

# BUSINESS

DHAKA MONDAY FEBRUARY 19, 2001



### till March 3

UNB, Dhaka

Dhaka International Trade Fair (DITF) will continue till March 3 to help stall-owners make up their business losses caused by series of shutdowns through the last week. The month-long fair was

scheduled to end today. Officials of Export Promotion Bureau, the organiser of the fair, said the 12-day extension followed demands from stall-owners who faced half a dozen hartals since the fair began on January 19 at Sher-e-Bangla Nagar DITE ground.

"Apart from stall-owners, various trade bodies also advised us to extend the fair. Visitors also want it," an EPB official told UNB Sun-

Letters are likely to reach the stall-owners Sunday informing them of the extension, he added. Participated by 22 countries

this year's fair housed 320 stalls, 60 mini pavilions and 40 pavilions.

#### 28th AGM held

### .BOC declares 40pc dividend

The 28th annual general meeting (AGM) of BOC Bangladesh Limited was held at Gulshan Shishu Park in the city on Saturday, says a press release.

The company posted a post-tax profit of Tk 203.6 million in the financial year ended September 30, 2000, showing an impressive growth of 39 per cent over last year, considering a modest growth of 2 per cent in turnover. Chairman M Syeduzzaman explained the factors that contributed towards the performance.

The chairman, however, expressed his confidence in the company's ability to better meet the product demands and service expectations of the customers, as substantial investments were in place.

At the meeting, the chairman announced the news of the sad demise of Zeaul Hug, who was a director since 1988 and played an important role in the progress of the company.

The business affairs of the meeting could not be concluded due to certain unreasonable demands made by some shareholders in clear violation of the guidelines and directives of the Securities and Exchange Commission. The Chairman demanded poll and the meeting was adjourned till 10-30 am Sunday.

The reconvened meeting was held at the premises of BOC factory at Tejgaon as announced earlier. The unfinished business of the 28th AGM was concluded.

A dividend of Tk 4 per ordinary share i.e. 40 per cent was declared for the financial year ending 30 September, 2000.

John Andrew Bevan and Michael Sylvester Mathews, both of whom joined the Board in September 2000, were re-elected to the Board. Michael Stewart Huggon and Noor Elahi Ali Shibly were also elected to the Board.

### Trust Bank opens branch at Savar Cantt

Chief of Army Staff of Bangladesh Army and Chairman of the Board of Directors of The Trust Bank Limited Lieutenant General M Harun-Ar-Rashid, Bir Protik inaugurated a branch of the bank at Savar Cantonment yesterday, says a press release.

Prime Minister Sheikh Hasina. inaugurated the 1" branch of the bank at Dhaka Cantonment on November 29, 1999.

In his inaugural speech General Harun stressed the need for re-deploying the 'monetary profit earned by the banks for earning 'Social Profit' with a view to reducing the gap between the rich and the poor.

General Harun declared collateral-free IT education credit for those who do not have enough money to undertake high cost IT | ening future world food productraining.

Reiterating the call of the Prime | here. Minister, he emphasised extension of micro credit by the bank.

GOC, 9th Division, Major General | water and deplete aquifers, says Muhammad Masudur Rahman, Bir Protik, Brigadier General Tarique Ahmed Siddique, Officiating Adjutant General and Vice Chairman of the bank, and Md Helal

spoke on the occasion. Senior army officials from page report. Army Headquarters, Dhaka and Savar' Cantonment, many civil dignitaries of Savar also attended the opening function of the branch.

# DITF extended Pvt entrepreneurs need funds on concession to set up SPPs

Speakers recommend at workshop in city

STAR BUSINESS REPORT

subsequent institutional support the country. to lure them into taking up small area power supply systems

Given the current growth rate of electrification and population, the rate of electricity expansion to the rural areas might be less than one per cent a year, they said, mentioning that access to power supply through the national grid for all may take between 50 to 100

The workshop on 'Private Sector Participation in Small Power Generation and Distribution' was jointly organised by the Power Division, Ministry of Energy and Mineral Resources, and Infrastructure Investment Facilitation Centre (IIFC) at LGED auditorium in the city.

Mohiuddin Khan Alamgir atchief guest while representatives from India and the World Bank Chairman of PDB, said in the re-

inventories of a bankrupt industry

wet-blue and chemicals of Bengal

Leather Industries, which has a

liability of Tk 41 crore to Janata

Bank, were put on auction by the

Bankruptcy Court-appointed re-

initiative in the country to recover

a bank's money. The whole in-

phases," Md Jahangir Alam Khan

told The Daily Star. He said that in

the next two months, the machin-

ery and other fixed assets of the

dustry will be put on auction in .

"This is the first of any such

ceiver, Md Jahangir Alam Khan.

Crust and finished leather,

were put on auction yesterday.

SHAHRIAR KARIM

ment policymakers discussed Private entrepreneurs should be different issues regarding the im-

Dr Alamgir said 70 sponsors viable. power projects (SPP) and remote have expressed interest in establishing power plants under the (RAPSS) in the rural areas, speak- SPP policy and four sponsors have agriculture, fisheries, salt-making ers at a workshop recommended prepared project proposals with and other small industrial activi- SPPs are implemented in the rural the provision of electricity sales to ties, he said, adding that economic areas, a lot of changes will take customers contracted by them.

"If we cannot improve the power situation, industrial production will be seriously hampered and the target for developing export processing zones and industrial parks won't be achieved," he noted.

Arabinda Kar, Secretary of the Power Division, said 70 per cent of the total population do not have access to electricity. The public sector alone would not be able to meet this huge demand and that's why the private sector's participation is necessary.

Kar hoped that the private sector would dominate the energy State Minister for Planning Dr sector in the future and 56 per cent of the power generation tended the inaugural session as would come from private sources. Brig. General M A Malek,

Eight bidders participated in

The owner of Dhaka Hide and

of the bankrupt industry at city's

Skin Ltd became the highest bid-

der by quoting Tk 2.65 crore for

the goods lying at the store of Ben-

gal Leather for years. Besides, the

highest bidder will also have to

give an additional Tk 70 lakh to the

workers of the bankrupt industry

according to a separate agree-

ment, local business sources said.

Hazaribagh area.

For the first time in the country, the auction held on the premises

Bankrupt Bengal Leather put on

auction for realising bank debt

and private sector and govern- mote or off-grid areas and islands, the power supply system needs to be developed independently and offered concessional funding and plementation of SPP and RAPSS in in isolated manner, as extension of grid network in these areas is not

These areas have a potential for greater economic activities in activities will get a boost if elec- place. tricity is provided to them.

The PDB chairman said liquid fuel and renewable energy sourcebased electricity generation would be the only option in the remote areas. The costs for such energy generation need to be minimised and so, concessional financing would be necessary to keep electricity tariff within reasonable

Adviser-Energy, Department for International Development, India, observed that every developing country needs to develop its institutions exclusively by dealing with promotion of renewables and their financing through suitable innovative mechanisms, and the Indian models appears to be worth emulating.

nity leaders persuaded the work-

ers to lower their claims and

reached an agreement that the

bidder for the goods will pay Tk 70

bidder has to deposit 40 per cent

of the quoted price at an account

with the Sonali Bank, Ramana

Corporate branch in favour of the

Bankruptcy Court appointed re-

ceiver Md Jahangir Alam by 5 pm

today. If he fails to do so, his ear-

According to sources, Bengal auction off the goods of the Bengal stayed by the High Court,

nest money of Tk 20 lakh will be

Later, leading leather sector by some 'vested quarters'. To Courts, which declared 44 institu-

According to auction rules, the

lakh as compensation.

forfeited.

Leather owed Tk 1.70 crore to the Leather. An earlier attempt on

plant including its land would be businessmen and local commu- avoid the problem, receiver Md tions as bankrupts.

A Muyeed Chowdhury, former secretary and Executive Director of BRAC, said electricity is essential to expedite agro-processing and agro-based industries which are progressing very slowly.

Despite various government incentives, industrialisation is not taking off, he said adding that i

Citing example of the poultry sector, he said this sector alone can create huge employment provided electricity reaches out to the rural areas.

Nazrul Islam, Executive Director and CEO of IIFC, said in order to achieve the goals of the power sector vision statement, whereby full electrification in the country is planned over next two Inderjit S Anand, Engineering decades, it important to make full use of the wide-ranging concepts in the SPP policy.

The current tariff structures of Power Development Board (PDB) and Rural Electrification Board (REB) make it difficult to supply electricity to areas such as poor laterals and remote areas (representing 55 population), where the cost of electricity supply is higher.

Jahangir Alam had formed a

committee involving leaders of the

leather sector, local commis-

sioner, labour leaders, representa-

tive of the bank and other influen-

courts have declared 44 business

organisations bankrupt, but not a

single farthing could be recovered

been filed with the Bankruptcy

A total of 97 cases were dis-

Some 177 cases have so far

from these business houses.

So far, the two Bankruptcy

tial people.

This was the second attempt to 2, 1998. Of the cases, 48 were

February 11 failed due to threats posed off by the Bankruptcy



PHOTO BOC Picture shows the members of the Board of Directors of BOC Bangladesh Ltd (from left to right) Z H Khondker, Azizur Rashid, Wali Bhuiyan, M Syeduzzaman, John A Bevan, S H Kabir and Michael S Mathews at the 28th AGM of the company held in the city Saturday.

### Lanka set to unveil another war budget amid economic woes

corruption.

AFP, Colombo

Sri Lanka is set to unveil another war budget amid dwindling foreign reserves and sharply rising interest rates, but the Central Bank is banking on better times as Norway tries to broker peace.

President Chandrika Kumaratunga had already warned public servants not to expect salary increases in the budget proposals to be announced on March 8, but promised better economic pros-

pects in a couple of months. Kumaratunga, who holds defence and finance portfolios, has a delicate balancing act to keep the widening budget deficit under control while ensuring that the military gets enough money to fight the marauding Tiger rebels.

It is easier said than done. Provisional figures tabled in parliament earlier this month show that the government hadallocated an unprecedented 63.39 billion rupees (745 million dollars) for defence and raised government borrowings to dizzy heights.

The defence spending in calendar 2001 is 63.39 billion rupees compared to an estimated figure time allowed a free float of the of 52.43 billion rupees last year rupee in a bid to save dwindling and an actual spend of about 83 to 85 billion rupees (over a billion Courts which were set up on April dollars) last year.

"We are not in a position to prices. give another salary increase immediately with the money we have in hand at the moment," Kumaratunga said on national television last week.

She went a step further and is vet to materialise. lambasted her ministers and bureaucrats last week and said that 40 per cent of public funds were wasted due to inefficiency and

Kumaratunga, addressing her about 35 per cent. senior bureaucrats, disclosed that she had yet to receive a single report from the 44-member cabinet she appointed in October after the parliamentary elections.

But the Central Bank is predicting that the overall balance of payments deficit this year will be reduced by more than half, from 516 million dollars in 2000 to 228 million dollars and the economy should grow by five to six per cent.

Such optimism is based on the island's defence budget keeping to its targets, but in the past the defence budget has always overshot the original forecasts by as much as two-thirds.

Latest figures show that Sri Lanka's trade deficit was a huge 1,500 million dollars, or almost double the country's official for-

eign reserves at the end of January. The Central Bank for the first foreign reserves which fell by over 5 per cent partly due to increased military purchases and high oil

The government move effectively saw the local currency lose ment spending goes on defence as its value against the dollar by the ligers prove ferocious both on nearly 30 per cent in a year. The the battle field and in tearing up

One month inter-bank offering rates were 25.79 per cent last week compared to 11.52 per cent a year earlier bankers said they had raised temporary overdraft rates to

"Any one who can afford these high interest rates does not need a loan," said opposition legislator Ravi Karunanayak. He said the advantage the local exporters had from the falling rupee was offset by high bank charges and a hike in local inputs.

World Bank have been supportive of Sri Lanka's latest monetary policy decision which has attracted bitter criticism from the opposition.

However, the IMF and the

Officials said the government would have to resort to IMF and WB help to finance at least part of the budget deficit this year,

Private analysts said that the government appeared to be banking on attempts by Norway to bring the separatist Liberation Tigers of Tamil Eelam (LTTE) to the peace negotiating table.

There has been no direct meeting between the two sides since Kumaratunga announced in December 1999 that she had sought help from Oslo to broker

About 17 per cent of governexpected fall in local interest rates the country's balance sheet.

# E TRUST BANK LIMITED

PHOTO TRUST BANK LTD

Chief of Army Staff Lieutenant General M Harun-Ar-Rashid, Bir Protik, inaugurates the ninth branch of The Trust Bank Ltd at Savar Cantonment yesterday.

### Belarus, Qatar sign co-op deal AFP, Doha

Belarus and Qatar signed a cooperation agreement Saturday on Belarussian President Alexander Lukashenko's first trip to the gasrich emirate, Qatar's official ONA news agency reported.

The countries agreed to expand trade and technical cooperation and to protect investments.

The agreement came after a meeting between Lukashenko and Qatar's emir, Sheikh Hamad bin Khalifa al-Thani, which focused on "views on cooperation between two allied countries in various areas, along with developments in the region," the agency said.

# ASEAN gas pipeline faces tough challenges ahead

AFP, Singapore

pipeline network across oil- from South Sumatra to Singapore George Yeo said. dependent Southeast Asia are would be completed by 2003. slowly being laid, but formidable challenges lie ahead, experts and officials said.

Completion of a 656-kilometre expected by April. (406-mile) pipeline that began delivering natural gas from Indonesia's West Natuna fields to Singapore in January has rekindled hopes that the ambitious trans-ASEAN gas network will be realised by its target date of 2020.

for a major gas supply deal between Indonesia and Malaysia

These national and bilateral (gas) grid." links are to be integrated into a 10 which would complement a planned regional power grid.

"The trans-ASEAN gas pipeline will increase the security of natural

Already, another high-pressure gas supply within ASEAN (Assopipeline, spanning 500 kilometres ciation of Southeast Asian Na-The initial links for a natural gas (310 miles) to deliver natural gas tions)," Singapore Trade Minister

> He expressed hope that Singa-Negotiations are in the works pore's two multi-billion dollar natural gas deals with Indonesia "will take us a step closer towards the establishment of an ASEAN

ASEAN groups 10 countries country regionwide network, with Diverse political systems, cultures and economies -Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar the Philippines, Singapore, Thailand and Vietnam.

### IFPRI report warns

## Environmental damage threatens world food production

BSS, Washington

Common farming methods used worldwide are causing environmental degradation and threattion, warns a new report released

Agriculture practices worldwide endanger wild plants and Area Commander, Savar and animals, degrade the soil, pollute the World Resources Institute and International Food Policy Research Instituté (IFPRI), two thinktanks based here.

The resulting environmental Uddin, Managing Director, also destruction in turn lowers agricultural productivity, says the 110-

Increased food productivity. say the researchers, will become increasingly important over the will likely double.

By analysing satellite-derived data and high tech maps, the report provides the first overall picture of how environmental degradation is affecting the world's ability to provide sufficient food.

"The statistics are not good," says Per Pinstrup-Andersen, director general of IFPRI. In many developing nations,

which are facing food shortages as their populations increase, soil degradation has already dramatically reduced crop productivity causing severe consequences for the poor, he says.

Nutrient depletion, erosion and salinisation of soil are widespread and are reducing crop productivity by about 13 per cent, uses, especially drinking water and says the report, which is the fourth in a series of five studies by the next 40 years when food demands World Resources Institute on global ecosystems.

"We must not continue to take nutrients out of the soil faster than we replace them," says Pinstrup-Andersen. "We must not continue to deplete water resources faster than they can be replenished."

The report says water availability is an increasingly critical constraint to expanding food production in many of the world's agricultural areas.

The irrigation of crops consumes 70 per cent of the freshwater withdrawn annually by humans it says. Of that, only 30-60 per cent is returned for downstream use, making irrigation the largest net user of freshwater glob-

growing fast," it says.

The pressure to turn forests into cropland will increase in coming decades as the global population is expected to add 1.5 billion people over the next 20 | interview. years, it adds.

Agriculture is already en- encephalopathy) affair could be ent form and multifunctionality," croaching on many national parks | the catalyst needed to propel the Lamy said. and other natural areas protected | EU towards adopting a multifuncbecause of their unique species. "Many of the areas established | away from plain price support, he

to protect biodiversity fall in or | said. around agricultural lands, increasing the difficulties of effective | EU's negotiating stance at the next protection," says the report. According to Robert Thomp-

son, director of the World Bank's rural development department, the trick to avoiding the conver-"Competition with other water sion of existing forests into cropland is to increase production on in developing countries, where the obstacles to increasing food | nations, the EU wants recognition | Lamy said. population and industries are production are often complex.

# Mad cow crisis may help reform EU agri policy

AFP, Tokyo

The mad cow crisis should speed up reform of the European Union's Common Agricultural Policy (CAP), the EU's trade commissioner Pascal Lamy told AFP in an exporting nations.

tional approach to agriculture and

It was likely to influence the application of multifunctionality." multilateral round of agricultural ments, reaffirmed at the 1999 Bertrade talks, the World Trade Or- lin EU Summit, which allow us to ganisation (WTO) hopes to launch approach the multilateral negoin Qatar in November, Lamy said tiation with something already in added at the end of a visit to South Korea the bag," he added.

cultural and environmental implications.

Cairns Group of major agricultural

"Firstly, there is no contradic-The BSE (bovine spongiform tion between the CAP in its pres-

He pointed out that the conditionality of the bloc's direct aid to farmers' incomes as opposed to price support "is the practical "There are already such ele-

Backed by Japan, Korea, Swit- , this process or not? This is a ques- current pace" of shifting gradually industrial use will be most intense existing agricultural land. He says | zerland and numerous developing tion which is still not settled," from price subsidies to direct in-

for the multifunctional role of "But we can suppose that it's ers.

agriculture as a distinct form of going to reinforce this trend. The production and with important question is what is the timetable?" For Lamy, "the timetable is already set," by the mid-term review This position is opposed by the European Commission undertook at Berlin to carry out in

> 2002. "In my view it's only then that we'll see what the real impact is, what the lessons of the BSE crisis are, and how it affects the working of the CAP, for instance the issue of hyperproductivity, and indirectly its financing, because the crisis is going to be extremely costly," the commissioner said.

"I would be amazed if this midterm assessment we re not affected by what is going on," he

"The question is whether we "Will the BSE crisis accelerate move ahead faster or maintain the come support for European farm-