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HYUNDAI

CARS THAT MAKE SENSE

Remittances from Bangladeshi expatriates up by 20 pc

Expatriate Bangladeshis remitted Taka 5,685 crore, in 1996, up by 20 per cent from the total money sent in the previous year, reports UNB.

In 1995, the remittance received from abroad stood at Taka 4,837 crore.

The manpower export rose to 2.11 lakh in 1996 from 1.87 lakh in 1995, according to statistics presented at a meeting of Bangladesh Association of International Recruiting Agencies (BAIRA) here Sunday.

State Minister for Labour and Manpower MA Mannan attended the meeting as chief guest.

Presided over by BAIRA president M Mosharraf Hossain MP the meeting was also addressed by Labour and Manpower Secretary Mohammad Mahe Alam, BAIRA secretary general JH Gazi and its senior vice president M Noor Ali.

GTZ, BCI discuss product development

The German Technical Cooperation (GTZ) Appraisal Mission headed by Gerhard Dedorath met Sharif M Afzal Hossain, President, Bangladesh Chamber of Industries yesterday at the chamber office and discussed a new component, Product Development under the Promotion of Private Sector (PPS) project which is being planned for implementation by EPB and GTZ, sponsored by the German government, says a press release.

The new components consisted of the following product groups: Toys, luggage, silk and silk products and bathroom fittings. The main purpose of this mission, said Dedorath, was further improvement of product development and design technology. These groups could be extended to other sectors in future, he said. Sharif M Afzal Hossain, President, of BCI emphasised that product group should be selected from those sectors which are having both local and export markets. Among others who were present on the occasion were Rashid Mowdud Khan, Vice President, BCI, Md Rajab Sharif, M A Shahid, Directors, BCI; Nazim Rahman, EC Member, FBCCI and President, Rajbari Chamber of Commerce and Industry, Alhaj Sayedur Rahman, Executive Director, DCCI and Quazi A K Refaul Huq, Secretary, BCI.

BRAC to get Tk 42cr from Germany

An agreement was signed between the German Financial Institution (KFW) and BRAC at the BRAC Centre here on Sunday, reports BSS.

Under the agreement, the German government, through KFW, will provide BRAC with 15 million Deutsch mark equivalent to Taka 42 crore for BRAC's non-formal primary education programme.

Karl Heidt, First Vice President of KFW and FH Abed, Executive Director of BRAC signed the agreement, a press release said yesterday.

Under non-formal primary education programme of BRAC 1.2 million children, who are either unenrolled in or dropouts from formal schools and coming from either landless or very poor families, are studying in BRAC's 34,000 schools spread almost all over the country.

Seventy per cent of the students are girls. After the years of basic education 80 per cent of the students move on to Class IV in government schools.

India to invite bids for \$ 6.68b highway projects

NEW DELHI, Jan 27: The Indian government will soon invite bids from private companies for construction of 90 national highway projects across the country. The Financial Express newspaper reported Monday, says AP.

The bids will total 234 billion rupees (6.68 billion dollars).

The bids will include building of railroad bridges, expressways and widening of two-lane highways. The projects, starting next financial year beginning April, must end in five years, the paper said.

The paper made no mention if Indian private companies with foreign equity will be eligible for the bids. But going by the government's liberalisation policy and steps to attract foreign investment, it is unlikely to make any such distinction.

Road construction has been the monopoly of the government's Public Works Department, which in the past gave sub contract to private builders.

India has one of the world's largest road networks with the total road length of 2.65 million kilometers (1.6 million miles). But most of the roads are in a bad shape and need widening and improvement.

Help build world trade centre, CCCI urges UK

Gas can be supplied within the next 15 to 16 months from the newly discovered Sanguvel gas field of the Bay of Bengal where 150 million US dollars has already been invested, reports BSS.

This was revealed at a meeting held between the visiting British businessmen delegation and the Chittagong Chamber of Commerce and Industry (CCCI) in Chittagong yesterday, a CCCI press release here said.

Earlier, the CCCI President Jafrul Islam Choudhury, MP welcomed the high-powered British delegation led by Sir Martin Laing and said the two Commonwealth countries had been tied by a long traditional

and cultural bondship.

The chamber chief referred to the existing facilities in the port city for foreign investors and urged financial cooperation of Britain for establishing the world trade centre, the first such ventures under private sector with the initiative of the CCCI.

Besides, the British businessmen were urged for investment in the joint ventures like textiles, printing and spinning and in a 250-bed hospital to be established on six acres.

Sir Martin Laing referred to the three lakh Bangladeshi expatriates in Britain and sought best use of the efficient and specialist manpower.

Putting importance on the privatisation process, the delegation chief said this trend must continue more and more to achieve the desired goal.

Delegation member Peter Lee laid stress on political stability, infrastructural development and speedy implementation of decision to attract foreign investment.

The British High Commissioner to Bangladesh, David C Walker said considering Bangladesh as a 'strategic partner' Britain would provide all help and assistance including investment.

The chamber leaders also urged the delegation to invest in education and health sectors.



The British Trade Mission led by Sir Martin Laing, along with the British High Commissioner in Bangladesh, David C Walker, met the members of the Metropolitan Chamber of Commerce and Industry, Dhaka on Sunday. Seen in the picture at the pre-meeting introduction are (from left) M. Anis Ud Dowla, former president, MCCI, Yussuf Abdullah Harun, President, FBCCI, Sir Martin Laing, Samson H. Chowdhury, President, MCCI, David C. Walker, S.H. Kabir, former president, MCCI and C. K. Hyder, Secretary-General, MCCI.

South-South conference

Dhaka seeks special global system of trade preference

Bangladesh has played a leading role in the recently concluded South-South conference on trade, investment and finance at San Jose, Costa Rica, according to a message received here on Sunday, reports BSS.

Bangladesh's position has been highlighted in the final document of the conference aiming at the promotion of in-

creased trade, investment, industrial capacity and finance flows for the developing countries. Bangladesh was very active for the cause of least developed countries LDCs, and proposed specific measures for the development of these countries.

Ambassador Anwarul Karim Chowdhury, permanent representative of Bangladesh to the United Nations, represented Bangladesh at the conference which was participated by 110 members of the Group of 77 including China. He proposed launching of a special global systems of trade preferences (GSTP) for the LDCs with additional trade preferences.

Bangladesh also proposed specific measures needed for increased investment and official development assistance for the developing countries.

Bangladesh also proposed expansion of regional and sub-regional economic cooperation to promote South-South cooperation.

The conference accepted Bangladesh's proposal for strengthening the institutional mechanism for South-South cooperation.

Bangladesh highlighted the role of microcredit enterprises and proposed increased sharing of experience in this area among all countries, particularly among the developing ones.

President of Costa Rica inaugurated the conference while it was presided over by the foreign minister of Costa Rica.

CPA earns Tk 315.86 cr in '95-'96

The Chittagong Port Authority earned Taka 315.86 crore as revenue in 1995-96 fiscal, according to the CPA's audited accounts, reports UNB.

The Mongla Port Authority, which operates the country's second seaport, earned a revenue income of Taka 36.06 crore during the year as per provisional estimates.

This was disclosed by Shipping Minister ASM Abdur Rab in Parliament yesterday in a written reply to Nurul Islam Nahi (Syhet) of the treasury bench.

CDC to open office in Bangladesh shortly

The Commonwealth Development Corporation (CDC) will open an office in Bangladesh shortly, says a press release.

An opening conditions agreement between the governments of Bangladesh and Britain will be signed in the city tomorrow.

The British High Commissioner, David Walker and the Secretary of the Economic Relations Division, Dr Mashur Rahman, are expected to sign the accord on behalf of the respective governments.

The visiting British Overseas Trade Board Chairman, Sir Martin Laing, will attend the ceremony.

The CDC is Britain's overseas development finance institution and a significant element in the British bilateral aid programme administered by the Overseas Development Administration (ODA). Based in London and with 24 offices world-wide, the CDC currently operates in 58 countries.

The Commonwealth Development Corporation (CDC) concentrates its resources on less developed countries and those carrying out economic reform programmes.

The CDC's purpose is to contribute to the development of overseas countries by investing equity and loan capital in the operations of financially viable and developmentally sound businesses, both new and existing, in the private sector, and, where appropriate, providing these businesses with management support.

It has investments totalling 1.6 billion pounds sterling (over Taka 11,200 crore) in 376 business.

In Bangladesh, the CDC has invested a total of 60 million US dollars (about Taka 253 crore) in the textiles, fertiliser and shipping industries as well as through two financial intermediaries.

CDC is currently examining proposals for further investment in the energy, telecom-

munications, textiles, cement, fertiliser and financial services sectors.

Britain has one of the largest foreign investor presences in Bangladesh, with more than 47 companies active in the market. Britain is Bangladesh's third largest export market, mainly as a result of Bangladesh's vibrant garments industry.

Trade between Britain and Bangladesh is growing, with Bangladesh continuing to enjoy a trade surplus with Britain.

Bangladesh is the second largest recipient of British bilateral aid, receiving a total of 56 million pound sterling (Taka 364 crore) in 1994-95.

Rob tells JS

Deep water port to be built in Chittagong

Shipping Minister ASM Abdur Rab yesterday told the House that the government would build deep water port in Chittagong, reports BSS.

In a written reply to a question from Mustafizur Rahman (AL-Chittagong), the Minister informed the House that a feasibility study had been conducted in 1977-78 in this regard, with the technical support of the Netherland Economic Institute.

In the study, Patenga point was suggested for building the deep water port so that fifty thousand DWT ships could anchor in there first phase, the minister added.

Rab further informed the House that the government planned a Taka 62.14 million technical support project named, 'Techno-economic feasibility study for construction of deep water port' for updating the previous study.

The project was awaiting approval of the planning commission, the minister added.



Maurice Flanagan (centre), Emirates Group Managing Director, flanked by cabin crew Sonya Davis and Sonia Woolsey, with (back row, from left) Keith Bonson, Sales Manager, UK South; Laurie Berryman, Manager, UK North; and Mohammed Qasim Al Ali, General Manager, UK and Ireland, pose with the 10 awards for excellence presented to Emirates by Richard Thorne, Senior Vice President of OAG and Airline Business.

Coming AGMs

Company	Book Closure	AGM/EGM	Date	Venue & Time	Dividend Proposed
Chittagong Cement	01/03/97-30/03/97	AGM	20/03/97	Hotel Agrabad Ctg 10 am	18.2 20
Tripoli Ind	16/01/97-30/01/97	AGM			1R2(P&A Tk 1000)
BD Zapper (Debt)	15/01/97-31/01/97	Half yearly interest			1R1 (Pre & Tk 125)
Orion Infusion	27/01/97-30/02/97	AGM	03/02/97	Hotel Sonargang, 10 am	1R2(at par) 17
BOC Ltd	05/01/97-02/02/97	AGM	02/02/97	Sonargang Hotel 2 pm	18.5 30
Rahim Textile	16/01/97-30/01/97	AGM	30/01/97	Sonargang Community Centre 11 am	
Rupali Bank	05/02/97-02/03/97	AGM	02/02/97	Sonargang Hotel 3 pm	
National Tube	01/03/97-25/03/97	AGM	25/03/97	Factory Premises 11 am	18.2 15
Eastern Cables		AGM			18.5
BD Luggage (debt)	16/02/97-04/03/97	Half yearly interest			10
Bea Synthetic (debt)	16/02/97-28/02/97	Half yearly interest			

PEREGRINE BANGLADESH INDEX

Monday's market comment

The PBI ended in positive territory for the second consecutive day as it added 0.62% to close at 931.87 on good volume. Market sentiment was positive as 14 issues advanced over 8 losers. Three issues remained unchanged. Bangladesh Lamps topped the plus column with a 8.58% increase followed by Beximco Textile and Meghna Cement which gained 5.34% and 5.13% respectively. Beximco Textile and Padma Textile were also amongst the notable gainers as they added 2.52% and 2.21% respectively on retail demand. Eastern Cables was the biggest loser as it dropped 11.62% following yesterday's 14.9% surge on dividend and bonus announcement. Apex Tannery fell 7.25% under foreign selling pressure whilst Monno Fabrics (-2.43%) and Square Pharma (-1.08%) suffered due to retail selling pressure. Chittagong Cement, Shine Pukur, and Apex Foods did not trade in the absence of any demand for these stocks at current price levels (which remain subject to the 10% circuit breaker).

Exchange Rates

The following are the Janata Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on 27/01/97*

(For Foreign Currency) to public as on 27/01/97

Selling	Buying				
Name of Currency	T.T. & O.D.	B.C.	T.T. Clean	O.D.Sight Export Bills	O.D. Transfer
US Dollar	42.6120	42.6550	42.3200	42.1541	42.0455
GB Pound	69.5695	69.6509	68.5340	68.2520	68.0730
D. Mark	26.1992	26.2298	25.7491	25.6431	25.5758
F. Franc	7.7692	7.7783	7.6376	7.6062	7.5862
J.P Yen	0.3619	0.3623	0.3534	0.3519	0.3510
C. Dollar	31.8483	31.8855	31.3086	31.1797	31.0979
S. Franc	30.3258	30.3612	29.8018	29.6792	29.6013

Janata Bank's selling and buying rates in cash currency for public:

US DLR	GBP	S. Riyal	UAE DH	KU DINAR
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SELLING	42.6000	68.5695	11.5500	140.0000
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BUYING	42.0000	65.8195	11.0500	134.5000
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Shipping Intelligence

CHITTAGONG PORT

Berth No	Name of vessels	Cargo	Local agent	Date of arrival	Date of leaving
J/1	Rising Tide	GI (Logs)	VIZA	01L	20/1
J/4	Banglar Shobha	Urea (G)	MARC	BSC	11/1
J/5	Petko R Slavejovk	R Seed	Col	AASS	11/1
J/6	Globe Trader	GI (C.Peas)	Sing	RSLS	12/1
J/7	Fulshian Maru	Wheat (P)	Sing	AASS	10/1
J/8	Banglar Gourab	GI	Chini	BSC	R/A
J/9	Al Mugtuba (48)	GI	Bomb	CLA	20/1
J/10	Mirna	GI	Sing	UMTL	14/1
J/11	Xuan Cheng	Urea (G)	UMMS	Litmond	13/1
J/12	Stamford	Cont	Sing	RSL	20/1
J/13	Meng Kiat	Cont	Col	BDship	23/1
CCT/1	Kota Bintang	Cont	Sing	PIL (BD)	24/1
CCT/2	Consistence	Cont	Sing	RSL	25/1
CCT/3	QC Teal	Cont	Sing	QCSL	26/1
CGJ	Mecca-1	IDLE	Bomb	BSC	21/1
RM/4	Shinshung-2	GSSHP	Sing	RRSA	17/1
RM/5	Al Badiyah	HSK	Kowa	ECSL	24/1
DDJ/1	Tanary Star	IDLE	Para	PSAL	7/6
DDJ/2	Splendid				31/1
Fortune(24)					
RM/9	Banglar Moni	Repair	MAD	MSTPL	25/1
CUFLJ	Blue North	Cement	Mong	BSC	15/1
Atch(10/7)					31/1

MONGLA PORT

Berth No	Name of vessels	Cargo	Local agent	Date of arrival	Date of leaving
MCF	MV Fix Star	Clinker	Rk. Int		12.1.97
A-2	MV Banglar Mamata	EXP	BSC		25.1.97
A-9	MV Banglar Robi	Conti	BSC		26.1.97
M-3	MV Canan Arichin	Cement	USTC		15.1.97
M-4	MV Cheetah	Wheat	S. Sine		14.1.97
M-5	MV Vega-1	Cement	Bright		22.1.97
M-6	MV The Tie-K	Cement	H. H. K		17.1.97
M-8	MV Hua Ting	Ferti	L. Mond		19.1.97
A-7	MV Evandros-K	Cement	Makh		20.1.97
A-8	MV Daxian	Ferti	Makh		5.1.97
A-9	MV Mathios	Cement	Viking		7.1.97
A-12	MV Sugar	Cement	Tania		3.1.97
A-13	MV Forum Power	Cement	USTC		3.10.96
A-14	MV Be Gae Bong	Ferti	Cosmos		3.1.97
A-17	MV ADA	MOP	OWSL		10.12.96
A-17(A)	MV Hong Gu Cheng	GSSP	BDship		23.1.97
A-18	MV Gul In Yang	Clinker	R. Bow		16.1.97
A-18(A)	MV Safar	Ferti	Atlas		12.1.97
A-19	MV Dravo	GSSP	R. Bow		23.1.97
A-20	MV Alexandra	EXP	OWSL		20.10.96
A-21	MV Wang Jiang	Cement	Pioneer		25.1.97

The above are the shipping position and performance of vessels of Chittagong and Mongla port as per berthing sheet of CPA & MPA supplied by HRC Group, Dhaka.

Bangladesh capital market: Up, up and bust

By Dr. Mohammad Musa

At last, it happened. It has got to happen. Yes, I am talking about the stock markets. When the average price/earnings ratio (PER) jumps to a level as high as 52, every sensible person with even an iota of financial knowledge should know that share prices have got to go down. The slide in share prices started and the last I know the all price DSE share index was 1874.63 points (January 22, 1997). It was a loss of about 1750 points from its peak of 3600 plus points. The Honourable Finance Minister thinks that the index should be around 1500 points. If we assume that the Finance Minister is correct, then the index has to go down by another 374.63 points. A tremendous erosion of share values, an average of about 60 per cent.

Look what happened? Small investors are clamouring about their fate. Almost all are siding with them. The consensus is that it is the small investors who are paying for the unprecedented stock market debacle. Starting from the news commentator to political apparatus, all are first blaming the DSE/CSE members and the Govt. for small investors' misfortunes and then asking the government to bail them out. It is unfortunate to observe that nobody is pointing his or her finger at the small investors for their misfortunes. Tell me, was it the government or DSE/CSE members that asked or forced them to invest in the stock market in the first place? Was it the government or the DSE/CSE members with whom these small investors shared their profits when the share prices were jumping up and up? Do we have to believe that these small investors are ignorant of the basic fact that profit and loss are part of everybody's business life? When they invested in the stock market, they should have known that shares are like any other commodities. To make profit, as a trader, you've got to buy low and sell high. Otherwise, you have to accept loss.

You may point out that small investors were ignorant of the intricacies of the share market operations and they did not know what they were into when they invested in share markets. Well, if that is the case, they should pay for their ignorance. They should learn their lessons the hard way. If we bail them out, of course, I do not know how, then they will remain ignorant forever and every time they are caught we have to bail them out. A good analogy would be a small kid being lured by bright light wanting to touch the candlelight. Of course, the kid is ignorant of the consequence. But once he is burnt, he would never be willingly put his hand in candlelight again. This is learning the hard way. If this is the only way to send the message, then be it.

Please don't get the message that the government or the DSE/CSE members are not to blame. It is widely accepted fact that at least a few DSE/CSE members have manipulated the

market. The government miserably failed to check on the manipulation. Instead, in its quest to restrain share price increases, the Govt. imposed various regulations. It appears that the government was also not fully aware of what it was doing. All ad hoc arrangements. To be frank enough, it was chaos out there in the stock markets. It is quite likely that the government would step in to tackle the situation. However, the government is yet to learn that the less it becomes involved in private undertakings, the better.

The case in point is the imposition of circuit breaker. The justification provided for it was that it would help protect small investors. Idea is, if left open, common shares might lose their entire values and, in that case, small investors who bought those shares would lose big chunk of their savings. There is a big flaw behind this logic. It is true that share value can theoretically go as low as zero. It is also theoretically a fact that there is no upper limit for share value. Therefore, investing in share markets is a risky proposition. This risk one is willing to take because he/she is compensated by high reward. Whenever I would plan to invest in any company share I have to evaluate the trade-off between the risk and return associated with it.

Imposing circuit breaker on individual stock was in fact a bad idea. It is more revealing now than when it was imposed. The market now believes that a tremendous overvaluation occurred in case of many stocks. The market clearing values of those stocks should be even less than a half of their last traded prices. As price of an individual stock can not go up or down by more than 10% without any reason, transactions of shares whose prices should go down by more than 10% will not occur as long as the circuit breaker at 10% is in place. Look again, the mechanism by which the government wanted to save small investors is, in fact, hurting them the most. There may be a number of small investors stuck with highly over-valued shares. Even if they are willing to liquidate their investment at whatever price the market determines, they can not do so just because of the circuit breaker.

Now we know circuit breaker on individual stock is not a good mechanism because it intervenes with normal process of market mechanism where demand and supply interact to determine price. However, if circuit breaker has to be imposed, then I will recommend the one in place in the New York Stock Exchange (NYSE). Circuit breaker in the NYSE was imposed on the NYSE index, not on any individual stock. The idea behind this circuit breaker is that if, at any point of time in a given day, the index goes down by more than a certain percentage, say 5%,

then the trading in the floor would be discontinued for the remainder of the day. The imposition of circuit breaker on NYSE index was the result of Black Monday Oct. 19, 1987 when in one day the