

BUSINESS

DHAKA SUNDAY FEBRUARY 25, 2001

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Air France,

Delta pull out

of bid for Air

An Air France-Delta consortium

has pulled out of the bidding for a

stake in India's state-owned inter-

national airline, leaving only two

potential buyers, an economic

consortium - an India-Singapore

tie-up - and the UK-based Hin-

duja group submitted the only two

offers on Friday as technical bid-

ding for Air India diev to a close,

The bids were invited after the

government decided to reduce its

ownership in money-losing Air

India to 40 per cent as part of its

plans to deregulate the country's

state-owned international and

successful in finding an Indian

The Indian government plans

to reduce its equity in Air India to

40 per cent by March 2001. Of the

remaining 60 per cent 40 per cent

can be bought by a strategic part-

ner, up to 10 per cent by airline

employees and the rest by finan-

cial institutions or the capital

market. But foreign companies

can own a stake of only up to 26

financial year ending March 31,

2000, was 47 billion rupees (\$1

billion), and it recorded a loss of

375 million rupees (\$8 million)

after taxes during the same period.

according to the company's an-

sell a 26 per cent stake in Indian

Airlines ended after the govern-

ment adopted an "open skies"

policy in the early nineties. In less than a decade, new, privately

owned airlines have cut a huge

chunk out of the money-losing

Indian Airlines' virtual monopoly

Airlines to an Indian company.

The government also plans to

The monopoly of the Indian

nual financial statement.

Air India's total revenue for the

partner to bid jointly with them.

Air France and Delta were un-

domestic airlines.

the paper said.

per cent.

The Economic Times daily said.

The Tata-Singapore Airlines

India stake

daily reported Saturday.

AP, New Delhi

plantation technique

STAR BUSINESS REPORT

A parliamentary delegation i likely to fly to Kenya early next month to gain first-hand experience about small-scale tea plantation and explore such farming prospects in Bangladesh to meet the growing tea demand.

The members of the subcommittee of the Parliamentary Standing Committee on the Commerce Ministry believe that northern Bangladesh has bright prospects of small scale tea plantation like that of Kenya, sources said.

Kenya is the first country to have developed a model of tea plantation on small patches of land. India also started such plantation practices after suc cessful implementation of the Kenyan technique, a member of the sub-committee said.

A three-member delegation of the sub-committee recently visited two such gardens in India and is in the process of submitting a report on the outcome of the visit to the Standing Committee.

The sub-committee members would submit the report after returning from Kenya, Mohibur Rahman Manik, convenor of the three-member committee, told The Daily Star.

Labour activists protest mass Daewoo layoffs

AP, Bupyong

Throwing rocks and firebombs, hundreds of labour activists clashed with riot police Saturday in the fifth day of violent street protests against mass layoffs at ailing Daewoo Motor Co.

Violence erupted after 4,000 riot police blocked a square where Daewoo workers and their supporters had planned to hold mass rally.

Shouting "Cancel the layoffs!" about 800 protesters marched along a street near Daewoo's main plant in Bupyong, 30 kilometers (18 miles) west of Seoul.

They occupied an eight-lane boulevard and burned tires, sending thick columns of smoke billowing through the snowy sky.

About 200 workers clashed with police, some swinging steel and throwing dozens of firebombs. Others broke the concrete sidewalk into fist-sized rocks and threw them at police, who deflected the missiles with inter-

locked shields. Two vans mounted with loudspeakers broadcast solidarity songs and speeches denouncing a restructuring programme by the failed automaker that has resulted in a 40 per cent reduction of its workforce.

ROK unionists arrive in Paris to hunt fallen Daewoo boss

AFP, Paris Three South Korean trade union activists arrived in Paris late Friday to track down fugitive Daewoo group founder Kim Woo-Choong, who is wanted for a multi-billion

dollar fraud and embezzlement. Upon their arrival at Paris' Roissy airport, Hwang I-Min, Yu Man-Hyung and Park Jum-Kyn, wearing red headbands inscribed in Korean, and yellow tabards with slogans in French: "Arrest Kim Woo-Choong, no to economic

lavoffs." The 65-year-old Kim left South Korea just over a vear ago for a meeting in China and has not

been seen since. With thousands of Daewoo workers thrown out of jobs since the collapse of the group in July 1999 with 80 billion dollars of debt, many are bitter at the slow pace of the official investigation into Kim, who was once hailed as a key architect of South Korea's economic miracle.

There have been reports of Kim staying at a villa in Nice on the Indian Prime Minister Atal Behart Industries STRL BO. French Riviera, and other reported | Vajpayee said on Saturday that the sightings in Switzerland, Sudan and even of him staying in the plan to restructure state-run units management control of state-run weathers the storm over the same hotel as US President Bill Clinton when he was in Vietnam last year.

The South Korean trade unionists, met by French and international TV crews, chanted slotake back the money he stole from our company," "Condemn the South Korean government which oppresses workers".

| Steam to visit | Chittagong traders blast PSI | Small-scale tea | agents for harassing importers | Small-scale tea | agents for harassing importers |

Chittagong-based businessmen and the National Board of Reve- mad Khan mostly deferred with nue (NBR) yesterday exchanged the observations of the businessheated words over the role of the men and said, "We can not expect Pre-shipment Inspection (PSI) perfection of the system overnight. companies.

Chamber of Commerce and Industry (CCCI) at a meeting with NBR Chairman Zakir Ahmed Khan at the CCCI conference hall yesterday blasted the PSI companies.

They alleged that the PSI companies are virtually contributing nothing to the well-being of the business community, or to the national exchequer, as was expected from them.

The business community said the 'dishonesty and 'under-hand dealings' of the PSI agents in collusion with some customs officials

STAFF CORRESPONDENT, Chinagong have increased the harassment of the importers.

But NBR Chairman Zakir Ah-It would be very ungenerous and Members of the Chittagong premature to reject outright the

> the PSI system has been introduced recently and it would need some time to rectify its loopholes. executive member of FBCCI Taher and bad traders and act accord-

the system perfect," he urged critical of the PSI system. . upon the businessmen.

Nurul Islam, President of Char, get rid of the PSI companies. tered Accountants Association A K

Kazi Mahboob Ahmed, Managing Director of BGLC, and Naser Bukhtear Ahmed, Deputy Managing Director of

Prime Bank Ltd, sign the bridge loan agreement for setting up a condom plant at DEPZ at the bank's office in the

EU trade privileges to world's

foreign ministers at a meeting in

The proposal is also likely to be

will be approved by the bloc's global trade talks off the ground.

"Our intention is to reach an allow the world's poorest 48 na-

poorest nations face tussle

A European Union proposal to Brussels on Monday.

the world's poorest countries faces agreement but it will not be easy

a struggle to win approval from because of the quite diverging

member governments despite views of member states," an offi-

being watered down, EU diplo- cial from current EU president

have strong reservations about the discussed at a meeting of EU trade

proposal, fearing it will allow in a ministers in Brussels on Sunday

tide of cheap sugar and rice and evening which will focus on re-

undermine their own farmers, and vising the EU's negotiating posi-

it is unclear whether the proposal tion to try to get a new round of

Sweden said.

city recently. M Minhaz Zia, Head of Corporate Finance of the IDLC, is also seen in the picture.

Mohammad, Syed Mahmudul Haq entire globe?" and Prof Zahangir Chowdhury

sentatives of the three PSI compa- three. The NBR chairman further said nies were also present in the

"Let us work together to make Sobhan was particularly highly ingly.

With CCCI President Saifuz- of PSI companies neither have the zaman Chowdhury Jamal in the knowledge nor the capability and chair, the discussion meeting was skills to provide correct and up-to addressed among others by date information. They are work Chairman of Sanwara Corporation ing on whims," he alleged. "Please

A leading chartered accountant resolved one by one.

Chowdhury, President of C&F of the country A K Chowdhury Agents Association M Salimullah, said, "We don't understand why former FBCCI member Taher only three PSI companies were Sobhan, CCCI Directors Noor given the permission to cover the

He asked for an independent NBR Member (customs) Abul PSI auditor and suggested that 12 Kashem, Senior Vice President of PSI companies be allowed to CCCI S M Nurul Hoq and repre- function instead of the present

C&F leader M Salimullah was of the view that the NBR should Among the discussants, ex- differentiate between the good

He alleged that the customs "Ninety-nine per cent officials and port authorities lack coordination which should be resolved.

In response, NBR Chairman Zakir Ahmed Khan assured the traders that the prevailing problems regarding the PSI agents and the customs officials would be

in the country, has arranged a

bridge loan for Bangla-German

Latex Co. Ltd. (BGLC), a joint

venture project with CPR GmbH of

Germany, for setting up the first-

ever condom manufacturing plant

at the Dhaka Export Processing

signed between BGLC and Prime

Bank Ltd. at the bank's office in

aging Director of BGLC, Naser

Bukhtear Ahmed, Deputy Man-

aging Director of PBL and M Min-

haz Zia, Head of Corporate Fi-

were present in the signing cere-

nance of IDLC, among others.

BGI C has also mandated IDLO

as the equity fund arranger and

issue manager for the initial public

NAFTA states

Brazilian beef

NAFTA members Canada. Mexico

and the United States announced

Friday that they were lifting their

temporary ban on imports of Bra-

earlier this month out of fear of

members of the North American

Free Trade Association announced

separately that they were lifting

the ban, after a team of US, Mexi-

can and Canadian experts re-

turned from an inspection tour of

Brazil where they were able to

assess the country's import,

breeding and beef health control

assured that Brazil has taken

sound measures to prevent BSE,"

or bovine spongiform encepha-

lopathy, popularly known as mad

cow" disease, Canada's Food In-

In Washington, the US De-

The USDA said it was "assured

partment of Agriculture said the

temporary ban had been lifted on

imports of processed beef and

that Brazil has taken sound meas-

ures to prevent BSE and that the

suspension on imports should be

In a statement later Friday

Mexico's Department of Agricul-

ture said that imports would re-

sume after an investigation had

revealed no basis for continuing

Mexican experts in animal health

who visited Brazilian beef pro-

ducton, processing, and industry

centers, along with other experts

from Canada and the United

States, it was decided to

reauthorize the imports of beef

and beef products from Brazil,"

February 2, affected corned beef.

liquid beef extract and sliced beef

in jelly imports. It was born out of

concerns over Brazil's import

practices relating to European

The ban prompted calls for re-

taliation in Brazil where it was

viewed as an escalation by Ottawa

of an ongoing trade row between

the two countries in the aircraft-

products of bovine origin.

manufacturing sector.

Canada's ban, imposed on

the statement said.

"After receiving the report of

associated products from Brazil.

spection Agency said.

"The tripartite countries were

The governments of all three

spreading "mad cow" disease.

offering by the company.

lift ban on

AFP, Ottawa

methods.

the ban.

The bridge loan agreement was

Kazi Mahboob Ahmed, Man-

Zone, says a press release.

the city recently.

PHOTO: IDLC

EU Trade Commissioner Pascal

Lamy proposed last September to

tions to export all of the their

goods, with the sole exception of

weapons, to the 15-nation EU free

effect immediately for most prod-

ucts, the original proposal called

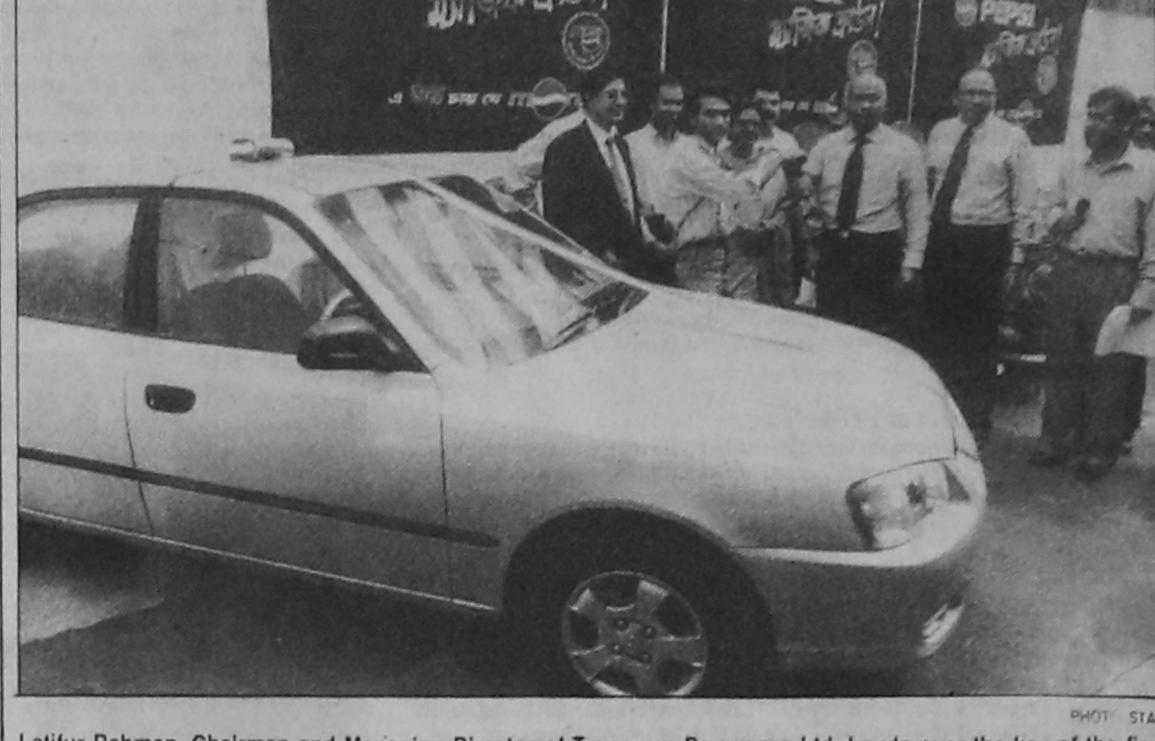
for duty-free access for bananas,

sugar and rice to be phased in over

three years, from 2001 to 2004.

While the proposal would take

of duties or quotas.



Latifur Rahman, Chairman and Managing Director of Transcom Beverages Ltd, hands over the key of the first prize - a Hyundai Accent -1300 cc car - to its winner at the PEPSI Magic Crown prize distribution ceremony held at the National Press Club auditorium in the city yesterday.

PEPSI distributes IDLC arranges bridge loan Magic Crown prizes for BGLC IDLC of Bangladesh Ltd., a leading multi-product financial institution

ceremony of the 'PEPSI Magic Crown' programme was held at the National Press Club auditorium yesterday.

Managing Director of AEML Asaduzzaman Noor conducted prize distribution function while Chairman and Managing Director of Transcom Beverages Latifur Sirajganj. Rahman and PEPSI Country Manager Alok Malik attended it and handed over the prizes to the win-

A total of 31 prizes including a Hyundai Accent-1300cc car, 25 colour televisions, four motor bikes and one British Airways (Dhaka-London-Dhaka) were handed over to the winners of the programme.

The motor car was the first

PEPSI Bangladesh organised cooperation with the Asiatio Events Marketing Limited (AEML)

STAR BUSINESS REPORT The colourful prize distribution

prize of the programme which was won by Jahangir Alam of village Rontitha under Rayganj thana of

the Magic Crown programme in

Weekly ReadyCash prize winners

The latest draw of the fortunate prize winners took place at the

Prizes for new cardiforders		
Prizes	Name of Winners	Card No
Federal Express	Golam Nabi Chowdhury	5047980000006877
Free Shipment		
Lunch for two at	Mir Mojahidul Islam	5047980000006924
Chian Landing Day	SERVICE PROPERTY AND ADDRESS OF THE PARTY.	

transaction vouchers, ReadyCash encourages its cardholders to read the Daily Star on every Sunday for a new listing of prize winners and zilian beef, which was imposed | visit the Janata Bank ReadyCash stall at Dhaka International Trade

ReadyCash office in Dhanmondi last Thursday with ME Islam, Corporate Secretary of American International (BD) Ltd, choosing the winners. This is part of the commitment ReadyCash undertakes to reward valuable and loyal cardholders.

Lancii ioi iwo ai	Will Woodaindar Islam	0041000000000000
China Junction Rest	1967年 (1968年)	
Hertz Free Rent-A-Car	MA Bashar Khan	50479800000006863
New Ready Cash cardho	olders will become eligib and make a transaction	le for prizes as soon as Winners can collect
their prizes from the P	ublic Relations Manager	r of ReadyCash within
30 days of this news ci	raulation by producing	their Dondoffach card

Sunday Business Solutions

Do you have business problems? Write to us at:

Sunday Business Solutions The Daily Star, 19, Kawran Bazar, Dhaka, Bangladesh, email: dstar@bangla.net

Sarwar Ahmed, MBA (sarwar@asia.com) hosts this column. He heads a multinational company in Bangladesh.

The Daily Star has introduced a new business solution column which appears on Sundays. While running your business, you come across problems and wish someone would help. This column will provide you with insights to solve your problems.

Brands and branding Q: I work for a multinational company. While we plan to set up a plant in Bangladesh, we need to import from our plants elsewhere. especially India, being so near and cost effective. However, there seems to be a public perception of anything Indian being second grade. Our brands are world wide the same, so is our quality stan-

dards, as is with most multinationals. What is your recommendation? A: A brand is today's most precious business asset. Therefore multinationals are promoting universal or global brands. Look around you - a Coke is a coke anywhere in the world.

What is important for your management is to understand the pricing implications. Quite obviously, your imported goods will not be the same price as is in India. If there is too much of a difference. you will see a 'loss of business' on your side, though your counterparts in India will gain.

The fact remains, our borders are too porous and goods will find their way into Bangladesh, not to worry about the sarees before Eid, or the truck loads of cattle that find their way to the meat market. If you can sort the pricing issue - keep it as close as possible to

theirs - then lets worry about brands. Basically there are two alternatives - either to have a new brand - you build your own - or stick to global brands. Each has its pluses and minuses.

For global brands, one advertisement in one media (ZEE, Star etc) tells the whole story. Personally, I believe global brands are good for consumer or high value items - not things in between. For such items, the payoff to smuggle is too small (what do you make if you bring in a Coke from India?) or you simply cannot smuggle in a high value good - for example, a Tata Sumo, can you? For products like medicines. sarees etc. the margins can be attractive enough to find their way in.

The other alternative which I would advocate, is to build your own local brand. This way, you safeguard against pricing issues (don't worry about taka taking a slide and having endless negotiation with the other side to readjust). Your brand can have local meaning, local flavour. Building a brand needs hard work - creative promotion, resources.

Once you've got your brand established, the sales and cash will flow. Brands are long-term investments.

US bankruptcies decline again

REUTERS, Washington

of the skies.

The number of US individuals and businesses filing for bankruptcy fell for the second year in a row in 2000, according to new data released Friday by the Administrative Office of the US Courts.

The total number of bankruptcies filed during 2000 was 1.25 million, down 5 per cent from the 1.32 million filed in 1999 and more than 13 per cent from the record high of 1.44 million reached in 1998. Filings in the fourth quarter of the year totaled 310,169, down 3 per cent from the same period in 1999 though up slightly from 308,718 in the third quarter.

Spurred by a steep rise in filings during the 1990s, Congress has grappled for several years with an overhaul of the bankruptcy code. It is currently moving quickly on legislation to make it harder for people to wipe out their debts.

However, personal bankruptcies have now been on the decline for two years, falling 5 per cent in 2000 to 1.22 million from 1.28 million in 1999. In the fourth quarter, they rose slightly to

301,756 from 300,507 in the third. And signs the economy may be slowing have spurred forecasts

that bankruptcies will again be on the rise in 2001, with estimates ranging from 5 per cent to as much as 15 per cent.

PHOTO: MEGHNA INS

M A Hashem, Chairman of the Board of Directors of Meghna Insurance Company Limited, inaugurates the Branch Managers' conference in the city recently. Col Md Abdul Matin (Retd), NDU, PSC, Vice-Chairman, Zaglur Rahman Khan, and Md Azizul Haque, directors of the company, were present. Senior executives including A F Ghulam Rabbi, Managing Director (current charge), and F N M Afzal Ali, Deputy Managing Director, were also present in the conference.

Vajpayee vows to continue pvt sector restructuring

REUTERS, New Delhi

REUTERS, Brussels

grant generous trade privileges to

Several EU member states still

government will continue with its first in a new strategy of giving but assured workers that their firms to private sector partners to BALCO sale.

interests will be protected. Vajpayee's reiteration of the government's resolve came a day programme, we will restructure after it faced protests from oppo- many of our public sector undergans in Korean: "Capture Kim and | privatise a profitable state-run on Saturday where he gave awards aluminium firm.

The Bharatiya Janata Party-led parliament over its decision to sell down," he said.

a 51 per cent stake in Bharat Aluminium Company Ltd to Sterlite be fully protected, he added.

encourage efficiency.

"As part of our disinvestment sition parties on its decision to takings," Vajpavee said at function to workers.

"Some perennially loss-making coalition has faced a rough ride in units may even have to be shut

But the interests of workers will Analysts say the government's

The sale was to have been the success with its new privatisation strategy will depend on how well it

Reformists in the coalition government have argued that all of nearly 250 state-run companies should be privatised to make them more efficient and competitive.

Vajpayee said the govern-The decision to ban the imment's decade-old programme of ports was taken after three cases of economic reforms was meant to scrapie were diagnosed in a help workers. herd of sheep in Brazil.