

Star BUSINESS

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DCCI team leaves for Tripura

A 20-member business delegation of the Dhaka Chamber of Commerce & Industry (DCCI) led by its president, Matur Rahman, left Dhaka for Agartala on a two-day visit to the Indian State of Tripura yesterday, says a press release.

During its stay there, the delegation was scheduled to participate in the inaugural session of Tripura industries & commerce fair-2002 and attend at joint meeting with different ministries and TCCI functionaries yesterday.

On the second day of its visit, the delegation members will participate in a one-to-one business meeting with the businesses of Tripura.

Other members of the delegation are: DCCI Senior Vice-President Shabbir Ahmed, DCCI Directors Benajir Ahmed, Manzur-ur-Rahman (Ruskin), MA Momen, Data Magfur and Md Habibullah, DCCI Members Ashraf Ibn Noor, Babu Durga Das Roy, Mosharraf Hussain, Nessar Maksud Khan, Kamrul Islam, MS Sheikh Chowdhury, Kazi Kamal Ahmed, Major Md Yead Ali Fakir (Retd), Khabir Uddin Khan, MA Hamid, Sayed Habibur Rahman, Rashed Masrur Khan and Deputy Secretary (PR) of the Chamber Shahajada Basunia as the member secretary.

Air Afrique goes bust after years of crisis

AFP, Abidjan

An extraordinary meeting of the board of directors of ailing pan-African airline Air Afrique Thursday decided to formally file for bankruptcy, a move recommended by the 11 member states after years of crisis.

A statement read out to reporters said the board had "unanimously decided to file for bankruptcy" after examining the "financial situation."

It asked management to take up all necessary legal formalities for the process. The courts will require a further 30 days to study alternative proposals for reviving or liquidating the carrier — considered inevitable by the majority of experts.

The board's statement said a committee would be set up to evaluate salary arrears and look into the legal rights of the 4,200 workers to "facilitate an appropriate" package.

Meanwhile, Chad's Transport Minister Mahamat Saleh Ahamat, who doubles up as the head of the Air Afrique board, said negotiations aimed at creating a new Air Afrique "are currently going on."

"We wish the process would be accelerated," he said.

Air Afrique, which feted its 40th anniversary last year, has been clinically dead for months. In mid-January, it returned its sole remaining aircraft to a leasing company.

All the members holding a stake in the carrier were present at Thursday's meeting with the sole exception of the international courier and freight company DHL.

On January 11, representatives of member countries that run Air Afrique recommended the airline file for bankruptcy and stressed that a new strategic partner had to be found to revive the ailing carrier.

Trade unions have asked the management to ensure a "social plan" under which all legal rights of the 4,200-odd employees would be guaranteed and golden handshakes made to those who might be laid off.

Rangs Electronics opens service centre at Mirpur-1

Rangs Electronics Limited Wednesday opened its new service centre at 11 Darus Salam Road in the city, says a press release.

T Fujita, Head of Marketing Department of Asia Region, Sony Singapore, inaugurated the centre.

Aktar Hussain, Managing Director of Rangs Electronics Limited, Richard Thong, Senior Marketing Officer of Sony Singapore, Jason Ong, Market Development Officer of Sony Singapore, J Ekram Hussain, Director of Rangs Electronics Limited, Sabur Ahmed, General Manager, Shahid Iqbal Khan, Service, Manager, and other senior officers of Rangs Electronics Ltd. were also present on the occasion.

Speaking on the occasion, the Managing Director said Rangs Electronics Ltd. not only provides specified warranty for the products it sells but also ensures after sales service if the products cross warranty period.

Fry production quota hits already ailing shrimp sector

MONJUR MAHMUD

When the frozen food export is set to face a major setback this fiscal following poor demand and price of the product in the international market, a quota for fry production imposed by some hatchery owners is really rubbing salt into the wound.

The hatchery owners have imposed the quota system apparently to make quick bucks by creating an artificial crisis of shrimp fry.

According to industry sources, there is an annual demand of 400 to 500 crore shrimp fry and 41 hatcheries in the country are capable to meet the demand.

The hatchery owners association has decided to produce only 200 crore shrimp fry against the demand this year. Before quota was imposed the price of fry ranged between Tk 250 and Tk 300 per thousand. But now the price is hovering from Tk 800 to Tk 900 per thousand.

"Shrimp farming has already been hampered this year. Around 50 per cent of the fry should have reached the farmers by January but the farmers are yet to get them," Dr Aftabuzzaman, President of National Shrimp Farmers Association (NSFA) told The Daily Star.

Peak season of shrimp cultivation in the country runs from January to April.

"Earlier, people representing all sections involved in the sector in the presence of top government officials had decided to remove the quota system. But this was not implemented, as a section of influential political leaders, also engaged in the introduction of the system, are backing the pro-quota hatchery owners",

Aftabuzzaman said.

Frozen food is the country's the second highest foreign exchange earner after readymade garment.

Frozen food worth \$136.85 million was exported during July-November period of the current financial year, down by 15.78 per cent from the target. The earning also marked a massive 29.43 per cent fall from last fiscal's corresponding period.

"The quota system will increase the price of fry and shrink shrimp culture. Besides, it will encourage smuggling from India. The initiative is absolutely against the national interest," said Golam Mostafa, former president of Bangladesh Frozen Food Exporters Association (BFFEA).

"After working hard over the past 15 years, we are now self-sufficient in black tiger fry. But limited production of shrimp fry will force the farmers to buy smuggled inferior fry from India, casting adverse impact on the shrimp production," he went on.

Leaders of the NSFA and the BFFEA have been making efforts to remove the quota since the system was introduced two years back. "The quota, however, did not affect the sector seriously because the exporters received comparatively better price in the international market. But after the September 11 terrorist attack on the US the situation has completely changed," said a leader of the BFFEA.

Shrimp Hatchery Association of Bangladesh (SHAB) is also divided over the production ceiling issue and a section do not want to follow the quota. They think the hatcheries should produce

fry according to their capacity. In the name of quota system, small hatcheries will not be allowed to compete with big ones. Besides, large hatcheries should not bear financial loss, as their investments are much higher than those of the small ones, many said.

Only four to five hatcheries have the capacity to produce top quality fry and they do not sell in credit. Mortality rate of their products is not high while transporting from Cox's Bazar to Khulna, Satkhira and Bagerhat.

"After facing a stiff market competition, some hatchery owners started selling their fry to the gher owners and farmers of Satkhira, Khulna and Bagerhat in credit. And arrears of some hatchery owners rose to more than Tk 100 crore in the recent years and they could not recover the amount anyway," said a leader of SHAB, supporting the quota system.

An influential ruling party leader is leading a section of hatchery owners and behind imposition of this quota system, said a member of SHAB whose factory came under terrorist attack after he did not respect the decision of the association and produced fry beyond the quota.

Of the hatcheries, 38 are located in Cox's Bazar, one each in Chittagong, Satkhira and Khulna. Besides, sea is a natural source of shrimp fry. But supply from the natural source is going down as the government has imposed a ban on collecting fry from sea to protect other marine species.

Leading container lines appear to pack up Bangladesh business

Global recession to blame

UNB, Chittagong

Leading container lines of the world appear to pack up their business in Bangladesh due to lack of business sentiment triggered by global recession.

Dogged by staggering losses, many Main Line Operators (MLOs) have decided to roll back their business here, according to competent sources.

They said 14 MLOs of the United Kingdom, who have business in various Asian countries, suffered a loss of 3 billion dollars last year.

Official sources said leading MLOs, PILs, and NOLs have already reduced their ships by 50 per cent on Chittagong-Singapore route.

The shipping sector plays an important role in carrying export-import goods to Chittagong and Mongla seaports, and of the two seaports only Chittagong has container service system.

In Chittagong seaport, some 4,86,289 containers, including 2,26,626 containers of imported goods, were handled in 2001. Some 576 container vessels were anchored in the port in 2001.

The MLOs first carry the goods of Bangladeshi importers from various countries through their mother vessels to Singapore first and then send the goods to Chittagong port through feeder vessels.

In Bangladesh, a number of Container lines, including Sea Land, Marks Line, NOL, APL, PIL OEL, P&O

have long been operating their business.

The sources said they find it profitable when their ships can return to Singapore with export goods after unloading the imported ones at Chittagong Port.

But in recent years Bangladesh saw a drastic fall in its export with fall in frozen foods, shrimps and readymade garment exports to Europe and the USA, although import continues to rise day by day.

As a result, most of the ships coming here with containers of imported goods have to return empty to Singapore causing huge losses to the companies.

An estimate showed that the stock of imported goods was 8,314 TEUS at the container yard of Chittagong Port on a day recently against the stock of 670 TEUS of exported goods and there were 3,701 TEUS empty containers on the day.

According to the sources, excessive charge in the port is the other main reason that has prompted many of the foreign companies to decide to close down their business in Bangladesh.

The charge for per TEUS of container from Europe to Singapore is 150 US dollars but it cost 250 dollars for carrying a 20-foot container from Singapore to Chittagong and 130 US dollars added to it as land port charge.

Even then, the companies said, the additional costs would have been managed if the return containers could be loaded with export goods.



The dealers' conference-2002 of Square Toiletries Limited was held in Pabna on Friday. Photo shows (left to right) General Manager of the company SK Das, Managing Director Anjan Chowdhury, Deputy General Manager Mahmudul Haque and National Sales Manager Mohammad Tareq attending the conference.

MA Hannan Int'l Airport remains virtually idle

UNB, Chittagong.

With all its newly-built modern facilities, MA Hannan International Airport here remains virtually idle as higher fuel price and other charges of Bangladesh Biman keep foreign airlines away, airport officials said.

They said teams from more than 10 foreign airlines had conducted feasibility studies since the airport was opened in March 2001 and expressed their satisfaction at the services available here.

But they pointed out that handling charges and fuel prices were higher at the airport and 15 per cent royalty per ticket charged by the national flag carrier for overseas passengers was also unrealistic.

The airlines have urged the Biman authorities to review the issues, but no positive response has so far come from Biman, said an official at the airport.

The airport at the port city was reborn as MA Hannan International Airport at a cost of Tk 541 crore on Japanese soft loan. The small but well-maintained airport has been modeled as and comparable to any modern international airports of South Asian countries. But all its facilities and services have virtually remained unused.

Only Bangladesh Biman operates two of its international flights to and from Chittagong five days a week.

However, Bangladesh Biman is likely to operate a flight to the Myanmar capital of Yangon from Dhaka via Chittagong from February 15, he said.

Describing the modern features of the newly-built airport, chief engineer of Civil Aviation Authority Asaduzzaman Chowdhury told a group of journalists at the airport lounge Tuesday that it has the capacity of handling 11,200 aircraft with 570,000 passengers and 5700 tons of cargo annually. Three wide-bodied and one medium-size aircraft can be parked here at a time and the capacity would be increased further, he said.

Two modern boarding bridges are ready and all instrumental landing facilities required for a modern airport are available here, Chowdhury said.

To minimise the construction cost, driveway like Zia International Airport in Dhaka has been avoided and arrangements have been made for ground-level check-in for outgoing passengers.

Escalators have been set up to take the passengers upward to well-

managed immigration and customs desks. There are spacious lounges for both on-way and transit passengers, and spaces fall vacant for duty-free shops on both sides of a wide corridor. Two luggage belts are lying idle.

Exchange of notes between Bangladesh and Japan was signed in June 1995 for construction of the airport and the project was approved in June 1996. The project was completed in December 2000 within the stipulated time and estimated cost, setting a mark of policy consistency of two successive governments.

"The government is taking good care to attract foreign airlines and make the airport viable," Chowdhury said, when asked what initiatives were taken to make best use of facilities.

From engineering point of view, roughly Tk 13.5 crore will be required for maintaining the airport with its all 24-hour services and Tk 50 lakh only for keeping the floors and toilets clean.

If services are not utilised properly, the expenditures would be of no use, the airport officials said seeking pragmatic steps to make it functional.

SingTel profit falls 25pc

AFP, Singapore

Singapore Telecommunications Ltd. (SingTel) Friday said net profit in the nine months to December fell almost 25 percent to 1.45 billion dollars (655.74 million US), but rejected criticism over its overseas investments.

The lower profit reflected goodwill charges following SingTel's acquisition of Australia's CW Optus last year for nine billion US dollars as part of an effort to expand beyond Singapore's small domestic market.

While Optus weighed down profit, it boosted SingTel's operating revenues which jumped 34 percent to 4.91 billion dollars.

CW Optus revenues in the December quarter were included into SingTel accounts for the first time.

SingTel also has stakes in mobile phone companies in Thailand, the Philippines, India and Indonesia and is the majority shareholder in the pan-Asian submarine cable firm C2C.

SingTel, Southeast Asia's biggest telephone firm, saw its shares close two cents lower to 1.69 dollars Friday after its earnings came within market expectations.

For the fiscal year ending in March, SingTel said it expects net profit, excluding goodwill charges, to be consistent with the level of the previous financial year, when the firm posted a full year net profit of 2.32 billion dollars (1.26 billion US). "This assumes no further deterioration in economic conditions for the rest of the financial year," SingTel president Lee Hsien Yang said. He declined to set a guidance for 2003 due to market uncertainties.

Duisenberg to leave ECB in 2003

REUTERS, Maastricht, Netherlands

European Central bank chief Wim Duisenberg, ending months of speculation, said Thursday he would step down in 2003, three years before his term ends, leaving French candidate Jean-Claude Trichet as heir apparent.

Trichet, governor of the Bank of France, has long been France's candidate for ECB President, but there is doubt whether he can take the job before he is cleared over his role in the near-demise of Credit Lyonnais bank in the early 1990s.

Duisenberg's unshaded announcement that he would leave the bank on his 68th birthday on July 9 next year came at an ECB meeting in Maastricht in his native Netherlands.

The bank chose the venue to mark the tenth anniversary of the negotiation there of the treaty which led to the single currency.

Duisenberg's move raises the daunting prospect of prolonged horse-trading among EU governments, similar to that which marred his own appointment in 1998.

Duisenberg, who has always said he would not serve out his full eight year term, told a news conference that the decision to step down was purely personal.

"I hope to be 68 on that day and I am inclined to say enough is enough," he said. The decision is "fully in line with my intentions which I stated when I accepted this assignment".



Miss India 2002 Neha Dhupia lights a candle during the launch of the Colours of Love Valentines' jewellery collection at InterGold jewelers in New Delhi Thursday. Dhupia is wearing a necklace from the collection valued at 170,000 Indian rupees. She will be taking part in this year's Miss Universe pageant in Puerto Rico in May.

Household spending drops to 28-year low in Japan

AFP, Tokyo

Japan faced a new set of grim economic data Friday, as household spending marked the steepest drop in almost 28 years in December and machinery orders also fell.

Spending by households over the month plunged 6.6 percent from a year earlier to an average 360,535 yen (2,690 dollars), reversing a 0.9-percent rise in November as the economy wallowed in recession, the government said.

The December drop was the biggest year-on-year decline since spending tumbled 7.2 percent in February 1974 when Japan was reeling from an oil crisis.

For the whole of 2001, household spending sank 1.8 percent, the ninth straight annual fall, after a 0.9 percent dip in the previous year, the Ministry of Public Management,

Home Affairs and Telecommunications said.

"Household spending has been losing vigour as the job market has been deteriorating, pressuring income," and adding fuel to deflation, said Naoko Ogata, senior economist at Japan Research Institute.

Japan's jobless rate hit a record high of 5.6 percent in December as companies slashed payrolls to compensate for weak demand amid a tough deflationary climate that is also eating into profits.

The Cabinet Office announced Friday the nation's private-sector machinery orders — a leading indicator of corporate capital spending — fell 7.8 percent over the third quarter to 2.6 trillion yen due to a massive drop in orders for semiconductor making equipment.

Orders from the manufacturing sector alone plummeted 13.6 per-

cent from the previous quarter to 893.2 billion yen — its lowest level since the government started taking the data in 1985.

"The economy will be slumping beyond the (March 31) end of the current fiscal year or through the first half of next year," as raw material industries also slacken, Ogata said.

Machinery orders from the private in December slipped 0.5 percent from a month earlier and 14.4 percent year-on-year.

"In the manufacturing sector, the drop in orders for industrial machines and semiconductor manufacturing equipment was the main reason for the decline," said Cabinet Office official Keiichi Hirakawa.

Industrial machine orders dropped 1.2 percent in December from a year earlier, while semiconductor machinery orders plunged 63.9 percent.

Two former Enron executives refuse to testify

AP, Washington

Two former Enron executives at the heart of a web of partnerships that kept company debt off the books invoked the Fifth Amendment of the US Constitution and refused to testify to Congress on Thursday.

"On the advice of my counsel I respectfully decline to answer the questions," said Andrew Fastow, Enron's former chief financial officer.

Fastow was dismissed after telling the committee that would be his answer to all questions posed by the panel.

Michael Kopper, a former Enron officer, also invoked the constitutional protection against self-incrimination. Kopper saw an investment of \$125,000 become \$10.5 million in less than three years.

After Kopper departed, two current Enron executives, Richard

Buy and Richard Causey, also declined to answer questions. Both had knowledge of the partnerships that Fastow and Kopper ran.

Fastow and Kopper collected \$40 million for their role in the partnerships which investigators say involved self-dealing and conflicts of interest that eventually led to the energy trading company's collapse.

Fastow was sworn in by Rep Jim Greenwood, chairman of the House Energy and Commerce oversight and investigations subcommittee. Greenwood was rebuffed when he asked the witness two questions about his handling of company partnerships that hid hundreds of millions of dollars in Enron debt.

"You enriched yourself by tens of millions of dollars" through deals "with your own company," Greenwood said to him.

As the four current and former Enron executives sat silently in the crowded hearing room, lawmakers

called those who drove the company into bankruptcy, "economic terrorists," "business cowboys" and "corporate thieves".

"This collapse was not brought about by isolated acts of rogue employees. It required the complicity of far more than a few bad apples," Greenwood said as he opened Thursday's hearing.

"Was the selling of your morals ... of your souls, worth it?" asked Rep. Bobby Rush, who said "millions of dreams" of people who lost retirement money were ruined by the Enron crash.

Arthur Andersen auditor David Duncan also has invoked his Fifth Amendment rights and refused to testify before Congress. Duncan was fired last month for his role in the shredding of Enron-related documents.