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DHAKA SUNDAY, MARCH 29, 1998

Rhone Poulenc declares 15 pc dividend

Star Business Report
Rhone Poulenc (Bangladesh) Ltd has declared a 15 per cent dividend for the shareholders for the year 1997.
The dividend was announced at the Annual General Meeting of the company in the city last Tuesday, says a press release.
M Anwarul Hoque, Chairman of Bangladesh Chemical Industries Corporation who is also Chairman, Bangladesh Rhone Poulenc Agrovet (Bangladesh) Ltd presided over the meeting.
Rhone Poulenc Agrovet (Bangladesh) Ltd is a joint venture enterprise sponsored by Bangladesh Chemical Industries Corporation and Rhone Poulenc Agro-Chemi — a global pharmaceutical company dedicated to animal health and agro-chemicals.
The company has a paid up capital of Tk 2,00,00,000 (Two crore) of which BCIC holds 40 per cent and the remaining 60 per cent is held by Rhone Poulenc Agro-Chemi of France.
Jacques Du Puy, Managing Director of Rhone Poulenc Agrovet (BD), Mirza A Matin Director (Finance), BCIC, and A K M Shamsuddin Ahmed, Director of Rhone Poulenc Agrovet were present at the meeting.
Bangladesh Chemical Industries Corporation (BCIC) will now get dividend of Tk 12 lac being 15 per cent on its share holding of Tk 80 lac in Rhone Poulenc Agrovet (Bangladesh) Ltd.

Braving low-quality imports, cement industry thrives

By Rafiq Hasan

Fourteen cement manufacturing companies of the country are facing stiff competition from low-quality imported cement which has already flooded the local market.
The prices of local cement are much higher than those imported from abroad due to high duty rates and high cost of basic raw material — cement clinker, according to industry sources.
They said most of the imported cement available in the markets fall under the category of slag and pozzolan cement which are manufactured using lower quality raw materials.
Coming from China and India, slag and pozzolan are used in building tin shed houses and light structures in rural areas.
Slag is produced by mixing 40 per cent blast furnace iron waste with clinker while pozzolan constitutes 40 per cent volcanic ash and 60 per cent clinker. But the local factories do not use furnace iron or volcanic ash with clinker as it reduces the bonding strength of cement.

The cost of slag and fly ash is only six US dollars per tonne while the price of clinker stands at around US\$ 51 per tonne. Local producers are not in a position to sell their products below Tk 230 a 50-kg bag while the same quantity of imported cement is available at less than Tk 200.
To differentiate the original grey portland cement from slag and pozzolan is a very tricky affair for most consumers, who are often being cheated for obvious reasons, according to producers.
Most of the newly-established cement factories in Bangladesh have however defied these adverse conditions, already breaking even. Some big ones have been making high profits and have even taken massive expansion programmes.
Chittagong Cement Clinker and Grinding Company, once government-owned, is producing three lakh metric tonnes of cement per year and implementing an expansion programme to raise the production capacity to six lakh tonnes.
Another privately-owned company, Confidence Cement, plans to increase the annual production capacity to three lakh metric tonnes from its existing capacity of 1.80 lakh tonnes.
On the other hand four newly established factories — Diamond, Doel, Ahad and Eastern are still at the trial production stage.

Tk 4,000 cr invested
According to government officials, the cement industry embarked on a rapid growth trek after the government had opened up the business to private investment in the early nineties.
With only two state-owned factories before the government decision, it is now booming, bringing in huge private capital from both local and foreign entrepreneurs.
Private efforts have led to the setting up of 12 cement factories with an approximate investment of more than Tk 4,000 crore spreading almost every region of the country. New factories have been set up in Syedpur, Barisal, Khulna, Chittagong and Mongla responding to the increasing demand in these areas.
The private sector has been producing high-quality cement and providing almost half the total demand. Of 40 lakh tonnes of annual requirement, the production capacity of 14 private mills has reached as much as 18 lakh tonnes so far.
The production should reach 30 lakh metric tonnes very soon as more manufacturing units are in the process of being commissioned. The lone state-owned Chattak Cement Factory produces around 2.33 lakh metric tonnes annually.
According to Board of Investment (BOI) officials, another 21 companies have been given permission to set up cement factories in the country. Among them are some world famous foreign firms who have tied up with local partners.

BOI officials say the cement industry is very lucrative and has prospects of drawing another Tk 1000 crore.
The private plant owners, who formed an association in 1996, would like the government to pursue policies towards reducing cement import and achieving self-sufficiency.
According to National Board of Revenue, the expenditure for import of Grey portland cement reduced by about Tk 80 crore in a year. In 1995-96, cement worth Tk 751 crore was imported, which declined to Tk 670 crore during the year 1996-97.
Manufacturers want duty structure revised
A K M Muhi Uddin, convener of Bangladesh Cement Manufacturers Association, said Bangladesh could save at least another US\$ 50 million every year if the government was a bit more careful about it.
Imports of low quality slag and pozzolan from India and China have exposed the local

cement industries to an unfair competition," he said.
"If government reduces duty on import of raw materials and cement bag up to 2.5 per cent and 15 per cent from existing 7.5 and 42 per cent respectively, the local producers will also be able to provide their products below Tk 200 per 50-kg bag of cement," he said.
He alleged that some unscrupulous traders were mixing the locally-produced with imported cement, which tarnished the image of local manufacturers.
Muhi Uddin claimed import of slag and pozzolan cements were banned in all developed countries and also in many developing countries.
"Low-quality imported cement is very risky for high rise buildings and heavy structures," he said.
"The recent incidents of several newly-constructed multi-storied buildings collapsing or developing severe cracks in the city were one of the damaging aspects of using low quality imported cement," he said.

Jute Spinners Limited, a 100 per cent export-oriented jute yarn and twine producing company, has declared a 15 per cent dividend for the year 1996-97, says a press release.
The dividend was announced at the company's 18th annual general meeting held in the city yesterday.
Muhammad Shams-ul-Haque, Chairman and Managing Director of the company, presided over the meeting which was attended, among others, by directors Muhammad Shams-ul-Huda, Muhammad Shams-uz Zoha, Executive Director (Group concern) Md Faizur Rahman Chowdhury and Company Secretary Bjoy Krishna Saha.
Muhammad Shams-ul-Haque expressed his gratitude to the shareholders who were present in the AGM for their sincere support to the company.

Jute Spinners declares 15pc dividend

Speakers at a national seminar on sustainable agriculture yesterday underscored the need for formulating a "national food policy" to ensure food security for all, reports BSS.
They said, two square meals for all citizens could not be guaranteed in the absence of such a policy even if food production is increased in the country.
The speakers, at the same time, called for a united thrust of all government agencies, NGOs, social forces and farmers through an integrated, balanced and modern farming system to achieve food autarky in the country.
Held at the Human Development Centre of Prashika at Kailta under Manikganj district, the seminar was inaugurated by Food and Agriculture Minister Begum Matia Chowdhury as the chief guest.
Organised by the Forum for Regenerative Agriculture Movement (FORAM), the seminar was presided over by ADAB Chairperson and Executive Director of Prashika Dr Qazi Faruque Ahmed.
The inaugural function was also addressed, among others, by Executive Director of Prip Trust Aroma Goon, Foram Chairperson Kazi Khaja Alam, Chairman of Bangladesh Agriculture Research Council Dr Zaboohur Karim and forum coordinator Sanowar Hossain Sarker.
Monitosh Halder of Prashika, Raghubendra Roy, FAO Representative from Delhi and Arghendu Sekhar Chattopadhyaya of Development Research Communication and Service Centre, Calcutta, presented papers on the subject.
Speaking on the occasion, Begum Matia Chowdhury said that at the present days of free economic world Bangladesh have no option but to survive through tough competition.

Seminar on agriculture held

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Ctg Airport becomes safe haven for gold smuggling

From Nurul Alam

CHITTAGONG, Mar 28: Gold smuggling through Chittagong Airport has reportedly increased as the smugglers find it a safe route, sources said.
The kingpins of gold smuggling has found Chittagong Airport an easy transit as it lacks archway (metal detector) required for check-up at the green channel passage sources informed.
A senior official of Chittagong Custom House told this correspondent that measures had already been taken to procure archway for Chittagong Airport Custom.
He said that sometimes, some passengers who come from Middle-East through direct flights, taking advantage of rush, sneak out through green channel.
Meanwhile, sources informed that huge quantities of gold were reportedly smuggled into the country through Chittagong Airport in the past one year from Middle-East countries particularly Dubai.

The kingpins of gold smuggling through their agents in Dubai and other Middle-East countries, engage some home bound passengers to carry the 'packets' of gold to Chittagong Airport from where those packets are brought out through green channel in collusion with a section of custom officials at the airport, sources informed.
In this way, through every direct flight from Middle-East to Chittagong, golds are being smuggled into the country sources said.
The kingpins reportedly maintain a 'package-deal' with the customs and other concerned officials posted at Chittagong Airport, sources also said.
During the past two months, some smuggled golden chains were seized only from two passengers from Dubai, who reportedly did not line up with the custom officials at Chittagong Airport before coming out, sources added.

ICAB AGM today

The 18th Annual General Meeting of the Dhaka Regional Committee of the Institute of Chartered Accountants of Bangladesh (ICAB) will be held today at ICAB Bhaban at 5 pm, reports UNB.
A prize-giving ceremony and cultural function will also be held at the same venue at 6:30 pm.
Md Jainul Abedin FCA, Member Council and past President, will attend the function as chief guest, said a press release.

Iraq increases oil output to make up for price fall

BAGHDAD, Mar 28: Iraq has increased oil production to make up for the fall of crude prices, Saddam Zehn Al-Hassan, Director of Iraq's State Oil Marketing Organization (SOMO), said Friday, reports AFP.
"The huge fall in crude prices spurred an increase in the amount of oil Iraq exported in order to make (sales worth) two billion dollars every six months as decided in the oil-food agreement" with the United Nations, Hassan said.

BB governor urges private sector Take lesson from SEA crisis

Bangladesh Bank governor Lutfar Rahman Sarkar yesterday called for addressing properly the non-economic and political phenomena and ensuring effective participation of concerned people for promoting export-led growth in the country, reports BSS.
"Complex role of non-economic and political phenomena must be taken into consideration for developing export-oriented economy," he told a day-long seminar titled "Export-led growth strategy for South Asia: Prospects and challenges" at a hotel here.
Sarkar added: "Whatever reform measures we take, participation of people, involved is of utmost importance."
Bureau of Economic Research (BER) of Dhaka University and Kuala Lumpur-based Asian and Pacific Development Centre (APDC) jointly organised the seminar, also attended by Pro Vice Chancellor of Dhaka University Prof Shahid Uddin Ahmed.
The central bank governor said Bangladesh as well as other South Asian nations cannot avoid the turmoil being faced by 'economic tigers' in the neighbouring Southeast and East Asia, which he termed as a 'private sector led crisis'.
"They (private sector) borrowed short but invested long," he opined while describing the crisis and urged the country's private sector to take a lesson from the disaster.
Prof Shahiduddin Ahmed identified "inconvenience of foreign buyers" as a major obstacle for promoting export-led economy.
"The inconvenience is often

caused by red-tapism and procedural as well as political problems," he said.
Prof Ahmed laid emphasis in ensuring the standard of goods to achieve competitiveness in the world market.
Reviewing the case of Bangladesh, one seminar paper suggested opening new markets to divert the country's dependence on limited products as well as diversifying products and markets.
The paper, presented by Dr Shaifque-Uz-Zaman of Economics Department of Dhaka University, said that after 2005, quota system and other protections for Bangladesh will be eliminated when the major garment industry, which accounts for 65 per cent of the total exports, will face a new challenge.
"The survival of the sector will depend largely on the expansion of backward-linkage and improvement of the quality of products," it added.
The seminar observed that until late 1980s South Asia was one of the least integrated regions as it followed import substituting policies with a complex web of trade and industrial restrictions.
But in the 1990s the region witnessed a remarkable change as it adopted programmes of stabilisation and reforms resulting in a significant growth in export from a very low base when the export growth rate stood at 11.4 per cent compared to 5.5 per cent earlier.
"Yet, because of extremely low starting point, the real per capita exports in South Asia are still about five times less than the average, the speakers ob-

served.
Those who presented papers in the discussions were Prof A K Monaw-War Uddin, Ahmed and Shushil Ranjan Hawladar of Economics Department, Prof Sadrel A L Reza of APDC, Prof Mustafizur Rahman of Accounting Department, Prof Mohammed Ali Rashid of Economics, Prof Shaikat Ali Ferdousi of IBA, Zaid Bakht and Prof Ayubur Rahman of Economics.
'Progress made in resolving Asian financial crisis'
TOKYO, Mar 28: Deputies from 14 Asia-Pacific economies and central banks agreed yesterday that substantial progress has been made in resolving the Asian financial crisis, reports Xinhua.
"Substantial progress has been made toward a resolution of the Asian financial crisis, although important policy challenges remain," the deputies said in a chairman's summary issued after their two-day meeting in Tokyo.
The meeting was convened in line with an agreement by the deputies last November in Manila to meet twice a year to monitor economies in the region.
The summary re-emphasized the need for economies in the region to adopt, and sustain, sound economic and financial policies, coupled with appropriate structural reforms.

Business briefs

TOKYO: US Ambassador James Foley said Japan's growing trade surplus could become a political issue in the United States during this year's congressional elections.
Speaking at a luncheon, Foley urged Japan to open its markets and buy more goods from the ailing economies of Southeast Asia and South Korea.
"One way for Tokyo to soothe trade tensions and help ease the Asian economic crisis would be to revive domestic growth," Foley said he would be "very impressed and satisfied" with an eight trillion to 10 trillion yen (62 billion to 78 billion dollars) economic stimulus package that he said he expects Japan's governing Liberal Democratic Party to propose soon.
Japan's economy remains mired in an eight-year-old slump, Washington has repeatedly urged Tokyo to spend its way back to growth, either by increasing funds for public works or cutting taxes.

SINGAPORE: Singapore's stock exchange is considering a world first: allowing small investors to trade on the Internet, bypassing brokerage firms.
Elsewhere, investors who trade on the Internet type in their orders and send them to on-line brokerage services, which then execute the transactions for a fee.
Singapore's largest newspaper, The Straits Times, quoted anonymous sources Wednesday as saying the system will go into effect by the end of the year.
The exchange's system will also enable investors to subscribe on-line for initial public offering shares and rights issues," the paper said. The Internet trades would be limited to 50,000 Singapore dollars (31,250 dollars) a day and would have to be executed immediately at prevailing market rates, the paper reported.
Brokerage houses were unhappy about the idea, saying it would make Singapore the first stock exchange in the world to compete against its own members for business. Brokers charge one per cent commission on small trades under the current system.
SEOUL: South Korea plans to sell three billion dollar worth of bonds next month with yields so high that investors will find them hard to resist, analysts predicted Wednesday.
Finance Ministry officials declined to disclose detailed terms, but experts expect the bonds to carry interest rates four per cent above the London inter-bank rate, the world benchmark.
"The speculated terms for the bonds are very favourable for investors. I believe the bonds will attract a lot of investors," said Lee Ji-soon, an economist at Seoul National University.
South Korea plans to promote sales of the bonds in New York, London, Frankfurt, Tokyo, Hong Kong and six other cities between March 26 and April 4.
Finance Minister Lee Kyu-sung will travel to New York next week to explain South Korea's ongoing financial reforms and future economic policies to investors.
The bonds, which will be issued right after such meetings, are an effort to raise the nation's foreign currency reserves, which stood at 20.7 billion dollars as of mid-March, ministry officials said.
South Korea was forced to accept a 57 billion dollars bailout from the International Monetary Fund in December as its economy teetered on the brink of collapse.



Aktar Hussain, Managing Director of Rangs Electronics Ltd, inaugurating a new sales and service centre at Dolairpar near Jatrabari in the city.

Rangs opens new sales & service centre

Rangs Electronics Ltd has opened a new sales and service centre at Dolairpar near Jatrabari in the city recently.
With this, the total number of centres comes to 35.
The Managing Director of the company, Aktar Hussain, inaugurated the centre.
The centre has been opened as part of the company's expansion and better customer service programme.
SC Guan, Harley Tang, Kohori from Sony Corporation, Chhatre, Amornath from Sanyo Universal were also present as special guest. Sabur Ahmed, General Manager, Masud Ali Khan, Administration Manager, Md Wahidur Rahman, Area Sales Manager, Dhaka, other senior officers of Rangs Electronics Ltd and many city elite were present.
In his inaugural speech, the Managing Director of Rangs Electronics Ltd, said sales centres are being set up to enable the customers throughout the country get world famous electronic products and to get better after sales service at their doorsteps.

Equal accountability of bureaucracy, politicians, donors, NGOs stressed

A leading economist of the country has stressed the need for equal transparency and accountability of the bureaucracy, politicians, NGOs and their donor agencies in planning and carrying out development activities, reports BSS.
Prof Mosharraf Hossain, in the keynote paper presented at the inaugural session of an international workshop on Planning, Monitoring and Evaluation (PME) on Friday said, "in an aid dependent country, unless donors design their aid package according to the plans and programmes of the aid-receiving country, planning becomes a meaningless exercise."
Sponsored by Christian Commission for Development in Bangladesh (CCDB), the opening session of the seven-day workshop was addressed by State Minister for Land Alhaj Rashed Mosharraf, Executive Director of CCDB Susanta Adhikari, Bram Van Leeuwen of the Netherlands, Held at the BRAC Training Centre at Rajshahi, it was chaired by Victoria Villanueva Chavaz, a participant from Peru. A total of 35 participants from 14 countries are taking part in the workshop.
Prof Mosharraf said if the amount over 30 billion US dollars Bangladesh received during the last two and a half decades could be properly used the levels of poverty, malnutrition and unemployment in the country would have been much less than what is the case today.
He said failure of the planners, officials of development administration and political leadership should be blamed for this.
Alhaj Rashed Mosharraf lauded the NGOs for their con-

tributions in spreading literacy, alleviation of poverty and promotion of women's empowerment.
Emphasising the importance of PME, he said it is not an end in itself but a means to achieve the goals of development as set by the people, the partner organisations and the agencies.
Therefore, the partnership between resource sharing agencies and implementing organisations needs to be developed on the basis of clear policy and understanding, the minister said.
Susanta Adhikari, in his address of welcome, called upon the donor agencies to consider the realities relating to culture and the values of a country before setting any condition on the working NGOs.

New development agency set up

Leading development experts have established a new development agency styled Empowerment of Disadvantaged Through Management, says a press release.
The organisation was constituted with 31 general council members, nine executive council members and five advisory council members. In addition, all council members and consultants included in the organisation are already leading experts in the field of development.
The new organisation's fourth general council meeting was held with Sheikh A Halim, Executive Director of the village education resource centre in the chair.
Speaking on the occasion, Wazihullah Patwary, former Deputy Country Coordinator of Geneva-based Enfants du Monde, explained in details the rationale behind establishment, goals, objectives and policies of the Empowerment of Disadvantaged Through Management and said the organisation will pursue alleviation of poverty in Bangladesh in tune with programmes of the Bangladesh government.

US personal incomes rise in Feb

WASHINGTON, Mar 28: The US national personal income rose 0.6 per cent in February for the second consecutive month, the Commerce Department reported yesterday, says Xinhua.
The increase, to a seasonally adjusted annual rate of 7.14 trillion US dollars, exceeded the healthy 0.4 per cent increase in spending, to a seasonally adjusted rate of 5.66 trillion dollars, the department said.
Spending rose 0.7 per cent in January, revised up from a previous estimate of 0.4 per cent, the highest rise in last six months.

'BJP-led govt undermining investors' confidence'

NEW DELHI, Mar 28: India's previous finance minister yesterday accused the ruling Hindu nationalist-led coalition of undermining the confidence of investors, reports AFP.
Palaniappan Chidambaram, whose United Front government collapsed last November, said leaders of the right-wing Hindu Bharatiya Janata Party (BJP) had sent "confusing signals" since being sworn in last week.
"Your government has started on a very wrong foot," Chidambaram, an ardent supporter of market reforms, told parliament's lower house during a motion of confidence.
"You people in separate statements have said that foreign investment was not welcome, the rupee should go back to the 1971 level against the dollar and that they would be a lock-in period for foreign investments."
"Such statements have absolutely shaken the confidence of investors in India," Chidambaram said.

He said the nationalists had inherited a sound economy from the United Front but warned: "India needs a seven per cent growth but you cannot achieve that by undermining confidence."
Chidambaram, accused by the nationalists of failing to deliver after a bold tax-cutting budget last year, accepted the fiscal to March 1998 "was a year of slowdown ... but there is no recession."
The United Front Finance Minister said his coalition inherited 17 billion dollars foreign exchange from the previous government, adding: "We are leaving 24 billion dollars to this new government."
"Inflation came down from 10 per cent in 1991 to 7.5 per cent when we formed the government and today it is just five per cent."
"This is to your advantage and do not waste it away by undermining confidence," he added.

TSA Transpacific Stabilization Agreement

Notice of Shippers/Consignees: Transpacific Carriers Adopt New Cost Recovery Fees
This is to advise the trade that member shipping lines in the Transpacific Stabilisation Agreement (TSA) have agreed on the need for a number of new charges intended to help recover extraordinary costs and ensure reliable, sustained service levels.
These guideline charges reflect container volume changes in the eastbound transpacific trade; severe equipment imbalances; operational difficulties experienced by all-water carriers transiting the Panama Canal in coming months; and continued high costs for transiting the Suez Canal. They include:
A temporary **Peak Season Surcharge** of US\$ 100 per 40-foot container, with proportionate levels for cargo otherwise rated, effective from June 1 through October 31, 1998, from all Asian origination points except Japan. It will apply to all TSA member line tariff cargo shipped on or after June 1, 1998, and to cargo moving under service contracts or time-volume rates which take effect on or after June 1, 1998. Shippers and consignees having contractual arrangements in effect prior to June 1, before the so-called "peak season" begins, will be exempt from the surcharge.
A **Suez Canal Transit Fee** of US\$ 60 per 20-foot container and \$ 120 for all other equipment sizes, effective May 1, 1998 for Asia and Indian Subcontinent origin points. The fee is intended to help offset per vessel transit charges of as much as \$ 250,000 for larger sized container ships using the Canal. TSA lines have absorbed those charges to date, but can no longer afford to do so under their current rate structure.
TSA Member Lines:
American President Lines, Ltd. A.P. Moller-Maersk Line
Evergreen Marine Corp. P&O Nedlloyd Ltd/BV
(Taiwan), Ltd. Nippon Yusen Kaisha (NYK Line)
Hanjin Shipping Co., Ltd.
Hapag-Lloyd Container Linie Orient Overseas Container
GmbH Line, Inc
Hyundai Merchant Marine Co., Sea-Land Service, Inc
Ltd. Yangming Marine Transport Corp
Kawasaki Kisen Kaisha, Ltd (K Line)
Mitsui OSK Lines, Ltd



A partial view of the fourth general council meeting of the Empowerment of Disadvantaged Through Management was held in Dhaka with its Secretary-General Wazihullah Patwary explaining different programmes of the organisation.