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Rajshahi, Thakurgaon silk factories incur Tk 8.15cr loss in 13 years

From Our Correspondent

RAJSHAHI, June 13: The country's two government silk industries — Rajshahi and Thakurgaon — have incurred a net loss of Taka 8.15 crore during last thirteen years beginning from 1981-82 fiscal year.

The government provided more than Taka 50 lakh as subsidy, in addition to regular expenditure, to the Bangladesh Sericulture Board (BSB) to ensure supply of mulberry plants and silkworm eggs among the farmers for cultivation.

The two industries could not earn profit even after they were brought under the control of Bangladesh Sericulture Board.

According to sources, the reasons for the loss are excess manpower, enhancement of salary of the officers and workers, labour unrest, corruption, mismanagement and use of outdated machinery.

The two factories laid off excess workers had to make good the loss but the authorities were later compelled to reinstate them all.

Rajshahi Silk Factory, the biggest of its kind in the country, was placed under Bangladesh Sericulture Board in 1977. Since then it had incurred loss of about Taka 6.66 crore in seventeen years. The amount of loss is on increase every year since 1988-89 fiscal year and was estimated at Taka 69.94 lakh in 1992-93 and Taka 72.54 lakh up to April this year.

Thakurgaon Silk Factory was handed over to BSB in 1981. It has also incurred a loss of about Taka 2.06 crore in the last thirteen years. The amount of loss was Taka 25.57 lakh in 1992-93 and Taka 13.09 lakh up to April of 1993-94.

The government had resorted to steps at the beginning of the fourth five year plan to turn Rajshahi Silk Factory into a profitable one and constituted a Board of Enterprises to improve the management of the factory, but all went in vain.

On the other hand, it was decided to sell the Thakurgaon Silk Factory in its existing condition but the decision could not be implemented even after three years due to extreme pressure of the workers union.

BSB sources, however, revealed that discussions with the workers and buyers had been going on to sell the factory.

Tender may be floated soon to dispose of the factory.

According to reports, the reeling wing of the Rajshahi Silk Factory is causing about two-third of the losses and that is why the authorities have decided to reduce the section. At present there are 80 reeling basins in the factory of which only 15-25 basins are in working condition everyday depending on availability of cocoon. The authorities took the decision to reduce the number of reeling basins to 20 and transfer the excess manpower of the section to other sections.

Foreign and national experts have visited the factory many times and suggested steps to make it profitable which included, among others, separation of management from the Sericulture Board, repair of machinery and buildings, providing additional capital, termination of the excess manpower, treating the units of the factory as small industry so that it could be kept away from union activities which hampers normal production.

They also suggested to sanction sufficient money every year to maintain the research and training institute and nursery units.

Quality of life not equal to economic recovery in Philippines

MNILA, June 13: The quality of life in the Philippines has failed to keep pace with a robust economic recovery which saw the gross national production (GNP) hitting a higher-than-expected 4.84 per cent annual growth in the first quarter, an official said here, reports AFP.

"When we monitor development, we also look at social indicators such as infant mortality, crude birth rate, literacy rate and access to housing," said Dante Canlas, Deputy Director of the National Economic and Development Authority (NEDA).

"Our social indicators lag behind our GNP indicators," he said in an interview published in the Philippine Inquirer today.

Canlas said Manila did not want "a situation where some sectors of society lag behind while real GNP is growing," he said, citing he Mexican peasant revolt in Chiapas state earlier this year.

We should draw lessons from the recent experience of Mexico. While Mexico recovered very strongly in the past three to four years. It was marred by the ugly incident in Chiapas, where a segment of the population felt they were being left behind in the development race, he said.

"The government recognizes this lesson very well," Canlas said, adding that President Fidel Ramos medium-term development plan called for "poverty alleviation, growth, stability and equity."

Congress has passed several tax measures designed to address chronic budget deficits, but an International Monetary Fund mission here last week warned Manila to keep track of the inflation rate, which rose to 10.1 per cent last month.

"We are optimistic that we would reach at least 4.5 per cent growth for the whole year," Canlas said. "We see no factor that will dampen growth.

Philips lamps export to Pakistan: Transcom Electronics Limited licensed manufacturer of Philips lighting products in Bangladesh exports electric bulbs to Pakistan. Obaidur Rahman Khan, Executive Director and other senior officials of Transcom Electronics Limited were present while consignment was booked for shipment.

DSE withdraws suspension of trading of Ctg Cement's shares

The suspension of trading of the shares of Chittagong Cement Clinker Grinding Co Ltd was withdrawn from the close of business yesterday, DSE said, reports UNB.

Dhaka Stock Exchange suspended the business of the company on June 1 following depression of its share price unduly in a crisis.

The price of the share of the company declined sharply from Tk 444.85 to Tk 292.09 due to alleged malpractice by the company with the general shareholders.

CITech starts data entry programme

CITech Co Ltd, a leading computer company, which signed an agreement with Transcription International has started its data entry training programme, says a press release.

The data entry job involves medical information in the form of audio voices to be inputed into text. It has created a tremendous impact on young doctors and has been appreciated by a large number of people.

The programme is being conducted by Dr Mahbubur Rahman Chowdhury, renowned eye specialist of Dhaka Medical College. Expert from Transcription International will visit Bangladesh to train up people for this type of specialised data entry job.

Donors agree to release $42m to PLO

PARIS, June 13: International donors on Friday agreed to release 42 million dollars to cover a deficit in the operating budget of the Palestinian self-rule administration on the Gaza Strip and in Jericho, reports AFP.

The donors, in a statement issue after a meeting here, also confirmed a pledge to provide 720 million dollars this year to fund specific projects to improve the lives of Palestinian population in the two regions where Israel has granted autonomy.

Nabil Shaath, Palestinian representative on a donor liaison committee, said the 42 million dollars would be deposited in the next few days with the World Bank and with the Johan-Joerge Holst Fund, name for the late Norwegian Foreign Minister who helped broker an autonomy accord last year between Israel and the Palestine Liberation Organisation.

The cost of establishing a Palestinian administration in Gaza and in the West Bank town of Jericho has been estimated at 168 million dollars in 1994. The 42 million dollars ordered released on Friday will be supplemented by an instalment of 91 million dollars that has already been pledged by donor nations.

Liaison committee had announced that another meeting would be held here July 10 and 11 to raise the remaining 91 million.

Shaath said salaries of Palestinian civil servants, who began working in April, were now assured until the end of August.

He said funding would be administered by Pedcar, the Palestinian Economic Development and Reconstruction Council, which has established branches in Gaza and Jericho.

Shaath added that the permanent members of the donor committee meeting here-Canada, the European Union, Russia, Saudi Arabia and the United States — were now convince of the reliability of the new Palestinian administration.

He predicted that PLO Chairman Yasser Arafat would soon make an eagerly awaited visit to Gaza and Jericho, probably before the July meetings.

Arafat on Wednesday had threatened to put off the visit until the promise international funding had been released.

Seminar on tax policy in Asia-Pacific area begins today

A three-day fourth symposium on tax policy and reforms in the Asia-Pacific region will be held at Sonargaon Hotel in Dhaka from today (Tuesday), says a press release.

The symposium is being organised by the Asian Development Bank in collaboration with the Bangladesh Institute of Development Studies (BIDS).

Finance Minister M Saifur Rahman will open the symposium while the State Minister for Planning Dr A Moyeen Khan will preside.

The symposium is part of the ADB's programme to strengthen policy-making capabilities in developing member countries. Its main objective is to promote understanding and mutual cooperation among policy-makers in the region on the parameters and goals of tax reforms.

Mahbubur Rahman, President of the Federation of Chambers of Commerce and Industry, giving away certificate to a student who has completed a 10-week course on production management in apparel industry organised by the Independent University, Bangladesh (IUB) at a simple ceremony at Baridhara in the city recently.

BIBM course on human resources management ends

A course on human resources management conducted by Bangladesh Institute of Bank Management (BIBM) was concluded in the city yesterday, says a press release.

A H M Nurul Islam Choudhuri, Director General, BIBM, presided over the concluding session of the course. He also distributed certificates among the participants.

Md Abu Bakar, Shahnaz T Abdullah and Proshanta Kumar Banerjee, members of the BIBM Faculty, served as coordinators of the course.

Indian gold jewellers trying to adapt to changing trends

BOMBAY, June 13: Indian gold jewellers are trying to adapt to changing trends which have turned jewellery from a traditional middle-class hedge against inflation into a fashion accessory, reports AFP.

They are getting help from the World Gold Council, which has prepared an action plan to make them catch up with the latest in consumer tastes.

Pedro Bertran, Area Manager of the Council for India and the Middle-East, said the scheme aimed at making the jewellery industry more efficient and competitive as well as boosting exports.

"We will offer a total package for the Indian gold jewellery industry — technical assistance, product design and advice, marketing expertise and promotional support," he told AFP here.

Beginning October, a series of technical conferences and consultancies will be held all over India to take "new skills and technologies in casting and alloying to even the smallest jewellery fabricator," Bertran said.

The council, which is setting up offices here and in Madras and Calcutta, is releasing a "gold jewellery design trend book" to acquaint Indian jewellers with current and future trends in fashion.

Bertran said Indian jewellers put too much stock by traditional designs.

"The industry here is not responding to evolving consumer needs," he said. The offerings in terms of design remain extremely traditional. The quality is also poor.

"There has to be evaluation from tradition. We are not saying you must copy designs from Italy or Germany but you cannot avoid modernising," he added.

Market surveys have shown a switch in gold consumption patterns over recent years in India, where buying gold jewellery was once seen as a safe investment and the metal was hoarded as a middle-class hedge against inflation.

Now, jewellery is bought less as an investment and more for design and wearability in a reflection of the changing consumer attitudes, said Bertran.

India maintained its position as the world's single largest gold market last year, but imports of the metal fell to 424 tonnes, 30 tonnes less than 1992.

Some 300 tonnes of gold jewellery was produced in 1993, 90 per cent of it for domestic consumption in the country where gold ornaments are a compulsory part of a bride's trousseau in every middle-class marriage and passed on from generation to generation as family heirlooms.

The Indian government in 1992 scrapped gold controls, allowing expatriates to import gold as part of its market reforms, and the number of jewellers has mushroomed from 20,000 then to 200,000 now.

But if jewellers do not act to keep up with the latest trends, they would see demand for their products decline as it happened in such countries as Taiwan, China and Turkey, said Bertran.

"With liberalisation, the Indian consumer has a wide variety of choices. Consumer goods are flooding the market. It is logical for attention to shift. Indian jewellers should now market jewellery like any consumer item," he said.

India's jewellery exports in the fiscal year to March 31 earned 350 million dollars, a 22.8 per cent jump over the previous year, and are posed to hit 400 million dollars in the current financial year.

Fabic Torbuli, Chief Executive of the World Gold Council for Europe, the Middle-East and India, said India had the potential to become the world's most important producer and exporter of gold jewellery.

"There is a huge, untapped potential for further expansion, both domestically and in the export business," Torbuli said, adding that the domestic market should however be seen as a "prime focal point" for India to become a world leader.

Foreign investment up in US

WASHINGTON, June 13: Foreign spending to acquire or establish US business enterprises rose 71 percent to 26,200 million dollar in 1993 after four years of decline, says USIS press release.

However, even after this increase, new foreign direct investment outlays in the United States remained well below the levels in 1987-90, whey they ranged from 40,000 million to 70,000 million dollars the US Department of Commerce reported.

The increase in 1993 follows declines of 40 per cent in 1992 and 61 per cent in 1991.

The largest investors were from the United Kingdom, Canada and Germany. Outlays of Japanese were 1,800 million dollar only a fraction of their 1990 peak of 19,900 million dollar.

The department said that improved earnings of companies in the United Kingdom and Canada allowed these firms to increase their US holdings.

Asian currencies finish week mixed

HONG KONG, June 13: The region's currencies finished the week mixed as attention continued to focus on North Korea's suspected nuclear programme and US-Japan trade talks in Tokyo, reports AFP.

JAPANESE YEN: The Japanese currency gained ground sharply to close at 104.07 yen to the dollar on the Tokyo foreign exchange market Friday, up one yen from the 105.07 yen finish a week earlier.

Speculation arising from warnings by US trade representative Mickey Kantor over Japan-US trade issues made investors to sell dollars for yen, market sources said.

AUSTRALIAN DOLLAR: The Australian dollar closed the week Friday about two-fifths of a US cent lower as international commodity prices fell, analysts said.

The domestic currency finished here at 73.45 US cents from the previous week's close of 73.17 US cents.

"The Australian dollar fell against the US dollar . . . as the Commodities Review Board (CRB) index fell back on weaker precious metals, oil and grain prices," said a report by Commonwealth Bank of Australia.

HONG KONG DOLLAR: The Hong Kong currency closed the week slightly weaker against its US counterpart at 7.742-7.743 from last week's close of 7.727-7.728.

INDONESIAN RUPIAH: The Indonesian currency closed the week down at 2.158 to the dollar against 2.156 rupiah a week earlier. The rupiah started the week at 2.157 rupiah against the dollar on Monday.

MALAYSIAN RINGGIT: The ringgit ended the week 67 points lower at 2.5967 against the US dollar on strong demand for the Greenback.

It was at 2.5900 to the dollar last week.

Dealers said, however, that they expected to see the ringgit strengthen to at least 2.55 in the coming week in anticipation of a better than expected first quarterly growth figure for the domestic economy to be released by Bank Negara, the central bank.

NEW ZEALAND DOLLAR: Dull trading saw the New Zealand dollar close Friday worth 58.90 US cents, down on the close a week earlier of 59.30. It has been dull and boring.

The Kiwi is expected, however, to continue rising in value, promoting concerns from exporters that it could affect their businesses.

PHILIPPINE PESO: The Philippine peso gained against the US dollar this Friday at 26.885 from last week's 27.153.

SINGAPORE DOLLAR: The Singapore dollar strengthened against the US dollar to 1.5340 from 1.530 the previous week.

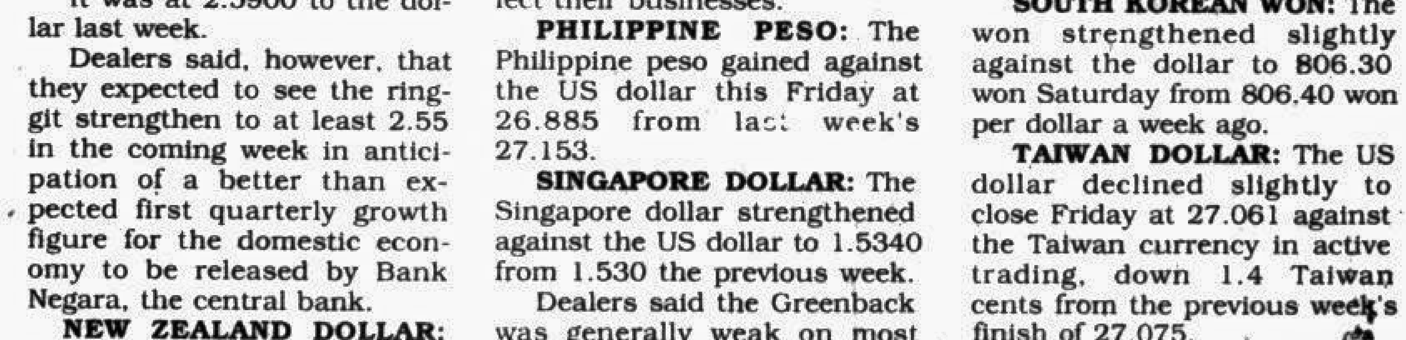
Dealers said the Greenback was generally weak on most trading days and its lower trend against the Singapore dollar was in line with its general weakness against other major currencies.

Demand for the US dollar was very subdued with the market paying attention to the German mark and the Japanese yen.

SOUTH KOREAN WON: The won strengthened slightly against the dollar to 806.30 won Saturday from 806.40 won per dollar a week ago.

TAIWAN DOLLAR: The US dollar declined slightly to close Friday at 27.061 against the Taiwan currency in active trading, down 1.4 Taiwan cents from the previous week's finish of 27.075.

THAI BAHT: The Bank of Thailand's exchange Equalisation fund (EEF) Friday fixed the official mid-rate at 25.21 baht to one US dollar.



The visiting high-powered Japanese investment team led by Kazuo Haruna, vice-chairman of the Federation of the Japanese Economic Organisations (Keidanren) visited garments division of Fortuna Group at Kunea, KB Bazar, Gazipur yesterday. Japanese Ambassador in Bangladesh Shigeo Takenaka was also present.