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BUSINESS

DHAKA, MONDAY, NOVEMBER 20, 2000

BB T-bill auction held

The 115th auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills were held here yesterday, reports UNB.

Some Tk 1,706 crore, Tk 14 crore, Tk 15 crore and Tk 12 crore were offered for the 28-day, 364-day, 2-year and 5-year bills respectively.

Of these, Tk 1,606 crore, Tk 9 crore and Tk 15 crore in total of Tk 1,630 crore of 28-day, 364-day and 2-year bills were accepted respectively.

The ranges of the implicit yields were 6.10-6.30 per cent, 7.50-7.51 per cent and 8.50 per cent per annum respectively.

No bids were offered for the 91-day and 182-day bills and the bids offered for the 5-year bill were not accepted.

The premature encashment of the bills stood at Tk 2 crore on November 14 and due to maturity of the bills, the total amount of Tk 1,606 crore will retire in this week.

As a result, the net amount of the issuing bills will stand at Tk 22 crore during the week, said a Bangladesh Bank press release.

Terry towel, linen industries face uncertain future

Dwindling orders threaten export performance

Star Business Report

The country's export-oriented terry towel and linen manufacturers may face an unpleasant time this year due to the negative impact of trade union issue in the EPZs and fall of export orders from international buyers.

Due to trade union problems in the country's Export Processing Zones (EPZs) the industries located in Chittagong EPZs could not work properly for four months from April this year, industry people said.

On top of this, the new USTDA 2000 bill that gave duty and quota free access of apparels and allied products of 72 Sub-Saharan and Caribbean countries to the US market from October 1 has also reduced orders for Bangladesh, they said.

Last year, the annual export from this sector was about US$ 80 million and hopes ran high that it would cross US$ 100 million mark this year. But now the industry circle forecast that the export earnings this year would barely cross US$ 70 million.

"This year we would be able to utilise 70 per cent of our quota," said Lt Col M Anisuzzaman, President of the Bangladesh Terry Towel and Linen Manufacturers and Exporters Association (BTTLMEA).

Last fiscal year, the country's exporters utilised more than 90 per cent of the US quota in categories 363 (Towel) and 369s (Soft towel). But this year the quota utilisation was only 72 per cent in category 363 and 68 per cent in category 369s. So far, Bangladesh was the biggest exporter in category 369s, Anisuzzaman said.

US Orders have drastically come down this year compared to the corresponding period of last year, he mentioned.

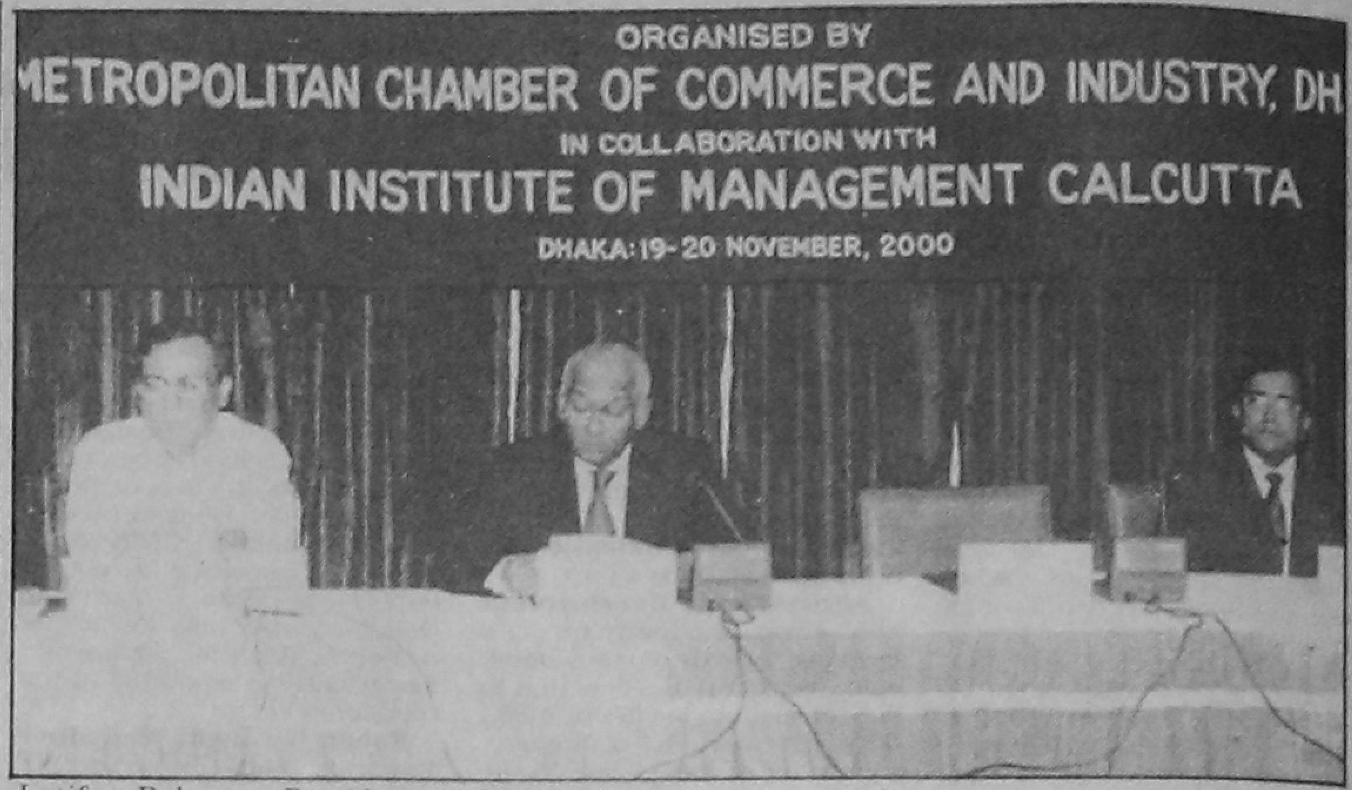
Following the passage of the USTDA bill, the Caribbean exporters are now quoting lesser prices and the US importers are preferring to buy towel products from them.

BTTLMEA now demand that the government take immediate steps to avail duty-free access to US market.

The association said the European and Australian markets demand high-quality products for which the country's knit factories need modernisation.

It said a pledge by Prime Minister Sheikh Hasina in 1999 to provide bank finance for BMRE of towel industries are yet to be implemented.

Currently the sector has a capacity of 4,000 terry looms and 2,000 plain looms, employing about 20,000 people, BTTLMEA sources said.



Latifur Rahman, President of Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI), delivers the inaugural address at a two-day workshop on "Strategies for Competitive Success" organised by the chamber in collaboration with Indian Institute of Management, Calcutta (IIMC), at the MCCI Conference Hall yesterday. Resource person Dr Ranjan Das, Professor of Indian Institute of Management, and Santosh Kumar Dutta, Deputy Secretary of MCCI, are also seen in the picture. Twenty-seven top and senior level management personnel are attending the workshop.
– MCCI photo

New MD of SIBL

Golam Mustafa, a well-reputed banker of the country, has joined Social Investment Bank Ltd as the new managing director on November 16, says a press conference.

Mustafa joined the erstwhile United Bank Ltd (Now Janata Bank) in 1962 and rose to the post of the managing director of Janata Bank. He retired from Janata Bank as Managing Director in 1998.

T&T, Alcatel to install 8,000 phone lines in Ctg by Feb

From Abdullah-Al Mahmud

CHITTAGONG, Nov 19: Eight thousand more digital telephone lines will be installed in the city by February next year under a joint venture project of T&T and Alcatel, a French company.

Work for installation of 3000 more digital telephone lines in Rangamati town will begin this month and providing connections may start before the Ramadan, highly placed sources in T&T here said. The existing 8000 analogue lines there will be converted to digital ones.

By October next year, 2000 digital lines each will be installed at Khagrachhari and Bandarbun towns and another 4000 in Cox's Bazar.

The lines in the three hill districts and at Cox's Bazar are being set up with Chinese technical assistance under a countrywide programme to install two lakh more telephone lines in the district towns by 2002, the sources said.

All arrangements have been completed for setting up the 8000 lines in Chittagong city and Alcatel has been given purchase order for installation of software, the sources said.

The project will cost only Tk four crore as installation of no new underground cable will not be required. The existing manpower in the eight telephone exchanges in the city will be able to operate the additional 8000 lines, they said.

T&T will earn around Tk 15 crore by selling Demand Notes and an average monthly revenue of Tk 50 lakh from the new lines, they said. It now provides 52,800 telephone connections including over 49,000 digital and 3,500 analogue. Around 15,000 applications for new telephones are pending, they said.

The 3,500 analogue lines, all under Agrabad exchange, will be converted to digital after installation of the new lines, they said.

"Only consent and approval of higher authorities are enough to keep pace with the growing demand as the exchanges can handle double their existing capacities by installing soft-wire and required equipment at negligible costs," a highly placed T&T official said seeking anonymity. Funding is no problem. Funds can be managed through sale of demand notes, he added.

NBL declares 20pc dividend

National Bank Limited (NBL) declared a 20 per cent cash dividend at the bank's 17th annual general meeting (AGM) held in the city Saturday, says a press release.

The 13th extraordinary general meeting (EGM) was also held before the AGM.

A K M Abu Taher, Chairman of the Board of Directors of the bank, presided over the meeting.

Taher in his inaugural address, said: "NBL achieved great success in the year 1999 in respect of profitability, export and import business and deposit mobilization."

NBL has prepared to introduce IT-based services to face the challenges of the 21st century, he said. He expressed his gratitude to the shareholders for their continued support to the Board of Directors.

Mahbub Ahmed and Shahadat Hossain were unanimously elected Directors from the public shareholders.

A large number of shareholders participated in discussion on the Annual Report-1999 and overall activities of the bank.

Rafiqul Islam Khan, Managing Director of the bank, gave satisfactory reply to various queries raised by the shareholders at the meeting.

Abu Taher Miah, Abdul Awal Mintoo, Moazzam Hossain, Habibullah, Mahbubur Rahman, Ali Akbar Khan, Directors of the bank, and Md Abdur Rahman Sarker, Secretary to the bank's Board, were also present.

Indian industry cries foul over smuggled Chinese products

BOMBAY, Nov 19: Representatives of Indian industry are crying foul over cheap Chinese consumer goods being smuggled in by local traders, reports AFP.

"Smuggling and underinvoicing of Chinese goods is widespread. This has severely hit small and medium-sized domestic industries, many of which have closed down," Vijay Kalantri, president of the All India Association and Industries told AFP.

Kalantri said local markets were flooded with Chinese items like umbrellas, calculators, pencils, leather items, toys, cutlery, chocolates, cigarettes, electronic goods and textiles.

"All these items are far cheaper than similar local products. Many of these products are sold by weight in China and brought here by traders."

Kalantri said the owners of several small and medium-sized industries had closed shop and turned to importing and selling Chinese goods.

"This is lucrative in the short term, but in the long term it will lead to the death of Indian manufacturing, increase unemployment and hit economic growth."

Kalantri said Chinese goods were cheaper than Indian products as energy and transport costs there were 30 per cent less.

"The Chinese government also gives an export subsidy of between 30 and 100 per cent.

"We have asked the Indian government to respond to this situation, but there has been no word from them."

Transport operator Jagjit Singh Nagpal said smuggling of Chinese goods had hit the haulage trade as well.

"Almost every consumer product is now available here from China," Nagpal said.

"Domestic manufacturing activity in the small and medium-scale sector has become uncompetitive and scores of units have closed down. This has hit the transport trade as less, goods are moving around."

TK Bhowmick, at the Confederation of Indian Industry (CII) said industry was concerned about the "unfair influx" of Chinese goods.

"The magnitude of the problem is huge. We are not against genuine imports. In fact bilateral trade with China is now worth only two billion dollars and consists of raw materials. We want this to expand."

US, Russia struggle to add extra Afghan sanctions

ISLAMABAD, Nov 19: A debate is underway in the United Nations about the use of economic sanctions against poor countries such as Afghanistan, with a review of existing curbs raising doubts about their effectiveness, reports AFP.

Washington and Moscow want up to four "non-economic sanctions" added to the current restrictions on Afghanistan's Taliban regime but are struggling to convince Europe and the United Nations' humanitarian wing, diplomats said.

The review comes a year after the UN imposed aviation and financial curbs on the fundamentalist Islamic regime for its refusal to extradite indicted terrorist Osama bin Laden.

UN officials said the issue was raised at a recent Security Council meeting, where UN Coordinator for Afghanistan Eric de Mul, based here in the Pakistani capital spoke of the likely impact of more sanctions.

The UN's humanitarian office for Afghanistan, also based here, is compiling an assessment of the first year of sanctions in Afghanistan, a country wracked by 21 years of war and a severe drought which has hit half the population.

Home Minister Mohammed Nasim addresses a function arranged to mark the first founding anniversary of Nitol Insurance Company Limited at Sonargaon Hotel in the city on Saturday.
– Star photo

20,000 ROK workers protest corporate restructuring

SEOUL, Nov 19: Shouting "Fight! Fight!," about 20,000 workers marched in central Seoul on Sunday to oppose a government-led restructuring plan that they fear will lead to mass layoffs, reports AP.

The protest was the latest in a series that began early this month, when the government stepped up its restructuring of debt-strapped businesses to restore sagging investor confidence in the economy.

Workers have since vowed to fight any moves that could result in lost jobs.

"Are you prepared to fight until our just demands are accepted?" Lee Nam-soon, head of the powerful Federation of Korean Trade Unions, which organised the protest, shouted during a two-hour rally at a riverbank park.

The crowd, thrusting clenched fists into the chilly winter air, shouted back "Fight! Fight!"

Colourful placards and streamers filled the park. Half a dozen huge balloons the size of cars floated in the air with banners hanging from them reading "Fight! Solidarity!"

The labour group, which claims a membership of 1.2 million, said it will organise a nationwide strike in early December unless the government retracts a bill to restructure state-funded firms.

The bill is now before the National Assembly for deliberation.

After the rally, workers marched 1,000 metres (yards) to the National Assembly building, shouting "No privatisation of public corporations!" They believe such moves will lead to layoffs.

Oil prices to plunge next yr, says Kuwait

KUWAIT CITY, Nov 19: Kuwaiti Oil Minister Sheikh Saud Nasser Al-Sabah warned on Saturday of plunging oil prices early next year as many countries have been storing oil, reports Xinhua.

"There is a concern that this storage will cause a drop in oil prices next January, so we have to be careful," said Sheikh Saud upon return from the Saudi capital of Riyadh, where he took part in an international energy forum.

He said the recent ministerial meeting of the Organization of Petroleum Exporting Countries (OPEC) decided not to increase oil output because oil markets were stable.

Sheikh Saud said that no one could specify a certain figure for oil prices because prices were subject to conditions of oil markets.

"Any hopes for any price are just hopes, reality decides prices," he said.

The current oil prices are hovering around 30 US dollars per barrel.

AKM Abu Taher, Chairman of National Bank Limited, delivers his inaugural speech at the bank's 17th annual general meeting held in the city on Saturday. Abu Taher Miah, Abdul Awal Mintoo, Moazzam Hossain, Habibullah, Mahbubur Rahman, Ali Akbar Khan, Directors, Rafiqul Islam Khan, Managing Director, and Md Abdur Rahman Sarker, Secretary to the bank's Board, are also seen in the picture.
– NBL photo

Pakistanis feel oil heat as power cuts turn frequent

KARACHI, Nov 19: High world oil prices are inflicting fresh pain on Pakistanis who know they can expect little help from the government, says Reuters.

Karachi, Pakistan's largest city, main port and industrial hub, suffers daily power cuts simply because its loss-making power utility cannot afford the 4,000 tonnes of fuel oil a day it needs to make electricity.

The state-owned Karachi Electric Supply Corporation (KESC), the city's sole power supplier, has imposed two-hour power cuts – hitting industry in the evening, as well as commercial and residential customers during the day.

"How would we be able to attract investment and confidence of investors?" said Abdullah Rafi, chairman of Karachi's main industrial body, SITE Association of Industry.

The cuts, which follow unannounced outages blamed on the utility's shaky infrastructure, began in October when the cash-strapped utility decided to shut down one of the six 210-megawatt units at its main plant.

"The KESC is testing the consumers' patience beyond belief," the influential Dawn newspaper said in an editorial.

The military government, with usable foreign reserves worth less than the equivalent of one month's imports, is not only unable to help but also under international pressure to take strict measures that would inflict more economic pain.

Chinese women become first victim of reform

TIANJIN, China, Nov 19: Women are often the first to fall victim to the reform of China's cumbersome state-run enterprises and the last to find new jobs, despite well-intentioned efforts to re-train and re-employ workers accustomed to lifetime job security, says AFP.

In the northern Chinese port city of Tianjin, which has one of the country's highest unemployment rates among women, a "business incubator" programme aimed at training women for business recently opened with the help of international and government aid.

But at workshops set up by the training center it becomes apparent that the women workers are starting from scratch.

"I worked for 10 years in my state-run enterprise and never bothered to know whether or not our products had a market. Today the big question is: how do we sell?," said Xu Xiumei, a former textile worker whose factory was closed at the beginning of the year.

Xu sat at a worktable in one of the training center's workshops with four other middle-aged women knitting woolen baby shoes and placing the finished ones in a box at the end of the table.

Oil producers need to mull over output hike to moderate prices

US energy secy says as Iran blames US for high rates

RIYADH, Nov 19: US Energy Secretary Bill Richardson said Saturday that oil-producing countries should consider boosting output to moderate prices, but Iran's oil minister suggested that Washington's sanctions against some exporters were to blame for market instability, reports AP.

World economies need stable oil prices of between US$ 20 and 25, Richardson told reporters at the seventh International Energy Forum, saying that prices of more than $30 a barrel – heights unseen in a decade – were "excessively high."

Demand has also been high, he acknowledged, but he said: "There is a supply problem. Crude stocks are much too low."

Richardson said he hopes the Organisation of Petroleum Exporting Countries will not decide to cut production at their January meeting, saying "our position is that OPEC countries consider and increase in production."

But in a clear reference to US economic sanctions against his country, Iranian Oil Minister Bijan Namdar Zangeneh said "unilateral economic restrictions were to blame for market instability and high prices.

"Political pressure on oil-producing countries has led to the imbalance and inconsistency of investments in energy supply systems, to the effect that we now witness imbalance and unstable price of oil in recent months," Zangeneh said.

"Iran has said that all OPEC nations, except Saudi Arabia, are producing as much oil as they can, and that new supplies are not possible without investment and technologies that are banned by US sanctions on Iran, Iraq and Libya, which possess large petroleum reserves.

"I do not agree that sanctions are to blame for the oil shortages," Richardson later said in an interview with The Associated Press. "It's a supply problem."

Richardson said he believed the Democrats would pursue the same policy toward Iran if Al Gore became the next US president. He said he could not comment on US policy toward Iran if George W Bush were to become the next president of the United States.

Richardson's visit to the kingdom comes after an explosion in Riyadh killed a British man and injured his wife. US troops posted in Gulf nations are on also high alert since the Oct. 12 bombing of the destroyer USS Cole, which killed 17 American sailors. The energy secretary said his security was tightened after Friday's explosion.