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# The Daily Star BUSINESS

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**HYUNDAI**

CARS THAT MAKE SENSE

## Paksey Paper Mills loses Tk 12cr in '94-95

PABNA, Aug 23: North Bengal Paper Mills at Paksey in Ishurdi thana of the district incurred a loss of Tk 12 crore the last fiscal year, reports UNB.

According to a source, the production target was 12,000 metric tons of white paper in the mills last year. But it produced 11,600 tons, 400 tons short of the target.

The mill was established in 1967 for producing white paper by using bagasse of sugar mills aiming to meet the requirements of white paper in the region.

Mentionable that there are at least six sugar mills in the surrounding areas of Paksey and the bagasse produced in these mills are being used as raw materials for making paper.

Although, there was an easy source of raw material and its cost is also low, the Paper Mills have been running in loss since its operation. It was gathered that the mills incurred a loss of about Tk 100 crore during the period.

The main reasons for incurring loss are said to be mismanagement, malpractice, corruption and over-staffing.

At present, there are 1,700 staff, including 550 officers. Reliable sources said nearly 800 staff, including 300 officers are surplus and they have no work to do, practically.

Last year, the mill purchased 13,300 tons of green jute for using as raw materials.

## Prices of all teas fall this season

CHITTAGONG, Aug 23: The prices of all categories of tea fell by Tk 7.89 per kg on average as the current season's (1994-95) rate declined to Tk 41.27 per kg from Tk 49.16 of the previous season, reports UNB.

This was stated in a tea market review report of 1994-95 season prepared by National Brokers Ltd, one of the famous and pioneering tea traders of the country.

The report says, owing to poor prices the current season was very disappointing for the tea industry resulting in substantial losses to the growers.

"The depressing trend seriously threatened the financial viability of many estates as the cost had risen sharply due to price escalation of all inputs and wages and much higher subsidies for the food supplied to the working-forces," it adds.

Despite may formidable hindrances and also absence of favourable weather, the country harvested a record crop of approximate 51.6 million kgs which was much higher than the previous record of 50.5 million kgs achieved in season '93-94.

The report revealed that export quantity is lower than the last year in spite of additional supply. During the season till July-April a total of 25.3 million kgs have been shipped as against 26.3 million kgs in the similar months in the last financial year.

This lags behind the projected figures of 40 million US dollar as chalked up by the authorities for the fiscal year (July-June).

Up to April '95 only an amount of approximately 29 million US dollars has been realised, it said, adding that during the subsequent two months of the period, export is likely to remain quite low.

It further showed that internal consumption slightly increased where 18.7 million kgs were purchased by the loose tea buyers as against 16 million in the previous season.

Sales of Blenders/Packers also indicate a fair increase and the total volume could be in excess of Tk of 4.5 million kgs.

The report mentioned that the recorded sharp fall of prices globally is because of depressed export demand, particularly from Russia and CIS countries where foreign exchange constraints curtailed imports.

The report, however, forecast that local crops is very badly effected by a prolonged drought in this season and it would be difficult task for growers to recover deficit suffered in the early months, and it could be drastically lower than last year.

### Ctg tea auction

BSS report says: There were good demand for certain grades of teas while some others were in less demand with prices declining at the weekly tea sale

held in Chittagong on Wednesday, market sources said.

Buyers for brokers operated strongly for bolder and larger varieties export as well internal buyers showed fair interest for smaller brokers which were firm to occasionally dearer. Fannings continued to be a weak feature of the sale with the prices dropping between Tk one and Tk one point fifty per kg, especially the plainer lines.

Bold brokers met with keen competition and were generally a dearer market appreciating by up to 50 paise per kg. Larger brokers were fully firm. Medium brokers met with more competition and were firm to slightly dearer of ten by 50 paise. Smaller brokers were generally firm. Popular types sold well between Tk 47/- and Tk. 52/50 per kg.

Primary fannings met with a less demand and prices declined progressively with the advance of sale and were generally Tk one lower than last levels with some withdrawals. Popular types met with a fairly strong demand and sold between Tk 45/- and Tk. 52/40.

Three hundred sixty chests of green tea on offer met with a selective demand.

Two thousand one hundred six chests and 235 gunny sacks of dust category on offer met with a less demand generally at easier rates.

There were 17,977 chests of teas on offer.

## Bangladesh Lamps declares 100pc bonus shares, 15 pc dividend

By Staff Correspondent

Bangladesh Lamps Limited declared 100 per cent bonus shares and a cash dividend of Tk 15 per share at 34th annual general meeting held yesterday. Bangladesh Lamps Limited is the official licensee of Philips Electronics NV Holland for lighting products and manufacturer of Philips electric bulbs.

Latifur Rahman, Managing Director of the company, presided over the meeting which was attended by a large number of shareholders.

The meeting approved the annual report and accounts of the company for 1994, during which the company made a pre-tax profit of Tk 5.29 crore as against Tk 4.39 crore in 1993.

The company also held an extraordinary general meeting preceding the AGM which approved the increase of its authorised capital from Tk 3 crore to Tk 50 crore.

The Board of Directors of the company comprises A S Mahmud, Latifur Rahman, Saifur Rahman, Atiqur Rahman, Shamsur Rahman and Shahnaz Rahman.

The Transcom Companies, which include Bangladesh Lamps Limited, contributed a total of Tk 49 crore to the national exchequer in 1994. This figure is likely to exceed Tk 55 crore this year.



The 34th annual general meeting of Bangladesh Lamps Limited was held at Dhaka Sheraton Hotel yesterday. It was presided over by Latifur Rahman, Managing Director of the company (top). The shareholders seen attending the AGM (bottom).

## Over 2 lakh MT urea in stock

The present democratic government is determined to ensure adequate availability of fertiliser to the farmers and accordingly all necessary measures are being taken, says a press release.

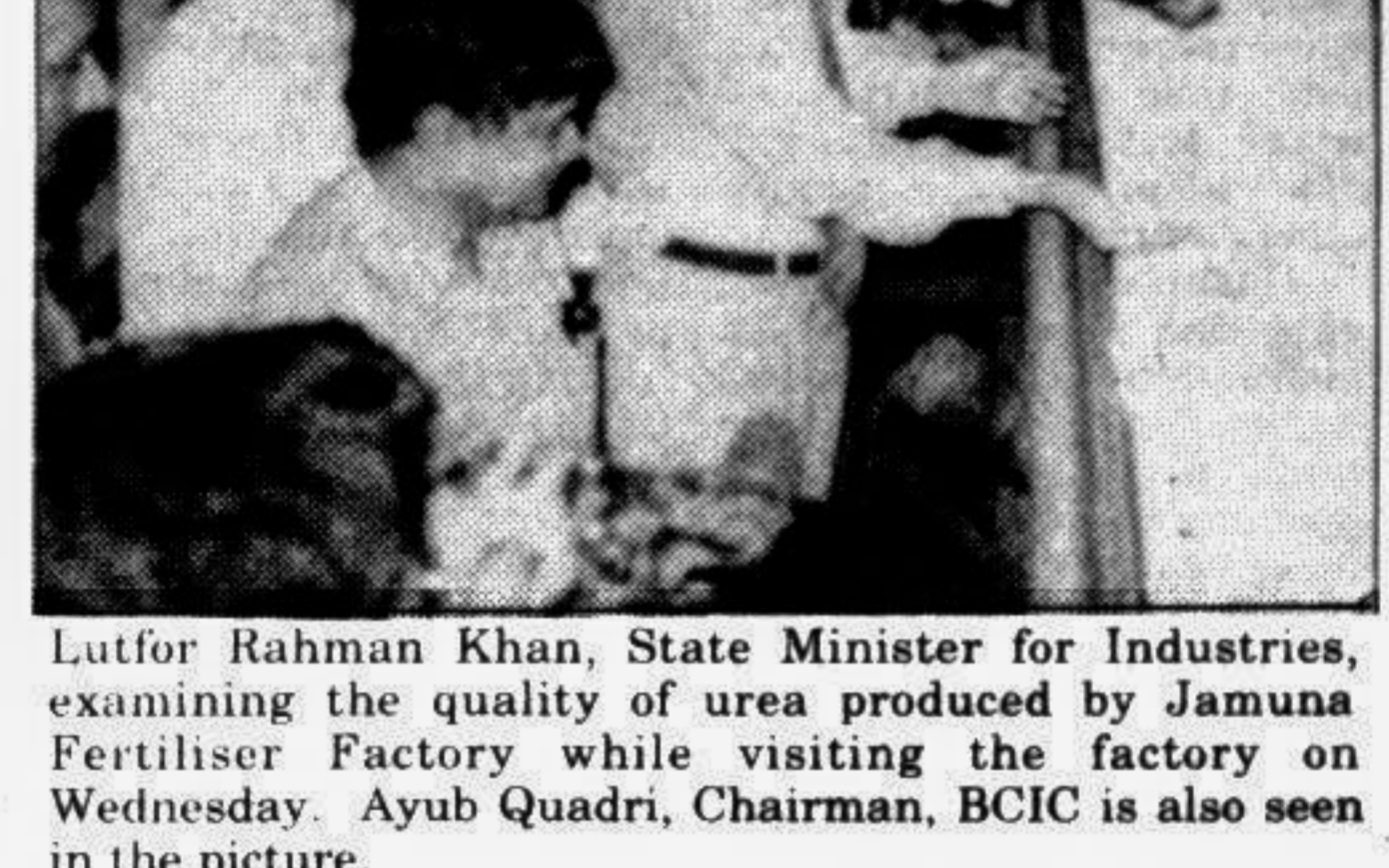
The urea factories have more than 2 lakh MT urea in stock. These six urea factories have target of producing 21.65 lac MT urea during the current year 1995-96. There is no shortage of fertiliser in the country. Lutfor Rahman Khan, State Minister for Industries, made this observation today while visiting Jamuna Fertiliser Factory, an enterprise of Bangladesh Chemical Industries Corporation (BCIC) at Tarakandi in the district of Jamalpur. He went round the various sections of the factory and reviewed the mode of supply through various means of transportation viz. railway wagon, barge, trucks etc.

State Minister in Charge of Ministry of Industries directed the management of Jamuna Fertiliser Factory to maximise delivery of urea to the buyers. Simultaneously, he instructed them to build up buffer stock at the different strategic locations of the country to ensure quickest supply of fertiliser to the remote and inaccessible areas of the country for obviating possible price increase. Stern measures will be taken against persons concerned for any default or failure in accomplishing this sacred

task. The minister urged upon the factory management to optimise production making full use of the installed production capacity. For this purpose he called upon the management to undertake timely and effective maintenance of the plant and machinery. He was informed that the factory has set a target of producing five lac 50 thousand metric tons of urea during the current year 1995-96 as against actual production of four lac 40 thousand tons during the preceding year (1994-95). The factory has produced 75 thousand tons of urea during the first five days of the current year commencing from 1st July, 1995.

The minister put emphasis on enhancing productivity in all spheres of operation, advised the management of the enterprise to minimise cost of production and ensure profitable operation of the factory.

Ayub Quadri, Chairman, BCIC was present during the visit.



Lutfor Rahman Khan, State Minister for Industries, examining the quality of urea produced by Jamuna Fertiliser Factory while visiting the factory on Wednesday. Ayub Quadri, Chairman, BCIC is also seen in the picture.

## Asia Foundation presents books to Janata Bank

The Asia Foundation through Financial Sector Reforms Project, presented books on economics, marketing, financial analysis and computers to Jalilur Rahman Chowdhury, Managing Director, Janata Bank, says a press release.

To mark the occasion, a presentation ceremony was held on Monday in the Board Room of the bank.

P J Vath, team leader of Financial Sector Reform Project formally handed over the books on behalf of the Asia Foundation.

It may be mentioned that more than 600 books on the above subjects were earlier presented to Janata Bank through FSRP.



Jalilur Rahman Chowdhury, Managing Director, Janata Bank, receiving the Asia Foundation books on economics, banking and related subjects as presentation from P J Vath, FSRP team leader at the bank's head office in the city on Monday. Golan Mustafa, Deputy Managing Director, A R Bernard, International Banking Consultant, A M Shamsuddin, National Banking Consultant, A S M Sharful Anam, General Manager, and W R Towheed, Deputy General Manager, are also seen in the picture.

## BIBM course on banking laws & practices ends

A 15-day training course on 'Banking Laws and Practices' conducted by Bangladesh Institute of Bank Management (BIBM) was concluded yesterday, says a press release.

Objectives of the course were to acquaint the participants with the laws related to banking and to improve their operational skills.

The course contents, inter alia, included Financial System of Bangladesh, legal aspects of opening accounts and operation of different types of accounts, letter of credit, service rules and regulations in banks, laws and practices relevant to banking etc.

A H M Nurul Islam Chowdhury, Director General of BIBM chaired the concluding session of the course and gave away the certificates to the participants from different banks and financial institutions. While speaking on the occasion.

Choudhury expressed the hope that the participants, trained in the course, are now well-equipped with requisite and modern knowledge about laws and practices of banking.

## Fed Express launches 1st intra-Asia overnight network

Federal Express Corporation yesterday announced details of AsiaOne, its new overnight delivery network connecting 11 major Asian commercial and financial centres. Using the company's new Subic Bay hub in the Philippines, the AsiaOne network will offer a unique service to exporters and importers by fully integrating Asia with the FedEx system around the world. AsiaOne will come into service on September 4, says a press release.

"For the first time ever, shippers will have the most extensive overnight delivery service available within Asia for shipments of every size and weight, a service unmatched by any other carrier," said Joseph C. McCarty, senior vice president - Asia/Pacific Region. He continued, "now we can truly deliver the world on time."

AsiaOne offers overnight service between Seoul, Tokyo, Osaka, Taipei, Hong Kong, Kaohsiung, Bangkok, Manila, Penang, Kuala Lumpur and Singapore. In addition, these flights will connect with international flights, linking Asian customers to North America, Europe, the Middle East, Africa and Latin America. Besides connecting more locations, the AsiaOne network will allow shippers later pick-ups and earlier delivery times.

## ITT corp creates 3 separate cos

The Board of Directors of ITT Corporation has approved a management plan to spin off its corporation to shareholders to create three separate publicly owned corporations, says a press release.

The transaction involving sales and revenues of some 25 billion US dollars is one of the largest of its kind in business history and would be grouped into three categories: insurance services, industrial products and hospitality and information services.

Created in 1920 as a telephone operating company ITT grew into a unique company on the international business scene - International Telephone & Telegraph, later to be known as ITT. In the late 60s and 70s ITT acquired more than 250 companies including AVIS Rent a Car, Continental Baking Company, Sheraton, Hartford Fire Insurance and others. Today ITT successfully has become more focused multinational giant with service and manufacturing operations in over 100 countries around the globe.

## Banker suggests distribution of loans, not concentrating in a few hands

By KA Mazid

More than one hundred years ago, Hugh M' Culloch then Comptroller of the currency and later secretary of the treasury, government of the United States of America had pointed out some significant measures in an address to its all national banks.

His advice is still very relevant particularly, in our context.

The points that the bankers should keep always in their minds, are:

Let no loans be made that are not secured beyond a reasonable contingency. Do nothing to foster and encourage speculation. Give facilities only to legitimate and prudent transactions. Make your loans on as short time as the business of your customers will permit, and insist upon the payment of all loans at maturity, no matter whether you need the money or not. Never renew loans merely because you may not know where to place the money with equal advantage if the loan is repaid. (Never make a

loans because you have excess liquidity unless you are happy with the risk).

Distribute your loans rather than concentrating them in a few hands. Large loans to a single individual or firm, although sometimes proper and necessary, are generally injudicious, and frequently unsafe. Large borrowers are apt to control the bank, and when this is the relation between a bank and its customers, it is not difficult to decide which in the end will suffer.

Every dollar that a bank loans above its capital and surplus, its managers are under the strongest obligations to its stockholders, to keep its loans constantly under its control.

Treat your customers liberally, bearing in mind the fact that a bank prospers as its customers prosper, but never permit them to dictate your policy.

If you doubt the propriety of a loan transaction, give the

bank the benefit of the doubt and decline it, never make a loan if you doubt the propriety of doing it. If you have reasons to distrust the integrity of a customer, close his account. Never deal with a rascal under the impression that you can prevent him from cheating you. The risk in such cases is greater than the profits.

Pay your officers such salaries as will enable them to live comfortably and respectably without stealing, and require of them their entire services. If an officer lives beyond his income, dismiss him; even if his excess of expenditures can be explained consistently with his integrity, still dismiss him. Extravagance, if not a crime, very naturally leads to crime. A man cannot be a safe officer of a bank who spends more than he earns.

The capital of a bank should be reality not a fiction; and it should be owned by those who have money to lend, and not by the borrowers. The Comptroller will endeavour to prevent, by all means within his control, the creation of a nominal capital by national banks, by the use of their circulation, or any other artificial means; and in his effort to do this, he confidently expects the cooperation of all the well managed banks.

(The writer is the Managing Director of the National Bank Ltd.)

## Japan's whaling fleet returns

TOKYO, Aug 23: A Japanese whaling fleet has returned with 100 minke whales caught in the northwestern Pacific for research purposes, a government official said Wednesday, reports AP.

## CNN interviews Mostafiz Govt favours elimination of child labour

Foreign Minister A S M Mostafizur Rahman has said the government favours elimination of child labour from the thriving garments industries and welcomed the recent accord that will send the hapless children to school, reports UNB.

"I want our children to lead a dignified life and not die young," he said in an interview with the American Cable News Network (CNN) on Monday, according to a message received in the city from Washington DC "Tuesday".

Bangladesh has laws against child labour. Mostafiz said. But the moral binding of the government was more than the legal one as it aimed to create worthy citizens and an educated and skilled workforce for the country.

CNN Vice President and Washington bureau chief William Headline received the foreign minister at the CNN studio in the US capital. Bangladesh Ambassador to USA Humayun Kabir and press minister Gazul Hasan Khan were present.

The foreign minister mentioned a memorandum of understanding (MOU) signed on July 4 by Bangladesh Garment Manufacturers and Exporters Association (BGMEA), United Nations Children's Fund (UNICEF) and International Labour Organisation (ILO).

When asked about the total number of child workers

## Congressional office predicts Budget deficit in US to triple within decade

WASHINGTON, Aug 23: The budget deficit will nearly triple within a decade after sinking to a six-year low this year, the Congressional Budget Office predicted Tuesday, reports AP.

In an update of its budget and economic forecast, the office said red ink for the 1995 fiscal year ending September 30 will total 161 billion dollars, 13 billion dollars lower than estimated in April. Three weeks ago, the Clinton administration projected a 160 billion dollars deficit.

If realized, a deficit of 160 billion dollars or 161 billion dollars would mark the third consecutive annual decline and would be the lowest since 1989. As a percentage of the economy, it would be the lowest since 1979.

However, the congressional office warned that unless Congress follows through on vows to dramatically cut spending the deficit under current law will begin to grow again in 1996 and hit 462 billion dollars by 2005.

President Clinton, meanwhile, has proposed a plan to eliminate the deficit by 2004. However, the Congressional Budget Office, which uses slightly more pessimistic economic assumptions than the administration, said Clinton's plan would still leave a 200 billion deficit in both 2004 and 2005.

The congressional office projects economic growth of 2.6 per cent this year, 1.9 per cent next year, 2.3 per cent in 1997 and 2.4 per cent annually after that. The administration forecasts growth of 2.8 per cent this year, 2.3 per cent next year and 2.5 per cent through 2000.

Business leaders from South Asia to meet in Lanka  
COLOMBO, Aug 23: Business leaders from South Asia are to meet in Sri Lanka later this month to boost intraregional trade, organisers said yesterday, reports AFP.

At least 80 business leaders from Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka will attend the two-day South Asian business leaders forum starting August 31, they said.

"They will have brain storming sessions to identify problem areas... in turn they will pressure the respective governments to lift those impediments," said Ken Balandra, Chairman of Sri Lanka's John Keells Holdings.

He said the gathering organised by Sri Lanka's Chamber of Commerce and the Foreign Ministry will be a private sector initiative to improve trade and investment within South Asia.

**BCIC Tender Notice**

বিসিআইসি'র পূর্ণা শিলায়নে জাতীয় অগ্রগতির প্রতীক

Managing Director, NGFF Ltd, Fenchuganj, Sylhet invites sealed quotation for supply of following stores on free delivery up to NGFF stores basis. Tender documents may be purchased at the following rate (Non-refundable) from (1) BCIC, 30-31, Dilkusha, Dhaka, (2) BCIC Branch Office, 6, Agrabad, Chittagong and (3) NGFF Ltd, Fenchuganj, Sylhet on all working days. Tender will be received up to 1100 hrs on the date mentioned against each and will be opened immediately thereafter in public. No tender documents will be sold on opening day.

Sl No	Tender No	Description of stores	Price of documents	Date of opening
1	NGFF/P-Hard/38/95-96/235 dt. 8-8-95	MS Rod	Tk 50.00	12-9-95
2	NGFF/P-Hard/38/95-96/235 dt. 8-8-95	Carbon Steel Electric Dice grinder etc	Tk 50.00	-
3	NGFF/P-39/MFG/95-96	Steam Trap	Tk 25.00	12-9-95
4	NGFF/P-43/ELECT/95-96/242	Electrical goods	Tk 50.00	19-9-95

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Md Rafiqul Hoque  
General Manager (Comm)  
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