for the region as a whole," it said. "Achieving a soft landing in 1995-96 would be just as remarkable as the spurt of growth experienced in 1994."

The slowing was attributed to a tightening of monetary policy by authorities led by the US federal reserve, which raised short-term interest rates seven times over last 16 months.

Interest rates also rose in many countries which shared

concerns over an impending resurgence of inflation and also because international capital movements pushed the rates up, the report said.

The US economy, one of the regional engines, was forecast to grow 3.3 per cent in 1995.

A slow emergence from recession was predicted for Japan with a growth rate of 1.2 per cent in 1995 and 2.8 per cent in 1996.

The forecast for China, the region's newest engine, showed 10.2 per cent and 9.3 per cent growth in 1995 and 1996 with inflation falling to 17.8 per cent and 14.6 per cent respectively.

The PECC warned that the expected soft landing could be converted into a recession.

Malaysia to begin anti-inflation campaign next month

KUALA LUMPUR, May 26: Malaysia will launch an anti-inflation campaign next month with Prime Minister Mahathir Muhammad announcing relevant policies on June 2, his Deputy Anwar Ibrahim said here yesterday, reports Xinhua.

Emerging from a meeting of the cabinet committee on essential items, Anwar, who is also Finance Minister, said the government will take firmer steps to control inflation, especially the price increases for cars and houses.

The government would encourage higher savings as a way to control inflation while maintaining economic growth, he said.

HONG KONG, May 26: US home appliance manufacturer Whirlpool has bought a majority share of China's largest producer of microwave ovens, a statement said Friday.

SMC Microwave Products, located in the southern province of Guangdong, built about 900,000 microwave ovens and had revenue of about 100 million dollar last year, the statement said.

Terms of the purchase were not disclosed, but the statement said the joint venture will vault Whirlpool to a position among the world's top five microwave oven makers.

Before the acquisition, SMC was owned by two Chinese companies, Shell Electric Manufacturing and Shunde County Beujiao Economic Development, the statement said.

The company will be renamed Whirlpool SMC Microwave Products, it said.

Whirlpool has embarked on an active expansion in China, with the completion of two joint ventures for refrigerators and washing machines in February, the statement said.

Headquartered in Benton Harbor, Mich., Whirlpool manufacturers in 12 countries and markets products under 10 major brand names in more than 120 countries, the statement said.

Kong dollars (6,400 US dollar) and four years in prison. The maximum penalty for possessing a plate for manufacturing pirated works has been raised from 50,000 Hong Kong dollars (64,00 US dollars) and two years imprisonment to 250,000 Hong Kong dollars (32,000 US dollars) and four years in prison.

The new penalties demonstrate the government's commitment to combating copyright piracy in order to safeguard Hong Kong's economic interest and international reputation, the statement said.

Hong Kong is known as a venue for selling illegal copies of compact music disks, computer software, videotapes and

Asia business briefs

other products, which are often made across the border in China.

TOKYO: The Long Term Credit Bank of Japan, one of Japan's major lending institutions, posted a 33.6 per cent decline in profit to 80.9 billion yen (966 million dollar) for the fiscal year ended March 31, the company said Friday.

In a statement, the company attributed the decline from the same period in the earlier fiscal year to decline in bond gains of 65.9 per cent or 60.6 billion yen (681 million dollars) to 31.4 billion yen (351 million dollar).

It also said its capital ratio as monitored by the BIS, an international standards organization, fell from 9.46 per cent to 8.51 per cent, due mainly to a decline in the stock market.

MELBOURNE: Adelaide Brighton Ltd, said Friday that

Malaysian investors Bowlane Nominees had purchased a 6.5 per cent stake after the signing of a joint venture deal between Adelaide Brighton and Cement Manufacturers Sarawak.

The joint venture, Pavement Technology Malaysia, was formed in February. Adelaide Brighton managing director Mike Davey said in a statement the investment was a vote of confidence in the future of the company and its joint venture project.

BANGKOK: Economic talks between Thailand and Iran ended Friday with ministers from both countries exchanging lists of exports they hope will increase bilateral trade, a government spokesman said.

Representatives from the private sector also participated in the two-day ministerial level discussions.

Trade between the two nations totalled 4 billion baht (159 million dollar) in 1994. That was down from 1993's figure of 5.1 billion baht (204 million dollar). A Commerce Ministry spokeswoman said trade between the two countries had not actually decreased. She said the lower figure was due to shipments of goods arriving late.

Thailand exports twice as much by dollar value to Iran than imports. Thailand is not participating in American initiated trade sanctions against Iran.

Chaveevorn Chandanavhumma, director of the Foreign Trade Policy Division of the Ministry of Commerce, denied local newspaper reports that the Iranians were pressuring the Thais to buy more Iranian oil.

A joint-venture agreement to develop a brine shrimp farm in Iranian waters using Thai technology was agreed upon by representatives of both nations fisheries departments. — Source AP

Thailand raises minimum wage by 7.4 pc

BANGKOK, May 26: A tripartite panel representing unions, employers and the Thai government has approved a 7.4 per cent increase in the minimum wage here, fuelling fears of higher inflation as the country headed for elections, reports AFP.

The three sides agreed late Thursday to raise the minimum daily wage from 135 baht (5.40 dollars) to 145 baht (5.80 dollars) in Bangkok and suburbs, with the rate falling progressively in outlying parts of the country.

This increase effective July 1 and good for one year, plus massive campaign spending for the July 2 snap parliamentary polls are expected to woo efforts to keep inflation within five per cent this year, analysts said.