Star BUSINESS

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Weak public sector stymies real growth potentials: WB

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Inefficient and excessive public sector is one of the main reasons that stymie the country's real growth potentials and even eat up the private sector's contribution to GDP, according to the World Bank.

"Inefficient public enterprises in the provision of private goods has been yet another reason why Bangladesh failed to boost GDP growth to 7 per cent by the end of the 1990s," the Bank's recent economic update said.

It also said that the public sector took away half a percentage point of the private sector's 6.5 per cent contribution to GDP growth in FY2000.

The Bank also cited that while the annual private sector contribution to GDP growth increased in the 1990s, the annual public sector donation to the same were on the wane. Annual private sector contribution to GDP increased from 80 per cent in FY92 to about 110 per cent in FY00. On the other hand, public sector's contribution to GDP during the said period declined from 20 per cent to a negative 10 per cent.

According to the WB update, average annual real value added growth in the private sector was approximately 5 per cent between FY 1992 and 2000. On the other hand, the public sector's annual real value added growth was 3.2 per cent during the period.

Despite the decline in public sector contribution to GDP, the state owned enterprise (SOE) assets increased by over 14 per cent during FY 92-00 and their liabilities also rose by nearly 15 per cent in real terms. "Moreover, the declining and negative public sector growth was wreaked by the non-privatised SOEs," the Bank said.

The annual SOE operating deficits, that stood at an average Tk 51 billion in the 90s, are also on rise. "The deficit has increased noticeably in recent years – Tk 83 billion in FY 2000 – and is projected to surge to Tk 105 billion in FY2001," the update said.

The WB also mentioned big losses by the public sector banks during 1990s, despite the officially-reported profits of the nationalised commercial banks (NCBs) save Rupali Bank and some of the development finance institutions (DFIs). "The combined losses of the public financial institutions (PFIs) hit almost Tk 43 billion by FY 1999, and there has been a clear deteriorating trend."

With these quasi-fiscal burdens, the consolidated fiscal deficit in the FY 2000 rose to around 10 per cent of the GDP compared with 7-7.5 per cent in FY99 and 6-7 per cent in FY98. This is unlikely to stay around 10 per cent in the current fiscal, according to the Bank.

Moreover, it said the rising quasi-fiscal burden coupled with increasing government expenditures make it very difficult to significantly contain government borrowings despite stronger NBR revenue collection performance.

"Fiscal pressures are likely to be aggravated further by the rising losses and deficits of the SOE sector, expanding contingent liabilities due to government-guaranteed power purchase agreements with foreign investors and greater reliance on costlier suppliers' credit," the Bank observed.

Concord hopes to launch its mega entertainment project by Dec

STAR BUSINESS REPORT

Fantasy Kingdom, a mega entertainment project of the Concord Group with an initial investment of Tk 100 crore, is expected to be opened for the general public by December this year.

"We hope that we will be able to complete the first phase of Fantasy Kingdom before the next Eid-ul-Fitr in December so that people can enjoy it during the long holiday," said SM Kamaluddin, Chairman of Concord Group, at a press conference at Sonargaon Hotel in the city yesterday.

Although the first phase of the project will cost Tk 100 crore, the total cost will be around Tk 400 crore. The second phase having hotel, motels and a resort city will be completed by December 2002 and the final phase by December 2004, he said.

SM Mamun, Deputy Managing Director, Farida Khanam, Mir Shawkat Ali, SK Lala, Directors of Concord, also attended the press conference.

Kamaluddin said Fantasy Kingdom will include some fun items which also exist in the Disney Land. Fun seekers will experience for the first time some of entertainment facilities like track on rail and pony adventure highway.

"The theme park will be a part of the Fantasy Kingdom and people can experience the flying carpet, bumper boat, giant flume ride, santa maria and many more things," he added.

The Kingdom will also have a 200-room four-star hotel at a cost of Tk 40 crore, 400 units of motels and condominium costing around Tk 50 crore and Fantasy Kingdom resort city at a cost of Tk 150 crore.

The project located at Jamgara of Ashulia on around 35 acres of land will include six zones and the main structure will be centrally air-conditioned.

"We have not been able to build recreation centres till now," Kamaluddin went on. "I think Fantasy Kingdom is going to be an attractive place not only for the local people but also for foreigners."

World-class hotels, motels, condominiums, gift shops, archives will generate continuous business in the area.

"Commercial and entrepreneurial interactions will generate huge revenue to the public exchequer," Kamaluddin said.

SM Kamaluddin, Chairman of Concord Group, explains the various attractions of the Fantasy Kingdom to newsmen at a press conference yesterday.

Zia Fertiliser restarts its operation

BSS, *Brahmanbaria*

After a recess of seven days, Ashuganj Zia Fertiliser Factory restarted functioning on Thursday.

It is learnt that following a 'tube leakage', production at the factory was halted on April 19.

Local engineers successfully repaired the damage and started the operation.

The one-week recess has reportedly caused a loss of about Tk. five crore.

New Horizons opening centre at Old Dhaka

New Horizons CLC, a US-based world's largest independent IT training company, is going to open a new centre at Old Dhaka.

An agreement to this effect was signed between Millennium Information Technology Ltd (MITCL) and Dhaka IT Limited (DITL) in a simple ceremony yesterday, says a press release.

Millennium Information Technology is the master franchise of New Horizons CLC for Bangladesh.

The agreement was signed by Dr. Habibur Rahman, Chairman of New Horizons Bangladesh, and Dr. Maswoodur Rahman, Chairman of DITL. S M Kamal, President of Bangladesh Association for Software and Information Services (BASIS), Hafizur Rahman Akanda and Mohammad Morshaleen, Managing Directors of both the companies, were also present on the ceremony.

Denis Ang, Vice President, New Horizons-Asia Pacific region, Singapore, was also present at the occasion.

Task force to investigate cocoa child slaves: UK

AFP, *London*

Britain, Ghana and Ivory Coast agreed Friday to set up a task force drawn from government, NGOs and the cocoa industry to look into the issue of forced labour in West African cocoa production, junior minister Brian Wilson said.

"It is clear that forced labour is used in some sectors of the cocoa industry, though there is no evidence it is widespread," Wilson said after meeting officials from Ivory Coast and Ghana, the world's two largest cocoa producers.

"It is not a problem unique to West Africa, or to the cocoa industry. But it must be combated wherever it is found," Wilson said.

"We agreed to establish a task force bringing together government, the industry and trade and NGOs to address the question of forced labour in West African cocoa production," he added.

Alarm over the use of children in west African plantations surfaced after the discovery in Benin's main port of Cotonou of a Nierian-registered ship carrying dozens of children apparently destined for slavery in West African cocoa plantations.

Earlier this week world cocoa producers and consumers held a brainstorming session here to discuss the trafficking of child slaves for West African plantations. They are to release their findings next week.

Wilson said Britain wanted West African states to sign up to a treaty that sets in place a legal framework for combating slavery and other forms of forced labour.

But he said a boycott of cocoa would hit those who do not use slave labour as much as those who do "deepening the poverty on which slavery thrives.

"The challenge for us is to ensure that good practice is spread, and the worst weeded out," Wilson said.

PHOTO: BASIC

Chairman of the Board of Directors of BASIC Bank Al-Ameen Chaudhury, Secretary, Ministry of Industries, presides over the 12th AGM of the bank held at a city hotel Thursday.

BASIC declares 50pc dividend

The Bank of Small Industries and Commerce Bangladesh Limited (BASIC) has declared a 50 per cent dividend for the year 2000.

Out of this 25 per cent will be paid in cash and the remaining 25 per cent issued as bonus as shares, with the total amounting to Tk 120 million to the government, the sole share holder-owner of the bank.

As a result of the issue of bonus shares, the paid-up capital of the bank has increased from Tk 240 million to Tk 300 million.

The dividend declaration was made at the company's 12th Annual General Meeting at a city hotel Thursday. The representatives of the government were delighted to hear the announcement and expressed their satisfaction at the overall performance of the bank.

Chairman of the Board of Directors of the bank, Al-Ameen Chaudhury, Secretary, Ministry of Industries, presided over the meeting. The chairman, in his speech attributed the sustained success of the bank to commitment to its clientele commitment.

The bank, since its inception, has financed over 369 industrial units. At present, there are 272 such units receiving both term and working capital loans from the bank. The outstanding balance industrial loans stood at Tk 2736 million as on December 31, 2000. An estimated 12,154 jobs have been created in the industrial units financed by the bank.

Directors present in the meeting were Syed Mushtaq, Additional Secretary, Ministry of Finance; Ziaul Islam Choudhury, Chairman, BASIC; A K M Abu Bakar Siddique, Chairman, TCB; Md Momin Ullah Patway B P, Director-General, Prime Minister's Office; Md Rabiul Islam, Managing Director, the Security Printing Corporation (Bangladesh) Ltd, and Alauddin A Majid, Managing Director of the bank.

Japan banks held record govt bonds last fiscal

REUTERS, *Tokyo*

Japanese banks' holdings of government bonds are estimated to have jumped by 60 per cent to a record high of nearly 70 trillion yen ($577 billion) in the year that ended in March, a newspaper reported Saturday.

The appetite for bonds reflects weak lending due to a slump in corporate Japan's funding demand, which has forced banks to channel their funds into the bond market, the Nihon Keizai Shimbun financial daily quoted a central bank official as saying.

Indeed, while the amount of bank deposits rose by about 1.8 per cent year-on-year as of the end of March, lending fell by 1.2 per cent, the newspaper said.

Strong purchases of government bonds by banks have kept long-term interest rates at relatively low levels despite massive bonds issuances in recent years.

Weekly ReadyCash Raffle Draw Winners

The latest weekly draw of the fortunate prize winners took place last Thursday at Bhola General Store at Mohammadpur. Md Rezaul Karim, Proprietor of the store, chose the winners.

This is part of the commitment ReadyCash undertakes to reward its valuable and loyal cardholders.

Prizes for new cardholders

Prizes	Name of Winners	Card No
Pearl Restaurant Free Lunch for Two	Md Tazuddin Ahmed	5047980000007405
Federal Express Free Shipment	Md L Ali (Sobuz)	5047980000007425
Great Wall Restaurant Free Lunch for Two	F R Khan (Iran)	5047980000007406
Yantai Chinese Restaurant Free Lunch for Two	N Shafkat Choudhury	5047980000007418
Pizza Inn Free Lunch for Two	Md Fakhrul Matin	50479800000079[illegible]9

New ReadyCash cardholders will become eligible for prizes as soon as they apply for a card and make a transaction. Winners can collect their prizes from the Public Relations Manager of ReadyCash within 30 days of this news circulation by producing their ReadyCash card transaction vouchers. Besides, the regular users of the card will also be eligible to win attractive prizes. For details, one may contact at 8125294-7. **ReadyCash encourages its cardholders to read The Daily Star on every Sunday for a new listing of prize winners.**

Malaysian tycoon buys British Telecoms stake

AFP, *Kuala Lumpur*

British Telecommunications said Friday it has sold 33 per cent of Maxis Communications to Malaysian tycoon Ananda Krishnan, who has reportedly lifted his stake to 70 per cent.

In London, British Telecom on Friday confirmed it had agreed to sell its stake in Maxis to Ananda's company Usaha Tegas for 350 million pounds (502 million dollars).

Ananda, who already owned about 24 per cent of Maxis, has also bought another 13 per cent from US operator MediaOne Group Inc., lifting his stake in Maxis to around 70 per cent, Friday's Asian Wall Street Journal said, quoting executives familiar with the deal.

Maxis officials declined to comment on the report when contacted.

Analysts Friday said the deal could be a prelude to list Malaysia's largest cellular-phone operator Maxis to fund its expansion and reported plans to bid for Singapore's MobileOne Ltd.

Q & A Sunday Business Solutions

Do you have business problems? Write to us at:

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The Daily Star, 19 Karwan Bazar, Dhaka, Bangladesh, E-mail: dsbusins@gononet.com

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. While we await your questions, here are some:

Careers in MIS

Q: M. Naved F. Iqbal, a BBA student, asks about the prospect for Management Information System specialists as a career.

A: The answer depends where you eventually want to build your career. If you think you have the opportunity to live in developed countries like the USA then the choice of such a career will be a good investment. However, if you think you will rather continue to live here, invest elsewhere.

While it is crucial to manage information in today's ever changing world, the value of real time information does not really matter to most management 'executives' in the context of Bangladesh. They run their billion-taka businesses like the small store in the street corner. On top of it, it is usually a one-man show.

The most important aspect of a business is its cash flow. Proper cash information - money in hand, bank, in the distribution channel and in the hands of customers need continuous monitoring. Over stretching credit due to a faulty information system can drag down a business which may suddenly find its liquidity dry up.

Multinationals are better off due to the imposed management information systems of their parents abroad.

Today, information is as good an asset as cash. Correct and timely information helps us to make major decisions. MIS helps to simplify work procedures, minimize routine work and integrate data collection. As such, a properly installed management information system in an organization is a great boon for management.

As Naved puts it, 'the recent information technology revolution' has opened doors for information technology specialists. There seems to be a short supply of such qualified people.

Even if you do decide to take on Management Information System, I would choose a course program that provides good learning on information technology. You should opt for subjects that give you exposure and experience in both hardware and software. Be careful not to be misled by IT certification courses. A lot of money is spent to learn basics like MS Office. Don't you waste your money on such activities.

Specialise in one or two software programming languages like Visual Basic or Java. You must be good at it - not just drawing up a data entry screen. This gives you a cushion to land a good job. Software programmers – good ones - are a rare species and are highly sought and paid. Along with programming broaden your exposure to network installation and administration. With this kind of learning, you secure your future.

Debt settlement by marrying daughter to creditor!

AP, *San'a*

A father of seven evaded being jailed for debt by marrying his daughter to his creditor, the official Yemeni news agency Saba reported Friday.

Abdul Hamid owed the equivalent of nearly $500 to a dealer in qat, a legal narcotic that is widely consumed in Yemen, his relatives told The Associated Press Friday.

Hamid, 50, chews qat leaves daily. He bought them on credit and delayed paying the bill for so long that his supplier complained to the police, the news agency reported.

The police gave Hamid, a middle-rank civil servant, the choice of either paying the debt or going to jail.

As he did not have the money, Hamid proposed marrying his 20-year-old daughter, Samar, to the qat trader. As a bridal price, the dealer had to absolve the debt and pay Hamid an undisclosed amount of money, the agency said.

Samar married the 45-year-old dealer, who was not identified, on Monday in San'a, the capital, the agency reported. She is his second wife.

Under Islamic law, a man may have up to four wives at the same time, on condition he treats them equally.

Yemenis are said to spend between $4 and $25 a day on qat, depending on their income.

Turkish tourism industry gains from financial crisis

AFP, *Istanbul*

The Turkish economy, ravaged by a financial crisis since February, is set to reap a tourism windfall this year as foreign visitor numbers rise 15.4 per cent in the first quarter.

Turkey's tourism ministry, which registered more than 10 million visitors in 2000 for the first time, is counting on 12 million visitors this year bringing in 10 billion dollars.

In the first three months of 2001, tourism numbers have already climbed 15.4 per cent from a year earlier to 1.29 million, supporting the industry's optimism.

The main tour operator catering to German tourists, Oger Tours, is expecting a good year.

"We hope to carry 1.5 million passengers, against 1.16 million last year, which was already a good season," Oger Tours board director Huseyin Baraner told AFP.

Turkish Economy Minister Kemal Dervis has forecast that the tourism industry will be among the first to recover following a 40-per cent drop in the value of the Turkish lira against the dollar since February.

Ankara abandoned a crawling peg between the Turkish lira and the dollar on February 22 as it sought to halt an exodus of funds after a loss of confidence in the government's economic management.

The drop in the lira forced Dervis to write up a new programme of economic reforms, which persuaded the IMF and World Bank last weekend to extend 10 billion dollars in support to help escape the crisis.

Turkey received 10,412,248 visitors last year, up 38.8 per cent on 1999, a year marked by the arrest of Kurdish rebel leader Abdullah Ocalan and an earthquake that claimed 20,000 victims in the northwest.

Tourism raked in 7.6 billion dollars last year, up 47 per cent from 5.2 billion dollars in 1999, according to figures released by the Turkish Travel Agents Union.

But the rise in prices and lower purchasing power that has accompanied inflation in Turkey has led to fewer people in Turkey taking holidays abroad.

"The domestic market will undoubtedly fall back but we are optimistic in predicting that the season will finish up will a strong rise in the number of foreign tourists," said Airtour operations manager Selcuk Olcayto.

The tourism industry is one of the most dynamic sectors of the Turkish economy and the main export industry along with textiles. Investment has been strong, and Turkey now has a hotel capacity of more than one million beds.

Ex-Soviet states find rising industrial output

AFP, *Moscow*

Industrial output in the 12 former Soviet republics which form the Commonwealth of Independent States (CIS) has grown by 6.5 per cent in the first four months of this year from the same period in 2000, CIS experts reported.

Armenia, Kazakhstan, Tajikistan and Ukraine enjoyed the steepest increase, researchers from the CIS interstate statistics committee said Friday.

Mixed response to strike call by Indian chemists' group

AFP, *New Delhi*

There was a patchy response Saturday to a call for a one-day nationwide strike by the Indian pharmaceutical retailers' association in protest at new taxes in the state of Bihar.

Reports from the commercial hub of Bombay spoke of a complete shutdown by chemists, but some drug outlets near main hospitals in the Indian capital were open for business.

The strike call was made by the Bombay-based All India Association of Chemists and Druggists, in support of members in the eastern state of Bihar who are protesting at the imposition of new commercial taxes.

Police arrested about 100 retailers and broke open locks on drug stores in Bihar on Wednesday, in a bid to force striking shopkeepers to return to work.

Bihar's provincial government has blamed the eight-day-old chemists' strike for the deaths of some 12 people.

ACI launches new medication for GAD, allergic disorders

The most modern treatment of generalised anxiety disorders (GAD) and allergic disorders is now available in Bangladesh, says a press release.

ACI Limited, the first ISO 9001 and the only ISO 14001-certified pharmaceutical company in our country, has recently introduced a new medication, Atarax (Hydroxyzine HCI USP 10mg) tablet, for the treatment of GAD and allergic disorders which is a research product of UCB SA, Belgium.

Atarax is a prompt, long-acting antihistamine with novel anxiolytic action, and thus is very effective in the management of GAD and allergic disorders.

Patients with anxiety and allergy will get excellent result with this medication. However, the patients have been advised to consult with qualified medical professionals before using this medication, the press release added.