

### 3 pvt banks yet to waive interest of 36 distressed raw jute traders

By Rafiq Hasan

Three private commercial banks have not waived interest yet and rescheduled the liabilities of 36 distressed raw jute traders and exporters even after ten days of expiry of one month deadline, official sources said.

In a circular on December 12, the Finance Ministry had ordered Uttara, Pubali and IFIC banks to submit the final assessment report of the losses to be incurred by waiving interest and rescheduling their liabilities within a month.

Although, the time for submission of report has expired on January 12 this year, none of the above banks submitted their assessment report till the writing of this report, according to the Ministry sources.

When Secretary of the Banking Division of the Ministry of Finance ATM Shamsul Huda was contacted over the phone about the Ministry's next steps against these banks, he declined to talk saying "I never talk to journalists. Why bother me?"

These private banks have been ignoring the government's earlier decision to waive interest of the distressed jute borrowers demanding compensation for the losses that would be incurred due to waiver of interest.

Finally the government agreed to provide Taka 16 crore, 33 per cent of the total losses, as compensations. The total losses of these three private banks will be about Taka 46 crore, of which Pubali shares about Taka 32 crore, Uttara about

Taka 10 crore and IFIC about Taka 4 crore.

Alamgir Ahmed, one of the distressed jute borrowers of Pubali Bank Ltd, told this correspondent that the borrowers of nationalised banks were getting benefit according to the government circular, while the borrowers of private commercial banks were being deprived of the benefits.

Alamgir demanded steps against the banks, for not implementing the directives as yet.

When contacted, Managing Director of Uttara Bank Aminuzzaman admitted that his bank received an order to waive interest of the distressed raw jute borrowers and said that the bank was yet to take any decision in this regard.

He added, "we cant not take any step regarding waiver of interest without the approval by the Board of Directors of the bank. It requires detailed discussions at the board meeting to waive any loan or interest of the bank."

He could not confirm whether the matter will be raised at the board's next meeting.

The decision to waive the interest of the distressed jute borrowers was taken on January 18 last year. The interest will be waived for those borrowers who sustained losses on account of ban on raw jute export in 1984-85, failure of the buffer stock scheme in 1985-86 and heavy floods and cyclone in 1988-89.

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Trade between Russia and Asian-Pacific countries currently amounts to about 20 billion dollars a year, according to Russian official figures.

Last year the country's foreign trade amounted to 123.7 billion dollars.

Russia's plans to reorientate foreign trade towards the East were first mentioned earlier this month by new Foreign Minister Yevgeny Primakov.

Both statements followed a sweeping victory by communists and nationalists in the December 17 elections to the Duma, the lower house of the Russian Parliament.

Both factions were critical of what they saw as overly pro-western tendencies in Russian foreign trade.

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### Russia to reorientate foreign trade in 10 yrs

MOSCOW, Jan 25: Russia will reorientate foreign trade for the next ten years towards Asia and the Pacific, and particularly China, the Vice-Prime Minister in charge of Foreign Trade said here Wednesday, reports AFP.

Orientation towards the east is a strategic choice for Moscow for the next ten years, Oleg Davydov told the Interfax news agency, adding that president Boris Yeltsin had approved the plan.

The Vice-Prime Minister said a closer relationship with China could turn into the most powerful economic alliance, which will call the shots on Asian-Pacific markets.

Davydov added that Russian also wished to strengthen economic ties with other partners in the

region, including India, South Korea, Iran and Pakistan.

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### Dhaka Stock Prices

At the close of trading on January 25, '96

Index up by 10 points

Star Report

The Dhaka Stock Exchange All Share Price Index Thursday rose by 10.38 points to 761.79 from 751.41 of a few days of massive fall.

The transaction in volume increased by 103.47 per cent to 837322 from 411531 and the value showed a rise of 74 per cent, reaching Tk 9.34 cr from Tk 5.34 cr.

Total market capital increased to Tk 4963.94 from Tk 4896.29 cr.

Volume leaders of the day were: Beximco Pharma (572100), Beximco Infusions (800000), Delta Millers (634800) and Chic Tex (295000).

Singer Bangladesh led the gainers with a rise of Tk 444.32 per share while Bangladesh Lamps suffered a fall of Tk 63.17 per share, leading the losers.

The number of issues traded was steady at 93, of which 43 gained, 40 incurred losses and the prices of 10 remained unchanged.

| Trading at a glance     |            |
|-------------------------|------------|
| DSE All Price Index     | 761.79     |
| Market capital Tk       | 4963.94 cr |
| Transaction in volume   | 837322     |
| Transaction in value Tk | 9.34 cr    |
| Total issues traded     | 93         |
| Issues gained           | 43         |
| Issues incurred losses  | 40         |
| Issues unchanged        | 10         |

  

| Company's name       | Change (per share) | Number of shares |
|----------------------|--------------------|------------------|
| IFC                  | 4.00(L)            | 15               |
| National Bank        | 1.57(L)            | 486              |
| Pubali Bank          | 0.00               | 10               |
| Rupali Bank          | 3.00(G)            | 10               |
| IDLC                 | 18.03(G)           | 400              |
| 3rd ICB M Fund       | 5.00(L)            | 80               |
| 4th ICBM Fund        | 0.00               | 20               |
| 5th ICB M Fund       | 11.43(L)           | 280              |
| 6th ICB M Fund       | 9.93(L)            | 670              |
| 7th ICB M Fund       | 6.90(L)            | 300              |
| Azi Pipes            | 12.90(L)           | 490              |
| Bengal Carbide       | 3.76(G)            | 365              |
| Bangladesh Lamps     | 63.17(L)           | 80               |
| Eastern Cables       | 16.52(G)           | 1100             |
| Karim Pipe           | 10.45(G)           | 382              |
| Singer Bangladesh    | 444.32(G)          | 288              |
| Atlas Bangladesh     | 15.98(L)           | 110              |
| Bangladesh Autocars  | 11.25(G)           | 6                |
| Quasem Drycell       | 0.86(G)            | 600              |
| National Tubes       | 1.08(L)            | 350              |
| B Thal Aluminium     | 0.86(G)            | 920              |
| Apex Foods           | 150.00(G)          | 15               |
| Bengal Food          | 4.00(L)            | 100              |
| IFIC                 | 0.00               | 5                |
| IFC                  | 0.00               | 600              |
| Dhaka Vegetable      | 6.85(L)            | 130              |
| Zeal Bangla Sugar    | 20(G)              | 2400             |
| Rupon Oil            | 0.00               | 1000             |
| Chittagong Vegetable | 5.00(L)            | 100              |
| Bengal Biscuits      | 15.84(G)           | 700              |
| Royal Food           | 9.17(G)            | 450              |
| H.K. Bangladesh      | 18.30(G)           | 2650             |
| Palma Oil            | 0.00               | 100              |
| Shine Pukur          | 87(G)              | 1300             |
| Ashraf Textile       | 46(L)              | 4100             |
| Talhi Spinning       | 78(L)              | 180              |
| Palma Textile        | 20.00(L)           | 100              |

### Taka unchanged against dollar

Taka remained unchanged at 41.0875/41.0975 against US dollar yesterday at the close of interbank trading, dealers said, reports BSS.

They said the market was comparatively quiet as the banks were mostly busy with the Bangladesh Bank before the week-end closing on Friday.

Call money rates also remained same at five to six per cent level.

### BRIEFS

#### Tourism suffers in S Pacific states

SUVA, Fiji, Jan 25: Small island countries, heavily dependent upon foreign tourism, estimate they've lost at least US 60 million dollars in revenue because of French nuclear testing in the South Pacific, Chris Wong, Chairman of the 12-nation South Pacific Tourism Council, said this week the tests at Mururoa and Fangakaua Atolls in French Polynesia have wrecked the region's image as a clean and safe vacation destination, reports AP.

#### Mitsubishi Paper pleads guilty

BOSTON, Jan 25: Tokyo-based Mitsubishi Paper Mills Ltd agreed Wednesday to plead guilty and pay a 1.8 million dollars fine for its part in a price-fixing scheme that raised the price of fax paper in the United States and Canada. The case against Mitsubishi was part of the US Justice Department's ongoing investigation into price fixing in the 120 million dollars a year thermal, or heat-sensitive, fax paper industry. The department already has obtained guilty pleas in several cases and collected more than 10 million dollars in fines, reports AP.

#### US boosts cane sugar quotas

WASHINGTON, Jan 25: The US Department of Agriculture has boosted US quotas of raw cane sugar by 400,000 metric tons to 1,817,195 tons in the fiscal year that began October 1, 1995. Separately, the Office of the US Trade Representative issued country-by-country allocations for the additional sugar quotas. Of the 40 countries provided quotas, 28 will receive additional amounts they can export to the United States, according to USIS.

#### Subinam Shanghai's important dev zone

SHANGHAI, Jan 25: Subinam areas have become Shanghai's important development zones, with the best potential and the best hope, Huang Ju, Secretary of the Shanghai Municipal Party Committee, said yesterday at a local agricultural work meeting.

#### New US-Thai airline pact

BANGKOK, Jan 25: The new US-Thailand aviation agreement will eliminate passenger-volume restrictions on US carriers and allow Thai Airways International to sell tickets to 10 US cities through code-sharing. US embassy officials said, The agreement also gives Thai Airways the right to fly beyond its single current US destination in Los Angeles to points in South America and Canada, said the US official, who requested anonymity. The new agreement was signed on January 19 in Hua Hin, Thailand.



R Maksud Khan, Deputy Managing Director, Bengal Fine Ceramics Ltd and former president of DCCI hosted a launch in honour of Rafiq Ahmed Khan, Consul General designate to New York recently at a city hotel. The host is seen with guests in the picture.

### Call to pay phone bills by Jan 31

Subscribers of the digital telephone bill under Dhaka multi-exchange have been asked to pay the December bill by January 31, reports UNB.

The subscribers have been requested to pay the bill at the branches of Agrani, Janata, National Credit and Commerce, and City Banks as fixed by the T&T authorities, said a PID handout Wednesday night.

The bill was mailed to the subscribers on January 13, the handout said.

The subscribers, who will not receive the bill by Thursday, have been asked to pay bill within the stipulated time by collecting its duplicate from the T&T revenue office.

### Renata Limited registers 16 pc growth in combined business

Renata Limited registered a 16 per cent growth in combined business in '95, says a press release.

Its pharmaceutical business has grown beyond expected pharma market growth in Bangladesh.

The Animal Health business grew by 29 per cent. Renata Limited achieved a cumulative growth of 40 per cent in two years after its transition from Pfizer Laboratories (Bangladesh) Limited in end 1993.

This was disclosed in the meetings of District level sales executive recently.

Detailing the highly competitive pharmaceutical business scenario in the country, Dr Sarwar Ali, Managing Director of Renata stated that Renata's sincere endeavors to retain Pfizer's quality standards and strong commitment to quality medicines have helped the Company in achieving this growth.

### Suggestions to protect interests of share investors

Bangladesh Share Investors Forum has put forward to the market regulators a set of recommendations, including taking extra-caution in permitting share sale at premium, to protect the interest of the investors, reports UNB.

In a recent letter to the Securities and Exchange Commission (SEC), the Forum said the pricing of securities of a company on the basis of net asset value (NAV) per share or earning-based value (EBV) do not reflect the reality in the company.

The proposed guidelines of the SEC on issue of capital by the public companies stipulate at how much premium price per share will be allowed taking into consideration the NAV per share or EBV, whichever is lower.

In a poor country like Bangladesh where accounting standards are too poor, these types of conditions will always be manipulated by the issuing companies, the Forum said, commenting on the SEC's draft guideline.

While arguing that NAV per share is only an accounting concept, it said if NAV per share is taken to be a guide for share sale at premium, in all likelihood that price will be much higher than the would-be market price of the shares.

"The last few issues at premium will testify to this fact," the Forum said, observing that the measure will give an inflated price of shares and, if used for premium purpose, will simply give a wrong pricing of the shares," the Forum said.

If EBV is taken as a guide, it too will not be able to protect the investors' interest properly because, in many cases, companies show inflated profits just to sell shares at a particular price, it said. "This will be more true if the EBV is taken from a short-period operation of the company."

The Forum, in this respect, suggested the SEC to develop a counter checking system to check whether audited income statements and balance-sheets were properly and truthfully prepared.

The submitted income-statements and balance-sheets were referred to a third auditing firm or valuer in case the SEC deems it fit, it said, calling for allowing foreign auditing firms in Bangladesh.

Welcoming the provisions of auditing in accordance with the International Standard Auditing (ISA) and International Accounting Standard (IAS), the Forum apprehended that these provisions would hardly be met by Bangladeshi auditing firms.

Pointing at the provision for underwriting issue by recognised underwriters, the Forum said the SEC had gone "too liberal" in setting the conditions for recognised underwriters.

### 4 gas filling stations to be commissioned

Four Compressed Natural Gas (CNG) filling stations will be commissioned in the city on Saturday to supply gas to motor vehicles, reports UNB.

With the opening of the four stations at Mahakhali, Asad Gate, Motijheel and Kalyanpur, the country will enter into a new age of using natural gas.

Energy and Mineral Resources Minister Khandaker Mosharraf Hossain will formally inaugurate the project, first of its kind in Bangladesh, to be launched by RP Gas Co Ltd.

CNG filling stations will also be set up in other parts of the city as well as in all regions of the country in phases, official sources said.

### Sonali Bank's tree plantation programme opens

Sonali Bank's Deputy Managing Director, Mosharraf Hossain, inaugurated a tree-plantation programme at the bank's staff quarter at Motijheel in the city yesterday, says a press release.

Bank's General Managers, A J Masudul Haque Ahmed and Yousof Ali Hawlader, CBA President Aminul Haque Faruque, General Secretary Jamaluddin Ahmed and other officers and staff were among others present on the occasion.

While inaugurating the programme as chief guest, Mosharraf Hossain said trees help protect not only the human life but also the environment.

He added that the plantation and nursing of saplings at different fallow areas should be continued.

He thanked the CBA organisation for initiating such a programme of tree plantation.

### Garments workers protest lay-off

Bangladesh Garments Workers and Employees Federation Wednesday staged a demonstration in front of the Srama Bhaban demanding withdrawal of lay-off in four garments industries, reports UNB.

Leaders of the federation at a meeting in front of the Jatiya Press Club earlier demanded fixation of minimum wage, weekly holiday, repayment of arrear salary and withdrawal of the lay-off order on Rose, Titas, Mark and Royal Bengal Garments.

Presided over by Abul Hossain, the meeting was also addressed by Bidhan Roy, Ragib Ahsan Munna, Sathi Akhtar, and Lipti.

Meanwhile, Leaders of different garments workers' unions yesterday demanded immediate reopening of the Titas Apparel Garments Factory.

In separate statements, the unions also demanded reinstatement of the workers retrenched from the factory laid off on December 30, 1995.

### More Pak banks may be punished for excessive lending

KARACHI, Pakistan, Jan 25: Pakistan's central bank, eager to curb inflation-fueled credit expansion, may penalise more banks for exceeding lending guidelines or impose new reserve requirements, bankers said yesterday, reports Reuters.

But they said it would be hard to check credit expansion to the private sector amid a dearth of other attractive investment outlets, especially while government paper offered low returns.

The State Bank of Pakistan (SBP) on Tuesday penalised three banks and warned two others for excessive lending.

An SBP spokesman said Citibank (CCLN), ABN Amro Bank (AAH, As) and Askari Commercial Bank (ASBK, Ka) had been told to deposit two per cent of their time and demand liabilities with the SBP by January 25 as a penalty for over-lending and not meeting cash and liquid requirements. They will get no interest on the penalty deposits.

The banks that received warnings were state-run Habib Bank Ltd and private Allied Bank Ltd, the spokesman said.

"We can see a few more banks getting penalised by the State Bank as it would be hard for banks to resist the

temptation of earning a good return by lending to the private sector," said a foreign banker, who asked not to be named.

Bankers said the SBP, after scrapping the credit-deposit ratio as an instrument of credit control in September had asked banks regularly not to push credit to the private sector above 52 billion rupees (1.5 billion dollars) in fiscal 1995/96 (July-June).

### SCB chief meets HK Shippers' Council official

M R Ali, Chairman of Shippers' Council of Bangladesh (SCB) met Ernest Kwan, Vice-chairman of Hong Kong Shippers' Council and President of Federation of Hong Kong Garments Manufacturers, at the office of Hong Kong Shippers' Council in Hong Kong on Wednesday, says a press release.

The meeting was also attended by members of the Executive Committee of Hong Kong Shippers' Council.

The meeting provided good opportunity for useful exchange of ideas and experiences of the two Councils on measures to protect the interest of shippers.

### Exchange Rates

The following are the Sonali Bank's dealing rates to public for some selected foreign currencies with Bangladesh Taka effective date is 25th & 26th Jan '96. (Figures in Taka)

| Selling | T.T. & O.D. |      | Buying |     |
|---------|-------------|------|--------|-----|
|         | T.T.        | O.D. | (C)    | (S) |

|           |       |         |         |         |         |         |
|-----------|-------|---------|---------|---------|---------|---------|
| US Dollar | 1= Tk | 41.1615 | 41.2015 | 40.8650 | 40.7050 | 40.5935 |
| GBP       | 1= Tk | 62.9918 | 62.4524 | 61.4383 | 61.1977 | 61.0301 |
| DM        | 1= Tk | 27.9037 | 27.9309 | 27.4178 | 27.3105 | 27.2357 |
| F Franc   | 1= Tk | 8.1424  | 8.1503  | 7.9986  | 7.8672  | 7.8454  |
| C. Doll   | 1= Tk | 30.1555 | 30.1848 | 29.6188 | 29.5208 | 29.4220 |
| SFR       | 1= Tk | 34.7771 | 34.8108 | 34.1543 | 34.0206 | 33.9274 |
| Jap Yen   | 1= Tk | 0.3872  | 0.3875  | 0.3766  | 0.3751  | 0.3741  |

A) T. T. (DOC) US Dollar Spot Buying Tk. 40.7850

### B) USANCE RATE.

|         |         |         |          |          |
|---------|---------|---------|----------|----------|
| 30 Days | 60 Days | 90 Days | 120 Days | 180 Days |
| 40.5080 | 42.2185 | 39.9291 | 39.6396  | 39.0607  |

C) US Dollar sight export bill 3 months forward purchase. Same as O.D. sight export Bill buying rate.

D) US Dollar 3 months forward sale: Add cushion of Tk. 0.50 with BC selling.

### Indicative Rates (B.T. for one unit of foreign currency)

| Currency | Selling    |     | Buying         |     |
|----------|------------|-----|----------------|-----|
|          | T. & O. D. | (C) | O. D. Transfer | (S) |

|                   |    |          |    |          |
|-------------------|----|----------|----|----------|
| S Riyal           | Tk | 10.9749  | Tk | 10.8229  |
| UAE Dirham        | Tk | 11.2080  | Tk | 11.0519  |
| Kuwaiti Dinar     | Tk | 137.4431 | Tk | 135.4471 |
| D Quilder         | Tk | 24.8275  | Tk | 24.6715  |
| S Krona           | Tk | 6.0014   | Tk | 5.9143   |
| Malaysian Ringgit | Tk | 16.0925  | Tk | 15.8643  |
| Singapore Dollar  | Tk | 28.9727  | Tk | 28.5528  |

### DSE Shares and Debentures

| Company        | FV/ML (Taka) | Closing Rate (Taka) | Company       | FV/ML (Taka) | Closing Rate (Taka) |
|----------------|--------------|---------------------|---------------|--------------|---------------------|
| BANIS (13)     | 100/5        | 160.00              | Mita Textile  | 100/20       | 88.00               |
| AB Bank        | 100/5        | 160.00              | B Dyeing      | 120/20       | 149.96              |
| Al Baraka Bank | 1000/1       | 1200.00             | Delta Millers | 100/20       | 95.36               |
| City Bank      | 100/5        | 225.00              | Modern Dyeing | 100/20       | 85.00               |
| Eastern Bank   | 100/20       | 97.50               | Padma Textile | 100/20       | 340.00              |