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# The Daily Star BUSINESS

DHAKA, FRIDAY, JUNE 30, 2000

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## China grants extra port to OOCL

Orient Overseas Container Line (OOCL) has been granted permission to call at the port of Yantian by the Ministry of Transport (MOC) in China with immediate effect.

This additional call eliminates extra routing, thus helping customers reduce transportation costs from Hong Kong to Japan, as well as reducing terminal costs shortening transit time and improving reliability, says a press release.

This improvement to OOCL service will strengthen the company's coverage in south China.

The amended service, called Japan South East Asia Service (JSS), operates with a fixed-day weekly frequency.

OOCL is a global container transportation company operating from more than 150 offices for all over the world.

Linking Asia, North America, Europe, the Mediterranean, the Middle East, the Indian Sub-continent and Australia/New Zealand, the company offers intermeddle and value added transportation services to all major trading economies of the world.

Omnitrans International Ltd. represents OOCL for the territory of Bangladesh.

## IPDC approves Tk 602.60m as industrial development aid

Star Business Report

The Board of Directors of the Industrial Promotion and Development Company of Bangladesh Limited (IPDC) has approved Tk 602.60 million as financial assistance for industrial development.

The approval was made at the 66th meeting of the Board held in the city on Wednesday, says a press release.

Al-Ameen Chaudhury, Secretary of the Ministry of Industries, presided over the meeting. The assistance includes Tk 20 million in equity and Tk 582.60 million in cash.

The board gave clearance-in-principle for the management to investigate four investment proposals amounting to possible IPDC investment of Tk 210m in the areas of animal feed manufacturing, textile spinning, pack seafoods for export, confectionery and snacks and condensed milk-producing plant.

The Board considered investments in sub-sectors like automotive and industrial batteries, textile spinning, textile dyeing and finishing, export-oriented readymade garments, hydrogen peroxide manufacturing, diagnostic and medical services, mosquito coil manufacturing, electric ceiling fan manufacturing, small independent power project, hotels and resorts and galvanised plain and corrugated iron sheets manufacturing plant.

IPDC directors and alternates from the government, German Investment and Development Company (DEG), Aga Khan Fund for Economic Development (AKFED) and International Finance Corporation (IFC) attended the meeting.

## Phoenix Ins declares 22 pc dividend

Star Business Report

Phoenix Insurance Company Ltd has declared a 22 per cent dividend for its shareholders for the year 1999.

The dividend was announced at the 14th Annual General Meeting of the company held at a city hotel Wednesday, says a press release.

The meeting was presided over by the Chairman of the company Deen Mohammad.

During 1999, the company earned a total premium of Tk 17.02 crore and pre-tax profit of Tk 2.51 crore. Total asset of the company in the year 1999 was Tk 36.60 crore.

In the vacant post of directors from the sponsor-shareholders group, Md Habibur Rahman Mia, Jahanaara Begum, Meherun Haque, and Md Harun Al Rashid were re-elected as directors unopposed.

Azizur Rahman and Mohammad Shueb were elected unopposed in the two vacant positions of the directors from public shareholders.

The meeting was attended by a large number of shareholders.

Directors present in the meeting were Abdur Rahman, Mobarak Ali, Aziz-al-Mahmood, Nashiruddin Ahmed, Md Habibur Rahman Mia, Mazharul Haque, Evana Fahmida Samdani, Meherun Haque, Farhad Bin Mannan, Mohammad Shueb, Wasif Ahmed and Managing Director Syed Najabat Ali.

The AGM offered prayer for the salvation of the departed soul of the company founder-chairman Major General Abdul Mannan Siddiqui and recalled his contribution towards raising the company to a prestigious position.

## Govt slashes trust deed registration fee for floating corporate bonds

By M Shamsur Rahman

The government has brought down trust deed registration fee to facilitate issuance, promotion and increase of corporate bonds in the country.

In a gazette notification, the Ministry of Law and Parliamentary Affairs recently said that trust deed registration charges would be a flat Tk 2,500 rather than 2.5 per cent of the total amount of corporate bonds.

The move is expected to increase the number of corporate bonds or debentures in the capital market and also encourage mutual funds, which are badly needed for the country's ailing stock market.

Currently, there are two

types of fixed income scrips, i.e. government bonds and eleven corporate debentures, which are traded in the stock market. The government bonds are not traded on the bourses and these compete with corporate bonds for their share of the investors' funds, although the playing field is far from level, said an expert.

The government bonds do not have any costs attached to them, neither at the time of issue nor during redemption. On the other hand, debentures floated by the country's private sector incur high expenses.

"To float a debenture, a company has to pay around 7.50 per cent on the total size of the cor-

porate bond. It has to pay trustee fee, registration charges, underwriting commission, fee for the subscription of unsubscribed portion, bankers to the issue fee, commission of the stock members and fee for listing with the stock exchange," the expert said.

The present move by the government will bring down the cost of debenture flotation by the corporate sector and encourage investors to put their money in debentures. This fund will provide long-term industrial credit for the companies, which will become more cheaper than borrowing from banks.

High interest rate coupled

with the high borrowing cost act as major impediments to bank credit, company officials said.

The government, sources said, took the decision as per prescription of the World Bank to facilitate the floating of 'commercial papers' by the non-banking financial institutions.

The capital market regulatory body, the Securities and Exchange Commission (SEC), and Assets and Investment Management Services of Bangladesh (AIMS) had also pushing for trust deed registration fee cut to facilitate corporate bonds and mutual funds in the country.

## Gas sales to India will win huge resources for development

Ex-US diplomat says at int'l confce on Bangladesh gas

Star Business Report

A former US diplomat has said that Bangladesh's gas export to India will provide huge valuable resources for the country's economic development.

"Realising the potential of the gas sector is all but impossible unless a portion of it is 'monetised' through exports," said Teresita C. Schaffer, Director for South Asia of the US-based Center for Strategic and International Studies (CSIS).

Geographical and financing constraints make India the only plausible market in the short-term, though others may develop in time, she said at the concluding session of the two-day International Conference on 'Gas and Development: Learning from Experience'.

Schaffer observed that Bangladesh's ability to develop the gas sector, to use it for domestic energy needs, and even to assess accurately the reserves is being hampered by fund dearth.

The gas sector itself needs to be efficient so as to generate the resources needed both for the sector's development and for other components of the economy. In addition, macroeconomic management needs to be sound, she said.

The conference was jointly organised by CSIS and Bangladesh Centre for Advanced Studies (BCAS) at Sonargaon Hotel in the city.

Schaffer said Petrobangla's finances cannot absorb a substantial increase in gas purchase. Unless they have a hard-currency market for increased production, neither the government-owned nor international gas producers will invest in further exploration, she opined.

Domestic use of gas to increase electricity generation also depends on the ability to pay in hard currency, she noted.

The Bangladesh govern-

ment shows a very conservative estimate of gas reserve at 13 TCF, but published reports would suggest that the actual volume is at least 20 to 25 TCF or even as much as double that,"

Former finance minister AMA Muhith chaired the first session on 'Assessing the Export Option' of the second day.

Christian Iturri, Total-Elf, former Advisor for Energy Policy of Bolivia, shared his experiences with the participants while Teresita C Schaffer spoke on 'Structuring a Decision on Exports'.

AMA Muhith termed the gas export issue a 'highly-thorny' political one and stressed the need for restructuring the sector.

Christian Iturri mentioned different controversial issues which frustrated the export of gas from Bolivia over the past few years. It took six years to

finalise gas exporting contract with Brazil, he added.

Around 40 per cent of the electricity output in Bolivia is based on hydropower, and power production suffers whenever there is drought in that country, Iturri added. "Bolivia has learned a lot from others' experiences. As a result of initiating gas exports, Bolivia now expects an increase of 4 per cent GDP growth, almost double than the previous year when gas was not exported," he said.

Dr. Ijaz Hossain, Associate Professor of the Chemical Engineering Department, BUET, said Bangladesh can think about taking some risks if the international oil companies (IOCs) as well as the importing country (India) is ready to reciprocate by taking similar risks.

Dr A Atiq Rahman said development of natural gas must be linked to the country's development.



Deen Mohammad, Chairman of Phoenix Insurance Company Limited, delivers his welcome address at the 14th Annual General Meeting of the company held at a city hotel Wednesday.

— Phoenix Ins photo

## Complaints about US airline industry skyrocketing

Report finds improvement in service

WASHINGTON, June 29: Complaints about the American airline industry, are skyrocketing this year even as air carriers try to live up to their promise to improve customer service, federal investigators say, reports AP.

Airlines last year staved off legislative action by promising to treat customers better and to be more forthright with passengers all the way through their travel experience. When Transportation Department inspectors checked earlier this year to find out whether the airlines were living up to that pledge, they found varying degrees of

success. "Airlines are making a clear and genuine effort at strengthening the attention paid to customer service, but bottom-line results to date are mixed," the department's inspector general said in a preliminary report to Congress. The airlines have a way to go to restore consumer confidence.

In fact, complaints were up 74 per cent in the first four months of 2000 when compared with the same period in 1999 — 6,916 to 3,985. Delay complaints, the department's top complaint about airlines — were up 80 per cent — 2,842 in

the first four months of 2000, compared with 1,546 in the same period last year.

While the increase can be attributed to the Transportation Department's introduction of complaint filing over the Internet, that doesn't mean that there's not a problem.

The air carriers receive 100 to 400 complaints for every complaint filed with the DOT, inspectors said.

Airlines are getting better at warning customers about delays and cancellations, inspectors found. However, they still aren't telling customers that truth about the delays.

## Meghna Cement declares 11pc dividend

Bashundhara Group's cement unit — Meghna Cement Mill Ltd — has declared 11 per cent dividend for the year ending on December 31, 1999.

The dividend was announced at the eighth Annual General Meeting of the company held at its factory premises in Mongla, says a press release.

Mahabub Morshed Hasan, director of the company, presided over the meeting in absence of the chairman.

The Directors Report as well as Audited Accounts of the company were received and adopted in the AGM.

The shareholders appreciated the progress of works for raising the production capacity from 3 lakh mt to 10 lakh mt per annum which is now under trial run.



S M Shahidullah, Senior Manager-Training (Micro Enterprise), delivers his speech at the USAID-funded JOBS Program Experience Sharing Workshop held at IDB Bhaban yesterday. Reid Lohr, Senior Policy Adviser, Zainab Akhter, Senior ME Advisor and Chairperson of the Womens Business Development Unit, and JOBS Program's Anthony Dalglish (Programme Manager/Senior Business Advisor), were also present.

— JOBS photo

## Clinton says at press confce US needs long-term energy strategy

WASHINGTON, June 29: The United States needs a long term energy strategy centered on increased conservation and development of alternative energy sources, President Bill Clinton said today, reports AFP.

"The main thing I would say to you is we need a long-term energy strategy to maximise conservation and maximize the development of alternative sources of energy and also maximise domestic sources of energy," he told a White House Press conference.

His comments came amid growing public concern about skyrocketing gasoline prices, particularly in the US Midwest.

Clinton also called for congressional passage of his proposal to provide tax credits to people who manufacture or buy energy-efficient homes, cars and consumer products.

"We ought to pass my appropriations to help develop alternative sources of energy and energy conservation technologies," he noted.

"I think it's very important to pass a comprehensive electricity restructuring proposal because they also, the electricity companies, use traditional fuels, and if we can reduce their reliance on it, obviously it will lower the price for other purposes," he added.

The US leader also criticised a proposal by some Republican lawmakers to suspend a federal tax on gasoline.

He also said the soaring US gasoline prices were the result of "first and foremost of the unfortunate decision of OPEC (Organization of Petroleum Exporting Countries) several months ago to cut back production at the very time the world economy was growing."

OPEC last year launched a production cutback programme to boost prices.

Since then, "there have been two decisions by OPEC to increase production — not as much as we would like," Clinton said.

## 1,960 sick industries identified: Tofail

Industries Minister Tofail Ahmed informed the Jatiya Sangsad yesterday that a total of 1,960 industries have been identified as sick, reports BSS.

Replying to a question from Haji Md Selim (AL-Dhaka), he said, that of these, 634 had been identified as sick industries in 1992 and 1,326 afresh later.

He said that the present government took up a project entitled 'Bangladesh sick industries survey (1997-98)'. The survey was conducted with the help of BIDS.

It was found that inexperience

of the management of the sick industries, irregular loans by banks and reform of the industrial policy in the light of the open market economy are the main causes, for the sickness of those industries, he said.

He further said that the government has formed a committee to suggest measures to waive interest on loans taken by industries of Tk 50 lakh.

Steps will be taken to lessen the burden of interest of those industries on the recommendation of the committee, he said.



Picture shows the 8th Annual General Meeting of Meghna Cement Mills Ltd held at Mongla Port Industrial Area Tuesday.

—Meghna Cement photo

## Fish farming a catastrophe for environment

PARIS, June 29: Fish farming, promoted as a smart way to help feed the world's surging population, is having a disastrous impact on the environment and on stocks of wild fish, according to research published today, reports AFP.

Aquaculture is a "contributing factor to the collapse of fisheries stocks worldwide," warns a group of scientists from the United States, Scotland, Sweden and the Philippines, publishing their work in the British weekly Nature.

Supplies of farmed fish rose from 10 million tonnes per year in 1970 to 29 million tonnes in 1997, led by Asia, which accounts for 90 per cent of the total. By comparison, global tonnage of trawled fish has re-

mained unchanged, at around 85-95 million tonnes by year.

However, claims that fish and shellfish farms can provide a cheap, risk-free source of protein for the world's six billion mouths are bogus, the researchers say.

This is mainly because huge amounts of seafood, especially anchovies and mackerel, are being scooped from the oceans and ground up into meal to feed penned fish, they say.

Around eight per cent of all tonnage of trawled fish goes to fish farms, a costly and inefficient use of resources that is also encouraging rampant over-fishing of species which are a core link in the food chain, they warn.

The farms, especially those specialising in carnivorous fish

and shrimp, themselves are having a serious consequences on the environment, the report adds.

They destroy habitat in fragile tropical areas, devastate non-native species, encourage the spread of fish disease and cause pollution, in the form of fish effluent and decomposing, uneaten food.

Thailand is singled out for its conversion of mangroves into shrimp farms.

For every kilo (2.2 pounds) of farmed shrimp, 400 grammes (15 ounces) of wild fish and shellfish are lot because of habitat conversion, the research suggests. Similar waste occurs in India and Bangladesh, major producers of giant tiger shrimp.

Salmon farmers in Norway and Scotland are criticised for

their effect on biodiversity.

Large numbers of penned Atlantic salmon have escaped from the pens, and now account for up to 40 per cent of salmon caught by fishermen in the North Atlantic they say.

By interbreeding with wild populations, the farmed salmon could hand on weak genes that could accelerate the decline in many locally endangered salmon populations, they say.

China, which by itself accounts for two-thirds of farm fish tonnage, is praised for embracing a centuries-old technique of sustainable fish farming based on non-carnivorous freshwater species.

This entails using four different types of carp in fish ponds, which feed on different food and filter algae, thereby keeping a

balanced ecosystem and using food resources efficiently.

The problem, however, is that Chinese production is intensifying fast, which means that more fish are being crammed per pond, thus causing farmers to rely on feeds of fishmeal to sustain them.

Fish farming "can contribute to global (net) fish supplies only if current trends in fish meal and fish oil use for aquaculture are reverse and policies are enforced to protect coastal areas from environmental degradation," it warns.

Sustainable aquaculture, it says, will entail substituting vegetable protein for fishmeal, integrated systems in which, for instance, fish effluent is used to grow algae or seaweed that can be used for feeding shellfish.

## Emirates' Emira makes surprise appearance!

Emirates' Skyriders mascot, Emira, made a surprise appearance at the relaunch of the airline's club for young passengers during a fun event at the Jumeirah Beach Hotel in Dubai recently, says a press release.

Emirates has enhanced its products and services for young passengers, or Skyriders, who are now in for a great start to their summer holidays with a host of new things for them on board!

Emira is featured on the new Skyriders Club logo which is part of the new design for all Skyriders items.

Ghaith Al Ghaith, Emirates' Commercial Operations Director, said: "Our highest priority is to ensure that all our passen-

gers enjoy their journey with Emirates in safety and comfort, whatever their age or preferences. We decided to launch the new products and services for our younger passengers now, to coincide with the start of the summer holiday season.

Young passengers who have registered as members of the Skyriders Club receive the quarterly Skyriders Newsletter, printed in Arabic and English, where they read about the regular adventures of Emira.

Emira used to work as a prison warden on the planet Metrias, transporting prisoners by spaceship to the Metrias Centre for Prisoners on a planet far away.