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'Privatisation of banks may affect West Bengal'

CALLCUTTA, Nov 17: West Bengal Chief Minister Buddhadev Bhattacharjee yesterday said the proposed privatisation of banks would adversely affect the state's economy by further decreasing the credit-deposit ratio, says PTI.

"The CDR in our state is low. We hardly get funds from the banks. If privatisation happens, who will get the money?", Bhattacharjee said while talking to newspersons here.

Expressing his government's opposition to the proposed privatisation, he recalled that despite differences with the Congress, his party, the CPI (M), had supported Indira Gandhi's move to nationalise banks.

Describing banks as 'symbols of the country's self-reliance,' Bhattacharjee claimed that centre was attempting to bring down its share in banks under World Bank directives.

When pointed out that protest rallies by banks employees yesterday had thrown city life out of gear, the chief minister said such protests were inevitable, as privatisation of banks would throw the country's economy in jeopardy. "But while protesting, the difficulties of citizens should also have been kept in mind."

Shell wins nod to buy Fletcher Energy assets

WELLINGTON, Nov 17: Anglo-Dutch oil giant Royal Dutch Shell won approval Friday to buy the bulk of Fletcher Energy's 4.6 billion dollars ($1.8 billion) of assets, in conjunction with Texas-based energy operator Apache Corp, says AP.

The Commerce Commission gave its agreement to Shell's second application to buy locally owned Fletcher Energy on condition it sells a range of gas and liquefied gas assets in New Zealand.

In its previous decision, the commission had said the deal would give Shell too much power in the local oil and gas exploration industry.

John Belgrave, chairman of the competition watchdog, said Friday the commission was satisfied that, "subject to the divestment undertakings, Shell would not acquire or strengthen dominance in any of the relevant markets."

Fletcher owns oil and gas holdings and exploration rights around the world in countries including Canada, Argentina and Brunei.

Russian mobile phone firm posts 21pc profits

MOSCOW, Nov 17: Russian mobile telephone operator Mobile TeleSystem (MTS) said Thursday net profit rose 21 per cent year-on-year to 75.9 million dollars (88 million euros) in the nine months to September, reports AFP.

The result was helped by strong growth in demand in Russia and a high-performance business policy, said the company, quoted by financial news agency Prime-Tass.

MTS, quoted on the New York stock exchange, said its sales climbed 42 per cent over the period to 368.2 million dollars.

The number of clients multiplied 3.25 times from the start of the year to reach one million on November 13, MTS said.

During the third quarter alone, sales climbed 22 per cent to 146 million dollars and net profit rose two per cent to 28.6 million dollars.

MTS is Russia's main mobile telephone company. It operates the Global System for Mobile telecommunications (GSM) 900/1800, covering 34 regions or 45 per cent of the Russian population.

MTS is held by the Russian finance and industrial holding firm Sistema and by DeTeMobil, a subsidiary of Deutsche Telekom.

ROK to move futures trade to Pusan in 2004

SEOUL, Nov 17: The South Korean government has decided to transfer stock index futures trading from Seoul to Pusan from 2004, the finance and economy ministry said in a statement Friday, reports AFP.

Unions at the Korea Stock Exchange (KSE) in Seoul immediately started meetings to decide on strike action against the planned move.

The Korean Futures Exchange in Pusan, South Korea's second city, is to take over trading of KOSDAQ stock index futures next month.

The finance ministry said it made its decision to order the move as the KSE and Pusan exchange had failed to reach a voluntary agreement on dividing deals.

It will also consider integrating the Korea Futures Exchange and the KSE under a holding company structure, with details to be determined early next year.

Bangladesh seeks implementation of Aussie market access pledges

Industries Minister Tofail Ahmed has urged the Australian government to implement its commitments of allowing preferential market access to Bangladesh, reports UNB.

The call from the minister came when the visiting Australian Parliamentary delegation led by Andrew Southcott called on him at his office at Sangsad Bhaban Thursday, said an official handout.

He said the Australian representative at a high-level meeting in Geneva in 1998 had pledged duty-and quota-free market access for the LDCs. The commitment is yet to be implemented.

About the demands to be made in the next WTO meet, the minister said, LDCs' long outstanding demand for duty- and quota-free market access would be the main issue.

Quoting the recent comment of Mike Moore, the Director General of WTO, the minister said developed countries extracted full benefit of globalisation and liberalisation. But they are now reluctant to meet because time has come to give something to LDCs and developing countries, he added.

Tofail Ahmed who attended all the three WTO ministerial meetings held so far and other international conferences encompassing developing countries and WTO narrated the way LDCs were being marginalised by integrating their economies with the global economics.

He said Bangladesh's highest import duty was 350 per cent in 1993. That was slashed to 60 per cent the following year under pressure from the World Bank and IMF. But EU, Japan and most of the developed countries are still maintaining above 300 per cent import duty on many items to protect their markets.

He said compensatory measures including duty and quota-free market access for LDCs is a long due. Without fulfilling their commitments, they are now trying to impose new barriers to trade.

He said that sector-wise international organisations are there for ensuring labour standards and environment. Yet some countries are trying to tag these with trade.

The minister said the question of child labour was raised in early 90s to block the country's garments export as it is doing better in this sector. But we successfully eliminated child labour and thus it was resolved.

According to law, 'we don't allow trade unionism in EPZs but we are pressurised since long to open up trade union activities breaching agreement with foreign investors,' he added.

Referring to bilateral issues the minister said, Bangladesh is not worried about the existing trade gap between the countries. Australian government can compensate by allowing Bangladesh's products free from duty. This way the two-way trade will be increased and bilateral ties strengthened further.

On gas export, Tofail said it would be done after ensuring adequate reserves and keeping in view greater interest of the country. The government would concentrate more on setting up gas-based industries, he added.

Australian High Commissioner to Bangladesh Robert Rlvim was present.

The plaintiffs (L-R) Linda Ingram, Kimberly Gray Orton, Elvenyia Barton-Gibson, and George H. Edding finish a press conference announcing their racial discrimination settlement with Coca-Cola in Atlanta on Thursday. The settlement, valued at 192.5 million USD, is on behalf of 2,000 African-Americans, who sought to change the way minorities are treated by the soft drink giant.
– AFP photo

Coca-Cola to pay $192.5m to settle racial suit

Oversight group to review employment practices

ATLANTA, Nov 16 : The Coca-Cola Co. agreed Thursday to pay US $192.5 million to settle a racial discrimination suit by its black workers, reports AP.

The amount includes US $ 113 million in cash, $43.5 million to adjust salaries, $36 million for oversight of the company's employment practices. Coke also will pay $20 million in attorneys' fees.

The soft drinks maker also agreed to have its employment practices reviewed by an outside group.

Shares of Coca-Cola were up 12.5 cents to $61.63 in afternoon trading, on the New York Stock Exchange.

The settlement was approved by US District Judge Richard Story, in whose court the suit was filed in April 1999. Details of the settlement will be sent to about 2,000 class members beginning next month.

The lawsuit claimed Coca-Cola discriminated against black salaried employees in pay, promotions and evaluations. The company denied the claims.

The settlement covers salaried black employees in the United States who worked for Coke between April 22, 1995, and June 14, 2000.

The seven-member watchdog group, charged with making sure Coca-Cola is fair in pay, promotions and performance evaluations, was a centerpiece of the settlement. Over four years, the task force will recommend changes and ensure they are carried out.

Coca-Cola retains the option to protest the task force recommendations in court if the company contends they are not financially or technically feasible.

A toll-free telephone line will be established to receive complaints 24 hours a day.

A newly-created ombudsman will investigate all complaints, report to Coca-Cola Chairman Doug Daft and give periodic reviews to the task force.

The agreement also requires Coke's board of directors to monitor the company's progress in meeting its new obligations, including :

- Reviewing and changing policies and practices on pay, promotions and performance evaluations as necessary.
- Compiling employment data and working with the task force to improve working conditions.
- Ensuring managers make fair decisions about employee compensation, including initial salaries, merit increases, bonuses and stock options.

The task force is modeled after a similar group established four years ago in the settlement of a discrimination lawsuit against Texaco.

Coca-Cola's will include former government officials in labour and civil rights, professors, lawyers and diversity consultants.

Picture shows (from left) Heinz Kressner, Head of Textile Division, and Volker Schurg, Head of Men's, Women's & Children's Division of Rewe Zentral AG of Germany, and Tapan Chowdhury, Managing Director of Square Group, at a meeting with news persons in the city Wednesday.

Rewe Zentral keen to explore Bangladesh business climate

Visiting official sees huge potential

Star Business Report

Bangladesh holds immense potential and its young generation is pretty capable of bringing about a change in its economy provided they get proper opportunity, says one of the chief executives of Rewe Zentral AG, a leading German company.

"I was given a wrong perception about Bangladesh but my visit here has changed my view," said Heinz Kressner, Head of Textile Division of the company.

Rewe, one of the major readymade garment (RMG) brands in Germany with an annual turnover of US$ 40 billion, also operates in the area of household goods with a wide network of 8,500 retailers all over Europe.

Kressner, who is on a visit to Bangladesh on an invitation of ah Group, was talking to a group of journalists in the city Wednesday.

"We are just on our first visit and want to see for ourselves the investment facilities offered by Bangladesh," Kressner said, adding "until our visit, we gathered information on the country through secondary sources."

"In case of expanding business and investing more in a country like Bangladesh, there is a chance to make mistakes if we solely depend on information from secondary sources," he mentioned, saying that Bangladesh has a little bit 'negative image' abroad.

Rewe does not have any office here. So far, an office operating in Hong Kong maintained the company's business relations with some SAARC countries including Bangladesh.

The German firm has been doing business with local garment houses for the last seven years and it buys products worth about US$ 70 million from Bangladesh a year.

Kressner, accompanied by his deputy Volker Schurg, will also visit Square Textiles Ltd and Square Spinning Ltd, two subsidiaries of Square Group.

Tapan Chowdhury, Square Group Managing Director, said: "Rewe has been offered to be our strategic partner in textile business."

The group is planning to install the latest models of rotor heads which will require around Tk 65 crore. Square Textiles is in full production from 1999 with the installation of about 60,000 spindles including 578 rotor heads. The company produced 25,066,318 pounds of various counts of yarn this year against 13,118,698 pounds in the previous year, according to the latest Square Pharma annual report.

Square's turnover also marked a 71 per cent rise and its net profit recorded a 100 per cent increase.

Net4India to invest $22m in data centres

NEW DLHI, Nov 17: Iternet firm Net4India said Thursday it would invest up to one billion rupees (22 million dollars) to set up data centres in the cities of Gurgaon, Chandigarh, Ahmedababd and Calcutta, reports AFP.

A company statement said the investments would be made within the next financial year ending March 2002.

"The company plans to invest one billion rupees in setting up these Internet data centres to offer web hosting, server co-location, application hosting and managed server facilities to small and medium business," the statement said.

The firm already has data centres in the cities of Delhi, Bombay, Bangalore, Hyderabad, Pune and Chennai.

IBBL managers' confce held

A day-long Branch Managers' Conference of Head Office-controlled branches and the ones under Dhaka south and north zones of Islami Bank Bangladesh Limited was held yesterday at the Conference Room of Islamic Bank Tower, says a press release.

Mohammad Younus, Chairman, Executive Committee, was present in the conference as the chief guest. Presided over by M Kamaluddin Chowdhury, Executive President of the bank, the function was attended, among others, by Deputy Executive President Abdur Raquib, and Executive Vice-Presidents Nasiruddin Ahmed, Md. Velayet Hossain, M Fariduddin Ahmed, M Tajul Islam, ATM Harun-ur-Rashid Chowdhury, Md. Nurul Amin and AKM Habibur Rahman.

Mohammad Younus, in his speech, said that all officials and employees of the bank should work with devotion for expanding its progress.

M Kamaluddin Chowdhury emphasised the need for achieving the prime goal of the bank by working efficiently.

He urged the managers and officials to mobilise cost-free deposits, quality ancillary business and increase non-investment income.

Mohammad Younus, Chairman of the Executive Committee of Islami Bank Bangladesh Limited, addresses as chief guest a day-long Branch Managers' Conference of the Head Office-controlled branches and those under Dhaka south and north zones held yesterday at the Conference Room of Islami Bank Tower.
– IBBL photo

EU spells bleak future for North Sea fishermen

Fish stock falls to crisis level

BRUSSELS, Nov 17: The European Union spelled out a bleak future for the fishermen of the North Sea Friday, saying that stocks of cod and other key commercial species have fallen to crisis levels and will require drastic conservation measures to recover, says AP.

Experts say the depletion of the once-rich cod stocks recall the collapse on Canada's eastern seaboard that forced a ban on the once-lucrative fisheries in 1992 and wiped out 42,000 jobs.

"Stocks of cod and possibly whiting in both the North Sea and the West of Scotland ... are in severe danger of collapse," the European Commission said in a statement released before a meeting Friday of fisheries ministers from the 15 EU nations.

The warning comes ahead of an EU meeting next month to set catch quotas for 2001.

Fishermen fear severe cutbacks, even a ban on cod fishing in much of the North Sea.

Scotland's fishing fleet is most at risk with dire predictions of a devastating impact on coastal communities where fishermen have already seen their incomes fall by 13 per cent over the past year. Danish, English and Dutch fleets also stand to be hit by restrictions to protect the shrinking cod stocks.

The decline of the cod stocks is blamed mostly on overfishing although some scientists say global warming has also played a role raising water temperatures in the North Sea and forcing out cold water species such cod.

In the 1980s Britain's fishing fleets pulled 300,000 tons of cod a year out of the North Sea. British fishermen complained bitterly when the European Union set their total yearly catch quota at 80,000 tons a year ago, but the numbers of cod are so low they have been unable to net in even that level. Just 50,000 tons have been landed.

"The UK fleet has only been able to catch 60 per cent of its quota this year – simply because the boats have been unable to find the fish," British Fisheries Minister Elliot Morley said last week. "Very tough decision will have to be made."

Conservationists say the cuts in quotas won't be enough to bring the cod stocks back from the brink.

"There needs to be area closures in the North Sea," said Julie Cator, fisheries specialist at the World Wildlife Fund's European policy office. "There needs to be areas were no fishing is allowed."

The European Union is basing its analysis on reports from the International Council for the Exploration of the Sea, which says North Sea cod stocks are close to the minimum needed to sustain the species.

Fishermen are resigned to tough measures and their representatives are working with the European Union and conservation groups to find a solution."

We're maybe looking at 10 years to get back to maximum sustainability," said Hamish Morrison, chief executive Scottish Fisherman's Federation.

A key problem, Morrison says is that the North Sea is a mixed catch area, so a ban on cod catches would likely rule out hauls of the other main commercial species haddock and whiting.

"If you ban cod fishing you effectively ban all fishing," Morrison cautioned in a telephone interview from his headquarters in Aberdeen.

Malaysia's KFC aims to tap Asian coffee market

KUALA LUMPUR, Nov 17: Fast-food chain KFC said Thursday it would spend 20 million ringgit (5.26 million dollars) to open a chain of coffee shops in the region as part of moves to diversify its business, reports AFP.

Following a recent tie-up with US-based Seattle's Best Coffee (SBC), KFC Holdings (M) Bhd. will open 36 coffee shops in Malaysia, four in Brunei and 15 in Singapore, said executive deputy chairman Abdullah Omar.

"We plan to open the first six outlets next year and six more the following year, with the others being opened in stages up till 2006," he told reporters.

Under the pact the local Kentucky Fried Chicken franchisee has the exclusive right to set up and operate 40 SBC coffee shops or kiosks in Malaysia and Brunei and 15 outlets in Singapore for an initial period of 20 years.

Abdullah said the company was diversifying its business base to prepare for greater competition under the ASEAN Free Trade Area (AFTA) due to come into force in 2003.

The move also provided a springboard for regional expansion he said, predictng "good prospects" in neighbouring countries.

Abdullah said the company's catering arm, Signature Chef, would soon launch a chain of restaurants to serve ethnic Malay cuisine.

Hyundai puts off construction unit rescue package release

SEOUL, Nov 17: Hyundai Group on Friday put off the release of a package to raise cash to rescue its bankruptcy-threatened construction unit after an affiliate refused to buy its headquarters, reports AFP.

"We have yet to conclude talks with Hyundai Heavy Industries and Hyundai Merchant Marine," Park Jong-Kil, a spokesman for Hyundai Engineering and Construction Co., said.

"It is likely to take a few more days to wrap up the talks," he said.

Hyundai Group had planned to announce a one trillion won (880 million dollar) package Friday to help Hyundai Engineering, the group flagship, stave off bankruptcy.

But the plan hit a snag when Hyundai Heavy Industries Co. refused to buy the Hyundai Group headquarters in Seoul. The group wanted to raise 170 billion won (150 million dollars) through the sale.

Instead, Hyundai Heavy Industries offered to buy back a three per cent stake of its own equity held by Hyundai Merchant Marine Co. for some 50 billion won, which would then be put into Hyundai Engineering.

But even this proposal is also opposed by Hyundai Merchant Marine, the spokesman said.

An official of Hyundai Heavy Industries said the company would face censure from its board of directors and share holders should it buy the unnecessary real estate.

The government and creditor banks are pressing Hyundai Engineering to announce a workable reform plan by Monday, a high-level official at the Financial Supervisory Service said was quoted as saying by Yonhap news agency.

He said Korea Exchange Bank (KEB), Hyundai's main creditor bank, informed the construction firm of the government's stance and added that Hyundai's delays are hurting financial markets.

The rescue plan had been originally held up as Hyundai Motor Co. and Hyundai Heavy Industries had refused to help Hyundai Engineering.

But the two companies finally yielded to pressure from the government and banks.

Chung Mong-Koo, the chairman of Hyundai Motor, on Thursday met his brother, Chung Mong-Hun, who controls Hyundai Engineering. Chung Mong-Koo premised to help ease the cashflow crisis at his rival brother's ailing enterprise.

Critics said that by pressing Hyundai Motor, which has been spun off from the group, to help Hyundai Engineering, the government had back-pedalled from its policy of disbanding South Korea's family-oriented conglomerates.

Finance and Economy Minister Jin Nyum on Friday defended the government's move to press Hyundai Motor and Hyundai Heavy Industries to help the troubled builder.

"The government meant that they should do it within the boundary of the law when it asked Hyundai units to help Hyundai Engineering," he told journalists.

"When the self-rescue package is unveiled, the government's Fair Trade Committee will look into it to find whether Hyundai units are paying too much to buy assets and shares from Hyundai Engineering," he said.

At the end of October, Hyundai Engineering's debt stood at 5.2 trillion won (4.6 billion dollars), according to Korea Exchange Bank, Hyundai Engineering's main creditor.

Some 1.2 trillion won (1.06 billion dollars) is due in November and December. Creditor banks last week voted to extend 690 billion won of this maturing debt.

The government on Friday ruled out giving fresh loans to Hyundai Engineering this year, no matter how impressive the rescue package turned out to be.