

## Coats becomes GP corporate client

Coats Bangladesh Limited, recently signed an agreement with GrameenPhone Limited under its Corporate Sales Package initiative, says a press release.

Coats Bangladesh is a subsidiary of Coats plc UK, one of the largest textile groups in the world.

Under the agreement, Coats Bangladesh has been provided with GP mobile phones.

Coats Bangladesh is looking forward to using the GP Data service to link its different offices and plants located in Dhaka, Gazipur and Chittagong.

Shafiq Uz Zaman, managing director of Coats Bangladesh, and Mehboob Chowdhury, director, Sales and Marketing Division of GrameenPhone, signed the agreement on behalf of their respective organisations.

Nasir U Ahmed, finance director, Zahedur Rahman, marketing director of Coats Bangladesh, and Hassan Md Zahid, head of Corporate Sales Department of GrameenPhone, were present at the signing ceremony.

## Merger in Malaysia won't hit Sheba, AkTel operations

MUSTAK HOSSAIN

The probable merger between two Malaysian telephone companies that have substantial shareholdings in two different cellular firms in Bangladesh -- Sheba Telecom and AkTel -- would not affect the operations of the firms here.

Malaysia's Technology Resources Industries (TRI), having 51 per cent holding in Bangladesh Sheba Telecom, is in merge talks with state controlled Telekom Malaysia which has a 70 per cent ownership in another cell phone operator Telekom International Bangladesh (TMIB), known as AkTel.

Officials of both Sheba Telecom and AkTel said merger of their two foreign partners in Malaysia would not have any impact on operations of the two companies here.

"Sheba will remain as an inde-

pendent entity in Bangladesh despite the merger of its Malaysian partner TRI with Telekom Malaysia," Sheba's Malaysian Managing Director Jefri Ahmad Tambi told The Daily Star.

Tambi said there is no such scope for merger between Sheba Telecom and AkTel "in the short run but may be in future."

Fazlur Rahman, a TMIB director, also said the merger in Malaysia would not affect the company.

Speculation is rife in the country, especially among the Sheba subscribers, that what would happen to their fates if Sheba merges with AkTel.

Despite launching its service along with GrameenPhone, the country's largest operator in terms of subscribers and networks, Sheba remains the smallest one with around 32,000 GSM (global system for mobile communications) cellular

subscribers in Dhaka and its adjoining districts.

It also has 2,300 WLL (wireless local loop) subscribers in southern districts while GrameenPhone has over 700,000. TMIB, the country's second largest GSM operator, has around 120,000 subscribers.

Officials at the Bangladesh Telecommunications Regulatory Commission (BTRC) said the country's Telecommunication Act 2001 does not permit merger of one cellular firm with another one to prevent any monopolistic market in the country.

"It requires amendments to law if any company wants merger," the official, who does not want to be named, said without elaborating.

He said the BTRC is yet to receive any such request from those cellular firms.

Malaysia's number two cellular firm, TRI, is in the midst of a take-

over by state-controlled fixed line operator Telekom Malaysia. Both the companies are listed with Kuala Lumpur Stock Exchange (KLSE).

Telekom began TRI takeover process in April this year after it snapped up the later company Chairman Tajudin Ramli's 13 per cent stake. These shares were sold by a state agency after he defaulted on personal loans.

The merger in Malaysia would create the country's biggest mobile group comprising the Telekom and Celcom owned by TRI, displacing Maxis Communications. There is a plan to complete the merger negotiations by October or November.

Telekom's Chief Executive Md Khir Abdul Rahman recently said in Malaysia that it would take about two to four months to obtain regulatory and shareholders' approvals, and another two to three months to complete the general offer for TRI.

## Dhaka urges rich nations to invest more in LDCs

Saifur at World Summit on Sustainable Development

BSS, Johannesburg

Finance and Planning Minister M Saifur Raman yesterday called upon industrialised nations to invest more in the developing and least developed countries for improving the quality of life in the South Asian countries, including Bangladesh.

Saifur Rahman, who is leading a ten-member Bangladesh delegation at the World Summit on Sustainable Development (WSSD), was addressing a high-level roundtable organised by the United Nations on the sidelines of the WSSD, now being held here.

British Prime Minister Tony Blair, French President Jacques Chirac, Algerian President

Abdulaziz Bontefika and a number of heads of key delegations also spoke at the roundtable chaired by UN Secretary General Kofi Annan.

Saifur Rahman said it was mostly up to the recipient country to provide attractive infrastructures in the form of democratic institutions, the rule of law and investment-friendly environment.

Business people go to the place where they see profits, not for love of any country, he told the roundtable.

He also said the countries like Bangladesh would appreciate investments that facilitate transfer of technology and generate employment. "Predatory investments that take away more than

they bring in are not welcome."

Saifur Rahman's remarks got positive response from the participants, including politicians, entrepreneurs of industries and leaders of civil society.

British Prime Minister Tony Blair emphasised the need for more investment in the developing countries to help them achieve sustainable development.

Environment and Forest Minister Shajahan Siraj, State Minister for Foreign Affairs Reaz Rahman, Bangladesh Permanent Representative to the UN Dr Iftekhar Ahmed Chowdhury and other members of the Bangladesh delegation actively took part in the working groups of the WSSD.

## Supachai calls for meeting WTO talks deadline

AFP, Geneva

New World Trade Organisation chief Supachai Panitchpakdi of Thailand stressed Monday on his first day on the job that members must keep to deadlines to ensure the success of new global trade talks.

"I would like to emphasise that deadlines are important if we want to make this a successful and efficient round," the former Thai deputy prime minister and commerce minister told reporters at WTO headquarters in Geneva.

"We have little time to waste, we have actually no time to waste," he added.

The new WTO official said the Doha Development Agenda, launched in the Qatari capital last November and scheduled to run until the end of December 2004, had a lot of "ingredients" of interest to developing countries.

"One of the most urgent issues that I intend to undertake is to see to it that we move into the phase of substantive negotiation under the Doha Development Agenda as soon as we can, as intensively, as productively as we can," he added.

Supachai, who took over as WTO director-general from New Zealand's Mike Moore, outlined four main areas of focus for his three-year tenure to be overseen by his four deputies.

One of the main points was legal steps to help the 144 WTO members resolve brewing trade conflicts amicably through consultations to "prevent the conflicts from becoming too costly and too time consuming to solve", he said.

## British euro entry debate hots up

AFP, London

The debate over whether Britain should join the euro hotted up Tuesday as a poll showed that Britons on holiday were warming to the new currency, but a prominent union leader urged the Labour government to delay a referendum until after the next election.

A poll by the BBC of 830 British tourists in Spain and Portugal found that about one in four of those originally against the euro had changed their opinion in favour of adopting the single European currency, which was introduced in cash form at the start of the year.

About 52 per cent of those questioned said they had been in favour of joining before arriving on holiday, excluding those who did not know. That figure rose to 61 per cent once the respondents were on holiday, again excluding those undecided.

But despite signs of a shift among holidaymakers, other surveys have suggested that overall opposition to joining the euro remains high in Britain.

Such polls are watched closely by Prime Minister Tony Blair, who has made no secret of his desire to take Britain into the euro zone, though he insists that five tests of economic convergence must be met before the issue is put to the nation in a referendum.

Labour has pledged to make a decision on whether the tests have been met by the middle of next year.

Speculation has been rife in the British press about whether Blair might announce a referendum this autumn.

But with the prime minister grappling with a backlash among voters, fellow Labour politicians and union leaders over Iraq, some say he already has enough on his plate.



Picture shows officials of GrameenPhone and Coats Bangladesh at the signing ceremony of an agreement in the city recently.

## Pakistan plans to up sugar import duty to 55pc

REUTERS, Karachi

Pakistan plans to increase its refined sugar import tariff to 55 per cent from 30 per cent to discourage imports given surplus domestic production, government and industry officials said Monday.

Zaka Ashraf, vice-president of the Pakistan Sugar Mills Association (PSMA), said the increase in duty would be announced in October.

"In principle, the government had agreed to increase the duty to 55 per cent, which would be enforced from next month."

Pakistan, which has an annual sugar demand of around 3.1 million tonnes, produced around 3.25 million tonnes of sugar during 2001/02 (July/June) crushing season, up from 2.7-2.8 million tonnes the year before.

The country also has a carryover

stock of over 200,000 tonnes from 2000/01 production.

The Production Ministry official said it had decided to revise the sugar import tariff structure after a meeting last month with industry representatives.

The PSMA has been pressing the military-led government for an increase in the import tariff to block cheap imports.

Local mill owners say cheap imports, especially from India during 2001, had hurt the local industry and growers.

Pakistan imported more than 750,000 tonnes of refined Indian sugar and 500,000 tonnes of raw sugar during 2000/01, leaving local industry buried under high carryover stockpiles.

In March last year Islamabad banned the import of Indian sugar, which was cheaper, after Pakistani mill owners pressed the govern-

ment to do so.

Shafi Niaz, President Pervez Musharraf's adviser on agriculture told Reuters the government had no plan to import sugar in fiscal 2002/03. "We have surplus production during the last year and the recent monsoon rains also have positive impact on the sugarcane crop. There is no need to import sugar."

Ashraf said adequate irrigation water supplies would improve the sugarcane crop's yield during the current season. "We are expecting an improvement of 20 to 25 per cent in yield," he said.

The sugarcane cultivation target for the current crop is over one million hectares (2.5 million acres) and output estimates are more than 50 million tonnes. Pakistan's 13-month-long sugarcane season starts in February and ends in March the following year.

## SEDF, Brilliant Hera sign deal on assistance

A letter of understanding (LoU) was signed between Brilliant Hera Limited and South Asia Enterprise Development Facility (SEDF) on technical assistance for training, quality certification and access to finance in the city recently, says a press release.

Brilliant Hera Limited, a joint venture between Ceylinco Group of Sri Lanka and HRC Group and JW Worldwide Limited of Bangladesh, is the first diamond cutting and polishing company in Bangladesh.

The LoU was signed by Anil Sinha, general manager of SEDF, and Onu Jaigirdar, managing director of Brilliant Hera Limited.

Jaigirdar said Brilliant Hera Limited is aiming to produce gem quality diamonds for the export markets by leveraging on the country's manpower skills. This will enhance Bangladesh's image in the world markets and earn foreign exchange as well.

Sinha said the proposed technical assistance is part of SEDF's overall strategy to support development and establishment of small and medium enterprises which are essential for driving a nation's economy and promoting industrialisation.

SEDF is a multi-donor funded facility to assist in the development of the SME sector. It is promoted and managed by the SME department of the World Bank Group.

## Thai govt sees 4.5pc growth this year

AFP, Bangkok

Thailand's cabinet said Tuesday it is confident the Thai economy will grow by 4.5 per cent this year, accelerating to 5.5 per cent in 2004.

"Cabinet agreed that the Thai economy should perform better than previously predicted at 4.5 per cent from (an earlier forecast of) 4.0 per cent," said government spokesman Kudub Saikrachang.

The central bank of Thailand said in late July it had revised its 2002 GDP growth forecast to 3.0-4.0 per cent from 2.5-3.5 per cent, based on evidence of an improved economic performance.

## BSB plans Tk 150cr loan this year

BSS, Dhaka

Bangladesh Shilpa Bank (BSB) plans to disburse Tk 150 crore for funding new projects during the current fiscal year, BSB Managing Director Mohammad Abdul Hamid Mian told BSS yesterday.

Under the plans, the BSB has already disbursed Tk 51 crore for five projects during the first quarter of the present fiscal, Mian said, adding the bank preferred agrobased, textile and other export-oriented projects while funding the new ones.

Unlike the past years, he said, the loan is being disbursed under a package programme that includes loan for working capital on the basis of additional collateral security. "We hope the provision would help new entrepreneurs to go for production immediately after setting up projects and start paying back loans on schedule."

He, however, expressed his concern as the bank has 64 per cent classified loans, but said the growth rate of classified loan remained lowest in one decade during the past year due to the strengthened

efforts to discourage incidents of classified loans.

The efforts of loan recovery include forming of recovery task force, following relationship managerial system, closed monitoring system and visiting the troubled projects and finding out solutions to them, he said.

The BSB managing director claimed that the bank was now on a sound financial footing and expected to earn overall profit overcoming its present accumulated loss of Tk 200 crore by the year 2005-06 if the current rate of operating profit continued.

He said the bank earned a Tk 68 crore operating profits in 2000-01 while according to the probatory calculation Taka 62 crore in 2001-02.

While explaining the sound financial footing of the BSB despite the highest classified loans, the chief executive of the bank said the BSB perhaps is the only bank that kept 100 per cent probation accounts with Bangladesh Bank as per the International Accounting Standard.



Anil Sinha, general manager of South Asia Enterprise Development Facility (SEDF), and Onu Jaigirdar, managing director of Brilliant Hera Limited, sign a letter of understanding in the city recently. Rajeev Gopal, small and medium enterprise support specialist of SEDF, and Ejaz Al Mamun, general manager of Brilliant Hera Limited, are also seen in the picture.

## Thousands rush to claim deposits as cooperative banks collapse in India

AFP, Bombay

Panic gripped thousands of fixed deposit holders in the western Indian state of Gujarat Tuesday as a cooperative bank closed its branches in the commercial city of Surat following a massive liquidity crisis.

Suryapur Cooperative is the seventh cooperative bank in Gujarat to collapse in the past 18 months as investors have made a run on deposits following reports of widespread mismanagement.

"There is a big run on the bank," said Jagdish Jariwala, manager of Suryapur Cooperative Bank.

"Hundreds of deposit holders are now standing outside our branches for premature withdrawals of their deposits," he said.

Jariwala said the bank had been hit because of panic created by the recent collapse of the

Visnagar Nagarik Sahakari Bank. He said Suryapur had stopped all banking transactions two days ago and had already applied to the state clearing house for a 15-day day suspension of transactions.

"We are unable to meet this panic run on the deposits. It is difficult also to meet it as we have forwarded these deposits as loans to various traders, businessmen, builders and other parties," Jariwala told AFP.

Suryapur Cooperative has total deposits of 790 million rupees (16.1 million dollars) of which around 650 million rupees have been given in loans.

Jariwala said the bank had met some of the demands of depositors before it applied for suspension from the clearing house.

"We have returned funds worth 150 million rupees to deposit holders in the last few days.

However, it is difficult to meet all commitments as our borrowers can not return the loans immediately," he said.

Banking sources claimed Suryapur had given around 450 million rupees to one city builder who was unable to pay back the funds, leading to the present crisis.

They also indicated that the bank had not adhered to the central bank's guidelines on credit-deposit holdings as its loans at one time were around 650 million rupees while deposits were just 700 million rupees. The guideline says a bank can lend only up to 70 per cent of its deposits.

"Yes it had happened but that was due to the slow recovery of loan advances. This sometimes leads to variations in the credit-deposit ratio," Jariwala said.

He said all investors would get

back their funds as the deposits were insured with the Reserve Bank of India (RBI).

"It will however take some time," he added.

The cooperative bank problems in Gujarat began 18 months ago when the Madhavpura Cooperative Bank allegedly diverted large amounts of funds to a stock broker for market investments in violation of RBI regulations.

Apart from Gujarat, the state of Maharashtra was also rocked early this year by a multi-million dollar scam in the cooperative bank sector.

Sanjay Agarwal, founder of the online brokerage Home Trade, allegedly swindled more than 100 million dollars from various cooperative banks and diverted them to stock markets.

## Indian tea exports seen flat this year

REUTERS, Kolkata, India

Tea exports from India, the world's largest producer, is likely to be flat in 2002 at 180 million kg because of poor demand from traditional buyers such as Russia and the UK, an industry body said Monday.

India exported 179.79 million kg of tea in 2001.

Exports in the first half of 2002 fell just over three percent to 74.05 million kg compared with the year earlier period.

"Exports are down to almost all countries including Russia, the UK and the United Arab Emirates," the Indian Tea Association (ITA) said in a report.

Late last month, India's state-run Tea Board said it was hopeful about exports of 195-200 million kg of tea in 2002.

Indian tea is exported to more than 80 countries and accounts for nearly 15 per cent of the world tea trade. Exports have been hit by stiff competition from Indonesia, Bangladesh and Sri Lanka and

lower demand from Russia and Britain.

Indian teas have been losing ground in Russia, its biggest market, because of a poor quality image.

In January-June, Indian tea exports to Russia fell 40 per cent to 21 million kg from 34.93 million in the year-ago period.

In August, India's Tea Board said the government and the industry would spend 500 million rupees (\$10.31 million) over the next three years in market research and tea promotion in Russia.

The ITA forecast that tea production in 2002 was likely to fall nearly four per cent to 822 million kg from 854 million kg in 2001 because of patchy monsoon rains.

The cumulative rainfall between June 1 and August 14 was 24 per cent lower than normal, and despite the revival of the monsoon in August, the country continues to feel the impact of its worst drought in more than 15 years.

## EU industrial producer prices remain stable

AFP, Brussels

EU industrial producer prices remained unchanged in July compared with the previous month, although they fell by 0.6 per cent on a 12-month basis, Eurostat said Tuesday.

The figures were the same for both the 12-country euro zone and the European Union, which also includes Britain, Denmark and Sweden, according to the EU's statistics body.

While the average prices remained stable, the biggest increase was reported in the Netherlands where prices rose 0.5 per cent and Italy, up 0.3 per cent, while at the other end of the scale prices in Portugal decreased 1.2 per cent.

The year-on-year decrease was mainly due to price declines for energy, Eurostat said. Excluding the energy sector, industrial prices increased by 0.5 per cent in the euro zone and 0.6 per cent in the 15-state EU.