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# The Daily Star BUSINESS

DHAKA, FRIDAY, MARCH 31, 2000

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## Jute Spinners Ltd AGM held

The annual general meeting (AGM) of the Jute Spinners Ltd, a hundred per cent export-oriented jute spinning mill, was held at its head office in the city yesterday, says a press release.

The meeting was presided over by Muhammad Shams-ul Haque, Chairman and the Managing Director of the company.

## Clarification of BJMC

Attention of the BJMC authority has been drawn to a news item published in your newspaper on 6th January 2000 under the caption "Cash hungry BJMC opts for Fitra from NCBS." The news published in your paper being not based on facts, we object to the use of world "Fitra from NCBS" and would request you to publish the following explanation in your paper:

The observation that "this is yet another glaring example of running the corporation management in an haphazard manner" is also not correct as BJMC management runs the affairs of the corporation in a planned way as per budgetary guideline of the Government. But due to reasons, beyond the control of the management things do not happen according to programme as jute goods market due to shrinkage of consumers' demand through the world. So, in spite of our aggressive efforts for sale of goods, the programme gets stuck up if the buyers do not buy the goods. This year the programme of getting fund before Eid from Syrian sale could not be materialised as the sales agreement of this year could not be concluded for various reasons. Every year sale agreement with Syria is made between December and January for a bulk quantity and we pay Festival Allowances to the workers and staff before two Eid Festivals out of Syrian sale proceeds. Due to non-conclusion of Syrian sale this year BJMC has no other alternative but to obtain loan from NCBS at 1% higher than normal interest against Government Guarantee for payment of the Festival Allowance to the workers and staff. In fact, the banks will be benefited by getting higher interest on this secured loan. So, calling this loan as Fitra is highly objectionable. However, BJMC will well-come if the Banks consider this loan as fitra and will not ask for its payment as Fitra is never repayable by the recipients.

The allegation that Fitra obtained from NCB has been given to the mills which are out of production is also not correct as no mill under BJMC has ever been out of production since independence except those mills which have been closed under orders of the Government and all workers, staff and officers of those mills have been terminated and paid off soon after closure.

In order to assess the present position of jute industry, a background about it should be known to the public. Before partition of Indian sub-continent, all jute mills were established in and around Calcutta and the raw jute was supplied from Bengal. After partition of India in 1947, East Pakistan got no jute mill though it had plenty of raw jute. On the other hand jute products were being the only source of foreign exchange of Pakistan, the then non-Bangali Government gave all round financial support to the then non-Bangali people who migrated from India for setting up jute mills in the then East Pakistan. System of providing working capital loan to jute mills by banks started from that time. But as the mills were running at loss by exporting jute goods, the then Government introduced 30% bonus voucher on export with a view to boosting up exports, earning of foreign exchange and expansion of jute industry for creating huge employment opportunity. Under this system the jute mills sustaining 30% loss on exports started making 30% profit by selling the bonus voucher at double the price. But after independence, the Government changed the policy under change circumstances in one hand and the market for jute goods has been tremendously getting shrunken day by day for which the mills are being run at loss. In fact BJMC Mills could not make profit except 1979-80, 1980-81 and 1982-83.

However, jute sector being a major field of employment absorbing about two crore people either directly or indirectly, the Government has financed this sector under different schemes. During 1992-93 to 1995-96 the Government provided loss financing to the mills under JSAC when the mills could repay cash credit loan to the banks with interest. Due to discontinuation of such loss financing from 1996-97, the mills have been facing serious financial crisis for which the mills can not repay cash credit loans to bank for which the mills are paying about Tk 60.00 crore per year as interest on cash credit loan. In fact, the banking sectors earn about Tk 200.00 crore from jute sector per year in the form of interest and bank commission.

# AmCham reiterates call for decision on gas export

## Move seen raising US investment inflow

Star Business Report

American Chamber of Commerce in Bangladesh (AmCham) President Forrest E Cookson yesterday once again advocated for an immediate decision in favour of gas export, saying that it would increase the country's economic confidence and lead to more US investment.

The energy sector will prosper once the nation decides to export gas. The immediate decision should be to authorise export of a total of 7.5 to 10 TCF gas over a period of 25 years," Cookson said, while speaking at a seminar on "Foreign Investment Protection and Anti-Expropriation Measures" in the city.

Industries Minister Tofail Ahmed, who spoke on the occasion as the chief guest, reiterated the prime minister's stand that the country would go for gas export only after ensuring a 50-year domestic consumption reserve.

But he said that the country could earn US\$ 10 billion by exporting 7 TCF gas in 21 years at the rate of one BCF (billion cubic feet) per day. Such a decision would, however, depend on the hydrocarbon reserve size, he added.

The seminar was jointly organised by Dhaka Chamber of Commerce and Industry (DCCI) and Centre for International Private Enterprise (CIPE), an affiliate of the US Chamber of Commerce, Washington. DCCI President Aftab ul Islam, former President M H Rahman, Vice President A M Mubashir and Saiyid Musharraf Hussain also spoke on the occasion.

Cookson, a long-time proponent of gas export, said the decision to do so would lead to an inflow of portfolio investment.

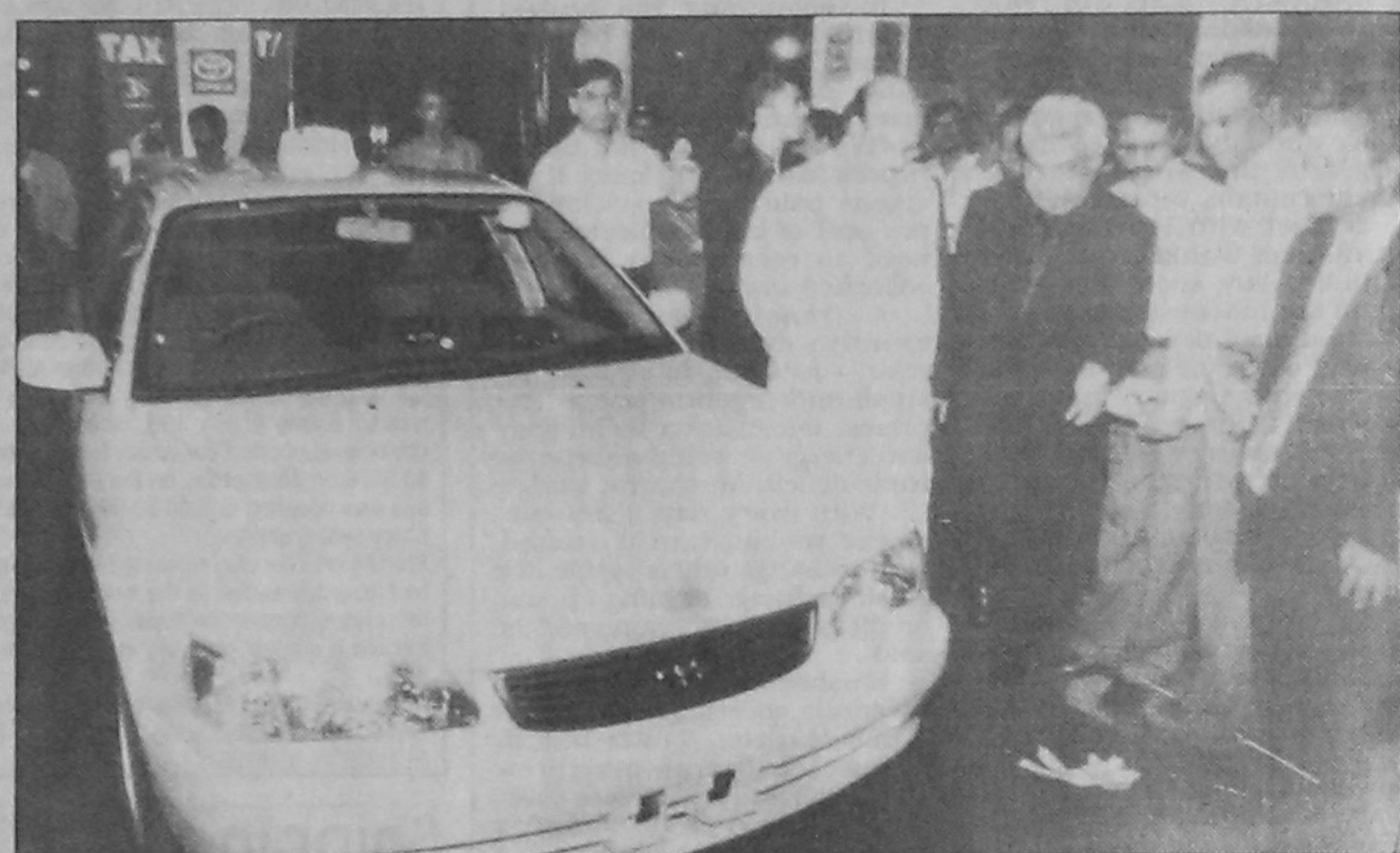
"Bangladesh would be able to use the gas export decision to float a bond on international capital markets using the proceeds to invest in the textile industry, thereby preparing for the post-2005 world scenario. An American financial institution would be delighted to take the lead in organising and underwriting such a bond issue."

Quoting from a paper prepared by him and State Minister for Planning Dr Mohiuddin Khan Alamgir, Cookson

claimed that there was a lot of gas in the country. "The gas resource in Bangladesh is very large. With the very limited knowledge now available, one can expect 50-60 TCF of natural gas to be extracted."

Industries Minister Tofail Ahmed said the country has been unnecessarily pressurised to introduce trade unions (TUs) in EPZs.

AmCham President Cookson said: "We urge our government to recognise that true freedom of association must be built carefully and cannot be decided by laws or regulations. The United States should not promote labour racketeering. To allow true freedom of association, the Bangladesh government should move purposefully, but deliberately."



Home Minister Mohammad Nasim inaugurating the newly-launched Navana Taxi at a city hotel Wednesday. — Star photo

## Colombo trade team meets Tofail

# Lanka for free trade deal on commodity basis

Industries Minister Tofail Ahmed yesterday said sharing of mutual trade and investment within the SAARC countries was not moving as expected despite a range of efforts at the government and private levels, says BSS.

"Bangladesh has become the largest importer from the SAARC countries, but it does not get equal access facilities to those markets," he said this when the visiting Sri Lankan trade mission called on him at his office in the city.

Responding to the minister's call to increase bilateral trade and investment, the head of the Sri Lankan delegation Tissa Jayawera said Bangladesh and Sri Lanka could make free trade

agreement on commodity basis. He said: "We have a similar agreement with India, which is yielding better result to expedite bilateral links."

He said Sri Lankan businessmen and investors were keen to invigorate the mutual relations.

"Bilateral negotiations for strengthening trade and investment links can make better impact on expediting SAARC spirit," the industries minister said, adding, Dhaka had made some progress with India in the area of export."

He said: "We can also make similar efforts with Sri Lanka to increase bilateral trade and investment."

Tofail underscored the need

for frequent visit of entrepreneurs between the two countries.

Focusing on the existing investment-friendly environment in Bangladesh, the minister urged the Sri Lankan investors to make joint-venture projects.

"We have formulated an attractive industrial policy in which we have identified some thrust sectors like diamond cutting, polishing and jewelry," he said urging Sri Lankan investors to invest in these sectors.

Additional Secretary of the Industries Ministry K M Ehasanul Haq and Secretary General of MCCI C K Hyder were present at the meeting.



Industries Minister Tofail Ahmed addresses the 40-member Sri Lankan trade delegation at the Industry Ministry Thursday. K M Ahsanul Haq, Additional Secretary of the Ministry of Industries, and C K Hyder, Secretary-General of the Dhaka Metropolitan Chamber of Commerce and Industry, are also seen in the picture.

# EU, China resume WTO talks as pressure mounts

BEIJING, Mar 30: European Union Trade Commissioner Pascal Lamy and Chinese counterparts began a third day of talks on China's WTO entry today with pressure mounting on the two sides to thrash out a deal, reports Reuters.

Lamy and Foreign Trade Minister Shi Guangsheng resumed what Lamy's spokesman called on Wednesday the "nitty-gritty phase" of political talks on China's bid to enter the World Trade Organisation.

"Hard work, hard work," Lamy said after the second day of talks ended with no agree-

ment despite hopes raised by the intervention of Premier Zhu Rongji.

"It's too early at this stage to give any sort of prognosis," Lamy spokesman Anthony Gooch said on Wednesday the EU delegation had set no cut-off date for this round of talks in Beijing but would "not stay here indefinitely."

"We'd need to reach cruising altitude pretty quickly tomorrow if we are to be able to reach an agreement during our time here," Gooch said.

Lamy, who officials say would walk away from the talks

if he thought a satisfactory deal could not be reached, declined to comment on whether talks would drift into the weekend as he left his hotel on Thursday morning.

WTO Director-General Mike Moore said on Wednesday he hoped the EU and China would wrap up a WTO deal this week.

"I'm not predicting it will happen, I'm saying, yes it would be great," Moore told reporters during a Brussels visit.

Wednesday's talks ended without agreement despite a meeting between Lamy and Zhu,

## Prime Bank arranges Tk 12 cr lease finance for Rahmat Textiles

The facility agreement signing ceremony for the syndication of lease finance facility of Tk 120 million favouring Rahmat Textiles Mills Ltd, which is arranged and lead managed by Prime Bank Limited, was held in the board room of Prime Bank Limited yesterday, says a press release.

Prime Bank Limited, National Credit and Commerce Bank Limited and EXIM Bank Ltd, participated in the syndication. The meeting was attended, among others by Kazi Abdul Mazid, Managing Director, Prime Bank Limited, Sajedul Haque, Managing Director, National Credit and Commerce Bank Limited, Mohd Lakotullah, managing Director, EXIM Bank Limited and Altaf Hossain Sarker, Managing Director, Rahmat Textiles Mills Limited.

This is the third syndication facility lead managed by Prime Bank Limited. Previously, Prime Bank arranged and lead managed syndication of term loan of Tk 102 million favouring KDS Textiles Mill Limited and a Performance Guarantee facility of US \$9,997,000 equivalent to Tk 520 Million on account of Daewoo Corporation Limited of South Korea.

In reply to a question Kazi Abdul Mazid, Managing Director of Prime Bank, emphasised that through syndication the quality and the transparency of credit facility can be enhanced since more than one lenders review the credit proposals. Mazid thinks that instead of giving large loans to a customer by a single bank, it should be syndicated to spread the risk. He said that in Prime Bank Limited it is a policy to syndicate large loans and the bank looks forward to do more syndication in the future.

## New Int'l Lux now in local market

The relaunching of New International Lux was held at Hotel Agrabad on Wednesday, says a press release.

Among those present from Lever Brothers Bangladesh Ltd were Managing Director Jean Alfonsi, Marketing Director Amal Cabraal, Commercial Director Sanjiv Mehta, Technical Director Kamran Bakr, and Personnel Director Abu Abdullah.

The Chief Executive Officer of Asiatic MCL Aly Zaker was also present on the occasion, along with Deputy Managing Director Asaduzzaman Noor and Accounts Director Saadia Afzal Choudhury.

Shantanu Dasgupta, Marketing Manager of Lever Brothers, highlighted the new marketing techniques to be applied for relaunching New International Lux. He said that the world's largest toilet soap brand Lux has been redesigned according to the needs and taste of Bangladeshi consumers. Product Group Manager Asif Iqbal talked about the various aspects of the New International Lux product mix, while the General Sales Manager Ataur Rashid Saifdar talked about the various sales campaign plans for the product.

New International Lux has now arrived with a new look, shape, and four different colours and exciting perfumes. Along with the traditional white, pink and green colours, Lux will now be available for the first time in Bangladesh in magical black.

New International Lux stars Aupe Karim and Rumana Rashid Ishita sangs and danced on the occasion. Towards the end of the dinner, Shakila Jafar presented the audience with a pleasant musical programme.



A syndicated loan agreement was signed in the board room of Prime Bank Limited yesterday favouring Rahmat Textile Mills Limited under the lead management of the Bank. Picture shows (from left to right-seated) Iftexkar Ali Khan, Senior Executive Vice President, EXIM Bank Limited, Kazi Md Shafiqur Rahman, Executive Vice President, National Credit & Commerce Bank Limited, Md Motior Rahman, Executive Vice President, Prime Bank Limited, Altaf Hossain Sarker, Managing Director, Rahmat Textile Mills Ltd, (standing) Mohd Lakotullah, Managing Director, EXIM Bank Limited (2nd from left), Md Sajidul Haq, Managing Director, National Credit & Commerce Bank Limited (4th from left), Kazi Abdul Mazid, Managing Director, Prime Bank Limited, and Naser Bukhtear Ahmed, Deputy Managing Director, Prime Bank Limited (5th & 7th from left respectively), at the signing ceremony. — Prime Bank photo

## Shareholders' objection stalls Samorita AGM

By M Shamsur Rahman

In an unprecedented move, the shareholders of a publicly-traded company yesterday refused to allow proceedings of its annual general meeting (AGM) for, what they termed, presentation of 'unacceptable accounts' and wrong election processes.

The meeting of the company - Samorita Hospital Ltd - was finally adjourned for a month without addressing four of the scheduled issues on agenda.

The AGM began at 10:30am and the chairman invited shareholders' comments for confirming the minutes of the previous year's AGM. The general shareholders refused to accept the minutes saying that it was not written in a proper manner.

They pointed out that the minutes did not rightly address the objections raised by the shareholders at last year's AGM.

The shareholders expressed their dissatisfaction with the miscellaneous expenditures shown in the accounts of 1998 and demanded logical explanations of the same.

But the AGM minutes had hardly addressed the objections and give no specific reply, said the shareholders yesterday.

One of the shareholders pointed out that after the close of the year on June 30, 1999, the company's financial statement showed an income of Tk 4.35 crore against the previous year's Tk 3.44 crore, showing a Tk 0.91 crore rise.

"But by showing an expendi-

ture increase to Tk 4.20 crore from the previous year's Tk 3.16 crore, the company has shown a decline in profit before tax to Tk 26.03 lakh from the previous year's Tk 34.74 lakh," the shareholder said.

Chairman of the company Professor Abu Ahmed Chowdhury, tried to defend the increase in expenses, saying that it was due to the prolonged floods of 1998.

The other shareholders then pointed out that the election of the directors could not also take place as it would violate the articles of the company.

The shareholders said that according to the annual report, two of the company directors are supposed to retire this year.

"And since there is no other candidates, the directors are seeking re-election," the annual report said.

But the shareholders were given ballot papers bearing names of eight candidates, of whom five were to be picked.

"This is a total violation of rules," a shareholder of the company said. "How can you allow others to contest without any prior notice?"

"You must adjourn the meeting till the names of these new aspirants appear in the annual report," he said.

As other shareholders agreed and refused to allow proceedings of the meeting, the chairman adjourned it to make corrections to the annual report.

## Kibria attends pre-budget counselling meet

In a pre-budget consultations, the finance ministry yesterday met members of the parliamentary body on his ministry who advised him to mobilise more domestic resources for development budget checking corruption in revenue collection, says UNB.

The parliamentary watchdog felt raising proportion of domestic resources in the budget could be possible if revenue administration could be made efficient and corruption-free.

An official handout said the members of the parliamentary standing committee also discussed strategies for environment protection, remittance growth and reform agendas in different sectors.

They stressed measures for growth of local industries and proper utilisation of resources for national development.

Finance Minister Shah A M S Kibria sought specific suggestions from the committee members to help him in framing a pro-people and well-timed budget.

Meeting sources however said the Parliamentary Standing Committee on Finance dubbed the meeting a "mere formality" as the Finance Minister did not give the members a "basic theme" of how the next budget will be.

"We can't make piecemeal suggestions if we aren't given the broad framework," said Committee Chairman Prof Ali Ashraf.

## Salt farmers to get Tk 23 cr loans

The government has decided to disburse loan of Tk 23 crore among the salt producers to encourage salt farming in the coastal region, says BSS.

The decision was made at a high-level meeting held at the conference room of the Commerce Ministry with Commerce Minister Abdul Jalil in the chair yesterday.

According to the decision, each salt farmer will get Tk 5000 loan for an acre of land. The loan distribution will start from next Sunday and the loan giving will continue till May 15 of this year.

The meeting informed that a committee headed by Cox's Bazar Deputy Commissioner has already prepared a list of 39,000 salt producers for salt production on 46,000 acres of land.

# Mr Yen calls for creating Asian Monetary Fund

## West's approach to crisis slated

BOMBAY, Mar 30: Japan's "Mr Yen", Eisuke Sakakibara, criticised yesterday the West's approach to Asian financial

crises and repeated a call for creating an Asian Monetary Fund (AMF) as a lender of last resort in the region, reports Reuters.

Sakakibara, who earned the sobriquet Mr Yen for his ability to move financial markets, said Western nations were less inclined to be sensitive to Asia until its problems threatened them directly, he told a financial gathering in Bombay.

"The US or Europe is not likely to be motivated to provide the money at the next crisis. Regional defence of some kind seems absolutely necessary," Sakakibara, a former vice finance minister of Japan, said.

"Realism not altruism dictates policy decision in G7 and other countries."

The creation of an AMF for the region was first proposed by the Japanese government in 1997 and was meant to be created by pooling a part of the foreign reserves of countries in the region.

Sakakibara said the Asian crisis demonstrated the fragility of the Western countries' approach to Asian economic crises.

"What we should learn from the East Asian crisis is that the so-called Washington consensus of leaving the defence completely to the free market did not work. The possible defence could only be made either by restricting, at least partially, flows of capital or by creating the regional lender of last resort," he said.

Sakakibara was critical of the International Monetary Fund (IMF), saying its "unilateral imposition of uniform measures" was unwarranted.

"High savings ratio, rising endowment of human capital and eagerness to adapt to new technology would all contribute to bring about the second Asian miracle in the 21st century." Japan and Korea combined could provide up to 100 million internet users while China and India together could add another 400-500 million users, he said.

Making a strong pitch for closer economic ties between India and Japan, Sakakibara said it would be the catalyst for Asian cooperation in the future and challenge the "American hegemony".