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Working condition improvement drive

Bangladesh Nat'l Garments Fed to join int'l campaign

By Govinda Shil

A registered trade union in the export-oriented Ready-Made Garments (RMG) sector of the country is planning to join an international campaign to assist the Netherlands based NGO Clean Cloth Campaign (CCC) which intends to help improve the working condition and increase the wages of workers.

"Clean Cloth Campaign (CCC), the Dutch consumer pressure group, will soon launch a massive campaign in London, Paris, Brussels and Amsterdam against 'unhealthy' working environment and low wages in the ready-made garments exporting factories of the country," said a leader of Bangladesh National Garments Workers Federation (BNGWF).

The campaign aims at signing a Charter between the apparel buyers of Europe and garments manufacturers of Bangladesh and other Asian countries," said Amurul Hoque Anin, General Secretary of BNGWF.

Some local trade union

leaders who are working with the garments labour organisations might help sign the proposed Charter which will soon be finalised.

Traded union leaders of India, Indonesia, Sri Lanka, Bangladesh, Hong Kong and the Philippines are providing facts and figures about the working environment and wage structures of their respective countries to the CCC.

Trade union leaders of these countries met the CCC in Amsterdam last month to chalk out programmes and exchange views on the matter.

CCC leaders visited these countries last November and December to gather knowledge about the garment factories, trade union leaders pointed out.

"We would support CCC initiatives to improve the working condition of garment factories," said Amin.

He said, CCC would not call for a boycott of products of a particular country rather it might deny to import goods of

a particular factory which would not abide by the proposed charter.

The formal initiative to sign the Charter might be taken late this or early next year, sources said.

There are some similarities regarding wage level and working condition in the garment factories of some Asian countries," said Amin quoting a CCC official who also pointed out that irregular payment, forced overtime and low wages are the general features of garments industries of Bangladesh, India, Sri Lanka, Indonesia, the Philippines and Hong Kong.

The CCC along with some other Dutch NGOs and trade unions have already developed a Fair Trade Charter (FTC) based on the ILO Conventions. This Charter might be finalised after talking to major European ready-made garments importers and their exporters partners from these countries.

The 'Campaign' would involve consumer organisations,

human rights organisations, garments manufacturers, government officials and women organisations to monitor the factories whether they are respecting the Charter.

Redwan Ahmed, President of the Bangladesh Garments Manufacturers and Exporters Association (BGMEA) has, however, termed the CCC move as a non-tariff barrier to the Bangladesh RMG export.

Talking to The Daily Star, he said if any measure is taken against our RMG export, we will face it properly.

Abul Bashir, a well-known labour leader of the country, said these moves are targeted to destroy the country's apparel markets.

Another labour leader Abul Hossain (Bangladesh Garments Workers and Employees Federation) said although there are exploitations in our factories and the working conditions are not healthy we should not compare our industries with those of the Western countries.

DCCI president welcomes govt's recent policy proclamation

Ali Hossain, President of the Dhaka Chamber of Commerce and Industry, has welcomed the recent policy proclamation of the government, says a DCCI press release.

In a statement, issued Wednesday he expressed that the government's view to maintaining a non-politicized administration would inspire the public servants to render their services free from bias and at the right earnest to the national cause.

The DCCI Chief said in view of the global scenario, the government's stand to pursue an economic diplomacy will augment better results.

Lift of permit system for essentials will help ensuring commodity for the commoners at fair prices and shall aid to keep the society corruption free, he added.

He said this will also expedite setting up of a private sector-led growth as is the demand of the day.

The DCCI president assured of all possible cooperation from the business community in any such positive measures of the government.

BKB disburses Tk 3 cr credit in Magura

MAGURA, June 27: Bangladesh Krishi Bank disbursed a sum of Tk 3.32 crore as credit among the farmers of four thanas of the district during the fiscal 1995-96.

BKB regional Manager told UNB that this year credit disbursement target has been fixed at Tk 5.19 crore. In the same period the bank realised outstanding loan of Tk 3.80 crore from the peasants.

The credit has been given for purchasing bullocks for cultivation and irrigation pumps, livestock, cultivation of crops, small business and pisciculture.

Meanwhile, Agriculture Development Corporation distributed high yielding variety seeds among the farmers in the current season.

The seeds supplied to the growers included 1000 kg aus paddy, 33,000 kg transplanted aman, 15 kg vegetables, 30 kg pulse and 1000 kg oil-seeds.

Seedmen's Society demands abolition of import duties

The Seedmen's Society of Bangladesh has called for abolishing import duties and other taxes from all seeds for saving the seed industries in the light of the national seed policy, says a press release of the Society.

The Society feels that it is necessary to abolish 2.5 per cent advance income tax and 2.5 per cent licence fee from import on all seeds in order to develop seed industry of potato crops in the country.

The Society says that the Agriculture Secretary has already recommended a proposal to the National Board of Revenue (NBR) for withdrawing 7.5 per cent duty from seed potato.

The import duty for the import of seed potato under H S code No 0701-01 has been specially fixed at 7.5 per cent in 1992-93.

As a result, there is an exorbitant price of imported seed potatoes and an insufficient supply started which has created an adverse reaction among farmers who are facing uncertainty in every rabi season.

ADFIAP confce in Phuket

Development banks argue for policy-based finance

The financing of development must be given strong government support by way of strengthening development banks and other financial institutions that are engaged in policy based finance, says a press release.

At this time, when the distinction between development and commercial banking is blurred, a refocusing on the development mission of financial institutions is needed.

These observations were made by Orlando P. Pena, Secretary General of the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP), on his return from the 19th ADFIAP Annual Conference held in Phuket, Thailand.

ADFIAP has about 80 member banks in 33 countries including the World Bank and the Asian Development Bank. Among the member banks in Bangladesh are: Bangladesh Shipha Bank, Bangladesh Shipha Rin Sangstha, Industrial Promotion and Development Company of Bangladesh Ltd.

Pena said policy based finance, which is described as

"directed credit" to ensure the success of development priorities, was the focus of discussion at the Phuket meeting because of the growing needs for development in the region.

He said while the "large all-purpose banks" are encouraged to go into government projects, they cannot by themselves effectively support national development priorities.

He said, "like any other business, banks will go where it is profitable but not necessarily to projects which support national development policy."

Pena said there is a need for real development oriented financial institutions that can support development priorities especially in the small and medium enterprise sectors.

To sustain economic development in the Asia-Pacific region," the ADFIAP official said, "banking for the country or policy based finance, which is essentially the role of development banks, need to be reinforced by government incentives and insurance against risks to make development banking business worthwhile. What is happening, accord-

ing to Pena, is that commercial banks and even DFI's would rather invest funds in government securities than support government projects "because of less risk and sure yields."

Pena quoted from a paper read at the Phuket meeting to describe the success of policy based finance in Japan. Tsutomu Shibata, Director General of the international cooperation department of the Japan Development Bank, reported that national funds poured through the JDB now constitute 8 per cent of GNP and 50 per cent of the General Account.

As far as bad loans are concerned, Shibata said the record of JDB is 0.3 per cent of total portfolio or one-tenth of that of commercial banks in Japan.

Similarly, the representatives from Malaysia cited the role of the Malaysian Development Finance Institutions (DFI) in spearheading Malaysia's economic growth. Also, the experience of the Business Development Bank of Canada on policy based finance has also been very positive.

Essential goods being marketed without proper testing

NARAIL, June 27: Essential commodities like soyabean oil, iodised salt, mineral water and bakery items are being marketed in greater Jessore and adjoining areas without proper testing certificates, reports UNB.

Bangladesh Standard and Testing Institute (BSTI) is responsible for quality control of the food items manufactured in the country. It is their duty to test and certify the quality of the products. But the manufacturers are marketing the commodities ignoring the BSTI, local people alleged.

There are about 70 bakeries in this region most of which do not maintain hygienic standard of production.

According to BSTI, food items and mineral water must bear manufacturing and expiry date of the production as bread

and loaf lose food value after 24 hours, but the manufacturers do not abide by the rules.

Besides, the litre system for weighing liquid substances has not yet been introduced in hats and bazars in rural areas of the district and as a result, the buyers are being cheated.

Some 130 items like packet and tin foods, edible oil and powder milk need BSTI certificates before marketing.

It is alleged that Khulna BSTI does not test and examine such essential commodities manufactured in the region due to reasons best known to them.

Smuggled Indian goods do not bear such test marks. Moreover goods imported from India such as salt, sugar, cement, rice, electronic and instant foods which are less in weight and poor in quality do

not bear test marks.

Spurious Indian goods like Keocarpin oil, Colgate tooth powder and paste, Fair and Lovely face creams are sold at cheap rates. Low quality sand-mixed salt and urea-mixed sugar are being sold in different markets with impunity.

No ban has yet been imposed on selling these goods by the government, local people said.

The BSTI regional Khulna office sources said due to lack of adequate manpower they are not in a position to inspect the goods in the 10 south-western districts.

The untested breads, biscuits, loaves, sweetmeats, cereals and powder milk which are being sold in the market have been causing health hazards.

Largest gold nugget found in Switzerland

DISENTIS, Switzerland, June 27: A gold prospector has discovered the largest gold nugget, ever found in Switzerland, a piece weighing almost 50 grams, Swiss newspapers reported yesterday, reports AFP.

August Braendle found the 48.77 gram nugget in the Canton of Grisons, between Disentis and Medel, in a place called "La Ruine."

The prospector, who has been surveying in the area for eight years had already found a 20 gram nugget.

Comilla Poura budget announced

COMILLA, June 27: Comilla Pourashava Chairman yesterday announced a surplus budget of Taka 10.39 crore for fiscal 1996-97 at a press conference held at the Pourashava conference room, reports BSS.

The budget had a surplus of Taka 1.19 without proposing any new taxes.

The budget lay out includes revenue receipt of Taka 4.23 crore and government grant of Taka 5.5 crore.

Thai govt legalises labour by illegal immigrants

BANGKOK, June 27: The government has decided to allow illegal immigrants to work legally in half of Thailand's provinces to control them better, officials said Wednesday, reports AP.

The proposal, put forward by the country's National Security Council, was approved Tuesday by the Cabinet.

The ruling marks an attempt by Thailand, a wealthy industrial magnet in Southeast Asia, to come to grips with a tide of migrants from poorer countries in search of work. They are often blamed for social and economic problems like crime and begging.

According to Labour Ministry statistics, more than 700,000 illegal foreign workers live in Thailand. More than 300,000 come from Burma, impoverished by decades of isolated military rule.

"It does not mean we turn on a green light for them to immigrate into our country," said one Labour Ministry official, speaking on condition of anonymity. "But this way, we can organize and control those who have been lurking in our country better."

Under the decision, illegal immigrants will be able to work legally in 39 of Thailand's

76 provinces. Most are in border areas, particularly next to Burma, and in central industrial regions.

Employers in the agricultural, industrial, fishery and mineral sectors are all in need of low-priced labour.

"In term of human rights, the employers should pay them the same amount of money as Thai workers, in which case they need not hire these illegal foreign workers," the official said. "But they won't."

Ron Brown peace award given to 3 cos in ME

WASHINGTON, June 27: A Palestinian, an American, and an Israeli company have received the first Ron Brown Peace Through Commerce Award for their efforts to promote peace in the Middle East through economic stability, reports USIS.

One of the recipients, Ziad Karam, president and CEO of GRDG, a building firm based in Fairfax, Virginia, plans to build a Marriott hotel in Gaza which will employ hundreds of workers in the area. "This is an investment in peace by bringing jobs and economic prosperity

to Palestinians," Karam said in an interview June 25.

Karam added that his company plans to work with an investment firm from Qatar and that the project will be a long-term regional effort. "The award meant a lot to us because it recognized all our efforts," he said.

Similarly, Culligan Water Technologies CEO Doug Pertz expressed optimism about doing business in the Middle East. "We look at this project as promoting peace in the region," Pertz said in a separate interview June 25.

Share investment in textiles

By Khurruddin Malik

The shares in the textile sector of the Dhaka Stock Exchange (DSE) has a crises of confidence, particularly amongst the stock investors and traders.

Recent public offering of textile shares has failed to arouse any notable interest in the primary market. In some cases, the underwriters were called upon to meet their commitments on account of undersubscription.

Sixteen listed textile shares, out of the total thirty seven are now quoted below their par value. Fifteen companies were only able to declare dividend. Fourteen other companies are laden with accumulated losses.

The market capitalisation of the textile sector in the DSE is TK 750.80 crore which is 13 per cent of the total. The weighted average earnings per share (EPS) in this sector barring the losing and greenfield projects is TK 15.00 and the price to earnings ratio is 8.7 times. Dividend yield percentage on average is 9.05 per cent of the profit making companies.

A thrust sector of the economy and a major earner of foreign currency chiefly by the RMG units, the textile stocks should have given a more satisfactory return on its equity in-

vestment.

This lacklustre performance could be traced back to the developments at the initial public offerings.

In 1995 (Jan-Dec.) total public offering including premium value, of shares and debentures was TK 124.15 crore. The portion of Textile sector was TK 95.05 crore or 76.56 per cent of the total.

In 1996 (Jan-June) TK 103.39 crore worth of public issues was floated of which the textile stocks accounted for TK 79.11 crore of 76.50 per cent.

Excepting two companies the rest of the public issues of the textile units was in the backward linkage industries — spinning, weaving dyeing and finishing.

To emphasize the point, it is only the Ready-Made Garments (RMG) which accounts for more than 56 per cent of the country's exports. The backward integration companies, has a daunting task of competing with the imported yarn and fabrics, the sourcing of which are pre arranged by the buyers or middlemen of the RMG. The cost benefit of the locally produced fabrics may not be enough to enter a level playing field with the imported product.

Moreover, the targeted

phase withdrawal of the Multi Fibre Agreement (MFA) by 2005 will deprive the local garments of the quota preferential access to the EU. It is only the vertically integrated industries — spinning, weaving knitting etc which will have the strong base to survive.

In the initial public offering from January 95 to June 96 greenfield textile projects totalling TK 92.92 crore.

Monno Fabrics Ltd a complete greenfield composite textile unit invited public subscription of its share in January this year at a premium of 50 per cent.

Prime textile spinning mills Ltd. made a public offer of TK 28.65 crore for capacity expansion purpose, at a premium of 200 per cent.

Investors need to be wary about greenfield projects and shares floated at premium.

Simply defined, greenfield projects are those that are yet to commence production at the time of public floatation of its shares. Normally, it takes about three years for a new company to break even. If an investor has short term profits in mind he should seek other avenues. For, dividend income and capital appreciation of greenfield shares are very bleak in its initial years. Shares issued at premium reduces its effective rate of return. For ex-

ample, Square Pharmaceutical declared a dividend of 32 per cent. But because the issue price was TK 900 (800 per cent premium) the effective rate of return is only 3.5 per cent. It ought to be noted that the premium amount of any equity is never entitled to any dividend income. Dividend is always declared on the face value and not on premium of market value.

Whether a greenfield company should be allowed to issue shares at premium is debatable. Financial track record of its sponsors and their other allied concerns is of no consequence, because dividend can only be paid from the company's own profits and not from the other separate units belonging to its sponsors, no matter how well managed they are.

The oversupply of greenfield textile shares in the secondary market has led to its liquidity crises, as the selling pressure has outpaced the buyers, resulting in dampening the price/volume trend.

Only when these companies comes to maturity and begin rewarding its shareholders, will there be a revival in the textile sector shares.

(The writer is the Chief Executive of the Trust Investment Services, Chittagang.)

Government of Bangladesh

Office of the Executive Engineer
Faridpur PWD-Division

Corrigendum Notice

Tender No. 73 of 1995-96 for Auction (4th call) invited vide this office Memo No 1022 dt 4-6-96/21-2-1403 Bang are hereby corrected as follows:

1. Tender will also be received by the Executive Engineer, PWD Division 1 (one) Khulna in addition to those mentioned in original tender notice.
2. The tender papers, schedule of items and additional terms and conditions may also be obtained from the Office of the Executive Engineer, PWD Division-1, Khulna in addition to those mentioned in original tender notice.
3. Dates of issuing and receiving tender are hereby shifted from 24-6-96 and 25-6-96 respectively to 7-7-96 and 8-7-96 respectively.
4. All other terms and conditions will remain unchanged.
5. This corrigendum notice will be the part of the tender and it should be submitted along with the tender.

M A Muqtadir

Executive Engineer

Faridpur PWD Division

Phone No : 3257

DFP-14402-25/6
G-803

বিবাহী সচিব, বাংলাদেশ কাউন্সিল
৭০/১, হানার সাকুলার রোড, কাকরাইল, ঢাকা।

দরপত্র বিজ্ঞপ্তি

বাংলাদেশ কাউন্সিলের অধীনে যশোরের পুরনোহাটে অবস্থিত খুলনা আঞ্চলিক কাউন্সিল প্রশিক্ষণ কেন্দ্রে ভবন উদ্বোধনী সম্বন্ধে সরকারি/প্রাধিকারকারী/আধিকারসিদ্ধ প্রতিষ্ঠানের ১ম শ্রেণীর শিক্ষাদায়কদের নিকট থেকে "দুই হাজার পঞ্চাশটি" সীলমোহরকৃত দরপত্র আহবান করা যাচ্ছে।

১। মোট প্রাকল্পিত ব্যয় :- ১৮,৭৮,৪৮৭/০৪ টাকা

২। আনুষঙ্গিক ব্যয় :- ৪৬,৬৬০/০০ টাকা

৩। সিডিউলের মূল্য প্রতিসেট :- ২,০০০/০০ (দুই হাজার) টাকা অকরকৃতযোগে।

৪। দরপত্র বিজ্ঞপ্তির শেষ তারিখ ও সময় :- ১৭/০৭/৯৬ তারিখ পর্যন্ত প্রতি কর্মদিবসে অফিস চলাকালীন সময়ে বাংলাদেশ কাউন্সিলের হিসাব বিভাগ ও খুলনা আঞ্চলিক কাউন্সিল প্রশিক্ষণ কেন্দ্রে যশোর হতে সংগ্রহ করা যাবে।

৫। দরপত্র দাখিলের তারিখ ও সময় :- ১৮/০৭/৯৬ তারিখ অপরাহ্ন ৩-০০টা পর্যন্ত জাতীয় সদর দফতরে ও খুলনা আঞ্চলিক প্রশিক্ষণ কেন্দ্রে রক্ষিত টেন্ডার বাজে দাখিল করা যাবে।

৬। দরপত্র খোলার তারিখ :- ২০/০৭/৯৬ তারিখ অপরাহ্ন ৩-০০মিঃ যশোরের বাংলাদেশ কাউন্সিল জাতীয় সদর দফতরে ও খুলনা আঞ্চলিক প্রশিক্ষণ কেন্দ্রে যশোরের আঞ্চলিক ফিল্ড কমিশনারের কার্যালয়ে দরপত্র খোলা হবে।

৭। কাজ সমাপ্তির সময়সীমা :- ০৬ মাস।

আনুষঙ্গিক ব্যয় যে কোন তফসিলি ব্যাংক হতে ব্যাংক ড্রাকট/পে অর্ডার হিসেবে নির্বাহী সচিব বাংলাদেশ কাউন্সিল কর্তৃক দরপত্রের সাথে অবশ্যই দাখিল করতে হবে। কর্তৃপক্ষ কোন কারণ দর্শানো ব্যতিরেকে যে কোন দরপত্র বা সকল দরপত্র গ্রহণ বা বাতিল করার ক্ষমতা সংরক্ষণ করে।