Star BUSINESS

E-mail: business@thedailystar.net

Maintenance to cut production cost, up output

Seminar told

STAR BUSINESS REPORT

Speakers at an international seminar yesterday stressed the need for maintaining production sector properly to boost output and avoid any untoward events, adding that proper maintenance can reduce production cost, save time and improve competitiveness.

The programme styled 'International Seminar on Industrial Maintenance' was organised by Franco-Bangladesh Association of Scholars and Trainees (FBAST) at CIRDAP auditorium in Dhaka.

Had the country's power sector been managed properly, the sector would not have faced problem today, said Md Abdul Karim, chairman of National Board of Revenue (NBR), while speaking as chief guest at the inaugural session of the seminar.

"Through proper maintenance we can reduce production cost, save time and improve competitiveness."

French Ambassador to Bangladesh Jacques-Andre Costilhes, and President of the FBAST Liaquat Ali Khan, among others, spoke at the seminar.

Highlighting the role of private sector in strengthening the country's economy, the NBR chief said the government is extending help to the private sector, as it is the engine of economic growth. Besides, through managing the corporate entities properly it is possible to increase production by several folds, he felt.

Maintaining industries in a standard way is no less important than establishing any industrial units, said the French ambassador.

Scholars and trainees with academic background from France participated in the fourth version of the seminar.

The inaugural session was followed by a technical session where Gerard Neyret, vice president of AFIM (French Maintenance Society), presented the keynote.

UN aviation agency drawing up new list of banned items

PTI, *New York*

The United Nations aviation agency is drawing up a new list of items passengers cannot carry on the board the aircraft in its continuing effort to make travel safe and thwart any attempt by terrorist to blow up planes.

The list of prohibited items includes liquid, gel and aerosol products which can be used for improvising explosive devices.

The International Explosives Technical Commission of the UN International Civil Aviation Organization (ICAO) is now meeting to review the work of a panel set up in the wake of thwarted terrorist plot to blow up airliners coming to the United States from Britain.

The agency says that the new list will be issued to its 189 contracting states by the end of November.

"The issuance of a revised list of prohibited items is a complex matter involving law enforcement, explosives technologies, evaluation of trace detection equipment, training of security personnel, logistics and commercial considerations," ICAO Council President Roberto Kobeh Gonzalez said last week.

Earlier this month, ICAO's Aviation Security (AVSEC) panel reviewed an expanded list of prohibited items prepared by the Organisation's Secretariat. In the coming weeks, the panel will incorporate appropriate national and regional initiatives taken to date to deal with the new threat posed by liquid, gel and aerosol products.

"The panel is working diligently on ways to strengthen and streamline security procedures at airports," Kobeh Gonzalez said.

The reports of AVSEC and the technical commission will be presented to the ICAO Council at its next session beginning October 10.

Once the recommendations are adopted, ICAO will notify all member states of various issues related to liquids used as explosives, including: a new list of prohibited items; measures needed to counter the new threat; ongoing work on technologies and operational procedures for detecting prohibited liquids; and the need for new measures to be effective, practicable, sustainable and harmonised.

CONGESTION AT CTG PORT

Feeder vessel operators mull fresh surcharge

RAFIQ HASAN

Singapore-based Chittagong Feeder Trade Committee (CFTC), a platform of feeder vessel operators, plans to impose additional surcharge again on Chittagong-bound cargo containers shortly due to heavy congestion at the port.

"The situation at the port has aggravated again and if it continues, we will have to take a decision to impose extra surcharge," said Swapan Ghose, convener of the CFTC.

He however did not say any specific amount of surcharge this time.

But, according to sources, a two-member delegation led by AC Lim, chairman of the CFTC Singapore chapter, came to Bangladesh and hinted at imposing $50 additional surcharge on each TEU (twenty equivalent unit) container.

The delegation monitored the congestions at the port in the last couple of days. The CFTC may announce the additional surcharge soon, according to the sources.

The delegation held meetings with CFTC members in Bangladesh and called on State Minister for Shipping Quamrul Islam. The delegation also exchanged views with BGMEA (Bangladesh Garment Manufacturers and Exporters Association) President Fazlul Huq and other stakeholders on Thursday.

In the meetings, AC Lim expressed concern over the port situation and called for immediate solution to the congestion at the port.

According to port sources, the congestion situation at the port deteriorated and the turnaround time has increased to 7-9 days again.

According to the sources, although the congestion at the outer anchorage of the Chittagong Port reduced, it increased at the port jetty. Now, a ship has to wait for more than 36 hours to get goods loaded or unloaded. The vessel operators also have to pay additional berthing charges for remaining idle in the port.

Earlier, the feeder service operators imposed $130 surcharge on each TEU container on June 5. The surcharge however was withdrawn on September 6 following an agreement with the government.

The agreement was singed on the basis of understanding between the feeder operators and BGMEA leaders. The conflicting groups agreed that the cases filed by the BGMEA would be withdrawn and the surcharge realised after August 20 be refunded.

The state minister for shipping however said he knew nothing about imposing surcharge by the feeder operators. But he said AC Lim, chairman of the CFTC, met him.

PHOTO: BEPZA

Masud Ahmed, member (Investment Promotion) of Bepza, and Belayet Hossain, managing director of Bentasa Apparels (Pvt) Ltd, a local readymade garment company, exchange documents after signing an agreement in Dhaka recently. Under the deal, Bentasa will set up an apparel factory in Karnaphuli EPZ with an investment of US$ 7.03 lakh. Ashraf Abdullah Yussuf, Bepza executive chairman, among others, is seen.

Apec eyes stronger SME cooperation

XINHUA, *Hanoi*

Ministers of 21 Apec economies directed members of the regional forum's Small and Medium Enterprises Working Group (SMEWG) to ensure that they more effectively experience, undertake high-quality research and formally communicate best practice in sharpening SME competitive edges for trade and investment.

During the 13th Apec (Asia-Pacific Economic Cooperation) SME Ministerial Meeting wrapping up here Friday, the ministers in charge of SME proposed focal areas for SMEWG consideration, including innovation and cluster development, incubation and entrepreneurship promotion, rules and regulations, financing, and capacity-building in supply chain management.

The ministers encouraged the SMEWG to play a more proactive role in facilitating Apec members to share lessons learned in implementing business environment reforms, particularly those that enhance SME competitiveness for fair trade and investment.

They also encouraged the SMEWG to continue its cooperation with the Organization for Economic Cooperation and Development (OECD) -- an international body helping governments tackle the economic, social and governance challenges of a globalised economy.

The ministers welcomed progress made in the joint Apec-OECD project that aims to identify key barriers to SME access to international markets, to describe best practice programs, and to develop appropriate policy responses and other cost-effective initiatives to address the barriers.

Delegates to the two-day meeting also touched upon such issues as intellectual property rights (IPR), pandemic preparedness, and cultural industries.

They noted that an Apec pandemic preparedness for small business checklist will be developed before their next meeting slated for March 2007 in Australia with the theme of "Enhancing the Business Environment for SMEs." They emphasized the importance of preparedness and mutual cooperation between member economies in reducing negative effects arising from disasters.

PHOTO: PREMIER LEASING INTERNATIONAL

Premier Leasing International Ltd signed a loan agreement with Uttara Bank Ltd recently in Dhaka. Under the deal, the bank will provide Tk 8 crore loan for the leasing company. Shamsuddin Ahmed, managing director and CEO of the bank, and AZM Akramul Haq, chairman of executive committee of the leasing company, among other senior officials from both the sides, were present at the signing ceremony.

India's Mahindra & Mahindra buys 67.9pc stake in German firm

OUR CORRESPONDENT, *New Delhi*

India's leading company Mahindra and Mahindra has clinched a deal to buyout German forging firm Jeco Holdings AG in the biggest overseas acquisition by an Indian company in auto component sector.

Mahindra and Mahindra, through its component subsidiary Mahindra Systems and Automotive Technologies, acquired a 67.9 percent stake in Jeco Holdings AG, one of Germany's top five forging companies, for an undisclosed sum.

Jeco Holdings, which has primary focus on truck, bus and trailer market manufacturing gear box, engine, axle parts, and pistons heads, has three plants in Germany with a total capacity of 100,000 tons per annum and a turnover of 180 million Euro.

"With this acquisition, Mahindra group has taken an important step towards creating a global scale business in auto components. Jeco's presence in European forging markets will help us build a global business in this sector," Anand Mahindra, managing director and vice chairman of Mahindra Group told reporters on Thursday.

Among Jeco's main customers are Volvo, Renault, ZF Group and DaimlerChrysler Group.

The Mahindra Group's auto components business is estimated at around 550 million dollars and the acquisition of the German company is expected to give the Indian firm an opportunity in global auto component business, which is estimated at 5 billion dollars. In India, it has crossed the two billion dollar mark.

Gulf group to build $43b city in Pakistan

AFP, *Karachi*

Pakistan has allotted 12,000 acres of land to a Gulf construction group to develop two islands off the Karachi coastline at a cost of 43 billion dollars, officials said Friday.

The cabinet of Prime Minister Shaukat Aziz approved in principle the project but a formal agreement is yet to be signed with the United Arab Emirates Emmar Properties, they said.

The twin islands of Bundal and Buddo, located at the threshold of Port Qasim, one of the two operational ports of the country, have been earmarked as the site of the new city, to be built in a similar fashion to Dubai.

"We have allocated 12,000 acres (4,856 hectares) of land on the two islands to Emmar for the construction of the new city," chairman of the Port Qasim Authority vice admiral Asad Qureshi told AFP.

Emmar will fund 85 percent of the project while Port Qasim Authority's 15 percent share is in the form of the land, Qureshi said, adding the agreement would be signed soon.

Karachi is home to more than 12 million people and account for 95 percent of Pakistan's foreign trade and 30 percent of its industrial output.

As Pakistan's largest city it suffers from pollution, haphazard development and a poor quality of life for its dwellers.

China to grow 10.5pc in '06

AFP, *Beijing*

China's growth is slowing marginally but the economy is still forecast to grow by a super-fast 10.5 percent this year, the central bank's research bureau said in a report published Friday.

China's economy grew 11.3 percent year-on-year in the second quarter of the year and 10.9 percent for the first six months, spurring the government to step up cooling efforts with measures such as interest rate hikes.

The government set a target at the beginning of the year for growth of around eight percent in 2006.

USAID to continue support for shrimp industry

BSS, *Dhaka*

The US Agency for International Development (USAID) will continue its support for the development of Bangladesh's shrimp industry that is struggling to cope with quality shrimp exports to the West due to virus infections.

"The USAID is keen to extend its support for the development of the shrimp industry to raise income level of the poor and alleviate poverty in saline-prone areas," McDonald C Homer, team leader of the private sector unit, said at a workshop in Dhaka on Thursday.

WorldFish Centre, a USAID-funded NGO, organised the workshop to get feedback from the key players in the industry for designing future course of action for its ongoing Shrimp Quality Support Project (SQSP).

The project ends this month, but it is going to be extended further as the USAID has already shown interest in financing the project, sources said.

During the last nine months, the USAID provided around $ 650,000 to raise awareness and motivate farmers to grow virus-free quality shrimp in environmentally conducive ponds, WorldFish sources said.

WorldFish has identified 350 million virus-free larvae this year and supplied 3.5 million to its 767 network farmers, who got 2-15 times higher yield by using these.

Regional Director of WorldFish Centre Alan Brooks, Communication Coordinator Mohammad Mamunur Rahman, Regional Project Director Mohammad Kudrat-e-Kabir, among others, spoke at the workshop.

McDonald, who has been working on economic growth, food and environment for the last two years in the country, termed Bangladesh a most potential country for producing organic and other varieties of quality shrimps.

India cautions private air carriers against blind competition

PALLAB BHATACHARYA, *New Delhi*

Against the backdrop of mounting losses suffered by India's private air carriers, the government has cautioned them against blind competition, including fare war, and asked them to shore up their finances.

During a three-hour interactive session with owners of private airlines, Civil Aviation Minister Praful Patel said on Thursday that plans are afoot to draw up fresh regulations to ensure more serious civil aviation ventures to enter the burgeoning market in India.

"No longer would airline companies be granted the license and allowed to firm up their business plans. Now, airline companies have to first draw up their business strategy and recruit pilots and ground engineers and then seek a license," he said.

He cautioned the private airlines to maintain their financial bottom line in order to prevent a repeat of the aviation bubble and bust of early 1990s when a number of carriers, including East West, Damania, ModiLuft and NEPC, collapsed due to persisting losses.

His remarks came a few days after Air Deccan, the private low-cost airline, reported a cumulative loss of Rs 340 crore during a 15-month period ending June 2006. Air Deccan offers the cheapest airfare in different segments in domestic aviation.

Patel said all major airlines, including Jet Airways and low-cost Air Deccan and Spicejet, have reported losses cumulatively running into about Rs 600 crore.

The reports of losses in the aviation industry were a cause for concern for the government which did not wish to see any airline declaring itself sick, he said.

Kingfisher Airlines, a budget airline promoted by liquor baron Vijay Mallya, is estimated to have incurred losses to the tune of Rs 240 crore in the first year of its operation. Other major carriers like Jet Airways, Spicejet and Air Sahara are struggling to shore up the financial health.

While the profit of state-owned Air India came down, Indian Airlines is also facing pressure due to rising input costs. Even none of the new entrants in aviation sector like GoAir, IndiGo and Paramount are in the black, industry sources said.

Two most important reasons cited for the dwindling financial bottom line of the carriers are escalating price of aviation turbine fuel and cut-throat race to slash fare in order to attract more and more passengers.

While maintaining that the airline business was best run by the industry and not the government, Patel, however, said the government has a word of caution. "We do not intend to control fares or pricing strategy but the airlines must look at their overall financial health. We do not want a repeat of 1991".

Unctad calls for speedy resumption of WTO talks

PTI, *New York*

Underlining the need to open up the markets of developed nations to the poorer countries, United Nations Conference on Trade and Development (Unctad) Secretary General Supachai Panitchpakdi has urged the speedy resumption of the Doha round of trade talks.

"The suspension of the talks hurts the world's poorest most acutely," Panitchpakdi told the governing body of Unctad.

"The prospects of developing countries for export-led growth and development have diminished with the suspension of the Doha Round," he said.

The WTO talks have been in limbo for months, partly over subsidies given by wealthy nations to their agricultural industries, tariffs and quotas, which allegedly shuts poorer agricultural countries out of the global market.

"The distortions caused by subsidies in world agricultural trade will persist at the current level, thereby jeopardising the prospects of developing countries to generate additional export revenue and income from agricultural exports, including cotton," Panitchpakdi said.

Nepal's foreign employment up 25pc

XINHUA, *Kathmandu*

Nepali people leaving the country for employment abroad recorded an increase of 25 percent in the first two months of the current financial year starting in mid-July.

The workers mostly leave for 13 different destination, but 48 percent of them opt Malaysia as their work destination.

According to the latest report issued here Friday by the Department of Labour and Employment Promotion, workers mainly left for 13 different labour destinations during the review period, including Malaysia, Gulf countries, Israel, South Korea, Kuwait, China's Hong Kong, the United States and Russia.

The government report shows that a total number of 16,507 workers left for Malaysia in the first two months of the current fiscal year, compared to 12,196 of the same period last year.

In other words, a total number of 275 workers are currently leaving for Malaysia for employment every day.

Similarly, the number of workers leaving for Saudi Arabia and the United Arab Emirates (UAE) also went up by a hefty 123 percent and 6 percent, respectively, in the period.

According to statistics, a total number of 6,119 persons left for Saudi Arabia and 3,483 persons for the UAE in the review period.