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Rajshahi Sugar Mills incurs Tk 56cr loss in 8 years

RAJSHAHI, Apr 3: Rajshahi Sugar Mills has been incurring loss during the last few years due to inefficiency and unabated smuggling of Indian sugar into the country, reports UNB.

Official sources said the mill incurred a cumulative loss of Tk 55.56 crore during the last eight years though it earned a profit of Tk 2 crore 22.37 lakh during the fiscal 1990-91.

The year-wise losses since then are as follows: Tk 7.09 crore in 1991-92 crushing season, Tk 9.56 crore in 1992-93, Tk 2.04 crore in 1993-94, Tk 24 lakh in 1994-95, Tk 7.13 crore in 1995-96, Tk 10 crore in 1996-97, Tk 7.50 crore in 1997-98 and Tk 12 crore in the current 1998-99 season.

A reliable source informed that one of the reasons of recurrent loss was transportation problem of sugarcane. There were about 56 buying centres of the mill at different places, they said adding that after buying, the sugarcanes are to keep at the centres for about five to six days. This causes less production as the canes dry up during this period, they said.

Besides, the number of hand and power crushers in the command area of the mill has increased much in the recent years causing supply shortage of sugarcane to the mills.

The authorities failed to produce sugar according to the target set earlier due to these reasons.

An official who preferred not to be named told UNB the mill earned profit during the post-liberation period. This [illegible] years. But with the onslaught of smuggled Indian sugar in the market coupled with inefficiency in the industrial management led the industry to the continuous losses.

Pak central bank cuts short-term lending rate

KARACHI, Apr 3: Pakistan's central bank today cut it short-term lending rate to commercial banks by 1.5 per cent in a bid to ease credit, reports AFP.

The State Bank of Pakistan will now charge 14 per cent on loans it extends to commercial banks for up to three days to meet their short-term liquidity requirements, officials said.

It was the third reduction since June 1998 when the central bank had been charging 18 per cent. Officials said the move would induce commercial banks to slash their prevailing lending rate of 18 to 19 per cent.

Business sources said high interest rates were hampering industry and making exports less competitive.

Five large commercial banks last week agreed to cut their lending rates by two per cent.

Indonesia issues travel ban on 172 bankers

JAKARTA, Apr 3: The government has issued travel bans on 172 bankers as part of an investigation into alleged wrongdoing at dozens of closed banks, local media reported Saturday, says AP.

The travel ban, implemented on Thursday, bars the bankers from traveling outside the country for six months and can be extended at the request of the finance ministry, The Jakarta Post reported.

Last month, authorities shut 38 ailing banks in line with reforms required by the International Monetary Fund that were designed to hoist Indonesia's shattered economy out of its slump.

The banks were saddled with bad loans and had breached their legal lending limits, government officials said. Three banks belonged to members of the family of former President Suharto, who quit in May amid riots and protests against his 32-year authoritarian rule.

Finance Minister Bambang Subianto said the travel bans were necessary because the bankers would be needed for questioning about their failed operations.

US cos to design main terminal of new Chinese airport

GUANGZHOU (China), Apr 3: Two US firms have won a design contract for the main terminal of the new 2.3 billion dollars airport in the southern economic boom town of Guangzhou, state media reported, says AFP.

Parsons Corp and Urs Greiner Corp, will collaborate on the design with the Guangdong Provincial Architectural Design Institute, said Guangzhou Mayor Lin Shusen, quoted in an overnight report of the Xinhua news agency.

His comments came after he met Thursday with US Secretary of Commerce William Daley, who was on the last day of an official visit to China, and who presided over the signing of 18 accords, mainly for infrastructure projects.

High priority actions list presented to finance minister

Donors for transparency in defence spending

By Inam Ahmed

The donors have asked the government to bring transparency in its defence expenditures, make an immediate public announcement of a time-bound action plan to strengthen institutional capacity and weed out corruption in three key areas -- customs, VAT and income tax, the judiciary and the police.

The suggestions came when the donor community presented the finance minister last month with a list of high priority actions, which have been on the government's reform agenda for quite some time now.

Their recommendations put special emphasis on five key areas: Social sectors, institutional capacity and governance, financial sector, reform of the state-owned enterprises (SOEs) and redressing fiscal policy.

The government has also been asked to apprise the donors of the timetable for implementation of these priority actions.

In their suggestions for high priority actions on the fiscal front, the donors have asked the government to "institute transparent accounting of its all defence expenditures."

They have also asked the government to eliminate state guarantees for SOEs' loans and institute hard budget constraints for them.

The government should hold public discussions on the its investment and recurrent expenditure plans, together with tax policy proposals, as part of the budgetary consultation process, said the donors.

The donor community have also called for bringing more people and companies under the tax net while expanding the existing domain of VAT, introduction of compulsory pre-shipment inspection and adoption of a unique taxpayer identification number for payment of all taxes.

They were again critical of the non-transparent and non-competitive contract awards in all key areas including areas which are being opened up to the private sector and stressed measures to check these.

In their suggestions, the donors also sought appointment of an ombudsman and measures for effective enforcement of the existing laws and amendment of the legislation to deal with extortion and toll taking. Establishment of the Human Rights Commission also found place in their action agenda.

They said that the government should take bold decisions and measures to prevent interference in the management functions of the nationalised commercial banks (NCBs) including loan sanctioning, personnel decisions and contract awarding.

Reappointment of chief executives and reorganisation of the boards of the NCBs by filling the top positions with individuals who meet required standards of competence and integrity also found its place in the high priority actions list.

Regarding privatisation, the government should publicly announce a SOE-reform strategy, including voluntary separation scheme and privatisation targets and enact the Privatisation Bill, they said.

Developing nations call for increased ODA

By Suman Guha Mozumder

UNITED NATIONS, Apr 3: A number of developing countries, including Bangladesh and Indonesia, have raised the issue of greater Official Development Assistance (ODA) at the Human Rights Commission in Geneva.

During a session lasting until midnight, the developing countries also called for more extensive relief for debt-burdened nations and strong emphasis on development issues by the international community.

Their representatives said progress for the global economy had not translated into progress for non-industrialised countries, most of which were being increasingly marginalised. They said while governments are responsible for economic performances, the gap between the rich and the poor remains so wide that it cannot be reduced without substantial help from richer nations and from international efforts to redistribute benefits of economic expansion.

"Existence of widespread and extreme poverty inhibits full and effective enjoyment of human rights," Bangladeshi representative Ismat Jahan said.

While globalisation was said to hold out the promise of prosperity, it was found to bring challenges for the developing countries, he said. There have been concerns that it contributes to a new process of "uneven development and increased inequality both among and within nations," he added.

Indonesia said progress towards the implementation of the right to development required effective policies at the national level as well as equitable economic relations and a favourable economic environment at the international level.

"The right to development made the human person the central subject of development and called on popular participation and democracy," its representative Harry Purwanto said.

What was needed was a holistic approach as promotion and protection of rights and development were "mutually reinforcing," he added.

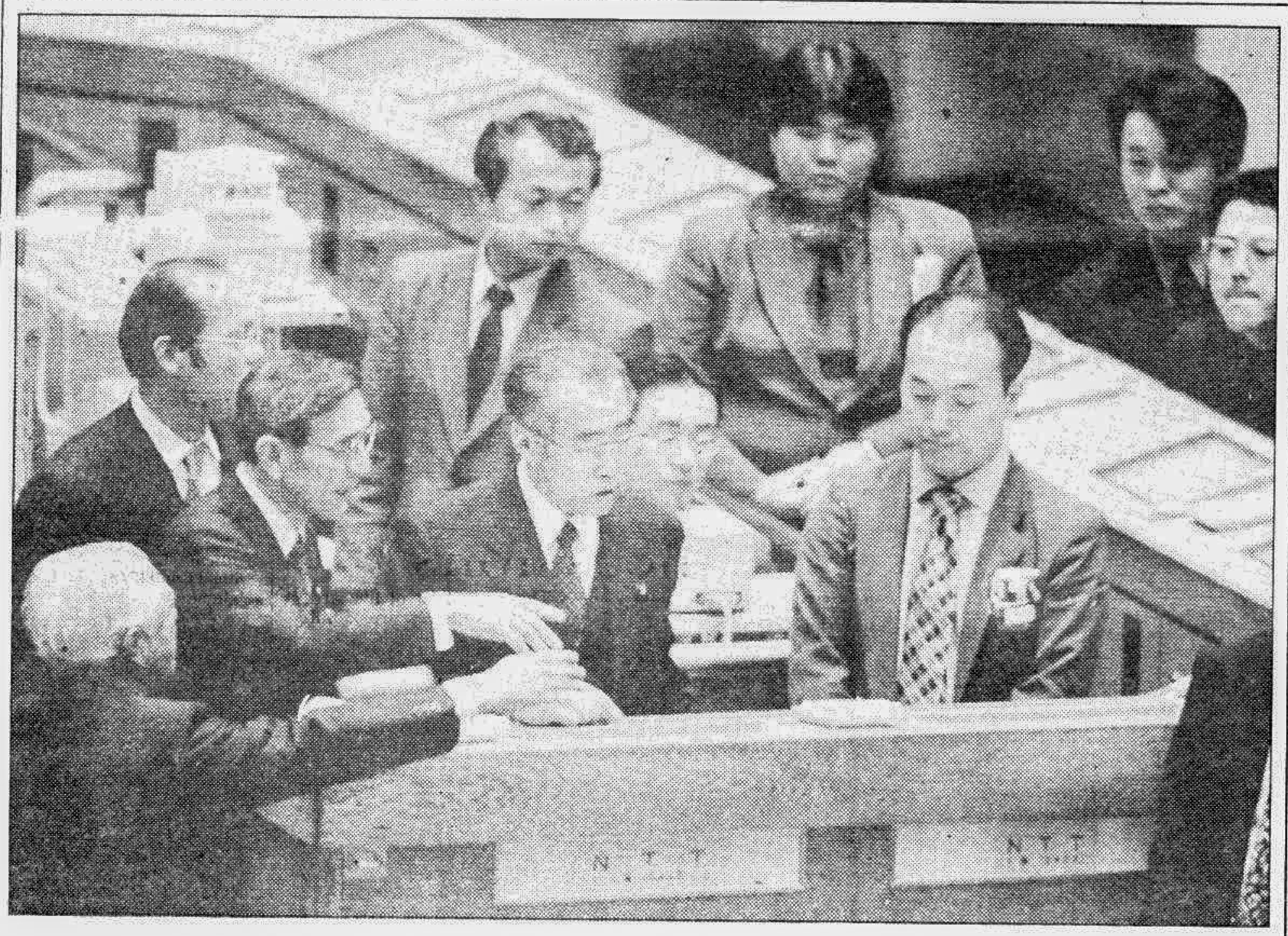
Among the developed countries addressing the session was the United States, which contended that the focus on development should be on how to enable each child to reach his or her full potential.

The answer, US representative Nancy Rubin said, lay in providing the full range of human rights to all citizens. Myanmar stressed the need for rich countries to help the developing nations and proposed increased ODA, along with transfer of technology.

"There is a need for developed, resource-rich countries to direct their efforts towards providing further help to states in need," its representative said.

Russian representative Sergei Tchoumarev said economic growth could not be separated from other human rights and it was essential to recognise the right to development as an integral factor in the eradication of human rights abuses.

— *India Abroad News Service*



TOKYO: Japanese Prime Minister Keizo Obuchi (C) is surrounded by stock dealers as he receives an explanation of the Tokyo Stock Exchange (TSE) Friday. Obuchi visited the bourse to celebrate the 50th anniversary of the TSE. The Nikkei 225 index declined 37.37 points to end at 16,290.19.

— AFP photo

S'pore corporate earnings down drastically in '98

SINGAPORE, Apr 3: Singapore companies have reported an unprecedentedly drastic plunge in the amount of cooperate earnings and the number of profit-makers in 1998, according to data compiled by local media, reports Xinhua.

The data show that the total earnings of the 193 listed companies which announced their 1998 full-year results before the deadline on Wednesday, plunged by 90 per cent to 507.9 million Singapore dollars (294.4 million US dollars) compared with 1997.

A large number of listed big companies, like Singapore Telecom, Singapore Airlines and Singapore Press Holdings that do not have December year-ends for their account, were not counted in the data.

The drop in 1998 corporate earnings meant a much more sharp fall than the 49-per cent plunge sustained by 106 companies in the previous economic recession in 1985, when the total corporate earnings declined to 483.1 million Singapore dollars (280 million US dollars) from the previous year's 925.1 million Singapore dollars (536.3 million US dollars) and 68 per cent of the 106 companies reported positive earnings.

Compared with 1997, the companies' earnings were down 75 per cent to about 800 million Singapore dollars (463.8 million US dollars) in Singapore first half of last year.

But they incurred losses of 292 million Singapore dollars (169.3 million US dollars) in the second half, which saw Singapore's economy going into recession.

A back-of-the envelope calculation shows that the average earnings per company was about 2.6 million Singapore dollars (1.5 million US) last year, about half the 4.6 million Singapore dollars (2.7 million US dollars) for 1985 when the economy shrank 1.6 per cent for the whole year.

Data also show that a total of 130 companies or 67 per cent of the 193 listed companies managed to stay in black in 1998 although a full 70 per cent of the total declared either lower profits or outright losses.

Analysts attributed the sharp plunge in total earnings to companies' correction to property bubbles in the past year, saying the companies were availing themselves the opportunity to clean house by taking huge provisions.

They said that many listed companies were plagued by property woe and nine out of 10 of those which declared the biggest losses were developers making massive write-offs on their properties.

Even the banks, which kept their position as Singapore's biggest profit generators, saw their earnings eroded by provisions on housing and property loans.

Government linked companies (GLCs), looking for growth in Singapore's limited domestic market and once considered by many to be a good bet on the growth of Singapore, were also among the worst performers last year as they rushed headlong into property during the boom years and now were paying for the price.

Neptune Orient Line (NOL) led the loss-makers for 1998, losing 438.2 million Singapore dollars (254 million US dollars), next to NOL were the other two GLCs, Keppel Land and DBS Land, that suffered from a net loss of 350.6 and 239 million Singapore dollars (203.2 and 138.6 million US dollars) respectively.

These three GLCs lost a staggering one billion Singapore dollars (579.7 million US dollars) in all as a result of battering by low traffic and high interest rates.

Domestically, hotels and car distributors also had a hard time last year.

A signed article in the local English newspaper the Business Times commented, "in general, companies that maintained their profitability tended to be those whose markets were outside of the region — such as the electronic sub-contractors and the ship-repairers."

85 pc of Chinese companies not Y2K-compliant

BEIJING, Apr 3: More than 85 per cent of Chinese companies are lagging behind on a government campaign to make their computers millennium complaint, a survey published today showed, reports Reuters.

The State Council, or Cabinet, has ordered all companies and government institutions to finalise millennium tests by June 30, the Xinhua news agency said.

About 19 per cent of 104 respondents, including companies and government institutions, were still "evaluating the impact of the Y2K problems or at the stage of making plans", it said.

The respondents were in sectors such as finance, posts and telecommunications, transport, taxation bureaus and major water and electricity suppliers, the newspaper said.

The survey was conducted by the Century Perspective Market Research. It gave no further details.

China has been moving to tackle the problem, when computers confuse the year 2000 with 1900, in sectors ranging from telecommunications to aviation, banking and securities and futures.

The Shenzhen-based Securities Times said today the China Securities Regulatory Commission, the country's top securities market watchdog, would launch a nationwide inspection into the computers of brokerages between April and June.

The result of the check would be made public, it said.

China is believed to be less vulnerable than many industrialised countries to the millennium bug due to its relatively low level of computerisation.

But analysts say China is lagging behind the rest of the world in addressing the problem.

2 sugar mills set to incur Tk 5 cr loss this fiscal

NATORE, Apr 3: The Natore Sugar Mills and the North Bengal Sugar Mills are set to incur a total loss of about Tk five crore during the current fiscal year due to stockpiling of unsold sugar, reports APB.

The two sugar mills could not pay outstanding bills worth Tk two crore to sugarcane growers before the last Eid-ul-Azha.

Natore Sugar Mills, which began production on October 28 last year, produced 15,272 tonnes of sugar till March 13 last against a target 15,990 tonnes.

But the total quantity of sugar sold till that date was 6,960 metric tonnes. The unsold quantity is valued at Tk 2.28 crore, sources in the mill said.

The rate of recovery was 7.8 per cent against the target of 8.20 per cent.

ROK ambassador to Bangladesh Tai Kye Han holding talks with the president of CSE Amir Khosru Mahmud Chowdhury MP at a courtesy meeting on Thursday.

— CSE photo

ROK ambassador visits CSE

Tai Kye, Han, ambassador of The Republic Korea to Bangladesh, visited Chittagong Stock Exchange (CSE) on Thursday and met the president of the exchange Amir Khosru Mahmud Chowdhury MP, says a press release.

A courtesy meeting was also arranged with the senior executives at the CSE board room where a detailed presentation was made on the vision and activities of the bourse by the CEO AGM Shamsul Kamal and Golam Rabban Chowdhury, head of research and development.

The CSE president explained CSE's future plans and actions to the ambassador in the meeting.

In a brief speech, the ambassador expressed his optimistic view about CSE and its vision. He also visited various departments of the bourse including the automation equipment room, research cell, settlement department and surveillance department etc.

Hai Sook Han, Hee Sup Lee, First Secretary, and Ho Won Chun, Trade Representative, accompanied the ambassador during the visit.

Indian insurance market access offer not useful: US

WASHINGTON, Apr 3: The US, while conceding that India had made commitments in banking and securities in line with international norms, has said that the country's offer on opening up insurance was "not commercially useful".

In a mandated report submitted to Congress, President Bill Clinton, while outlining his administration's 1999 trade policy agenda, said the U.S. would continue to press New Delhi "to improve its offer on insurance."

"While the Indians made some modest commitments in banking and securities in the WTO (World Trade Organisation) financial services negotiation, its insurance market access offer was not commercially useful," said the report, prepared by the Office of the U.S. Trade Representative.

It pointed out that the Bharatiya Janata Party (BJP)-led government had attempted to introduce insurance reform legislation in December 1998, "but only to see it sidetracked to a select committee in the face of violent street demonstrations instigated by the affected unions and the Communist Party."

It felt "chances are slim for passage (of the insurance bill) during the budget session of Parliament."

Clinton noted that two U.S. disputes with India were currently being worked out through the WTO panel process and said "our ever-present list of irritants" in trade and investment with New Delhi remain.

The report said the two disputes involved TRIPS (trade related intellectual property rights) and BOP (balance of payments) import licensing and the irritants comprised problems such as automotive TRIMS (trade related investment measures), soda ash restrictions, insurance and almonds market access.

It said American policy goals "continue to be enhanced market access for goods and services, investment liberalisation and protection of intellectual property rights (IPR).

It complained that "India is a difficult market to access due to the lack of a stable political consensus for trade and investment liberalisation and residual tendencies from previous regimes."

The report noted the BJP-led government is going into the 1999-2000 financial year "with a less than rosy economic performance for FY 1998-99 — GDP (gross domestic product) growth below six per cent, reduced foreign investment inflows and the gross fiscal deficit exceeding the target ratio of 5.6 per cent of GDP, causing increased GOI (government of India) borrowing and inflationary pressures."

The report blamed India and several other developing countries for blocking consensus and preventing the WTO BOP committee from coming to a decision in Washington's favour despite the International Monetary Fund (IMF) informing the committee in June 1997 that India does not have a BOP problem that justifies maintaining restrictions on imports.

The report claimed that in the U.S.-India dispute settlement consultations under the aegis of the WTO and in bilateral discussions, "despite considerable movement on the U.S. side, India was unable to match this flexibility to a degree that would produce a negotiated resolution superior to the adjudicated result of a WTO dispute settlement panel."

On the TRIPS mailbox dispute, the report said even though the U.S. had prevailed before a WTO panel in August 1997, India promulgated only in January 1999 a patent ordinance in an attempt to fulfil its TRIPS obligation.

But the U.S. found it to be WTO-inconsistent. The report said this was so because of the inclusion of compulsory licensing and "other objectionable practices."

In automotive TRIMS, according to the report, India's regime "is characterised by high applied tariffs, restrictive import licensing and WTO-inconsistent TRIMS (local content and export performance requirements)."

"There is also a general lack of market access for telecom services, even though the government of India has issued periodic pronouncements promising liberalisation," it complained. "India's participation in the WTO telecom services negotiations was uninspiring."

The report said the U.S. "expects India to reduce limits on foreign investment, accelerate access to long-distance and international telephone services and improve adherence to the WTO basic telecom reference paper."

While acknowledging New Delhi's efforts to liberalise the investment regime since economic reforms were inaugurated in the early 1990s, the report said many additional steps were imperative to "facilitate India's infrastructure development."

Noting India's frequent expression of interest to expand coverage of GSP (generalised system of preferences) eligible products, the report said, "however, many products of interest to India are excluded by statute, such as textiles, footwear, leather wearing apparel and other import-sensitive products."

"Some products, such as Indian chemicals and pharmaceuticals," it added, "lack eligibility because of India's failure to provide pharmaceutical product patent protection."

— *India Abroad News Service*

Philips to make digital TV sets in S'pore

SINGAPORE, Apr 3: Dutch giant Philips Electronics NV will start manufacturing digital television sets in Singapore next year and is expanding its development activities in the island, the Straits Times said today, reports AFP.

Robert Martijnse, the newly appointed Chairman and President of Philips Singapore, said by the end of this year, the company will have 300 staff developing "the whole colour TV mainstream range for the world."

Digital TV, which offers far higher resolution and host of new applications unavailable on normal analogue TV, has been launched in Europe and is expected to be introduced in Singapore.