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BSIA seeks law for protection of sick industries

Demands arbitration body to resolve problems

STAR BUSINESS REPORT

Owners of sick industries have urged the government to publish a gazette giving a directive to the commercial banks for keeping the identified and registered sick units out of the list of loan defaulters.

They also requested for formation of an 'arbitration committee' to find out the ways and means to reach a solution to the problems of such industrial units.

They made the plea while a 13-member delegation of Bangladesh Sick Industries Association (BSIA) led by its president Chowdhury Muhammad Ishaq met Sultana Kamal, industries adviser to the caretaker government, at the industries ministry in Dhaka yesterday.

The BSIA chief informed the adviser that presently the number of sick industrial units is 3499, 1,580 of which were identified as sick ones in FY 1991-92 by the then Sick Industries Rehabilitation and Reinstatement Cell (SIRRC) and the remaining 1,919 units are now registered with the industries ministry.

Ishaq also narrated their sufferings to the adviser for being sued as loan defaulters by some commercial banks as there is no law for protection of the sick industries.

Although the SIRRC was supposed to take necessary action for adopting a law in this regard within 90 days after defining which are sick units, it had not been able to do so even after 15 years passed, he lamented.

"Due to absence of such a law, the banks have filed cases under the Money Loan Court Act against the sick industries," he told the adviser.



A 13-member delegation of Bangladesh Sick Industries Association (BSIA) led by its president Chowdhury Muhammad Ishaq met Sultana Kamal, industries adviser to the caretaker government, at the industries ministry in Dhaka yesterday.

According to the SIRRC definition, the sick industries are those which have failed to make any profit for three consecutive years or could not stay at the break-even point for the same period.

The industries adviser assured the association of taking necessary measures on consultation with the ministry's secretary.

Additional Secretary of the Industries Ministry Dr Aiyub Miah, who was present during the meeting, said if it is possible to form an inter-ministerial committee, things would be easier to reach a solution

to the problems of the sick industries.

The BSIA officials said the 1,580 sick industrial units owe around Tk 300 crore to the nationalised commercial banks.

They said the Bangladesh Bank (BB) wrote off the debts, but it has not yet issued any circular in this regard, which is worrying the entrepreneurs.

Besides, through two circulars, one on June 9, 1987 and the other on November 12 in 1988, the BB instructed the commercial banks to extend working capital and collat-

eral-free loans to the sick industries, but the commercial banks did not comply with this instruction, complained the BSIA leaders.

The sick industries in various sectors include textile, leather, medicine, loom, food, chemical and rubber.

At least 200,000 employees were employed in those industries, and now at least 50,000 of them are unemployed leading inhuman life in absence of any alternative income source, said the BSIA leaders.

India cuts fuel prices

OUR CORRESPONDENT, New Delhi

The Indian government yesterday cut petrol prices by Rs two a litre and diesel by Re one a litre.

The price reduction would inflate losses incurred by oil companies on sale of diesel and reduce profits that they earn on petrol sales.

The prices of petrol and diesel were last reduced on November 16, 2004 but were raised three subsequently -- the latest being on June 5 this year.

Petroleum Minister Murli Deora announced the price cuts in Parliament.

The announcement came a day after the head of India's ruling coalition UPA and chief of Congress Sonia Gandhi had made the demand.

Within hours of Gandhi's demand, Deora met Prime Minister Manmohan Singh and discussed the issue of cut in prices of petroleum and diesel.

Deora stated last week that the government would consider reducing fuel prices if losses on diesel are wiped out by a suitable fall in international oil prices. He had pegged the trigger for a cut at around \$52 a barrel.

The Indian crude basket is currently trading at \$56.8 a barrel.

Finance Minister P Chidambaram said the price cut will help ease inflation to some extent. Global crude prices have seen a steady decline over the last few months and fallen to an average of about \$56-58 a barrel from a high of \$67 a barrel in June this year.

Global crude prices have been recording new high in the last two years and this had a major impact on India's oil companies as the country imports around 70 percent of its crude oil requirement.

Nepal introduces more liberal aviation policy

XINHUA, Kathmandu

The Nepali government has introduced more liberal aviation policy, allowing up to 80 percent foreign investment to establish Nepal-based international airlines companies, the local daily Kantipur reported yesterday.

"The government has aimed at promoting tourism and trade through the liberal policy," according to the vernacular newspaper.

The policy endorsed by the Council of Ministers on Monday is to ease the entrance of domestic and foreign private companies in the areas including the construction of airports and their expansion, as well as establishing maintenance companies and aviation schools.

Likewise, domestic airlines providing services for five years regularly will be given priority to acquire international aviation licenses.

The companies wishing to acquire license for international flights will have to manage paid up capital of 7 million US dollars. No Nepali airlines that acquired license for international aviation so far, have been able to provide continuous service in international flights due to their relatively weak financial condition.

8.9pc rise in tax revenue in Q1

BSS, Dhaka

The total collection of tax by the National Board of Revenue (NBR) during the first three months of the current fiscal (July-September, 2006) recorded a rise by Taka 627.52 crore or 8.90 percent to Taka 7680.99 crore compared to the collection of Taka 7053.47 crore during the same period last fiscal.

NBR revenue collection in September this year, however, fell by Taka 21.96 crore or 0.84 percent to Taka 2603.41 crore against Taka 2625.37 crore collected in the previous month, to meet the target of Taka 42915.00 crore this fiscal, according to a Bangladesh Bank review.

The total tax collection during FY 2005-06 rose by Taka 4186.41 crore or 13.36 percent to Taka 35512.98 crore, against Taka 31326.57 crore

in FY 2004-05.

The NBR and non-NBR revenue collection in FY 2005-06 was Taka 33986.81 crore and Taka 1526.17 crore respectively, compared to Taka 29905.12 crore and Taka 1421.45 crore respectively in FY 2004-05.

Total remittance receipts during the July-September period in FY 2006-07 went higher by US\$256.97 million or 23.99 percent to US\$1328.33 million from US\$1071.36 million during the same period last fiscal.

Remittances in September this year stood lower at US\$444.31 million against US\$471.22 million of the previous month but higher than US\$351.51 million of September, 2005.

Gross foreign exchange reserves of the central bank went down to US\$3447.43 million as of

end September this year from US\$3605.06 million at the end of the previous year due to import payments of US\$352.42 million as of September 5 this year. This was, however, higher than the US\$2760.99 million reserves as of end September, 2005.

Gross foreign exchange balances held abroad by commercial banks were higher at US\$695.32 million as of end September, against US\$644.06 million as of end August this year, which was higher than the balance of US\$451.90 million as of end September last year.

The annual average rate of inflation eased down to 6.99 percent in August from 7.09 percent of July this year. The rate of inflation on point to point basis fell to 6.67 percent in August from 6.77 percent in July this year.

India may allow FDI in higher education

Bid to rein in brain drain

PALLAB BHATTACHARYA, New Delhi

Indian government is preparing a legislation, which will look at allowing foreign direct investment (FDI) in higher education to help check brain drain, Commerce and Industry Minister Kamal Nath has said.

Addressing the India Economic Summit here on Tuesday evening, he said the bill would be finalised within a month and regulations for FDI will be formulated in consultation with all stakeholders. The bill is likely to be tabled in the budget session of Parliament in February next year, Nath indicated.

The commerce minister said the new universities that will be set up under the bill will offer new opportunities to the youth and can bring Indian teachers who are teaching abroad.

These universities, he said, will give same salaries and perks to the teachers they get abroad.

"There is a consensus in the government for looking at the pros-

pect of FDI in higher education given the level of brain drain in the country. We are studying the necessary safeguards that need to be put in place," said Nath.

He pointed out that more than 130,000 people go abroad every year for higher studies and "if we can retain even 60 percent of them then the scarcity of skilled manpower would be addressed to some extent."

Asked about possible resistance to the bill, Nath said some resistance is always there to introduction of a new reform but the government is convinced that the Indian education sector needs to be opened up to foreign investment gradually.

The new bill will help what Nath called 'urbanisation' of rural Indian youth who find themselves 'misfit' in urbanised world after graduation.

Americans' income in 2004 below 2000 levels

XINHUA, Washington

Despite significant gains in 2004, the total income Americans reported to the tax collector that year, adjusted for inflation, was still below its peak in 2000, The New York Times reported on Tuesday.

Reported income totaled 7.044 trillion US dollars in 2004, the latest year for which data is available, down from more than 7.143 trillion dollars in 2000, new Internal Revenue Service (IRS) data shows.

Total reported income, in 2004 dollar rates, fell 1.4 percent, but because the population grew during that period, average real incomes declined more than twice as much, falling 1,641 dollars, or 3 percent, to 53,974 dollars.

In 2004, individual income tax receipts were 21.6 percent smaller than in 2000 -- and indeed smaller than they were in 1997, the new IRS report shows.

The government collected 831.8 billion dollars in individual income taxes in 2004, down from 980.4 billion dollars in 2000 and 848.6 billion dollars in 1997.

Oil prices rise above \$61

AP, Singapore

Oil prices hovered around \$61 a barrel Wednesday as the market considered forecasts for colder weather in the United States and next month's Opec meeting.

In less than two weeks, the front-month crude-oil futures contract has climbed by more than \$5 a barrel, but prices are still trading within a range that has been roughly in place since the start of October.

Oil traders' focus is on supply, with just two weeks before a meeting of the Organization of Petroleum Exporting Countries and the approach of the Northern Hemisphere peak demand period. They were also watching for Wednesday's weekly U.S. government data release, which is expected to show across-the-board inventory gains.

Light sweet crude for January delivery was up 11 cents to \$61.10 a barrel in afternoon Asian electronic trading on the New York Mercantile Exchange.

Australia's wheat monopoly to split after bribery findings

AFP, Melbourne

Disgraced Australian wheat exporter AWB said Wednesday it will split up and spin off its export wing in a bid to save its monopoly after it was found to have paid bribes to Saddam Hussein.

AWB Ltd chairman Brendan Stewart said the firm deeply regretted its conduct, adding its reputation had been shattered by the scandal that rocked both big business and government and cast a pall over Australia's image.

The company was Monday hit by a damning report detailing payments of 220 million dollars in kickbacks to the former Iraqi dictatorship between 1999 and its collapse in 2003 in return for wheat contracts.

Prime Minister John Howard has said AWB could be stripped of its 67-year-old wheat monopoly, with changes expected as early as next week.

The AWB chairman announced the company would seek shareholder approval in 2007 to split AWB into a wholly grower-owned single-desk manager -- maintaining the monopoly -- and a commercial agribusiness operation.

"The proposed split will establish AWB International (AWB's export arm) as a wholly grower-owned manager of the national (wheat) pool," Stewart said.

"AWB International will also retain the obligation to ensure security of payments and maximise returns to wheat growers," he told reporters.

Stewart will step down as chairman after shareholders approve the split.

The board accepted accountability for the way in which it handled its wheat trade with Iraq and he said it was committed to making significant changes to ensure it did not happen again.

"Our reputation has been shat-

tered by the events of the past year.

"At the end of the day, the board ultimately accepts responsibility for what happened and is committed to making significant changes to make sure that it never happens again."

But Howard said AWB's moves to split would not prevent a far-reaching overhaul of the country's wheat marketing arrangements, in which AWB looks likely to lose its monopoly.

"It doesn't alter the view ... that the world cannot remain the same as a result of the Cole inquiry," said Howard.

The final report from an official inquiry into the "cash-for-wheat" scandal fingered the AWB for misleading the United Nations and the Australian government over its dealings with Baghdad.

Nassa Spinners to invest \$25.22m in Comilla EPZ

Bangladesh and Taiwan will establish a spinning mill -- Nassa Spinners Ltd -- in Comilla Export Processing Zone (EPZ) with an investment of US\$25.215 million, says a press release.

A lease agreement to this effect was signed between Bangladesh Export Processing Zones Authority (Bepza) and Nassa Spinners yesterday in Dhaka.

Masud Ahmed, member (Investment Promotion) of Bepza, and Md Altaf Hossain, director of the company, signed the deal on behalf of their organisations while Ashraf Abdullah Yussuf, Bepza executive chairman, among others, was present.

The joint venture company, which will create employment opportunity for 3792 Bangladeshis and six foreigners, will manufacture 30 thousand tonnes of yarn annually.



Masud Ahmed, member (Investment Promotion) of Bepza, and Md Altaf Hossain, director of Nassa Spinners Ltd, exchange documents after signing a lease agreement yesterday in Dhaka. Ashraf Abdullah Yussuf, Bepza executive chairman, among others, was present.

Microsoft to debut Vista OS for business

AFP, San Francisco

Microsoft will announce availability of business versions of its long-awaited Vista operating system on Thursday, according to analysts invited to a release event in New York City.

The final version of Microsoft's Office 2007 business applications software was to be available along with Vista.

"This is a business launch," said Gartner Research vice president Michael Silver. "Consumers will need to wait a little while."

Vista would be available worldwide in PCs on January 30, 2007, according to Microsoft co-president of platforms Jim Allchin.

Allchin declared Vista "rock solid" earlier this month when the Redmond, Washington, company began shipping software to computer programmers and manufacturers so they could tailor their wares to the systems.