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The Daily Star

BUSINESS

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HYUNDAI
CARS THAT MAKE SENSE

11 mills of BJMC running on profit, says minister

DEMRA (Dhaka), Jan 2: Only 11 of the 35 jute mills under Bangladesh Jute Mills Corporation (BJMC) were running with profit for last two months (November-December, 95), reports UNB.

The mills running with profit since November are: Gul Ahmed Jute Mills, Hafiz Jute Mills, Karnaphuli Jute Mills, MM Jute Mills, RR Jute Mills, Star Jute Mills, Rajshahi Jute Mills, Carpeting Jute Mills, Aleem Jute Mills, Galbra-Habib Mills and Mills Furnishing.

The minister also gave the directive to set up another 400 looms shortly in Adamjee Jute Mills. He asked the general managers to give advances of Tk 500 to each permanent worker and Taka 200 to substitute worker by January 4 against 10 per cent increase of their wages.

Jute Minister ASM Hanan Shah disclosed this reviewing the performance of the BJMC at a meeting at the Board Room of Latif Bawani Jute Mills here Monday.

Addressing the meeting, the Jute Minister said the present national export target of jute goods is 500,000 tons annually.

Besides, the minister ordered for paying all outstanding dues of the retrenched workers within one month of their termination and the dues of all retired or voluntarily retired workers within three months of retirement.



Mahbub Jamil, Chairman and Managing Director of Singer Bangladesh Limited, inaugurating the conference at Soaltee Holiday Inn in Kathmandu recently.

Singer sales confce held in Kathmandu

The 5-day Singer sales conference was held at Soaltee Holiday Inn in Kathmandu from December 24, says a press release.

First of its kind outside Bangladesh, the conference was inaugurated by Mahbub Jamal, Chairman and Managing Director of Singer Bangladesh Ltd.

All outstanding Managers of Singer Show Room cum Sales Center and exclusive Sales Agents all over the country, who achieved business target of 1995, attended the conference.

In total 165 persons, including high officials and all officers of Sales Department of Singer Bangladesh Limited, were present at the conference.

Singer Bangladesh Limited has been holding its Sales Conference every year since 1985. After holding conferences at five star hotels in Dhaka and in many areas of tourist attraction like Savar, Cox's Bazar, Rangamati and Sylhet, the company, for the first time, organised the Sales Conference in the Nepalese capital Kathmandu.

This conference will remain as a memorable event in the history of business oriented activities of Singer Bangladesh Limited.

As a multinational company, Singer has been performing business in Bangladesh for almost a century. By organising this colourful conference outside Bangladesh Singer has commenced a new era in the history of our country.

India directs NTC to mobilise funds for modernisation of sick mills

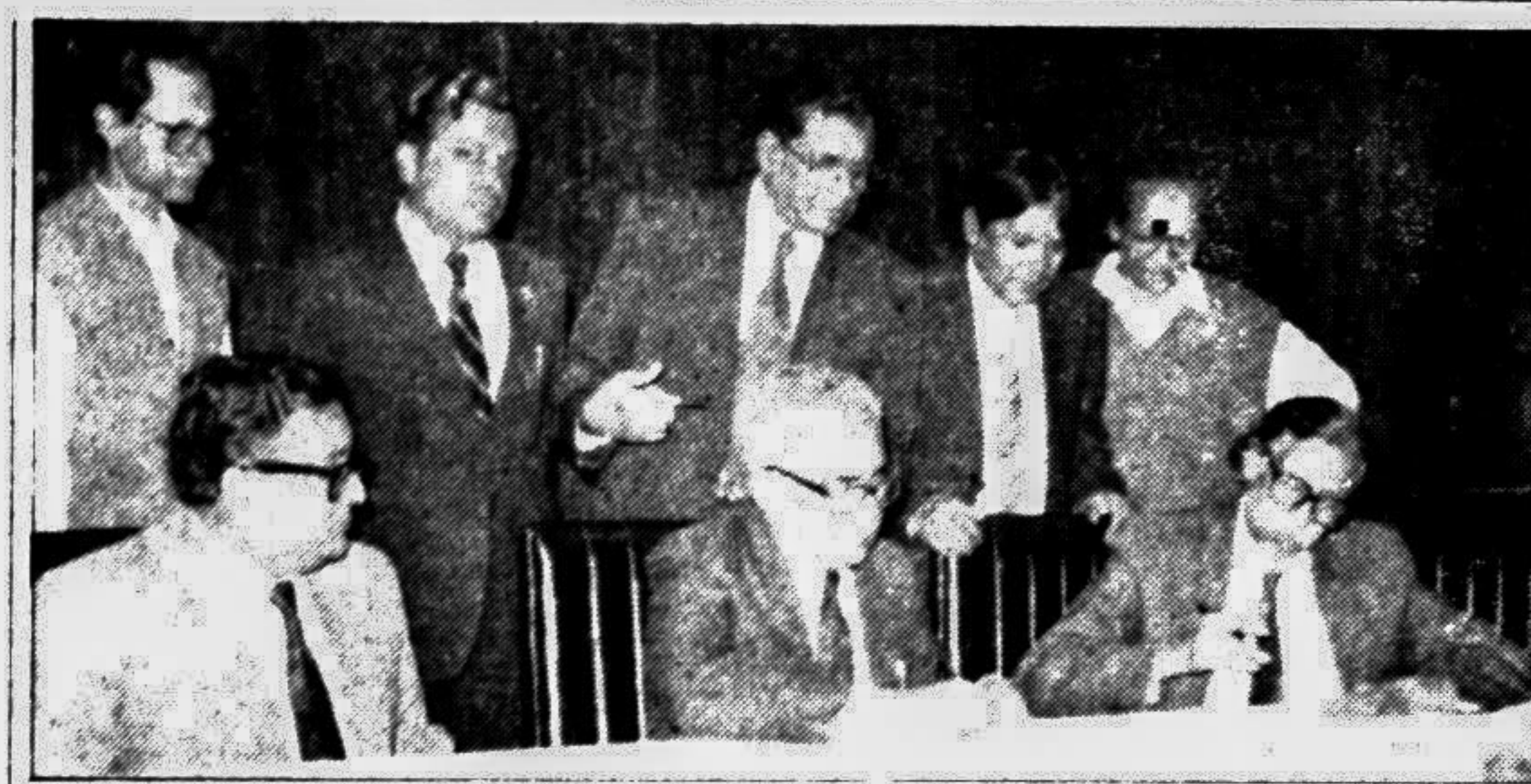
NEW DELHI, Jan 2: The year 1995 saw the end of the stalemate in the turn-around strategy for the sick National Textile Corporation (NTC) mills as the government directed the NTC to invite global tenders for sale of its surplus land to mobilise funds for modernisation of the mills, reports PTI.

A major highlight of the revival package of NTC during 1995 was the finalisation and approval of the revised strategy for NTC which was approved by the government on May nine.

At a meeting held here recently between MPs, trade union leaders and Textile Minister, Kamal Nath, jointly with the Labour Minister, G Venkaiah Swamy, it was decided that the NTC should go ahead with its modernisation programme without any further delay.

The turn-around package envisages modernisation of 79 mills of the NTC at an outlay of Rs 2005.72 crore.

The entire funding is proposed to be raised out of surplus land and assets available with the NTC. The key element of turn-around strategy also includes nationalisation of 15 taken-over mills, merger of 36 unviable mills with 18 viable mills and rationalisation of surplus manpower by offering voluntary Retirement Scheme (VRS).



Masud Alam Siddiqui, Secretary, Bangladesh Sugar and Food Industries Corporation (BSFIC), and M Matiur Rahman, Sr Executive (Export) of Trading Corporation of Bangladesh (TCB), signed an agreement in the city yesterday under which 20 thousand tons of molasses, the major by-product of sugar industry, will be exported abroad.

Bank of Tokyo official tells The Daily Star Abolition of control from forex market may harm economy

By Govinda Shil

Total abolition of control from the foreign exchange market may be harmful for Bangladesh economy and it will not be an effective economic measure. This was stated by Takahiro Kajihara, Chief Representative of the Bank of Tokyo (BOT) while talking to The Daily Star.

He said, in the past, the foreign exchange market meant only for inter-bank market. But today, by deregulating currency trading and capital transaction, participants diversify to join institutional investors and private enterprises.

The inter-bank foreign exchange dealings are on sharp rise which is expected to be 6 billion US dollars for the current fiscal year, according to Bangladesh Foreign Exchange Dealers Association (BAFEDA).



Takahiro Kajihara

export and import has been fixed at six billion US dollars and four billion US dollars approximately, of which the foreign currency transaction, specially US dollars would amount between '50' and '60' per cent.

are closely related with productivity, commodity prices and even employment," said Kajihara adding if the foreign exchange market works properly and cross-border transaction are carried out without a hitch.

He said, in the past, the foreign exchange market meant only for inter-bank market. But today, by deregulating currency trading and capital transaction, participants diversify to join institutional investors and private enterprises.

The Japanese expert thinks that a precondition for smooth dealing in the forex market will be deregulation of external transaction of current and capital account.

Saudi Arabia announces budget with \$4.93b deficit

RIYADH, Jan 2: Saudi Arabia, the world's largest oil exporter, announced a 1996 budget Monday with a deficit of 18.5 billion riyals (4.93 billion dollar), 23 per cent higher than last year's shortfall, reports AP.

The cabinet said revenues for 1996 were expected to be 131.5 billion riyals (35 billion dollars), down from last year's 135 billion (36 billion dollars).

believed to be more than 70 billion dollars. The forecast for less revenues in the 1996 budget was surprising in view of increased demand on oil and the firmer prices expected this year. The exceptionally cold weather in parts of Europe is likely to further increase demand on oil.

Expenditures remained unchanged at 150 billion riyals (40 billion dollars). The budget, which contained no major policy shifts, was submitted to King Fahd just before the monarch issued a decree asking Crown Prince Abdullah to take over

the government while he rested, a reference to his continuing poor health. News of Abdullah taking temporary charge of the vast and wealthy country in place of the ailing Fahd and the budget announcement were expected to cause jitters in oil markets when trading resumed Tuesday after the New Year's holiday.

Abdullah said he had instructed the finance ministry to cover the budget deficit by borrowing from banks. He did not elaborate, but the government has been covering recent deficits, which peaked in 1994, by borrowing, mainly on the domestic market. Its domestic debt is



ASF Rahman, Chairman of the Beximco Group, seen inaugurating the annual sales conference '95 of Beximco Pharmaceuticals and Beximco Infusions Ltd at Hotel Sonargaon in the city yesterday. D H Khan, Managing Director of the two units is also seen in the picture.



Dhaka int'l trade fair '96 began at Sher-e-Bangla Nagar in the city yesterday. Picture shows country-made wall clock offered for sale at a price ranging between Tk 150 and Tk 250. — Star photo

The South Asian region has abundant resources with improved infrastructural facilities. Since the nations do not follow a common approach to use them for mutual advantages, the region remains one of the poorest areas in the world. Mistrust and acrimony keep the window of opportunities closed to each other. The huge water resources drain down to the Bay of Bengal but the nations are in no position to reap benefits from it by harnessing this treasure jointly.

Bangladesh-Nepal JEC: Prospects & impact on economies

by Anu Mahmud

ter should consider it within the framework of SAARC so that Nepal can use the infrastructural facilities of Bangladesh and India.

It is unfortunate that India is yet to accept the transit right for Nepal. Seemingly, this frustrates the spirit of regional cooperation.

Both the delegations reviewed the economic situation and opined that despite a prolonged stagnation in the industrial economies, there are signs of economic recovery in the developed nations. In early 90s, the economic growth of Asia and the Pacific region was faster than that of other regions. This level of growth was limited to only a few countries, while the growth of other countries of the region particularly of the LDCs remained slow. Both the sides emphasised that the Official Development Assistance (ODA) should be continued for the developing countries and at an enhanced level for the LDCs in particular since the flow of foreign direct investment (FDI) in these countries has been negligible. In the context of declining ODA resources, both the sides emphasised the need for a greater regional cooperation among the SAARC countries. The establishment of SAPTA has opened up a new window of opportunities for increased trade and commercial activities among the SAARC countries. Both sides recognised the need for fully utilising the

potentials offered by SAPTA. JEC discussed mainly the following issues. Training of technicians of their garment industry on cost basis was requested by the Nepalese side and in reply Bangladesh side informed that such training facilities are available in private sector. The respective garment manufacturing associations of both the countries would be advised to establish contact with each other for working out details of such cooperation.

The proposal for setting up of garments industry in Nepal under joint collaboration with the private entrepreneurs of both the countries was reviewed. In this connection, an agreement has already been made between the garments manufacturing associations of the two countries.

The proposal of establishing a pharmaceutical industry under joint venture in Nepal was reviewed. There is a sizeable market for pharmaceutical products in Nepal. Bangladesh has offered Nepal to import pharmaceutical products from Bangladesh.

The Nepalese side solicited cooperation of the Export Promotion Bureau (EPB) of Bangladesh for Trade Promotion Centre (TPC) of Nepal to conduct a study to ascertain marketing possibility of various commodities in each other's country to promote balanced bilateral trade and this was appreciated by Bangladesh.

Nepal has sought following technical cooperation from Bangladesh: (a) prawn breeding and rearing technology; (b) african Catfish seed, its hybridization and culture techniques; (c) training for fish farmers; (d) exchange of fisheries scientists in the field of Fisheries Research and Extension.

students studying in Bangladesh on reciprocal basis and Bangladesh has agreed to refer the matter to the authority concerned.

Nepal has huge water resources which could be used for generating electricity. The estimated hydro-electricity potential of Nepal is 85,000 Megawatts. This can meet the entire demand of Bangladesh, India and Nepal. But this potential resource could not be harnessed because of lack of proper understanding and cooperation among these three countries. Bangladesh has rightly approached Nepal to involve it in the water resources development as a co-basin water resources projects should be considered by Kathmandu and no bilateral arrangement excluding Bangladesh, should be made to use the water resources of the Himalayan region. Hearteningly, Prime Minister Manmohan Adhikary of Nepal had earlier suggested a tripartite agreement among Bangladesh, Nepal and India to harness the water resources of the eastern rivers of the Kingdom. This is a viable proposal. Hence, all the co-basin countries should jointly exploit the resources for energy, irrigation and flood control. There are vast opportunities for expanding cooperation in setting up industries, banks and trade centres as well as for promotion of tourism between the two countries.

The Bangladesh-Nepal Joint Economic Commission (JEC) has had three days of (July 29-31 '95) session in Dhaka. This meeting took up major issues for cooperation, though on a bilateral level. Dhaka and Kathmandu have tremendous scope for expanding bilateral cooperation in the fields of water resources management, trade, industry, tourism, civil aviation, education, agriculture, transport, transit and telecommunications. The important bilateral issues like trade promotion, joint venture industrial investment and transit from Bangladesh to Nepal through India were also the agenda of the JEC. The current trade volume between the two neighbours is very low, only 10 million US dollars annually. There is scope for expanding bilateral trade, provided India allows transit to land-locked Nepal which has already taken up the issue with India. The lat-

ter should consider it within the framework of SAARC so that Nepal can use the infrastructural facilities of Bangladesh and India. It is unfortunate that India is yet to accept the transit right for Nepal. Seemingly, this frustrates the spirit of regional cooperation. Both the delegations reviewed the economic situation and opined that despite a prolonged stagnation in the industrial economies, there are signs of economic recovery in the developed nations. In early 90s, the economic growth of Asia and the Pacific region was faster than that of other regions. This level of growth was limited to only a few countries, while the growth of other countries of the region particularly of the LDCs remained slow. Both the sides emphasised that the Official Development Assistance (ODA) should be continued for the developing countries and at an enhanced level for the LDCs in particular since the flow of foreign direct investment (FDI) in these countries has been negligible. In the context of declining ODA resources, both the sides emphasised the need for a greater regional cooperation among the SAARC countries. The establishment of SAPTA has opened up a new window of opportunities for increased trade and commercial activities among the SAARC countries. Both sides recognised the need for fully utilising the

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Bangladesh could increase in the coming years to remove the trade imbalance. On the basis of above position, Nepal has sought duty free entry of its primary products to Bangladesh and to reduce the tariff on other items. It also suggested that the opening of Kakarbhitta-Fulbari-Banglabandh road for transportation of goods would help promote bilateral trade between the two countries significantly. In the current budget, Bangladesh has reduced import duty drastically on most of the importable items. Bangladesh Railway would also be able to provide more wagons for carrying goods from Bangladesh. From Bangladesh, it has been pointed out that, in addition, Nepal can request for tariff concessions by forwarding a list of concessional items in accordance with the stipulation under SAPTA which will be considered favourably. In view of the recent development of road infrastructure and port facilities as well as enhanced railway facility within Bangladesh, it expressed the hope that Nepal could use these facilities to boost its total trade turnover in its bid for fuller economic development. Both sides also hoped that the establishment of a trans-border route between Kakarbhitta and Banglabandh would become a reality in the spirit of SAARC.

of such a package to be offered by the Bangladesh Tourism Industry and Airlines. The proposal for opening up of a new route between Kathmandu and Colombo via Dhaka was taken up for consideration. The Nepalese proposal for the issuance of visa for the Nepalese tourists on the arrival at Dhaka International Airport on reciprocal basis was taken into consideration. Bangladesh offered Nepal to avail the modern security printing facilities available in Bangladesh to print their currency notes. Bangladesh proposed to open LCs in US dollar by the Nepalese importers for facilitation of trade transaction with Bangladesh and this was taken into consideration by the Nepalese side. To send a technical team to carry out feasibility study on river transportation in Nepal and also to provide training to their technician on the transport system operation was proposed by Nepal. They also mentioned to purchase boats from Bangladesh if found feasible. Nepal has offered to provide four scholarships to Bangladesh students in the field of medicine, forestry, agriculture, Nepalese language literature or any other field and Bangladesh has accepted the offer with thanks. Nepal has requested Bangladesh to consider visa exemption for the Nepalese

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students studying in Bangladesh on reciprocal basis and Bangladesh has agreed to refer the matter to the authority concerned. Nepal has informed that the installation of VHF equipment is expected to be completed by early 1996 at Bhadrapur in Nepal for setting up a digital VHF radio link between Bangladesh and Nepal. Bangladesh has proposed to introduce 'money order system' between the two countries and Nepal has accepted the proposal. Nepal's interest in the implementation of flood forecasting and early warning system recommended earlier was deeply appreciated by Bangladesh and also noted that the report of the Bangladesh-Nepal Joint Study Team on 'Measure for Mitigation of Flood and optimal use of Water Resources' was still awaiting final acceptance by HMG, Nepal, and urged the Nepalese side for expediting its acceptance. Nepal has informed that the report had been submitted to the HMG, Nepal and its decision would be conveyed at an early date through diplomatic channels and also pointed out that cooperation in the field of flood forecasting and early warning system and exchanges of real time data of the major rivers should be undertaken as an initial step until the process of acceptance is finalised. Bangladesh has also em-

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