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# The Daily Star BUSINESS

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## BR contemplates fare hike

Fuel price rise puts Railway under pressure

By Raziur Rahman

Fearing further loss due to the recent price hike of petroleum products, Bangladesh Railway (BR) has planned to increase its ticket prices.

BR is likely to send a proposal to this effect to the communications ministry soon, which will also include a request to increase its budget for this year.

The recent fuel price hike by 15 per cent on an average has already triggered fare increase of road and river transports. The government has increased bus

and mini bus fares by 15 per cent while water transport fare has been enhanced by more than 33 per cent.

Bangladesh Railway, which has not yet increased its fares, now fears that the petroleum price hike would force it to swallow an extra expenditure of Tk 7 to Tk 8 crore this year, sources said. BR annually carries about 36 million passengers.

BR has already discussed the issues of enhancing budget and ticket prices with the ministry

and will send a concrete proposal to the ministry in this regard shortly, said a railway official.

The Railway is forced to operate on a number of routes which are not financially viable for which it gets about Tk 80 crore subsidy each year from the government.

Recently, it allowed the private sector to manage a number of train services. The BR is making good profits from these services. BR increased its fares last time

on May 1, 1998 and fixed it at Tk 0.24 per kilometre for second class compartments.

When contacted M A Rahim, Director General of Bangladesh Railway, said the budget enhancement is needed to make up the additional expenditures due to increased fuel price.

"Unless the fares are increased, BR will need more subsidy," said another BR official.

## 21 sunken ships block Ctg Port channel

CHITTAGONG, Sept 19: Twenty-one ships sank in the estuary of the Bay and river Karnaphuli on different occasions causing siltation in the channel of Chittagong Port, says UNB.

Port sources said the ships could not be salvaged for lack of fund and necessary equipment. According to a report published in 1997-98, an amount of Tk 200 crore is needed for salvaging 10 of the sunken ships and dredging the port channel.

Meanwhile, the Chittagong Port Authority is learnt to have taken up a Tk 10 crore project for dredging the port channel, the work of which is expected to begin soon.

According to Marine Department of the port, the 21 ships, weighing 300 to 20,000 tons, capsized during 1967-1997 period.

The port authority spends crores of taka for dredging the channel every year, but all its efforts go in vain, as the ships could not be salvaged.

## Proton to inspect 6,000 to 8,000 cars for possible defective parts

KUALA LUMPUR, Sept 19: Malaysia's national car manufacturer, Proton, said Tuesday it will launch an inspection of 6,000 to 8,000 cars for possible defective parts affecting the suspension system, says AP.

The parts were reportedly designed by Japan's Mitsubishi Motor Corp. which has been embroiled in recall cover up scandals recently. Mitsubishi has been Proton's strategic ally in creating a Malaysian national car industry over the past 16 years.

"We are taking a precautionary measure," Maruan Mohd. Said, head of corporate planning for Perusahaan Otomobil Nasional Bhd, the firm's formal name, told Dow Jones Newswires.

Proton and car distributor Edaran Otomobil Nasional plan to inspect the Perdana model manufactured in 1995. Based on experience so far, Maruan said, the problem affects 5 per cent of the units produced that year.

Maruan said the company has identified cars with a defective part, a lower arm that affects the suspension system. The company was to announce plans detailing the inspection programme later in the day.

On Sept 14, Tengku Mahaleel Tengku Arif, Proton's chief executive officer, disclosed the problem and said that it was not serious, with only a few hundred vehicles affected.

Mitsubishi has an operational alliance with Proton and has been its chief supplier and mentor since Malaysia's bid to create a national car industry was launched 16 years ago. In addition to supplying car parts, Mitsubishi Motors also owns about 8 per cent of Proton.

Last month, the Japanese car maker admitted that it failed to report customer complaints and vehicle defects for a period stretching back more than two decades, causing a major scandal in Japan.

## Oil worries push Brazilian stocks, currency down

BRASILIA, Sept 19: As oil worries pushed Brazil's currency and stock prices down Monday, the government welcomed the heir to the Saudi Arabian throne and applauded Saudi efforts to keep petroleum prices in check, reports AP.

The rise in oil prices loomed over the visit of Prince Abdullah Bin Abdul Aziz Al Saud, the brother and heir of King Fahd. He arrived in Brazil's high-plateau capital on Monday to start a South American tour that includes stops in Argentina and Venezuela, easing the pressure on prices and help reduce the current crisis.

## Kai-PMB joint venture starts formal operation

Star Business Report

Kai PMB Facade Technology Ltd, a Bangladesh-Malaysia joint venture aluminium fabrication company, began its formal operation on Monday.

Housing and Public Work Minister Mosarrar Hossain attended the inauguration of the joint venture project between Kai Bangladesh Aluminium and Press Metal Berhad of Malaysia, as the chief guest while Board of Investment Executive Chairman M Mokammel Haque attended as special guest.

Mosarrar Hossain hoped that the venture will benefit both the countries through transfer of technology.

He said that the people at large will also be benefited by quality products at cheaper prices.

Speaking on the occasion Kai Bangladesh Aluminium Managing Director Shabbir Ahmed Agha said the new venture will introduce the latest building technology to Bangladesh's construction industry.

Kai started commercial production in 1998 and

now enjoys the second position in the extrusion market.

"We then began search for an overseas strategic partner to introduce new kind of building technology that would change the conventional process of construction. Finally, we struck the deal with the Malaysian company," said the MD.

Executive Vice Chairman of Press Metal Berhad and Chief Executive officer of PMB Facade Technology Koon Poh Ming said that his company was in business with Kai Aluminium since 1998 by supplying aluminium billets.

"We are very much optimistic of entering into contracts for two more projects soon," he said.

Board of Investment Executive Chairman M Mokammel Haque hoped that the joint venture company will sell its products at affordable prices and fetch a good market as aluminium is the best substitute for wood.



S A Chaudhury, Managing Director of Janata Bank, along with all general managers and deputy general managers visited Prime Textile Spinning Mills at Nandalalpur in Narayanganj on Saturday. M A Awar, Chairman of Prime Group, was also present. The project has been set up with the assistance of Janata Bank and Bangladesh Shilpa Bank.

## EU to propose more trade benefits for poor states

BRUSSELS, Sept 19: The European Union's executive body is expected this week to approve proposals to allow the world's poorest countries to export more of their products duty-free to the 15-nation bloc, EU officials said yesterday, reports Reuters.

The EU, together with other major trade powers, offered earlier this year to improve the access of the 48 Least Developed Countries (LDC) to its market, as part of efforts at the Geneva-based World Trade Organisation (WTO) to get stalled global trade liberalisation talks back on the rails.

Last December's WTO ministerial conference in Seattle failed to launch a new global trade round, partly because of resistance from developing countries which felt that industrial nations were not doing enough to meet their commitments.

No details were available of the proposal which is expected to be approved by the EU's executive Commission at its weekly meeting on Wednesday and which will then have to be approved by the EU's member states.

European trade Commissioner Pascal Lamy said in July that 80 to 90 per cent of exports from the poorest countries already entered the EU duty-free.

The remaining 10-20 per cent are a problem and the European Union will be taking steps to reduce this figure in the near future," he said during a trip to Tokyo.

Some LDC officials in Geneva have voiced disappointment at the market opening offer made earlier this year by the "Quad" group of major trading powers the United States, European

Union, Japan and Canada. Developing countries fear that some of their most profitable exports, such as textiles and farm produce will still face tariff barriers because of pressure from domestic lobbies in quad countries.

In May, US President Bill Clinton signed legislation offering more than 70 countries in sub-Saharan Africa and the Caribbean basin region greater duty-free access to the US market.

Lamy remains eager to launch a new world trade round as soon as possible and has made several trips to key developing countries in an effort to win their support for a new round.

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## BB chief, cargo agents discuss freight forwarding problems, solutions

A four member delegation from the Association of Cargo Agents of Bangladesh (ACAB) led by its president Capt Salfur Rahman met Dr Mohammed Farashuddin, Governor of Bangladesh Bank on Monday, says a press release.

During the meeting, they discussed problems and proposals for solution relating to the operation of freight forwarding industry in the financial and banking sectors of Bangladesh.

The delegation told the governor that the association was committed to bring about the much required discipline and thereby ensure a healthy growth of this trade in Bangladesh.

With this end in view, the association has been working closely with the National Board of Revenue for the last two years, finally resulting in the formulation of the National Freight Forwarding Policy.

The association members suggested a number of steps to be followed by the concerned banks in order to protect the rightful financial and payment interest of the cargo forwarding agents.

The governor of Bangladesh Bank inquired about the problems encountered in different stages in the over-all transportation of exports and imports goods and he stressed upon the need for setting up of the required codes of conduct in order to curb possible malpractices and make this freight forwarding trade more effective and efficient.

The delegation proposed the constitution of a Standing Committee headed by a senior official of Bangladesh Bank and comprising representatives from ACAB, banks and exporters in order to study and recommend policy guidelines.

## BEPA, Dhaka Hatchery sign contract

Bangladesh Egg Producers Association (BEPA) and Dhaka Hatchery have signed a contract to help facilitate smooth running of poultry business.

Taher Ahmed Siddiqui, Chairman of BEPA, and Sirajul Haque, Managing Director of Dhaka Hatchery, initialled the deal on behalf of their respective organisations in the city on Monday, says a press release.

Under the contract, the two sides will help ensure supply of good quality day-old chicks on a regular basis.

Several EC members and SME consultant Quazi Mahmud Ahmed were also present on the occasion.

The signing ceremony was sponsored by poultry input importer Hendrix.

## Kibria warns against deceitful business

Padma Life Insurance launched

Finance Minister Shah AMS Kibria has cautioned financial institutions against any sort of business aimed at deceiving the people, says UNB.

"Those who will be found doing deceitful business will face criminal offences," he told the launching ceremony of the Padma Life Insurance Company at a city hotel yesterday.

He also sounded a similar note of warning against those involved in hundi business that encourages smuggling, drug trafficking and other sorts of unofficial trades hurting the national economy.

Industries Minister Tofail Ahmed was the special guest on the occasion.

Bangladesh Insurance Association Chairman MA Samad, the Company's chairman ABM Taleb Ali and managing director Mujibur Rahman also spoke.

Wishing further expansion of insurance industry for better-

ment of individuals, families and the society, the Finance Minister highlighted the role of insurance in generating national savings and investments.

Tamed inflation rate, bumper crops, growths in export, GDP and remittance altogether created a favourable environment for investment and savings in the country at present, he added.

But the opposition parties are now united to trouble the environment and destroy the economy, he alleged, urging the political opponents to choose the path of election.

Industries Minister Tofail Ahmed said all economic indicators are positive, marking a gradual progress of the country's economy.

He said there may be differences among political parties on political issues, but all should work together for economic growth.

## Govt plans 'Khulna Textiles Village'

The government has planned to turn Khulna Textiles Mills into 'Khulna Textiles Village' in a bid to set up forward and backward linkage industries in the mill area, reports UNB.

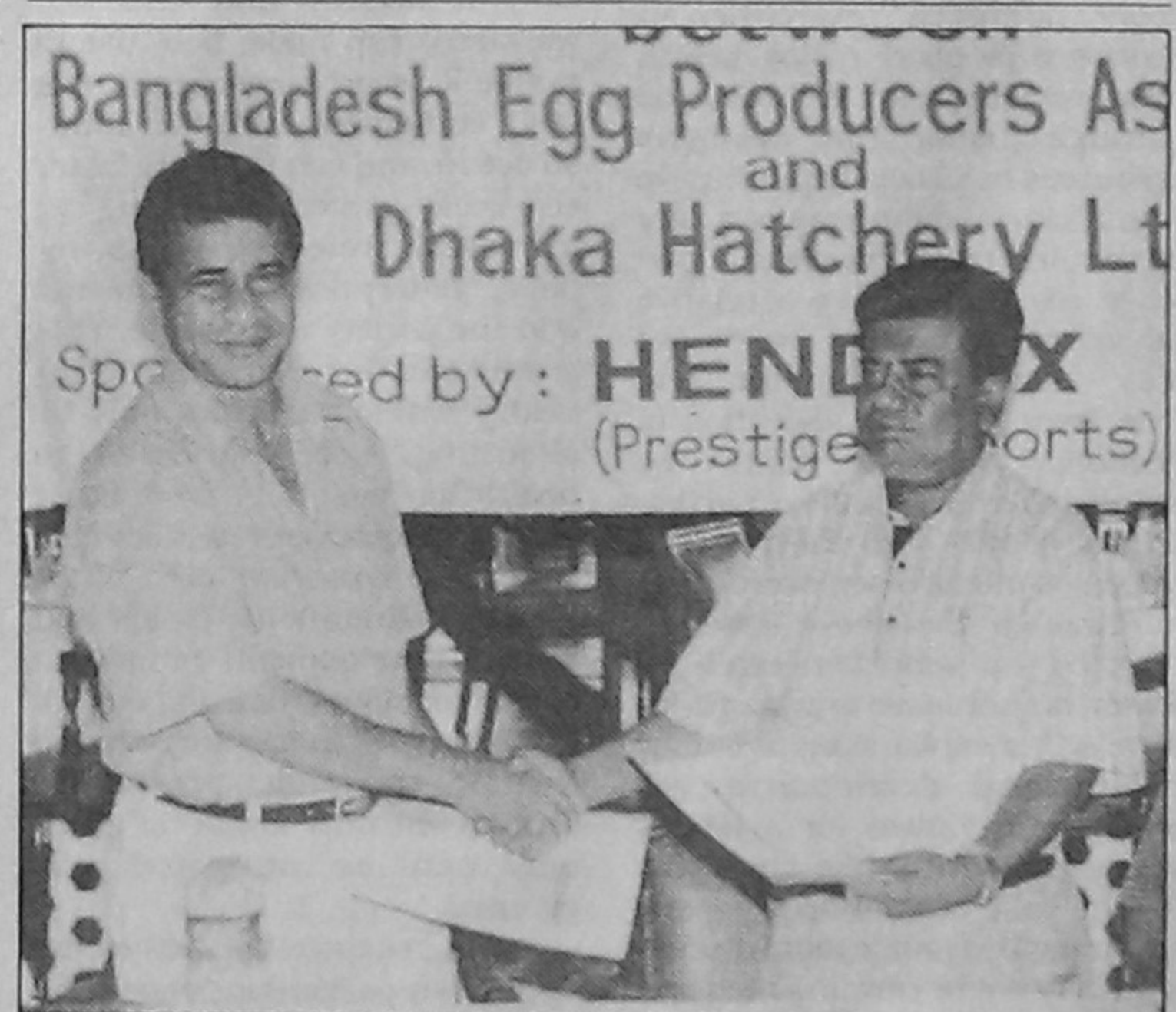
As per the plan, 19 industrial plots and two ancillaries will be set up on 25.99 acres of land, said a BTMC press release yesterday.

Besides, two spinning mills, one weaving mills, two composite or knitting mills, one dyeing and finishing mill, six readymade garment factories, two packaging and printing mills, three accessories for readymade garments, one embroidery and one washing factory will be set up on the land.

Khulna Textiles Mills, set up in 1931 in private sector, went into commercial production in 1955 and brought under BTMC in 1972.

As per the Textiles Policy, the mill was laid-off on April 19, 1993. But it could not be privatised as the authorities did not get any acceptable bidder despite floating international tenders for five times.

Under the circumstances, the government has decided to turn the mill into 'Khulna Textiles Village', the release added.



Taher Ahmed Siddiqui, Chairman of Bangladesh Egg Producers' Association, shakes hands with Sirajul Haque, Managing Director of Dhaka Hatchery, after the signing of a contract at a city hotel on Monday. -- BEPA photo

## 2000-line digital exchange opens at Lalbagh today

City dwellers in Lalbagh area will have modern telephone facilities from today with the installation of a 2000-line digital exchange, ministry sources said, reports BSS.

Home, Post and Telecommunications Minister Mohammad Nasim will inaugurate the exchange today built as part of the last leg of Greater Dhaka Telephone Project (GDTTP).

A total of 67,500 digital telephones are being provided under the GDTTP. Most of the areas of the Dhaka city and its adjoining areas including Savar, Narayanganj and Zinjira have already been provided with the digital facilities. The on going Syedabad area project of GDTTP, will also be completed by this year.

## Opposition leaders for investment in poor Asian countries

MANILA, Sept 19: A conference of Asian opposition leaders called today for more investment in the region, which contains some of the world's poorest countries, says Reuters.

They proposed a restructuring of debt, particularly for least developed countries with a record of improving governance," and asked rich countries to increase investment in trade, infrastructure, human resources and technology transfer.

It is our wish to make Asia a zone of peace, freedom and prosperity among our people that have called us here together," the leaders of 51 mostly opposition parties said in their Asian Declaration 2000.

The party leaders came from 21 countries including Bangladesh, Cambodia, China, East Timor, Indonesia, Laos, Japan, Malaysia, Pakistan, the Philippines, Singapore and South Korea.

Cooperation among monetary authorities to prevent future economic crises and the creation of an Asian Monetary Fund "and eventually, a common currency for the region" also drew support.

"We realise our countries' urgent need to deal with the remaining problems of Asian security, recognising regional stability to be absolutely essential to Asian development," the declaration added.

## Workshop on performance audit manual held at FIMA

A workshop on 'Draft Performance Audit Manual' was at the Financial Management Academy (FIMA) yesterday, says a press release.

Comptroller and Auditor General of Bangladesh Syed Yusuf Hossain inaugurated the workshop. It was also addressed by Syed Sajedul Karim, Controller General of Defence Finance and Director of National Project, STAG, and Derek Alexander, the lead consultant for the manual.

The Manual has been prepared for the first time in the country as part of the on-going reform programmes under the 'Strengthening the Office of the CAG (STAG) Project' funded by the UNDP.

Syed Yusuf Hossain, mentioned that the Performance Audit Manual will remain as a milestone in the history of the Audit Department and it will contribute immensely to strengthening the role of government Audit towards promoting and establishing transparency and accountability in the government business.

## European truckers, farmers intensify fuel protests

OSLO, Sept 19: Angry truckers and farmers in Europe intensified protests against high fuel prices yesterday, blockading ports and petrol depots while nervous governments scrambled to limit the political fallout, says Reuters.

Demonstration and blockades hit Scandinavia, Spain and Slovenia. Israeli truckers threatened to stage their own action from Tuesday, and Britain's government struggled to recover from an opinion poll debacle caused by last week's fuel blockade.

Irish fishermen joined the chorus of popular outrage, vowing to tie up their boats in ports around the country for 24 hours from midday Tuesday.

"We're in trouble," said their spokesman. "If this situation continues we'll be tying up our boats permanently."

Drivers throughout Europe are dismayed at rising prices of petrol and diesel spared by higher world oil prices which edged up to a new 10-year peak on Monday on fresh tension in the Middle East. US oil also swelled to new decade highs.

After a weekend lull, the pace of popular protest picked up on Monday.

In Norway, demonstrators blocked 11 oil terminals at key ports along the south and west coasts -- although they later called off

their protest under the threat of police action.

Swedish truckers and farmers blockaded southern ports and ferries on Monday in protest at a planned increase in the tax on diesel fuel.

A protest leader said the action involved about 400 drivers who snarled traffic from ferries between Sweden and Denmark and Sweden and Germany in the ports of Sweden's three largest cities -- Stockholm, Gothenburg and Malmö.

Stockholm port authorities and police also reported that a blockade of the city's oil and goods terminals had begun.

Spanish fishermen sealed off Barcelona's port and truckers laid siege to fuel distribution points in the centre of the country. Police were reported to have clashed with protesters in the grain-producing area around Salamanca.

Protesting farmers planned to drive their tractors through Madrid on Tuesday, which could paralyse the Spanish capital.

In Britain, where fuel supplies were gradually returning to normal after last week's blockades, Labour Prime Minister Tony Blair was grappling with the political fallout.

His government, smarting from its worst poll ratings in years, urged major oil companies to agree on joint memorandum outlining respective duties in case protesters, angry about high fuel taxes, stage

another blockade.

The government was also considering legislation to oblige oil firms to maintain fuel supplies at all times, putting them on the same footing as gas, electricity and water industries.

Conservative opposition leader William Hague called the protests "a genuine taxpayers' revolt" and said tax was now "the hottest domestic political issue" facing Britain.

A weekend poll put the Conservatives ahead of Labour for the first time in eight years after the protests prompted a shortage of fuel and supplies not seen in Britain since the 1970s.

In Germany, the government put off a decision on offering tax relief in hardship cases caused by soaring oil prices, averting possible friction in the centre-left alliance.

Chancellor Gerhard Schroeder's Social Democrats had suggested helping low-income groups like pensioners pay heating oil bills and raising tax breaks for people who drive to work.

But his environmentalist Greens partners -- architects of an unpopular strategy to ratchet up energy taxes -- balked at those proposals and Schroeder moved to defuse the situation.

"There won't be any final decisions today," he told reporters in Berlin before a meeting of SPD leaders.