

New Indian govt may have to keep disinvestment policy

ANN/ THE STATESMAN

Whatever political noise the Left front may make, the market will ultimately rule the day and the new government may have little option but to carry the disinvestment process forward.

Though the Left parties have been making impossible demands on the yet-to-be-formed government, twice sending the capital markets into a tailspin, official sources refute the stand taken by the CPI and CPI-M.

"It is not just profit-making companies alone that have been divested," a senior official said. "In

fact, even those companies that appear to be profit-making are really not so."

The history of India's public sector shows that it generates a return that is significantly lower than the cost of capital. Profits shown by some of the public sector units (PSUs) is either because of the monopoly they enjoy or their price is determined by the government, the official said.

Moreover, attempting to revive the fortunes of loss-making units have been an extremely expensive, if not impossible, exercise.

These, as one political analyst said, are not ideological issues but

matters of simple economics.

And disinvestment appears to have stuck in the throat of the new government in the making.

No prize for guessing. But the question is, will the new Congress-led alliance partnership be able to weather the storm enough to take a pragmatic decision on this crucial turn the Indian economy has taken?

Economists advocate a pragmatic view, saying that a middle path needs to be taken.

"We cannot dismantle or buy-back what has been hived off," contends Sunanda Sen, a former professor in the Jawaharlal Nehru University. "Government can be a

regulator, controlling policies on pricing, public participation and employment."

Agreeing with the stand taken by the Left parties, she said foreign exchange support is not required. Hence, the task before the new government is to find how to turn around the loss-making units.

However, the government experience has been that loss making companies are hard pressed to even find an advisor to set the disinvestment process rolling.

Notwithstanding this, government has continued to support several loss-making companies purely in public interest.



PHOTO: NCC BANK

National Credit and Commerce Bank Limited (NCC Bank) Managing Director M Aminuzzaman and Central Depository Bangladesh Limited (CDBL) Managing Director and CEO MH Samad sign agreements on behalf of their organisations in Dhaka yesterday. Under the deals, NCC Bank will convert its paper shares into electronic ones and also act as a full service depository participant and custodian of securities.



PHOTO: BIMAN BANGLADESH AIRLINES

AM Mosaddique Ahmed (sitting 2nd from left), general manager of District Sales Office, Biman Bangladesh Airlines, poses for photographs with the participants of a course on Passenger Fares and Ticketing in Dhaka recently.

Proton to set up plants in Iran, China

AFP, Kuala Lumpur

Malaysia's national carmaker Proton will set up a plant in Iran and raise production to 60,000 units a year to tap the booming auto market there, a deputy minister said Thursday.

Deputy Trade Minister Ahmad Husni Hanadzlah said Proton had an agreement with a local Iranian company to set up the plant by the end of this year or early next year.

The company would also set up a joint venture plant in China, he was quoted as telling parliament by the official Bernama news agency.

With reserves of 3.6 billion ringgit (947 million dollars), Proton had the financial muscle to form joint ventures overseas as it seeks to boost exports and compete with other global carmakers, Ahmad said.

He did not give details of the Iranian or the Chinese ventures. Currently, the sole assembler and distributor of Proton cars in Iran is Zaqross Khodro.

Proton late last year sealed a 16-year alliance with Iran's Automotive Industry Development Company (AIDCO) to supply Malaysian designed and built vehicle platforms and its own Campro engines until 2020.



PHOTO: RECKITT BENCKISER (BANGLADESH)

Ata Safdar, managing director of Reckitt Benckiser (Bangladesh) Limited, and MH Samad, managing director and CEO of Central Depository Bangladesh Limited, sign an agreement on behalf of their organisations on Wednesday in Dhaka. Under the deal, the CDBL will convert paper shares of Reckitt Benckiser into electronic ones.

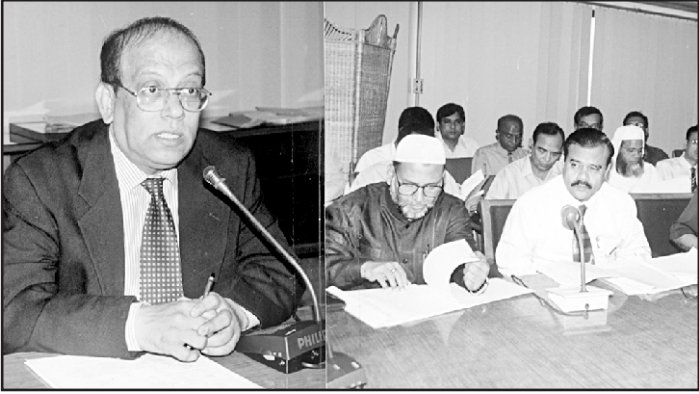


PHOTO: JANATA BANK

Janata Bank Managing Director Murshid Kuli Khan speaks at a task force meeting on loan recovery drive of the bank yesterday in Dhaka. Deputy Managing Director of the bank Dewan Mujibur Rahman and other senior officials were present.

CURRENCY

Following is Thursday's (May 20, 2004) forex trading statement by Standard Chartered Bank

Sell			Buy		
TT/OD	BC	Currency	TT Clean	OD Sight Doc	OD Transfer
60.9500	61.0000	USD	59.4050	59.2305	59.1596
73.8044	73.8649	EUR	70.4781	70.2711	70.1870
109.4479	109.5377	GBP	105.0399	104.7314	104.6060
43.1343	43.1697	AUD	40.5855	40.4663	40.4179
0.5475	0.5479	JPY	0.5230	0.5215	0.5209
48.1172	48.1566	CHF	45.9364	45.8015	45.7467
8.0282	8.0348	SEK	7.3457	7.3242	7.3154
44.5769	44.6135	CAD	42.7190	42.5935	42.5425
7.8317	7.8381	HKD	7.6178	7.5954	7.5863
35.7143	35.7436	SGD	34.5057	34.4043	34.3632
16.7298	16.7435	AED	16.0433	15.9961	15.9770
16.3826	16.3961	SAR	15.7156	15.6694	15.6507
10.2262	10.2346	DKK	9.2027	9.1756	9.1648
207.3552	207.5253	KWD	194.2355	193.6650	193.4332

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai bath	Nor kroner	NZ dollar	Malaysian ringgit
45.1	57.65	99.05	40.655	6.8870	0.6554	3.80

SHIPPING

Chittagong Port

Berthing position and performance of vessels as on 20/5/2004

Berth No.	Name of vessels	Cargo	L. port call	Local agent	Dt of arrival	Leaving	Import disch
J/2	Ocean Pride	Gl (Log)	Yang	Psal	10/5	21/5	999
J/3	Kamnik	Gl (St.C)	Sing	Ancl	17/5	22/5	393
J/5	Zhe Hai-323	Tsp/Fert	Chin	Unique	13/5	21/5	2618
J/6	Pac Makassar	Cont	Hald	Pssl	18/5	20/5	116
J/9	Banga Bijoy	Cont	Col	Baridhi	16/5	21/5	--
J/10	Kota Cahaya	Cont	Sing	Pil (Bd)	17/5	21/5	337
Cot/1	Pac Makassar	Cont	Hald	Pssl	18/5	20/5	207
Cot/2	Orient Freedom	Cont	Hald	Pssl	15/5	20/5	80
Cot/3	Banga Bodor	Cont	P. Kel	Bdship	18/5	21/5	128
Tsp:	Taraman Bibi	R. Sulp	B. Abb	Seacoast	25/4	25/5	--
P							
RM/4	Kirana Tritya	F. Oil	Sing	Ctpl	17/5	20/5	--
DD:	Jaami	Repair	Col	Everbest	9/4	21/4	--

Vessels due at outer anchorage Date: 20/5/2004

Name of vessels	Date of arrival	L. port call	Local agent	Cargo	Load port
QC Honour	20/5	P. Kel	Qcsl	Cont	Sing
Me Linh	20/5	Sing	Bsc	Cont	Sing
Orient Enterprise	20/5	Sing	Pssl	Cont	Sing
Novgorod	22/5	Santo	Ksm	Sugar(P)	--
Belgorod	22/5	Santo	Ksm	Sugar(P)	--
Banga Borti	21/5	Sing	Bdship	Cont	Ptp/Sing
Celje	21/5	Sing	Ancl	Fert(P)	--
Angela-R	21/5	Tanj	Bsl	Clink	Hcbl
Maritime Chiangmai	21/5	Tanj	Bsl	Clink	Hcbl
Tug Albatross	21/5	Sing	Ahz	Towing D/Vt	Synetos
Synetos	21/5	Sing	Ahz	Scraping Dead	Vessel
Banglar Shikha	22/5	Sing	Bsc	Cont	Sing
Sima Bahar	21/5	Sing	Pil (Bd)	Cont	Sing
QC Dignity	21/5	P. Kel	Qcsl	Cont	Sing
Trina	23/5	Mong	Allseas	GI	Power P/Equ
Pelander	22/5	P. Kel	Purbachal	Vehi	--
Pavonis	22/5	Yang	Pml	GI	Log/Pussel
Amphion	22/5	Cochin	Owsl	Scraping	--
Baltimar Venus	23/5	Kapt	Sunshine	GI/GL	--
Kota Singa	22/5	Sing	Pil(Bd)	Cont	Sing

Tanker due

Al Sabyiah	20/5	Kuwa	Mstpl	Hsd/Sko
Salamat-1	22/5	Sing	Olm	Bitumen(RM/3)
Lombardia	23/5	Jebe	Owsl	Crude Oil
Mount Rainier	23/5	Kuwa	Mstpl	Sko/JP-1

Vessels at Kutubdia

Name of vessels	Cargo call	Last port	Local agent	Date of arrival
Dea Captain	--	--	Ibsa	R/A(17/5)

Outside port limit

Bonvoy-V/II	Cpo	Kuant	Mtel	18/5
Kota Naga	Cont	Sing	Pil(Bd)	18/5
Tiger River	Cont	Sing	Pil(Bd)	17/5

Vessels at outer anchorage

Vessels ready

Bonvoy-V/II	Cpo	Kuant	Mtel	18/5
Kota Naga	Cont	Sing	Pil(Bd)	18/5
Tiger River	Cont	Sing	Pil(Bd)	17/5

Vessels not ready

Santa Maria	Wheat(P)	Viza	Able	17/5
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Vessels awaiting employment/instruction

Banga Btraj	--	--	Bdship	R/A(29/12)
Banglar Shourabh	--	--	Bsc	R/A(18/5)
An Lu Jiang	Fert(P)	Qinz	Rsa	11/5
Banglar Kallol	Ballast	Chenn	Bsc	20/5

The above are the shipping position and performance of vessels at Chittagong Port as per berthing sheet of CPA supplied by Family, Dhaka.

STOCK