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The Daily Star BUSINESS

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HYUNDAI
CARS THAT MAKE SENSE

FICCI paper India emerges as world's third largest debtor

NEW DELHI, Aug 8 India has emerged as the world's third largest debtor with an external debt of 100 billion US dollars, the Federation of Indian Chambers of Commerce and Industry (FICCI) has said, reports Xinhua.

In a paper on 'Export strategy and policy change' during the 9th five-year plan (1997-2002), the FICCI warned that India could head for a debt trap if the current external repayment liabilities of 20 billion dollars are not checked.

The debt servicing liability would be 14 billion dollars and the trade deficit would be six billion dollars in 1996-97, the FICCI said, calling for urgent measures to face any new balance of payments problems.

The Indian economy, it said, was bestowed with rich resources and vast foreign exchange earnings potential to mitigate the trade imbalances.

SCB expresses concern

M R Ali, Chairman of Shippers' Council of Bangladesh, has expressed grave concern at the report that as many as 8 Container Feeder Vessels are idle at Chittagong Port Jetty due to stoppage of work by the dock workers, says a SCB press release.

He said this serious port situation has been created reportedly because of some illegal demands of dock workers and disputes between dock workers, stevedores and the CPA equipment operators.

The foreign feeder operators are seriously concerned at this stalemate at Chittagong Port as they are incurring heavy financial loss. Indications from foreign feeder operators (CFTC) are there that if this stalemate is not resolved forthwith then the proposed withdrawal of Chittagong Port Congestion Surcharge from August 15 may not be materialised rather it may be further enhanced.

The Chairman of Shippers Council has requested the Ministry of Shipping, Chittagong Port Authority and others concerned to resolve the crisis immediately.

Workshop on cosmetics begins today

A two-day workshop on 'Development of the Production of Quality Grade Cosmetics and Toiletries in Bangladesh' begins at the Institute of Food Science and Technology of BCSIR today, reports UNB.

Organised by Institute of Chemists and Chemical Technologists (ICCT), the workshop will be inaugurated by Dr F Z Majid, Chairman in-charge of BCSIR, at 4-30 PM.

A good number of experts from various leading cosmetics and toiletries manufacturing companies, BSTI and educational institutes will take part in it, said a press release.

New ACI director

Muhammad Masud recently joined ACI Limited as Marketing Director of the Pharmaceuticals, says a press release.

During his long career, he held responsibilities positions in two multinationals of world repute. Prior to joining ACI, Masud was General Manager, Sales & Marketing, in Fisons (Bangladesh) Limited.

Seminar on GIS held

A seminar on GIS solution 'GIS For Decision Making' was held at Sheraton Hotel in the city Wednesday, says a press release.

It was organised jointly by CITECH Co Ltd on behalf of Digital Equipment Asia Pacific Pte Ltd and CIPROCO Computers Ltd on behalf of ESRI South Asia Ltd for a complete GIS solution (hardware and software).

The chief guest was Mayor of Dhaka City, Mohammad Hanif and the seminar was chaired by Jamilur Reza Chowdhury.

The seminar brought into perspective GIS and its role. It also looked into how it is being presently applied in Bangladesh.

There were query sessions where answers were given to many of the problems faced by GIS application users in this country.

Sugar prices may double if no new mills are set up

By Govinda Shil

If no new sugar mills are set up in the country in the coming years, consumers will have to pay double price for sugar consumption, said official sources.

The country is paying more than Taka 180 crore to import 120,000 metric tons of sugar annually to meet the deficit.

According to the Bangladesh Sugar and Food Industries Corporation (BSFIC) sources, the country's 16 sugar mills which are saving foreign exchange worth about Taka 200 crore annually are quite capable of saving another Taka 200 crore if the government carries out BMRE (balancing, modernisation, rehabilitation and expansion) programme for 11 old sugar mills.

The government's plan to set up five more sugar mills in the country is the result of recommendations made by a task force set up by the Ministry of Industries. But this has been shelved.

BSFIC sources said the investment in this sector was

made open for private sector since late 70s and early 80s but no entrepreneur responded so far. The government, as it seems, can not take any clear position on what to do with sugar industries that feed half of the population and directly involve more than 500,000 sugarcane growers in the country.

Some of the BSFIC officials told The Daily Star that the private sector entrepreneurs were not coming up to invest.

"We are buying sugar at prices between 380 and 400 dollars," said another senior official, adding that the consumers would have to pay Taka 60 to 80 after the year 2,000 following the full implementation of the World Trade Organisation's regulations.

BSFIC officials pointed out that the neighbouring countries, like India and Pakistan, are self-sufficient to meet their domestic demands for sugar.

Explaining the good prospect for setting-up of new sugar mills in the country, the

BSFIC officials said the country has a large sugar market, necessary raw materials and technology.

Country's 16 state-owned sugar mills are quite capable of producing some 200,000 metric tons of sugar while another 200,000 metric tons of sugar is imported and smuggled in from a neighbouring country, sources pointed out.

The present market demand for sugar, according to officials is 3.5 lakh metric tons which 'does not reflect the actual market demand.' Wholesalers of the city's Moulvibazar claimed. They said, the actual demand must not be less than 4.5 lakh metric tons.

They said, four sugar mills require immediate BMRE to increase productivity. One of the 16 sugar mills was set up in late 30s while the rest were built between 60s and 70s.

According to sources, the government is likely to agree to take up BMRE programme for four sugar mills at a cost of Taka 120 crore.



Bruno Weber (2nd-L), Ambassador of Germany to Bangladesh along with Gunter Plagman and Marcius Gomes visited Chittagong Stock Exchange on Tuesday and met A G M Shamsul Kamal, CEO of the Exchange. Also seen in the picture is Faiz Ahmed, CSE Member.

StanChart's half yearly profit up by 31 pc

The 96 half yearly results of Standard Chartered group were released to the London Stock Exchange on Wednesday showing an earning of GBP 402 million, which is 31 per cent up compared to the same period 1995. Earnings Per Share increased by 7.3p to 27.3p and Return on Share Holder's equity stood at 28 per cent, says a press release of the Bank.

Group Chairman, Patrick J Gillam said, "Our strategy continues to be based on long term opportunities presented by our franchises in Asia, Africa and the Middle East. These are enabling us to expand our core businesses and provide a service to corporate, institutional and personal customers with few competitors can match," the release quoted.

All three core business groups continued to show healthy growth trends, with personal banking business alone registering a 40 per cent growth. This growth was principally driven by retail mortgage lending and credit card business. A re-engineering of the global trade services enabled the corporate banking group to increase volumes while providing the corporate customers with a world class cost effective service. As a result corporate banking business grew by 22 per cent. The trading profits of treasury business were up by 16 per cent, the press release added.

Commenting on the results, Geoff Williams, Chief Executive of the bank in Bangladesh, said, "these are excellent results for the group, reflecting increasing efficiency and investment in our key businesses. We are pursuing the same successful policies in Bangladesh, where our focus remains the development of our corporate, treasury, and our personal banking operations."

Han Seung-Soo, 60, a former chief presidential secretary and economic adviser to the president, was made new finance and economy minister in charge of economic policy planning, replacing economist Rha Woong-Bae.

Rha had been under fire for mismanagement, as South Korea is troubled by a snowballing trade deficit, an industrial slowdown and high inflation.

The Presidential office, said the reshuffle reflected Kim's emphasis on boosting the sagging economy during the remainder of his term, which ends in early 1998.

Kim named information and communications minister Lee Suk-chae as his top economic advisor. Lee's former post went to Kang Bong-Kyun, a 53-year-old economic expert.

Presidential Economic Advisor Koo Bong-Young was named minister of science and technology.

Other posts replaced were the heads of the science and technology ministry, the maritime ministry and the ministry of state affairs.

Visitors still flocking to Myanmar

YANGON, Aug 8: Visitors are flocking to Myanmar despite attempts by 'internal traitors' to undermine the nation's tourism industry, a state-owned newspaper New Light of Myanmar said Tuesday, reports AP.

Myanmar's military government is hoping for a windfall of badly-needed foreign exchange from its Visit Myanmar Year campaign, set to begin November 18.

"Internal traitors dependent on alien nations with the help of some foreign correspondents and columnists are trying to disrupt the nation's tourism industry and to hamper the Visit Myanmar Year, the New Light of Myanmar newspaper said.

Opposition leader Aung San Suu Kyi has asked tourists to boycott Visit Myanmar Year because she says the money earned will buttress the military government, and development associated with the tourist industry has been a hardship on Myanmar's people. Suu Kyi has said people

have been forced to renovate their homes to make them more beautiful for tourists to view, and to work as forced labour for infrastructure projects associated with the tourism industry.

"Myanmar will always be here. Why hurry? she said during a recent interview.

Nonetheless, the government said Tuesday that tourist arrivals had increased 43 per cent, from 29,429 in April 1995-April 1996 to 46,337 in July 1995-July 1996.

The government originally had hoped to attract half a million tourists for Visit Myanmar Year, which was postponed from January until August, and now until November, because infrastructure such as hotels and roads were not yet completed.

It has now scaled back its target to 250,000 tourists." In addition, the government said that political stability and economic progress can be attributed to the increasing number of tourists visiting the country.

'Biogas can help protect environment'

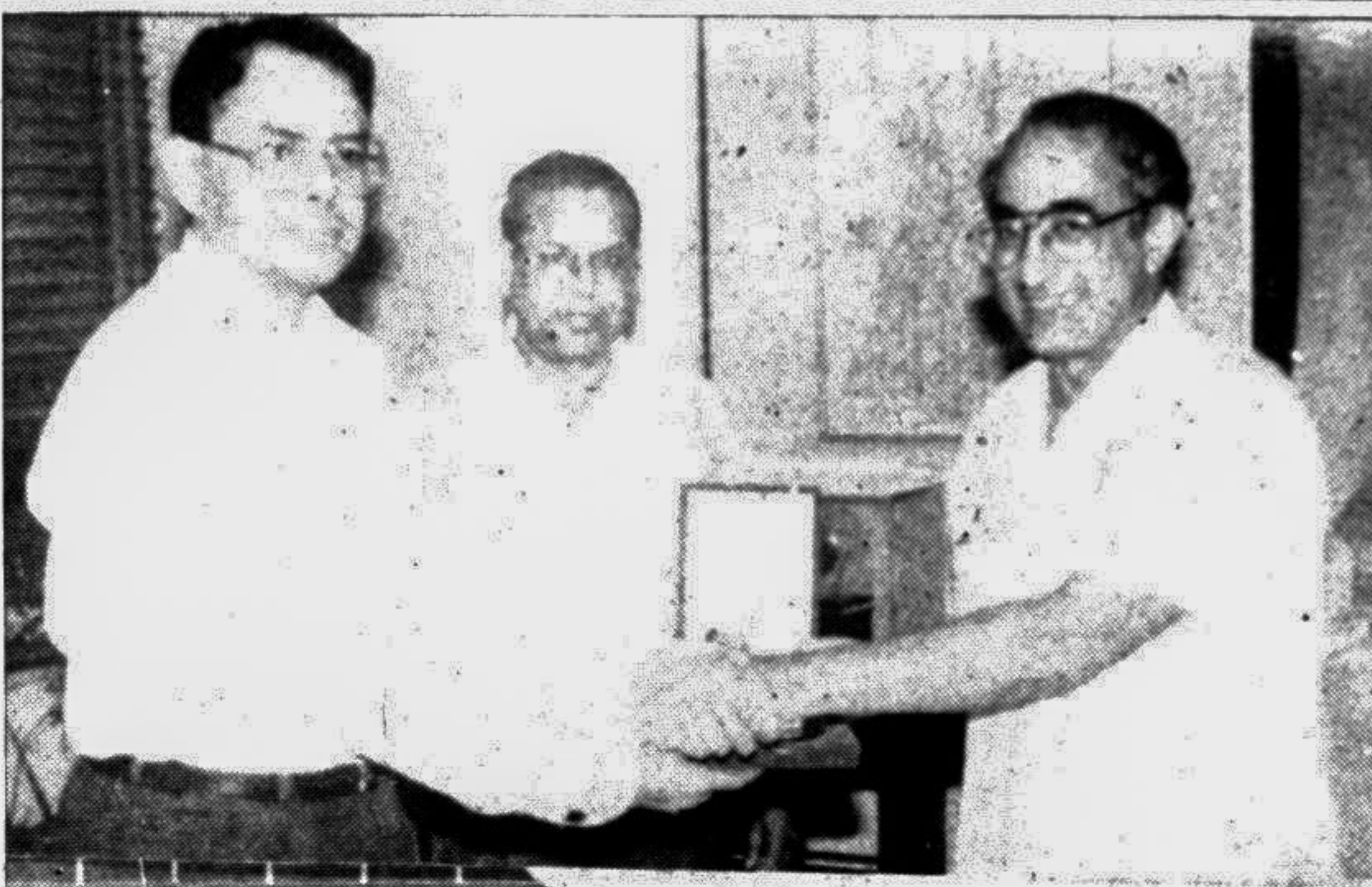
JHENAIDAH, Aug 8: Biogas can play a significant role in protecting environment, the speakers said at a discussion meeting at local Press Club auditorium on July 30, reports UNB.

The discussion was organised by Local Government Engineering Department (LGED) to create awareness about the 'Biogas Plant' and its effective use in the society.

The main speaker Mahmud Islam, Executive Engineer, LGED, said that the fertilizer produced in biogas plant can help preserve healthy environment which is more effective for soil as it does not harm the soil.

Engineer Islam said that energy produced in biogas plant could meet a substantial amount of country's fuel (for cooking) demand and it might be produced on commercial basis at dairy farms.

The discussion meeting was participated by other engineers of LGED and attended by a large number of people of the town.



Suhel Ahmed, Managing Director, Bangladesh Shilpa Bank handing over BSB's crest to Dr Jamilur Reza Chowdhury, Chairman, BSB Board of Directors, for his contribution as an advisor to the caretaker government.

S. Korea to hold fisheries talks with Japan, China

SEOUL, Aug 8: South Korea will hold a series of talks starting this week with Japan and China on drawing new sea borders around the Korean Peninsula, the Foreign Ministry said Wednesday, reports AP.

The three countries have declared their intention to adopt a new 200 nautical-mile exclusive economic zone around their shores. Under the UN Convention on the Law of the Sea, nations can regulate catch and resources in their respective zones.

But the exclusive zones overlap around the Korean Peninsula, complicating negotiations to draw new sea borders. The three nations also have outstanding disputes over fishing rights.

In a two-day meeting, scheduled to begin in Seoul Thursday, South Korea and Japan will discuss rewriting an outdated 1965 pact on fishing boundaries and ways of enforcing new fishing rules, ministry officials said.

Tokyo reportedly wants the two countries to sign a new accord to give each side the right to control vessels from either side operating near their shores.

But South Korea wants to stick to the current rule, under which each country can police only its own boats until China agrees to the Japan-proposed rule.

China reportedly is against the Japan-proposed rule. According to Seoul officials, China

wants to go by the current rule that allows fishing boats to come within 12 nautical miles of each other's shores.

China and South Korea are scheduled to meet in Beijing August 26 and 27 to discuss the issue.

South Korea has been trying to regulate Chinese fishing in its waters. South Korean fishermen complain that the Chinese are depleting fish stocks.

Since their respective 200-nautical mile zones overlap, China and South Korea are discussing a median line in the Yellow sea as a new border. Two hundred nautical miles are equivalent to 230 statute miles or 370 kilometers.

Japan and South Korea are scheduled to meet again in Tokyo in mid-August to discuss the issue.

Japan's trade surplus drops

TOKYO, Aug 8: Japan's surplus in its current account, the broadest measure of trade, shrank 35 per cent in the first half of the year to 3.612 trillion yen (33.44 billion dollars), the Finance Ministry announced Thursday, reports AP.

Japan's current account surplus has fallen continuously since December 1994, as growth in imports steadily outpaces that of exports.

ROK cabinet reshuffled to boost stalled economy

SEOUL, Aug 8: South Korean President Kim Young-Sam on Thursday carried out a partial cabinet reshuffle affecting the powerful finance and economy ministry as well as six other posts, reports AFP.

Han Seung-Soo, 60, a former chief presidential secretary and economic adviser to the president, was made new finance and economy minister in charge of economic policy planning, replacing economist Rha Woong-Bae.

Rha had been under fire for mismanagement, as South Korea is troubled by a snowballing trade deficit, an industrial slowdown and high inflation.

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Other posts replaced were the heads of the science and technology ministry, the maritime ministry and the ministry of state affairs.

SONARGAON TEXTILES LIMITED
10TH ANNUAL GENERAL MEETING 1995
সোনগাঁও টেক্সটাইলস লিমিটেড
১০ম বার্ষিক সাধারণ সভা ১৯৯৫

A K M Azizur Rahman, Managing Director, Sanargaon Textiles Ltd, addressing the shareholders at the 10th annual general meeting at a city hotel.

Sonargaon Textiles declares dividend

Sonargaon Textiles Ltd has declared a 12.5 per cent dividend on ordinary shares for the year 1995, says a press release.

The dividend was announced at the 10th Annual General Meeting of the company held at a city hotel Wednesday.

The Managing Director of the company AKM Azizur Rahman presided over the meeting.

In his address, Rahman ap-

prised the shareholder of the growth and prospect of the company.

Sonargaon Textiles attained turnover of Taka 19,79,41,312 and net profit of Taka 2,38,92,853 for the year 1995.

The meeting was attended by a large number of shareholders, representatives of different financial institutes including BSB & TCB. They appreciated the management for making the company a leading spinning mill of the country.

China to upgrade telecom links to Tibet

BEIJING, Aug 8: In the latest upgrade of its telecommunication system, China plans to make it easier to call down from the roof of the world, reports AP.

Construction of the first fiber-optic cable linking Tibet with other parts of China will begin soon and is scheduled for completion in 1998, according to a report in Wednesday's China Daily.

The 3,000-kilometre (2,000-mile) cable will connect Lhasa, the capital of Tibet, with Lanzhou in Gansu province, the report said, citing unidentified sources at the Ministry of Posts and Telecommunications.

Telephone calls between Tibet and China currently pass through a labyrinthine route of satellites and microwave stations.

The Lanzhou-Lhasa cable, will stretch across the Qinghai-Tibet Plateau, an area about 5,000 metres (16,500 feet) above sea level and called the 'roof of the world,' said the report. The ministry-owned China International Telecommunications Construction Corp will design and install the cable, it said.

Lhasa is about 7,000 kilometres (4,300 miles) southwest of Beijing. Lanzhou is some 3,300 kilometres (2,000 miles) southwest of the capital.

US Kodak files complaint against Japanese film market

TOKYO, Aug 8: Eastman Kodak Co. filed a complaint with the Japan Fair Trade Commission on Wednesday alleging it has been unfairly blocked from the Japanese photographic film and paper market, says AP.

The US film giant, which is locked in a bitter dispute with Japanese rival Fuji Photo Film Co., said it asked the commission to investigate suspected violations of Japan's Anti-Monopoly Law.

Kodak said that it submitted evidence relating to 'certain private business practices that restrict competition in the Japanese market.'

Kodak has argued that Fuji Film and Japan's Ministry of International Trade and Industry have collaborated to keep foreign products out of Japan's film market. The Rochester, N V-based company estimates it has lost 5.6 billion dollars in sales since 1975 because of unfair trade practices.

But Tokyo-based Fuji, with 70 per cent of Japanese film sales to Kodak's 9 per cent, says Kodak's lackluster share of the lucrative market stems from bad marketing, not unfair trade. Fuji Film officials weren't immediately available for comment Wednesday.

India, Pakistan heading for easing trade relations

LAHORE, Aug 8: India and Pakistan seem poised on the verge of an important breakthrough in their tempestuous, mutually acrimonious relationship that has held the entire subcontinent to ransom for close to five decades, reports IPS.

A 30-month stand off in ties came to an end after a new left of centre government headed by Prime Minister H D Deve Gowda assumed office in India in June.

Pakistan Prime Minister Benazir Bhutto's offer was met by a positive response within 24 hours by the new Indian government.

"My government stands ready to work together with your government to address all issues of mutual interest," Gowda told Benazir in a letter.

The move was a prelude to the easing of trade relations between the two neighbours who have gone to war thrice

and continue to engage in skirmishes along their borders.

Despite agreeing on a South Asian Preferential Trade Agreement (SAPTA) and South Asian Free Trade Area (SAFTA), trade between the neighbour had failed to pick up.

Pakistan had been dragging its feet over granting Most Favoured Nation (MFN) status to India, despite its obligation to do so as a signatory to the WTO. It relented only late last year when India threatened to drag it to the international court for not honouring this agreement.

But the decision was followed by silence from Pakistan until earlier this month. Hard on the heels of Gowda's positive response to her letter, Benazir again announced that her government had decided in principle to normalise trade with India.

The announcement created a flurry in economic circles and made front page headlines in several national newspapers fueling a lively debate on the subject.

Although Pakistan has allowed imports from all over the world, a complete ban on trade with India has remained in force for years.

This ban was slowly lifted and now Pakistan and India are trading mutually in nearly 600 specified items, points out economist Jamilur Rehman.

Normalisation of relations and trade links would discourage illegal trade estimated as being at least ten times more than formal trade at anywhere between US\$ 145 and 600 million annually.

The law of supply and demand is in this case dictated by the similar tastes and needs of consumers on both sides of the border, says economist Jafar Wafa a keen advocate of bilateral trade with India.

Popular and easily available

items smuggled across the border from India include betel leaves, cloth, herbal products, perfumes and cosmetics. Pakistanis also like India's electronically or manually operated kitchen appliances and utensils.

As for Indians says Wafa, they prefer Pakistani water coolers, textiles particularly rayon, polyester and artificial silk, plastics and leather footwear.

Pakistan also presents a market for Indian wheat, pulses, spices and sugar, besides perishable items like onions, potatoes and fresh vegetables, the arrival of Indian potatoes in the market recently brought prices crashing down from Rs 16 (45 cents) a kg to 12 rupees (35 cents) a kg.

The price of sugar 15 rupees (44 cents) a kg last month and now an exorbitant 20 rupees (58 cents) a kg is

expected to come down when the first shipment of an order placed last month by the Trading Corporation of Pakistan arrives from India.

Pakistanis cotton spinners short of half million bales to see the current year through, are happy that Indian Lint might make it to their market "the lint from east Punjab is most suited to our spinning mills and it will be cheaper than to import it from elsewhere," says a broker.

Economists point out that it makes sense to trade with a neighbour the proximity automatically spells lesser transportation cost and easy personal contact. The potatoes imported from India were in the shops within a week of striking the deal, says Jamilur Rehman.

Federal Minister for Commerce, Choudhury Ahmed Mukhtar told reporters recently that trade with India

would mean that Pakistani exporters will hit a market of over 930-million people" but anti-trade lobbyists argue that India should not be accorded MFN status because of the situation in insurgency-ridden Kashmir and also because such a move would "hurt our national interest" as cheaper Indian goods flood the market.

Both arguments are dismissed by the protrade lobby, which points out that major political differences have not prevented country like Iran and Israel from maintaining trade ties.

Even communist USSR imported wheat from the USA when it needed to points out Afzal Malik, Chairman of the Lahore Chapter of the Pakistan India Peoples Forum on Peace and Democracy, one of the several non government initiatives that are establishing links between India and Pakistan.