

## Task force formed to boost export of light engineering products

STAR BUSINESS REPORT

In a bid to diversify the country's export basket and promote the entrepreneurs, the government has formed a 13-member task force for the light engineering sector.

The main assignment of the task force is to identify the problems of the sector and make necessary recommendations to solve those.

"As some light engineering products, including bicycle, have proved their strength by competing in the global market, the government has decided to back the entrepreneurs in this prospective sector in a bigger way," Commerce Minister Amir Khosru Mahmud

Chowdhury told The Daily Star.

Light engineering is one of the thrusts in the export sectors and the government is providing 15 per cent cash incentive for exporting different products under this category. Besides, the exporters are eligible to avail credit facility at 7 per cent interest rate, he mentioned.

The minister said the task force would visit Japan shortly to get adequate information and also invite the Japanese entrepreneurs to relocate some of their light engineering manufacturing units in Bangladesh that would help them reduce their production cost to a great extent.

Production cost in the developed

countries including Japan is very high and they have already started outsourcing some of their industries to cut their production cost. "We can easily offer a competitive package for them."

Our small engineering units are our strength and we can easily work as vendors for those including the automobile industries."

One of the main problems that the entrepreneurs in the sector are facing is lack of testing facility, the commerce minister said the government might consider to provide temporary testing facilities for developing export items at the Bangladesh Machine Tools Factory.

"We want to develop at least 50

household and automobile items from the light engineering sector within a short span of time," Khosru told the entrepreneurs at a seminar on light engineering held recently.

"Light engineering is a very potential sector but entrepreneurs in this sector are facing serious problems in product development as there is no testing laboratory in the country now," said Abul Hashim, president of Bangladesh Engineering Shilpa Malik Samity.

The task force would suggest specific measures that would help the entrepreneurs to produce quality products and ultimately help them to export to other countries, he added.

Dr Md Kamal Uddin, associate professor of the Institute of Appropriate Technology of BUET and also a member of the task force, said the task force would submit a preliminary report to the commerce ministry after assessing the existing facilities and recommending for the necessary ones.

The task force members have already visited Bangladesh Machine Tools Factory and Bangladesh Industrial Technical Assistance Centre (BITAC) to assess the facilities, he said adding that they would visit Bangladesh Standard and Testing Institution shortly.

## Banks sue nine industrial units to realise loans

DELWAR KABIR, Jhenidah

Three banks in Jhenidah have filed cases against nine industrial units in the district to realise their loans of Tk 16 crore.

The banks are Sonali Bank (SB), Bangladesh Krishi Bank (BKB) and Bangladesh Shilpa Bank (BSB).

According to sources at the banks, these banks sanctioned loans to eight textile mills, a paper mill and a dairy farm between 1984 and 1985 to provide financial assistance to the owners of the entrepreneurs.

The sources said, BKB lent the money in the name of Chanda Fabrics, Jhenidah Textile Mills and Jhenidah Paper Mills while Sonali Bank supported Mala Textile Mills, Islam Textile Mills, Rahim Fabrics and Rana Dairy Farm Limited. The Shilpa Bank gave loan support to Bhai Bhai Textile Mills, Soleman Textile Mills and Hatgopalpur Textile Mills.

The sources added that all the

entrepreneurs constructed their industrial establishments and most of them went on operation in time. But within a short time, nine entrepreneurs stopped their activities. Only Soleman Textile Mill is running.

Some industrial unit owners revealed that they were initially gaining through their units but due to competitive price of their products and for want of proper market they could not continue their production and were ultimately compelled to shut down.

Local people said that Rahim Fabrics, Jhenidah Paper Mills and some other industrial units never started production. A good number of industrial unit owners hung signboards only to attract people.

Sources said BKB filed cases to realise over three crore taka each from Chanda Fabrics, Jhenidah Textile Mills and Jhenidah Paper Mills.

Sonali Bank filed cases to realise Tk 58 lakh from Rana Dairy Farm, Tk 83.60 lakh from Rahim Fabrics

and Tk 76 lakh from Mala Textile Mills Limited.

Bangladesh Shilpa Bank also filed cases against Bhai Bhai Textile and Hatgopalpur Textile Mills as per their rules. But they denied to divulge any information about the loan and their defaulters. The amount that Shilpa Bank claimed to their loan defaulters in Jhenidah could be at least Taka five crore, said a source requesting anonymity.

A number of entrepreneurs who have been provided industrial plots at Bangladesh Small and Cottage Industries Corporation (BSCIC) estate at Jhenidah said, due to shut down of industrial units and non-payment of bank loans, the bonafide and needy industrial entrepreneurs are losing interest to start their units at the BSCIC estate.

On the other hand, the concerned banks are feeling discouraged to extend their financial support to new entrepreneurs.

## Tallu Spinning declares 5pc cash dividend

Tallu Spinning Mills Limited has declared a 5 per cent cash dividend for the shareholders for the year ending June 30, 2002.

The dividend was approved at the 13th annual general meeting of the company held at its registered office at Chuadanga on Thursday, says a press release.

Md Mozammel Haque, chairman and managing director of the company presided over the meeting.

The meeting unanimously approved the audited accounts for the year ending June 30, 2002, and reports of the directors' and auditors.

Directors Md Rafiqul Haque, Md Rabiul Haque, Md Mahbubul Haque and Md Atiqul Haque, Company Secretary SM Shahid-ul-Arafin and a large number of shareholders were also present at the meeting.



Md Mozammel Haque, chairman and managing director of Tallu Spinning Mills Limited, presides over the 13th annual general meeting of the company held at its registered office in Chuadanga on Thursday.

## Nestlé holds Nido Mela in Bogra

Nestlé Bangladesh Ltd in association with Unirent Ltd organised a day-long 'Nido Mela' on Saturday in Bogra, says a press release.

Four to 10 years children along with their mothers participated the fair held at Altafunnessa playground.

Safiz Ahmed, deputy commissioner of Bogra, inaugurated the festival. Dr Maria Decker, sales and marketing director of Nestlé BD Ltd., high officials from Nestlé and Unirent Ltd. were also present.

This 'Nido Mela' ended with a colourful rally.

## BSCIC estate fails to attract entrepreneurs

UNB, Kishoreganj

Despite having bright prospect BSCIC Industrial Estate could not be developed here in the last 15 years.

Excepting a paperboard mill no other industry has been established in the area since its inception in 1987.

It was established on 20 acres of land at a cost of Tk 2.93 crore. Some 150 plots were selected to set up industrial units.

But it could not attract the entrepreneurs. Sources said it could not be developed into an industrial area due to lack of coordination and cooperation between BSCIC administration and prospective entrepreneurs.

Besides, entrepreneurs did not show interest due to lack of gas connection, security and bank loan facilities, it was learnt.

## Afghan mobile users to get int'l roaming

AFP, Kabul

Users of Afghanistan's wobbly AWCC mobile phone network will soon be able to make use of international roaming, AWCC chief Gavin Jeffery said Sunday, defending his fledgling firm's unreliable service.

Jeffery said the Afghan Wireless Communication Company, which has been unrolling its network across Afghanistan's four major cities since April, had spent 2.25 million dollars on technology to allow it to offer global hook-ups.

Expected to be operational early next year, the system will also allow visitors to the war-ravaged country to use mobile phones linked to foreign networks.

## OPEC faces tough test in maintaining output cuts

AFP, Vienna

Saudi Arabia has pushed OPEC to announce oil production cuts but it remains to be seen if crises in Iraq and Venezuela keep the oil cartel from holding to its promises.

Faced with the threat of falling prices for oil, Saudi Arabia succeeded at an Organization of Petroleum Exporting Countries meeting in Vienna Thursday in getting the 11-nation cartel to agree to cut production by setting quotas at levels it expects member states to respect.

OPEC, notorious for straying from its own quota limits, wants to take 1.5 to 1.7 million barrels per day (bpd) off the market, driving down its production to the new overall quota of 23 million bpd.

Saudi Arabia had tried to set similar limits at a previous OPEC meeting in Osaka, Japan, in September, but ran into opposition from other Gulf oil states which fought for maintaining the status quo.

"Saudi Arabia, the world's largest oil producer with seven million bpd, has now got what it wants."

"But the real question is will they respect their commitments," US oil expert William Edward of the Edwards Energy Consultant firm, said of the OPEC states.

Qatar Oil Minister Abdullah bin Hamad Al Attiyah said in Vienna that he was "confident all (OPEC) members will comply" with the new norms as the cartel is seeking to restore its credibility, which has suffered because of a lack of discipline in the past in respecting production limits.

But with countries like Nigeria and Algeria anxious to keep production high, "it all depends on everyone being committed," said Yasser Elguindi, oil analyst for the New-York-based Medley Global Advisors institute.

One thing pushing towards this is "the fact that we're going into the first quarter when demand is traditionally lower than normal," since traders are buying for spring and summer, when demand in the northern hemisphere for oil is low, Raad Alkadari, an expert for the Washington-based Petroleum Finance Company said.

OPEC's final statement after its meeting Thursday showed its awareness of possible problems when it said "that the relative strength in current market prices is partially a reflection of the prevailing political situation."

OPEC President Rilwanu Lukman of Nigeria said the cartel wanted oil prices to stay in the range of 22-28 dollars a barrel.

He said that while prices had softened since September, they had come back recently due to "uncertainty that has been created by the political tensions in Iraq and, most recently, Venezuela."

This creates the possibility that OPEC states might ratchet up production to take advantage of higher prices coming from feared or real shortages from either a general strike in Venezuela that is paralyzing oil production or from a war in Iraq.

Such overproduction would set the stage for falling prices once the market had more oil than it could handle.

This is precisely what the Saudis fear.

OPEC states have never cheated on their quotas as much as in the last quarter of this year, producing almost 2.5 million bpd over the old quota of 21.7 million bpd after oil prices rose to 29 dollars.

The Saudis remember well what happened in 1998-1999 when OPEC increased its quotas to match actual production but then fell victim to overproduction that continued while the Asian economy faltered due to a financial crisis.

Oil prices fell to 10 dollars a barrel.



The 49th meeting of the Executive Committee (EC) of Shahjalal Bank Limited was held in the city on Thursday. The meeting was presided over by Akkas Uddin Mollah, chairman of the committee. The committee members discussed various issues relating to investment in different projects. Chairman of the Board of Directors of the bank Sajjatuz Jumma, Vice-Chairman of EC Mohammad Younus, Advisor of the bank Ashfaq U Chowdhury and Managing Director Matin Uddin Ahmed were also present in the meeting.

## BB T-Bill auction held

UNB, Dhaka

The 223rd auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills were held yesterday.

Tk 803.00 crore, Tk 114.70 crore, Tk 133.00 crore and 78.50 crore were offered respectively for the 28-day, 364-day, 2-year and 5-year bills.

Of these, Tk 803.00 crore, Tk 41.70 crore, Tk 83.00 crore and Tk 28.50 crore in total of Tk 956.20 crore of 28-day, 364-day, 2-year and 5-year bills were accepted respectively.

The ranges of the implicit yields were 7.60-8.00 percent, 10.00 percent, 10.60-10.65 percent, and 11.00-11.20 percent per annum. No bids were offered for the 91-day and 182-day bills, said a press release of Bangladesh Bank.

The bills worth of Tk 896.00 crore will be retired in the current week and net issuance would amount to Tk 60.20 crore during this week.

## City Bank orientation course begins

A seven-day Orientation Course for Assistant Cash Officer of The City Bank Limited began at the bank's Training Institute in the city on Saturday, says a press release.

Abbas Uddin Ahmed, managing director of the bank, inaugurated the course as chief guest.

Speaking on the occasion, the managing director of the bank advises the newly-recruited Assistant Cash Officer to achieve necessary qualities, as bank's overall development depends on the efficiency and honesty of bank officers.

A H M Nazmul Quadir, Deputy Managing Director of the bank, asked the newly-recruited officials to be very careful and sincere in discharging their duties with honesty.

Badruddin Ahmed, principal of City Bank Training Institute, Abdul Halim Bhuiyan, executive vice-president, and Quazi Mozaher Ali, senior vice-president also were present on the occasion.

## Foreign maids protest HK wage cut plan

REUTERS, Hong Kong

More than 1,000 foreign maids took to the streets of Hong Kong yesterday, chanting protests against proposals to cut their wages to help the territory ride out an economic downturn.

Various local political parties have said the HK \$3,670 (US\$471) minimum monthly wage of maids need to be trimmed by between HK \$500 and HK \$750 to help employers.

While the government has yet to decide, the city's 240,000 foreign maids from the Philippines, Thailand, Indonesia and the Indian subcontinent have slammed the proposals as discriminatory.

"No to wage cuts" the foreign workers chanted as they marched to government headquarters in the Central business district. There was no violence.

Foreign maids, who free local women from their homes to join the workforce, are among the lowest-paid employees in Hong Kong despite working as much as 15 hours a day.

The issue is highly emotional and divisive in an economy where unemployment is near record levels. Foreign maids are increasingly blamed for taking jobs from locals as the territory tries to restart its sickly economy.

## 3-day food festival begins in city today

STAR BUSINESS REPORT

With a view to promoting Bangladeshi culture and food, a three-day Bangladesh Food and Cultural Festival organised by Hotel Sheraton starts today at the hotel's pool top patio.

ATM Hafizullah, director-sales of the hotel, said they have chosen the time for this festival as three international conferences are being held at the hotel where delegates from around 50 countries are taking part now.

He was addressing a press conference to inform the journalists about the programme yesterday.

Khondakar Shaiful Alam, executive assistant manager, Robert

Gomez, chief chef of the hotel, and Shormila Banerjee of Nritta Nandan, which is organising the cultural programme, were also present on the occasion.

Thirty-six Bangladeshi food items including traditional cake or pitha, salad, local fishes, tomato ketchup and vegetables will be on display.

The programme will also include folk songs and dances based on different seasons.

A weeklong Eco-Tourism Fair that started on Sunday is also going on at the porch of the hotel.

Traditional handicrafts, henna and handloom sarees are put on display in the fair.

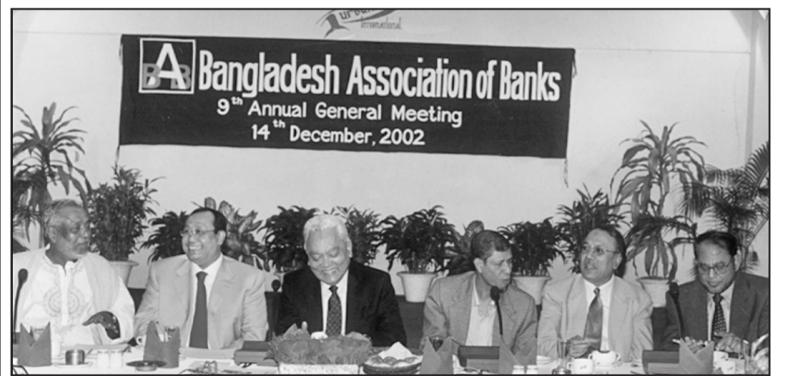
## Seminar on leather export tomorrow

UNB, Dhaka

A seminar on "Export Development in Leather Sector of Bangladesh" will be held at Hotel Sonargaon at 9.30 am Tuesday.

Commerce Minister Amir Khosru Mahmud Chowdhury will be the chief guest at the seminar jointly organized by Dhaka Chamber of Commerce and Industry (DCCI), International Trade Centre (ICT-Geneva) and the Ministry of Commerce.

State Minister for Commerce Barkatullah Bulu and secretary of the Ministry of Commerce Suhel Ahmed Chowdhury will be the special guest. DCCI president Matiar Rahman will preside over the seminar.



The 9th AGM of Bangladesh Association of Banks (BAB) was held at a city hotel on Saturday. The meeting was presided over by Syed Manzur Elahi, chairman of the association. Among other things, the auditors' report and statement of accounts for the year ended on December 31, 2001 were approved at the meeting.

## Bush to press forward with jobs & growth package

AFP, Washington

President George W. Bush said Saturday he will press forward with a "jobs and growth package" next year with the new team he has appointed to bolster the economy.

Bush said he wanted new Treasury Secretary John Snow and White House economic advisor Stephen Friedman to help the US population tackle "specific challenges that could slow the recovery and limit future growth."

Snow and Friedman were named this week as Bush enters the final two years of his presidency with the sluggish economy topping

his domestic concerns.

Bush said in his weekly radio address that the new Congress which will start sitting in January will also "have a responsibility to address these challenges, and I will be making specific proposals to increase the momentum of economic recovery through a growth and jobs package."

The president acknowledged the worries of many American households.

"Many Americans have very little money left over after taxes. Some struggle under a weight of debt that makes it difficult to save for retirement."

"Investor confidence needs to be strengthened in practical ways. And the nation's rate of unemployment is now six percent, and significantly higher in some parts of America."

"We will not rest until every person in America who wants to work can find a job," declared Bush, who said Snow and Friedman were taking up their duties "at an important time for the economy."

But the president insisted there were reasons to be optimistic. "Inflation is firmly under control, which means food, clothing, and other necessities are more affordable," he said.

## Japan financial chief seeks further monetary easing

AFP, Tokyo

Japan's top financial regulator urged the central bank Sunday to further ease monetary policy as the country struggles to fight deflation and save banks from the burden of excessive bad loans.

"As for monetary policy, I wish they will go on with one more step or two more steps," Heizo Takenaka, the finance services minister, told a television talk show on the eve of a Bank of Japan (BoJ) policy meeting.

The BoJ policy board is expected to maintain its policy of supplying ample funds to the market at its two-day meeting.

Last month, the board voted to

raise target reserves in its current account at the higher end of 15-20 trillion yen (122-163 billion USD).

Takenaka, who also serves as state minister for economic and fiscal policy, said in the next fiscal year from April, Japan should "accelerate bad-loan disposals and fight deflation amid considerably moderate (economic) growth."

He said he wanted BoJ to ease its monetary policy further by expanding money supply through quantitative financial deregulation at a time when interest rates are near zero.

"I want them to increase money (supply)," he said, noting the yen could weaken "to some extent as a

matter of course in an economic change accompanying an increase in money."

BoJ governor Masaru Hayami, however, has opposed further credit easing, particularly by setting inflation targets.

Haruhiko Kuroda, the deputy finance minister for international affairs, has urged the central bank to set an inflation target of two to three percent, but Hayami has insisted raising prices three percent from deflation is "unrealistic" and likely to trigger side-effects.

"Intentionally raising price levels would impose a negative impact on markets and government economic policy," Hayami has said.