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HYUNDAI

CARS THAT MAKE SENSE

Govt to buy two lakh tonnes of urea fertiliser from KAFCO

By Govinda Shil

The government has decided to buy 200,000 tonnes of urea fertiliser from the Karnaphuli Fertiliser Company (KAFCO) to meet deficit during the current year.

According to Bangladesh Chemical Industries Corporation (BCIC), the authorities are yet to take a decision on the demand for phosphatic fertilisers.

According to the Ministry of Agriculture, the country would require 23 lakh metric tons of urea for 1996-97 fiscal year. The country's six state-owned urea fertiliser factories have estimated their production target at 21 lakh metric tons during this period. This leaves a deficit of two lakh metric tons of urea fertiliser.

The authorities have asked BCIC to buy urea from KAFCO at the international price, said a senior official of the corporation. He said in international market, one ton urea fertiliser costs Taka 11,000 while BCIC mill-gate price is Taka 3,750.

BCIC officials said an acute shortage of Single Super Phosphate (SSP) and Triple Super Phosphate (TSP) persists in the market which may harm the yield of Aman and potato harvesting if immediate measures are not taken.

But, TSP and SSP importers said they will not feel secured to import these fertilisers unless the government takes a decision on subsidy to the farmers.

"There might be a crisis of TSP and SSP during the month of November as the little stock will have depleted by that time," said A Mokarrum, an importer in the city. He said the government should take immediate decision on the distribution of subsidy so that the importers may be able to know the government's stand.

According to the "Agro-based Industries and Technology Development Project (ATDP)", the country's TSP demand for September-February period has been estimated at 60,184 tons against which the country has a

ready stock of 33,450 tons.

A recent bulletin of the ATDP published by the International Fertiliser Development Centre (IFDC), Dhaka, points out that the country requires 417,000 tons of SSP during the next six months against which the country has a stock of 151,856 tons.

BCIC officials admitted that the lone SSP and TSP producing factory of the country could meet only 20 to 25 per cent demand for these phosphatic fertilisers.

Bangladesh Fertiliser Association (BFA) told this correspondent that the Association had earlier informed the government of the present TSP and SSP situation.

Dwelling on TSP and SSP imports, Mokarrum said the banks are hesitant to open new Letter of Credits (LCs) for fresh import. "Banks are claiming 50 per cent margin in some cases," he said.

BFA sources alleged that the

district and local administrations were unnecessarily interfering with the urea fertiliser distribution throughout the country.

The district administration of Patuakhali has even fixed the urea price, said Abdul Baten, Executive Secretary of BFA adding that local administrators sometimes compel dealers to sell urea to a particular group of farmers which he termed a complete violation of free market operation.

He strongly opposed the 'first come first serve' idea of TSP and SSP fertiliser distribution and said the government-appointed dealers are quite capable of distributing these fertilisers efficiently. Sometimes dealers from far-off areas cannot come to Chittagong TSP Complex with a short notice to withdraw their quotas.

Baten urged the government to hold the deferred inter-ministerial meeting soon to address all problems faced by the dealers.



New Chairman of Reckitt & Colman Bangladesh Ltd

Ashok Pradhan has been appointed Chairman of Reckitt & Colman Bangladesh Limited, a subsidiary company of Reckitt & Colman plc from September 1, says a press release.

Pradhan is the Regional Director of Reckitt & Colman of South Asia region comprising India, Sri Lanka and Bangladesh.

Mobile court fines 17 traders

A mobile court of Bangladesh Standard and Testing Institution (BSTI) has fined 17 businessmen, filed cases against three of them and sealed three filling stations using wrong weight and scale, reports BSS.

The mobile court conducted on-the-spot examinations of weight and scale in different business houses in Malibagh, Rampura, Kuril and Buddha area of the city on August 29 and 31, a BSTI press release said Monday.

The mobile court found three petrol pumps and some retailers giving lesser quantity of goods like petrol, cement, mosaic items, rice, meat and edible oil.

The court fined them and sealed the pumps. The pumps are Malibagh Auto Service, Rampura Road, Polwel Petrol Pump, Rajarbagh and Kazi Filling Station, Biswa Road, Kuril, the release added.

Indian spices exports hit record

NEW DELHI, Sept 3: India exported a record 190,803 tonnes of spices worth 223 million dollars in the fiscal year to March 1996, the Spices Board said yesterday, reports AFP.



NZ Dairy Board executive due today

Warren Larsen, Chief Executive of New Zealand Dairy Board, is arriving in Dhaka today on a three-day visit to Bangladesh. He will be briefed on the operations of the Board's subsidiary, New Zealand Milk Products Bangladesh Ltd, says a press release.

Mr Larsen is also expected to meet Tofael Ahmed, Minister of Commerce and Industries and other officials of the Bangladesh government.

The New Zealand Dairy Board is the largest single exporter of dairy products to the International Market. It has a network of some 85 subsidiary and associate companies that market New Zealand dairy products in over 100 countries in the world.

Dhaka gets \$ 6.34 lakh spot orders in Stockholm fashion fair

Bangladesh has received on the spot orders worth 6.34 lakh US dollar for export of T-shirts and flannel shirts during the Stockholm fashion fair, a press release said yesterday, reports BSS.

Bangladesh Export Promotion Bureau in cooperation with Bangladesh Embassy in Sweden took part in the fair, held in Stockholm from August 23 to 25.

Another deal worth 1.50 lakh US dollars for supply of twill shirt is under negotiation, the press release added.

A wide range of wearing apparels put on display during the fair. The apparels included variety of T-shirts, shirts of different kinds, jackets, rain wear, wind breakers, vest for men, women and boys and acrylic bed cover.

3 cos to float shares in Sept 21 cos declare dividends in Aug

Some 21 companies listed with Dhaka Stock Exchange (DSE) declared dividends for the shareholders during the last one month, DSE sources said here yesterday, reports BSS.

They said out of the 21 companies, 16 have announced cash dividends and the rest stock dividends to the shareholders. GQ ball pen has declared the highest cash and stock dividends among the companies which is followed by BTC's 30 per cent interim cash dividend. The GQ ball pen also declared one bonus share for two shares and one rights share for two shares.

The other companies which declared dividends last month and their share transfer book closing dates are: Lexco Ltd 22 per cent dividend, book closure (BC) from September 16 to September 26, Bangladesh Lamps Ltd 40 per cent, BC: from Sept 5 to 15, BGIC Ltd 23 per cent, BC: from August 14 to Sept 12, UCBL 15 bonus shares for 100 shares, BC: August 27 to September 10, Raspi Food 10 per cent, ACI Ltd, one bonus share for four shares, Janata Insurance 16 per cent, BC: August 16 to September 4, Meghna

Shrimp 12 per cent (final), BC: from August 24 to September 8, Eastern Insurance 10 per cent (final), BC: from August 27 to September 11, Aramit Ltd five per cent (final), BC: from August

22 to September 1, Bangladesh Thai Aluminium 17 per cent, BC: from August 28 to September 12, Monno Jute Stallers 20 per cent, BC: from September 15 to 25, Quasem Drycells 25 per cent, BC: from August 27 to September 9, BLTC 25 per cent, BC: from September 19 to 26 and Shine Pukur five per cent (interim), BC: from Sept 16 to October 1.

Mideast economic meet in Cairo

GENEVA, Switzerland, Sept 3: An economic conference on the Middle East will be held in Cairo November 12-14 to boost the international business community's interest in the region, where the peace process is running into difficulty, organisers announced yesterday, says AFP.

They expect the parity to attract about 350 companies and 600 to 700 participants, and it will be the third such meeting organised by the world economic forum — the initiator of a prestigious annual meeting in Davos, Switzerland.

The list of participants in the upcoming Cairo meeting has not yet been drawn up, the organisers said.

Another report adds: Three new companies will float shares for public subscription this month, sources in the Security Exchange Commission (SEC) said.

The companies are: Standard Ceramic Industries, Mark Shoes and HR Textile Mills.

The Standard Ceramic Industries will float shares for public subscription amounting to Taka 2.93 crore at the rate of Taka 100 per share with 50 per cent premium.

Mark Shoes will float shares for subscription amounting to Taka 19.95 crore at the rate of Taka 100 per share with 100 per cent premium.

HR Textile Mills will float primary shares of Taka 10 crore with Taka 100 at par.

Country's first Dealing System goes into operation

Standard Chartered Bank Treasury dealing room installed the country's first Reuters Dealing System, says a press release.

It was formally inaugurated by Mahbubur Rahman Khan, Deputy Governor of Bangladesh Bank.

Speaking at the ceremony, Geoff Williams, Chief Executive Bangladesh, Standard Chartered Bank, said the installation of dealing system will make the local forex market more competitive in terms of better price and service.

He said it will enable easy access to international forex operators and help to obtain competitive exchange rates at best possible price.

He emphasised that the system will significantly improve foreign exchange management of Standard Chartered Bank's interbank and corporate customers.

The Deputy Governor praised Standard Chartered Bank's commitment in pioneering technological development in the banking arena of Bangladesh.

He said the installation of the dealing system is a huge stride in the country's rapid developing foreign exchange market.

He hoped that other market operators would soon follow the suit.

The inauguration ceremony was also attended by officials from other commercial banks and Bangladesh Foreign Exchange Dealers' Association (BAFEDA).

Philippines sees lower inflation in September

MANILA, Philippines, Sept 3: Socio-economic Planning Secretary Cielito Habito said Monday he expects the Philippines' inflation rate to hit a 19-month low of 5 per cent in September, reports AP.

Inflation was 4.9 per cent in February 1994.

Strong farm production is expected to keep inflation in check and help the economy hit the higher end of the government's projected growth range this year of 6.5 per cent to 7.5 per cent, Habito said.

Lakme Beauty Club launched

Kallol Cosmetics Ltd the sole distributor of Lakme Ultra and Skin Care range of products in Bangladesh arranged the inauguration of Lakme Beauty Club at the Ladies Club Eskaton, recently through a colourful function says a press release.

The main theme of the programme was a step-by-step skin care, make-up and product usage demonstration by beauty consultant, Geetee Billah of Geetee's Beauty Parlour.

A team of eleven member panelist comprising of Shakila Zafar (singer), Nima Rahman (stage and TV actress), Ruksana Anwar (TV new caster), Sumona Haq (singer), Tamanna Rahman (dancer), Mubina Asaf Rahman (lawyer), Nasima Hasan (entrepreneur), Rana Ahmed (banker), Faria Khan Panni (journalist), Lulu Sherkiya (teacher) and Samia Haque (student) were introduced to the invited members and guests. Ghulam Mostafa, M D Kallol Group of Companies, welcomed the guests and delineated the purpose of the club. The event was also addressed by Tasneem Mosadeq, Marketing Manager, Kallol Cosmetics Ltd.

The make-up demonstration was followed by a question and answer session whereby queries regarding the Lakme range of products from the guests were answered.

The programme was rounded off by raffle draw and light refreshment.



Professor M A Mannan, founding chairman of Social Investment Bank Ltd, seen addressing the launching ceremony of two new products — Family Health Service Cheque and A to Z Investment Service at Sheraton Hotel in the city yesterday. M Azizul Haq, Managing Director of the bank, looks on. —Star photo

NBR Chairman says

VAT won't be extended to retail level beyond nine products

The Chairman of the National Board of Revenue (NBR), Dr. Sadat Hossain has announced that Value Added Tax (VAT) will not be extended to the retail level beyond 9 products which have been brought under VAT in this year's budget, says a press release.

He addressed the first meeting on the implications of extension of VAT up to the retail level, held at the conference hall of the Metropolitan Chamber of Commerce and Industry, Dhaka at the chamber building in the city yesterday.

The chairman assured that the NBR would remain in constant touch with the trade bodies to eliminate the scope of any harassment.

He said the NBR is conscious that the initial period of bringing of VAT extension to the retail level, held at the conference hall of the Metropolitan Chamber of Commerce and Industry, Dhaka at the chamber building in the city yesterday.

The chairman assured that the NBR would remain in constant touch with the trade bodies to eliminate the scope of any harassment. He said the NBR is conscious that the initial period of bringing of VAT extension to the retail level, held at the conference hall of the Metropolitan Chamber of Commerce and Industry, Dhaka at the chamber building in the city yesterday.

The meeting was attended by representatives of 9 sectors which have been brought under VAT at retail level. The Member

VAT, NBR, Saiful Islam Khan, member (VAT) of NBR, was also present.

Earlier, MCCCI President, Samson H. Chowdhury pointed out that the MCCCI was the first trade body to support introduction of VAT and hence the first discussion meeting of its extension to the retail level should be

held with the Chamber members. He said unless the issues are handled carefully and enough efforts are made to prepare the ground, the introduction may not be smooth. He said that this would be critical and might threaten the entire scheme.

Japan to inject \$91b into economy to boost growth

TOKYO, Sept 3: Japan is moving towards injecting as much as 10 trillion yen (91 billion dollars) to boost the economy, but would await growth data due later this month before making a decision, officials said Tuesday, reports AFP.

Finance Minister Wataru Kubo told reporters after a cabinet meeting that if a stimulus package was needed, it should be large enough to have an impact.

"If we are to introduce a supplementary budget, we have to consider the possibility of a large-sized supplementary budget, similar to the one introduced last year, he said.

The Japanese government injected 13.22 trillion yen into the economy last September to boost growth.

Kubo said, he suggested to Prime Minister Ryutaro Hashimoto at a meeting that the supplementary budget

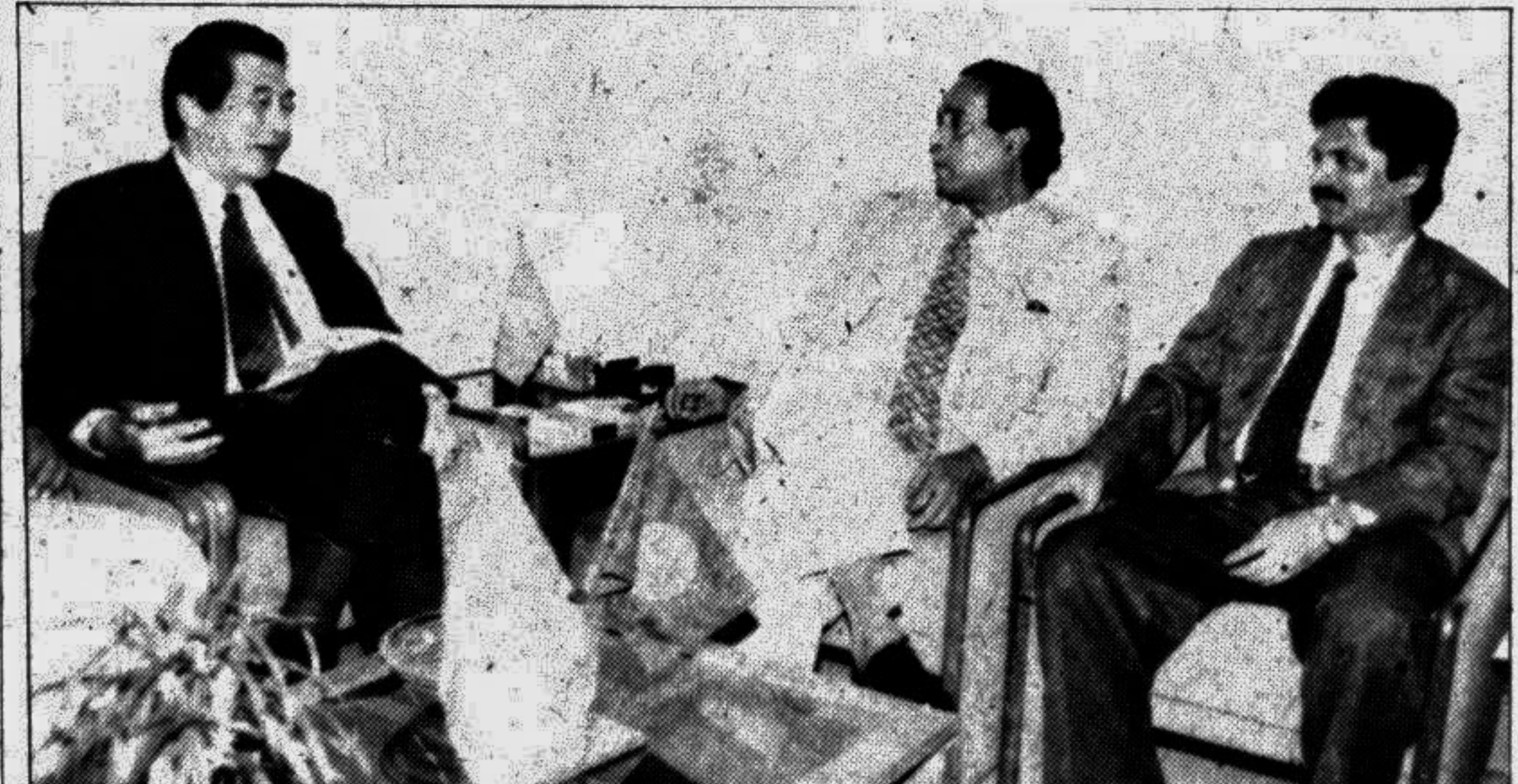
should total more than 10 trillion yen to have an impact on the economy.

Economic Planning Agency Director-General Shusei Tanaka said the government would decide on the need for a supplementary budget after studying data on Gross Domestic Product (GDP) for the three months to June.

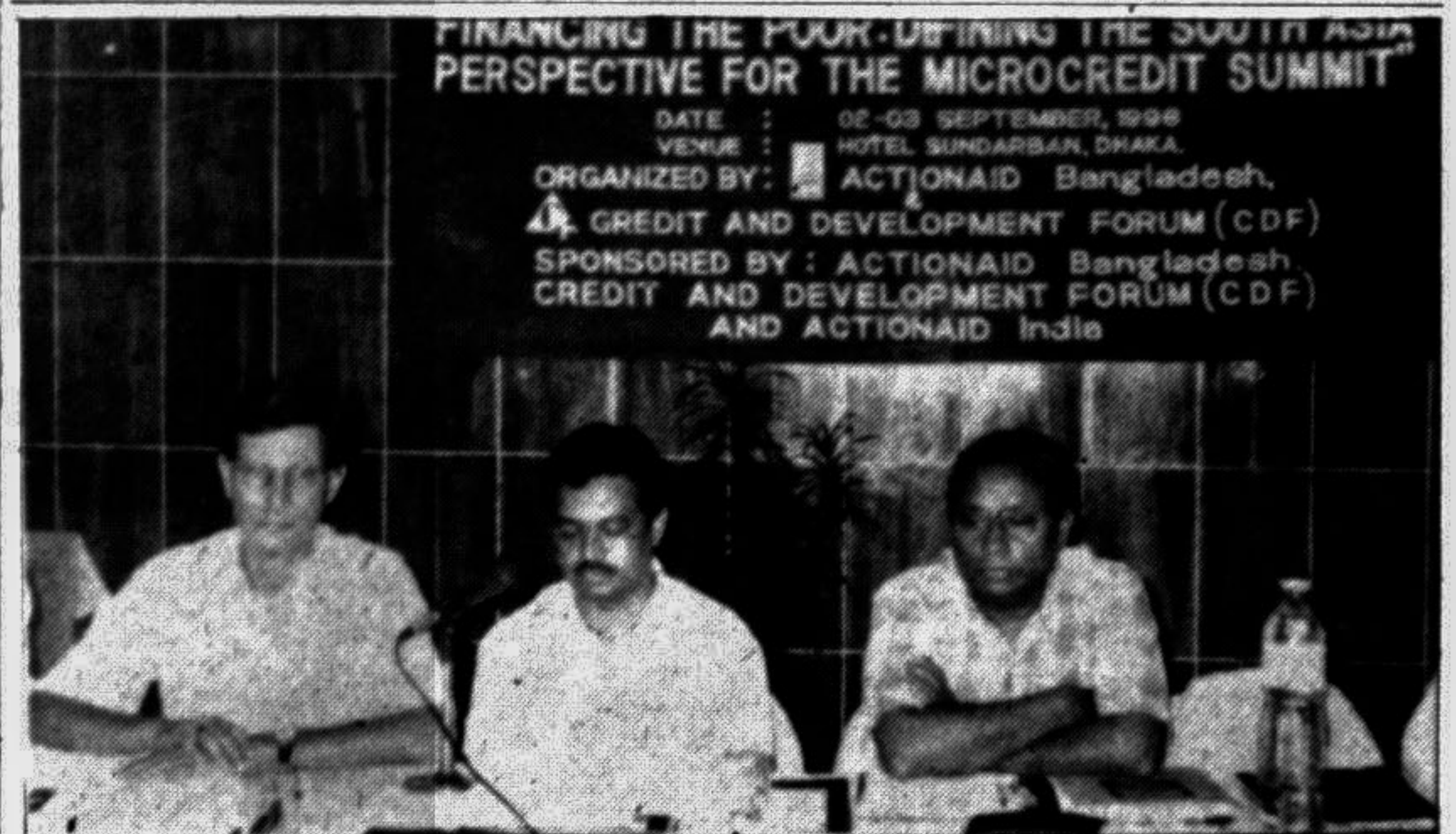
GDP data is due to be released around September 20, with analysts tipping 3.9 per cent growth in the quarter, down from 5.7 per cent the May quarter.

"Our basic stance is to decide the prospects after the real GDP data, just as outlined at the latest Hashimoto-Kubo meeting," Tanaka said.

Tanaka said, he and Hashimoto plan to meet over the next few days to discuss current economic conditions and prospects for a supplementary budget.



Thai Ambassador in Bangladesh Sunthorn Vidhyameth (extreme left) called on Ali Hossain (Hasan) (2nd-R), President of Dhaka Chamber of Commerce & Industry (DCCI) at the DCCI office in the city yesterday to apprise of the visit of a Thai Fact Finding Mission to Bangladesh. The envoy also informed about the visit of a high power, trade and investment delegation from Bangkok in October.



Professor H I Latif, Managing Director of Graffeen Trust, M Yahya, Director CDF and Ton Van Zutphen seen inaugurating a South Asian Workshop on Financing The Poor: Defining the South Asia Perspective for the Microcredit Summit at Hotel Sunderban in the city on Monday. The workshop was organised by Credit and Development Forum (CDF) and Actionaid-Bangladesh.

Iraqi offensive ignites oil market, crude prices soar

LONDON, Sept 3: The oil market was set alight yesterday when concern surrounding the Iraqi offensive into areas of northern Iraq intensified, fueling a surge in crude prices which hit their highest level since April, reports AFP.

The reference price for Brent North Sea crude oil for delivery in October rose by more than 80 cents to 21.60 dollars per barrel at midday on Monday from 20.78 dollars per barrel at the close on Friday.

Dealers were concerned that the Iraqi offensive would delay the implementation of an oil-for-food deal agreed with the United Nations (UN) which would see the return of Iraqi oil to the international market for the first time in six years.

On Sunday, UN Secretary General Boutros Boutros-Ghali said that he was "very much concerned" about the Iraqi incursion into a UN designated safe haven in the north of the country and that the UN would delay implementation of the deal.

An oil analyst at the Kleinwort Benson Trading House, Medhi Varzi, said that "the likely answer in an official delay of the implementation of resolution 986."

The UN resolution allows for the sale of Iraqi crude on the international market for the first time since Iraqi troops invaded Kuwait in August 1990.

Under the terms of the deal, Baghdad would be allowed to export two billion dollars' worth of crude over a six-month

period, or about 700,000 barrels of oil per day. This is comparable to the daily consumption of oil in the Netherlands.

Any delay in implementing the deal would hit the supply of crude on the international market. London dealers had expected to see Iraqi oil return to the market in the month of September.

Varzi noted that Iraq's military incursion had been short lived. Iraqi troops were reported to be leaving the area on

Nepal passes \$1.04b budget

KATHMANDU, Sept 3: Nepal's Parliament passed the coalition government's 1996-97 budget yesterday, rejecting a communist party call for a token 100 rupee (two dollar) cut to home ministry funding, reports AFP.

The main opposition Nepal Communist Party-United Marxist and Leninist (NCP-ULM) call would have been seen as a defeat for the government if it succeeded.

A majority of the 205-member Lower House of Parliament passed the budget after a month and a half of debate, state radio said. Upper House approval was not required.

The then Finance Minister Ram Sharan Mahat presented the 57.56 billion rupee (1.04 billion-dollar) budget on July 10. Nepal's fiscal year begins July 16 each year.

Monday, and so a freeze on oil exports would be the most likely response from the UN rather than military retaliation.

He said that the impact that any delay in implementing the deal would have on the oil market would depend on the length of any extension of the export embargo.

A delay of just a few weeks would have little impact on the market, but if Iraqi crude were barred from the market for a further six months or longer then global crude supply would be far smaller than predicted and this would have a "major impact" on prices, Varzi said.

The GNI trading house said that "the US has every intention of punishing Saddam Hussein for his latest actions, preferably in consultation with the international community."

But it added that "whether any pressure to delay the partial oil sale will work remains to be seen: after all, the deal is for humanitarian purposes and some will argue that the population must not be punished again for Saddam Hussein's decision."

Varzi predicted that purchases would continue to swell because "inventories worldwide are quite low, particularly in the United States."

Nonetheless, the London analyst said that burgeoning production around the world would increase supply and he predicted that prices would dip at the end of the year and would hover just above 18 dollars per barrel.



M Mosharrar Hossain, Managing Director of Rapport Bangladesh Ltd (sitting second from right), is seen with the participants of Twelfth Video Management Seminar on Managing the Service Industry sponsored by Rapport at Panda Garden in the city recently.