

High fuel price costing country's paper mills dear

By Special Correspondent

Two paper mills run by the Bangladesh Chemical Industries Corporation (BCIC) are incurring an annual loss of over Taka 20 crore due to the high furnace oil price fixed by the Bangladesh Petroleum Corporation (BPC).

The BCIC authorities, who termed this price fixation as irrational, have already urged the government to ensure the supply of furnace oil at a more reasonable price for its industrial units.

The BCIC sources said that the corporation procures furnace oil from the BPC at the rate of Taka 7693 per tonne, while the same fuel is supplied by the BPC at Taka 4879 per tonne to the private sector industries in the northern region and also in some districts in the southern part of the country.

The BPC also exports furnace oil, added the sources, but at a much cheaper rate, of around Taka 3000 per tonne.

The BCIC requires about 70,000 tonnes of furnace oil a year for its three industrial units — the Khulna Newsprint Mills (KNM), North Bengal Paper Mills (NBPM) and the Hard

Board Mills (HBM) of Khulna. The corporation has to pay Taka 54 crore for buying fuel. Among these three industrial units, the two paper mills are incurring heavy losses while the Hard Board Mills earns a nominal profit.

Furnace oil is produced from the imported crude petroleum at the Eastern Refinery, a subsidiary of the BPC. The refinery produces around 2.5 lakh tonnes a year along with other products. In fiscal 1992-93, the ERL produced about 258523 tonnes of furnace oil. Of it, 107498 tonnes were exported.

The BPC is the only organisation allowed by the government to import and export petroleum and its products.

The BPC, a corporation under the Ministry of Energy and Mineral Resources, fixes the prices of its products in accordance with the policy formulated by the higher authorities of the government.

Concerned authorities in the BCIC said they have been facing this irrational pricing of furnace oil for about a decade now despite repeated attempts to draw

the government's attention to this problem every year. After several inter-ministerial meetings on the issue, the matter was referred to the Cabinet Committee for Finance and Economic Affairs about a year ago, but there has been no decision yet.

Offering three proposals about furnace oil, the BCIC urged the government to accept any one for making the fuel available at a fair price for the public sector industrial units. The proposals were:

(a) To allow the BCIC to import furnace oil for using in its industrial units;

(b) To supply furnace oil to the three concerned units of the BCIC at a subsidised rate, as provided to private sector industries; and

(c) To supply furnace oil to the BCIC's units at the same price fixed for export.

The BCIC authorities believe that if any of these proposals is accepted, then its industrial units will get furnace oil at a reasonable price which will reduce annual losses of the two paper mills by at least Taka 20

crore. While supporting the proposals, particularly the government's permission for importing furnace oil by the BCIC for its units, an official of the corporation said, "The government should allow us to import furnace oil for our consumption since the government believes in an open market policy."

The KNM is now sustaining total annual loss to the tune of Taka 15 crore while the NBPM's loss remains around Taka 17 crore.

If the oil price is reduced, then the BCIC will save at least Taka 20 crore from losses, claim the officials concerned. Even then the two paper mills will have to bear annual losses of around Taka 10 crore due to other reasons.

"This loss of Taka 10 crore is manageable — but the loss of Taka 20 crore which we have to incur only because of the present irrational pricing, is totally unjustified — and due to this heavy drain for years, the very existence of the two paper mills is now at stake," said an authoritative source in BCIC.

Plea to change attitude in airline business

Sheikh Ahmed bin Saeed Al Maktoum, Chairman of Emirates and President of the Dubai Department of Civil Aviation, warned against panic moves during the recession and called for an industry-wide change in attitude to tackle problems in the airline business, says a press release received here.

Delivering the opening address at the Financial Times Conference - After the Recession: World Commercial Aviation at the Crossroads — taking place till November 10 at the Dubai World Trade Centre, Sheikh Ahmed said: "The airline industry is unique. In times of recession, we seem to turn on each other and aggressively cut fares to try to grab a larger slice... But the final result of these panic moves is disaster."

Airlines should be flexible and be able to respond quickly to market conditions. The bottom line, said Sheikh Ahmed is the willingness to change.

"We at Emirates — and in the Dubai government — believe change is important, for the well-being of the state and the airline," stressed Sheikh Ahmed.



Fire engulfed the godown of Karim Jute Mills at Demra in the city yesterday. Picture shows jute being removed from the mills. — Star photo

New policy to set up micro industries urged

By Staff Correspondent

Bangladesh government will have to concentrate more on setting up small scale industries if it really wants industrialisation in the country.

Alok Dutta, Chief Executive of the Eicher Goodearth Limited of India said in an exclusive interview with The Daily Star yesterday.

Alok, who is now in Dhaka in connection with the company's new distributorship of vehicles said that the first initiative must come from the government side. It should formulate new policies and make necessary changes in the existing policies to encourage and enable the people to set up micro industries, he said.

Referring to India's experience in this regard, he said the first priority of the nationalised commercial banks (NCBs) of his country at the beginning was to finance the agriculture sector since the country's economy was mainly agro-based.

Then the NCBs concentrated on financing small scale industries, he said, adding that, in fact, the large scale industries could mainly be developed on a strong foundation of small scale industries and agricultural development.

Bangladesh would also have to follow the similar way of industrialisation since the factors were almost common in the two countries, he observed.

He also said that Bangladesh had one disadvantage of its small local market for which it was difficult for an industry to attain profitability without an additional market outside the country. So the government as well as the entrepreneurs of Bangladesh would have to plan a market outside the country while setting up industries, he maintained.

In this regard, Alok referred to the garments sector which achieved tremendous success in attaining a large external market thereby becoming a single largest foreign exchange earning sector of the country.

Alok also said that the banks of the country would have to play a more aggressive role to help develop the industrial sector.

The Eicher Executive said instability and uncertainty of various types and lack of longevity of the policies were the major constraints towards

industrialisation of the country. Corruption at high levels and procedural delay also acted as the negative factors for the industrial development of the country, he added. "But the situation is improving gradually and I am quite optimistic about the industrial development of Bangladesh," he said.



Alok Dutta

He also said although the country had a small market, it could be widened remarkably by increasing the purchasing power of the people.

"The large population of the country can be an advantage of having a larger market if the government undertakes appropriate policy measures," he observed.

Regarding the joint venture opportunities in Bangladesh, he said all the foreign investors would have to come forward with joint venture proposals with the local investors if they wanted a long-term market in this country.

China's industry grows 16.4pc in Oct

BEIJING, Nov 17: China's industrial growth slowed in October, but inflation rose slightly in major Chinese cities, an official newspaper reported Wednesday, says AP.

According to the State Statistics Bureau, industry grew 16.4 per cent last month from the same period last year, the China Daily reported.

That was down from September's 19 per cent and June's record 30 per cent.

Poor harvests threaten food supplies in Africa

ROME, Nov 17: Bad harvests, desert locusts and civil strife threaten food supplies in parts of Africa, the UN food agency reported, says AP.

The agency, in its November report, expected world cereal stocks to decline by 12 per cent following an anticipated production drop next year.

But the decrease would not likely threaten "world food security", the report added.

Bad harvests in Kenya have created the need for a major increase in food aid, and civil strife has cut into food supplies in Angola and Zaire, the report said. In Sudan, harvests have been plagued by desert locusts and a lack of rain.

The agency report also concluded:

— Poor harvests are predicted for Eritrea and Ethiopia, and large population movements are expected to affect crop production in Burundi.

— Sierra Leone and Liberia are expected to have poor harvests, while prospects for the rest of western Africa are "generally favourable."

— Food aid allocated to Somalia has been diverted to other countries following a good harvest and increasing stocks.

— In Mozambique, food aid distribution is improving although some areas remain inaccessible.

— Civil strife is responsible for alarming conditions in the former Soviet republics of Georgia, Armenia and Azerbaijan, as well as in Bosnia-Herzegovina and Macedonia. Iraq is also suffering from severe food shortage.

Number of foreign workers in Japan reaches 96,528 in June

TOKYO, Nov 17: The number of foreigners working in Japan reached 96,528 in June the labour ministry said in a report Tuesday, according to AP.

The ministry's first report on foreign workers in Japan said that 64,052 of the total were men and 32,476 were women.

It said 80,612 of the total were from Central and South America and 15,916 were from East Asia.

Some 70 per cent of the foreign workers were employed by small and medium-sized companies each with 299 or less workers, the report said.

ROK farmers protest rice imports

SEOUL, Nov 17: About 800 South Korean farmers chanting slogans against rice imports marched through Seoul on Tuesday, witnesses said, reports Reuters.

"Rice imports will kill six million of our farmers," they shouted as they set fire to bundles of rice stalks.

"Rice is our life," said some of the protest banners. Riot police kept a distance and permitted the protestors to march from a rally at a university campus in central Seoul.

The South Korean government has repeatedly vowed it will not bow to pressure to liberalise its restrictive farm policy.

But the country's politically powerful farmers fear the current Uruguay Round of global trade negotiations will force it to give way.



Bangladesh Garments Manufacturers and Exporters Association (BGMEA) held a press conference at the Jatiya Press Club yesterday in protest against the manhandling of Nurul Huq Sikder of the Pallmall Group of Industries by airport customs officials on Tuesday. Sitting from left: Nurul Huq Sikder, Redwan Ahmed MP and Fazlul Huq. — Star photo

Manila's GIR up by 6.7pc in Oct

MANILA, Nov 17: The Gross International Reserves (GIR) of the Philippines increased by 6.7 per cent to 5.67 billion US dollar in October from the 4.94 billion dollar in September, ending five months of continued declines in GIR, data released by the central bank showed, reports Xinhua.

Central bank officials said the 6.7 per cent month-on-month increase in the GIR was due largely to revaluation gains on the country's investments abroad as well as on its gold reserves.

Aside from overseas investments and gold reserves, the country's GIR also includes foreign exchanges and the Special Drawing Rights (SDR), currency of the International Monetary Fund.

After revaluation, the country's 3.95 billion dollar in September to 4.19 billion dollar in October.

German private investments in India rise

NEW DELHI, Nov 17: German investments in India rose by 50 per cent this year to reach 546 million rupees (17 million US dollar) in a year when German foreign investment declined worldwide, reports Xinhua.

According to the Indo-German Chamber of Commerce, the increase is in sharp contrast to the 22 per cent cutback in net foreign investments by German businessmen in 1992. It said, only a few countries showed a positive growth in the Asian group, the countries were India, Malaysia, China, and Singapore.

German private investment in India crossed one billion rupee (31 million dollar) during the first six months of 1993.

Privatisation of ex-Soviet farms go slowly

WASHINGTON, Nov 17: New private farms still account for only 10 per cent of the arable land in major agricultural regions of Russia, the Foreign Agricultural Service says, reports AP.

In a recent report on the world livestock situation, the Agriculture Department agency said agricultural change in the former Soviet republics is occurring "with great difficulty and resistance."

It is "by no means certain that market-driven livestock

sectors in these countries will eventually resemble livestock industries found in the United States and other developed market economies," the report said.

It said the change process is more one of reinventing the old large structures of state farms and collectives than the growth of smaller individual operations.

However, the report added, "if they can overcome the gross inefficiencies of the Soviet era, their potential for livestock production is vast, perhaps even changing the region from a net importer to a net exporter of livestock products."

New private livestock operations independent of old structures have been slow to develop

even though individuals have long held one or two animals privately, it said.

It gave three reasons for the delay:

— Although state farms and collectives are privatising by changing their legal structure, creation of new smaller farms typical of Western-style farms has proceeded very slowly.

— Those farmers who break with the state farms to set up their own operations are reluctant to take up livestock production. Startup costs with livestock are heavy, and the future is very uncertain.

— The current state farm and collective livestock operations do not lend themselves easily to livestock privatisation.

GENEVA, Nov 17: Following is a calendar of events and expectations up to a December 15 deadline for agreement in the Uruguay Round negotiations on a new world trade treaty, held under the General Agreement on Tariffs and Trade (GATT), reports Reuters.

NOVEMBER 16, GENEVA: GATT Director General Peter Sutherland chairs first session of a "heads of delegation" group to tackle key outstanding issues, including farming, anti-dumping rules and the creation of a Multilateral Trade Organisation (WTO).

In Brussels, European Community ministers discuss effort to persuade the US government to hold talks to clarify farm subsidies deal opposed by France, which was reached last November and is a key element in the round. The US has so far refused to reopen discussions.

NOVEMBER 17, WASHINGTON: Congress

due to vote on the North American Free Trade Agreement (NAFTA) accord linking the US, Mexico and Canada in a regional common market. Views vary on whether a NAFTA failure would seriously damage prospects for the round but it is unlikely to help them.

NOVEMBER 18, GENEVA: Sutherland holds what is billed as a major news conference to give GATT reaction to the NAFTA vote and set out arguments on the benefits to the world economy of a round accord.

NOVEMBER 19, GENEVA: Sutherland addresses the round's steering Trade Negotiations Committee (TNC) on the prospects for success. TNC delegations will also express their views and may spell out where they see blockage. The US, Japan and several other countries will present new market access offers.

NOVEMBER 20, GENEVA: All 116 countries involved in the round due to have pre-

sented their offers on market access for goods, including farm produce and textiles. The US and the EC have accused each other of holding back, while both are accused by Sutherland of "dancing round each other."

In Seattle, 14 Pacific rim leaders including US president Bill Clinton discuss creating vast free trade zone on the basis of the Asia-Pacific Economic Cooperation forum set up in 1989.

NOVEMBER 22, WASHINGTON: US Trade Representative Mickey Kantor and EC Trade Commissioner Sir Leon Brittan open three days of talks on outstanding issues in the way of a round accord. The EC says it will not update the market access offer it has already tabled in Geneva until after these talks.

NOVEMBER 26, GENEVA: Round countries due to have submitted final offers on access to their services market. The US and the EC want

more opening in Japan and other Asian countries and are still negotiating on how, or whether, "cultural" (audio-visual) products should get special treatment or be excluded. Other issues to be resolved include maritime services and taxation of foreign service providers.

Another session of the round's TNC is expected.

DECEMBER 2, BRUSSELS: EC foreign ministers meet in all-night session on the round. This gathering could finalise the community stance on outstanding issues.

DECEMBER 6, GENEVA: The final push for a round accord expected to begin. The "heads of delegation" group is expected to be in more-or-less permanent session under Sutherland seeking to iron out disagreements. Full TNC will be on permanent call.

DECEMBER 10/11, BRUSSELS: EC summit, at which community leaders discuss final positions on the round.

Tender Invitation Notice

Separate sealed tenders are invited from bonafide garage owners/contractors/suppliers for repair and supply of materials to the undermentioned motor vehicles of Jessore District Police.

1. Overall repair to Khulna 'KA' 1988 Isuzu Trooper.
2. Overall repair to Jessore 'KA' 151 Toyota Jeep.
3. Repair to Jessore 'TA' 1230 Isuzu Pick-up.
4. Repair to Jessore 'TA' Isuzu (NKR) 3 (three) ton truck.

Purchasable tyre/battery

1. New tyre & tube, size 920-14 ply mfd-Dunlop, India
2. New tyre & tube, size 750-16/12 ply mfd-Dunlop, India
3. New tyre & tube, size 700-15/12 ply mfd-Dunlop, India
4. New tyre & tube, size 600-14/8 ply mfd-Dunlop, India
5. New battery 12 volt-17 plate & 21 plate, 27 plate.

Schedule of tender and terms & conditions can be purchased from the office of the undersigned up to 27-11-93 during office hours at Taka 400 (four hundred) only (non-refundable).

Tender should be submitted by 12:00 Noon on 28-11-93 and will be opened on the same day at 12:00 Noon in presence (if any) of the tenderers. The undersigned reserves the right to accept/reject any or all tenders without assigning any reason.

DFP (G) 18606-11/11
G-1571

Police Super
Jessore

Calendar of events, expectations for world trade deal

BJMC Advertisement Press Tender

Sealed tenders are invited by the General Manager, Latif Bawany Jute Mills Ltd, Demra, Dhaka from bonafide experienced contractors for servicing and repair with supply of necessary spare parts of the 90-line Intercom Telephone Exchange of the mills. Interested parties can inspect the telephone exchange during office hours.

Tender schedule can be collected at Taka 100/= in cash per set (non-refundable) from the office of the General Manager (A&F) & Deputy General Manager (A&F), BJMC, Dhaka Zone, 99 Motijheel C/A, Dhaka up to the day before the Tender.

Tender with Pay Order/Demand Draft of Taka 2,000/= (two thousand) in favour of Latif Bawany Jute Mills as earnest money should be dropped in the tender box kept at the Administration Department of the Mills, Demra, Dhaka; Dhaka Zonal office, 99 Motijheel C/A, Dhaka & General Manager (Planning), BJMC, Adamjee Court, Motijheel C/A, Dhaka by 12:00 Noon on 28-11-93. Tenders will be opened separately on the same day at 12:30 PM before the tenderers (if any) present. No tender will be acceptable without earnest money. Past experience certificate of such work as mentioned must be submitted with the tender. The authority reserves the right to accept or reject any or all tenders in full or part without assigning any reason.

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