

**Whirlpool Refrigerator**

Dhaka: 8110163, 9882192, Chittagong: 637669, 653758, Khulna: 720304, Bogra: 66215

# Star BUSINESS

DHAKA FRIDAY JULY 23, 2004 E-mail: dsbusins@gononet.com

## PAKISTANI 3 PIECE LADIES SUITS & SAREE

LADIES FASHION DESIGNER FAUZIA H. MERCHANT OFFERING BEST COLLECTION OF PAKISTANI UNSTITCHED 3 PIECE LADIES SUITS OF 100% COTTON BAREEZE CHIKEN, PRINTED LAWN, PRINTED CHINON, SHIFFON, GEORGETTE, & ALSO PRINTED & EMBROIDERY SAREE OF VARIOUS DESIGN AND QUALITY WITH DISCOUNTED PRICE AT JOYA FASHIONS: AN EXCLUSIVE LADIES FASHION HOUSE: HOUSE # 15, ROAD # 16, SECTOR # 3, UTTARA, DHAKA. PHONE: 880-2-8961669, CELL: 0173-018590, 0173-018591 E-mail: joya\_fashions@hotmail.com TIMINGS: 10 AM TO 10 PM (FOR LADIES ONLY).

## BJMC reduces loss margin by Tk 20cr in '03-04

STAR BUSINESS REPORT

Bangladesh Jute Mills Corporation (BJMC) reduced the margin of loss by Tk 20 crore in the last fiscal year.

BJMC, which runs public sector jute processing and product making units, incurred a loss of Tk 190 crore in 2002-03 which came down to Tk 170 crore in 2003-04. The loss in the current fiscal year is estimated at Tk 50 crore.

BJMC Chairman Md Mujibur Rahman revealed these facts in a letter to the jute ministry recently. It was stated in the letter that BJMC has been saving around Tk 120 crore annually since shutting down the Adamji Jute Mills.

Besides, the necessary machinery of the narrow-loom of Adamji Jute Mills is installed in the empty spaces of Rajshahi and Karim Jute Mill as two new units.

According to BJMC, 1,200 people will be employed when the units start operation along with an additional 12,000 metric ton production. The market value of this additional production is Tk 36,000 crore.

BJMC recommended the government to cut interest rate for jute sector loans to keep it at par with rate for the sector in India. "It needs to cut interest rate to sustain in the competition with India which is the only competing country for Bangladesh in the international jute market," BJMC said.

## Citigroup named best investment bank for 2004

Citigroup, the parent company of Citibank NA, has been chosen by Global Finance as the world's best investment bank for the year 2004.

Global Finance announced its selection recently, says a press release.

The Citigroup also received the highest 15 individual awards.

The winners were chosen for best equity, debt, M&A and best overall in seven regions: Western Europe, Central and Eastern Europe, North America, Latin America, Asia-ex Japan, Japan, and Middle East/Africa.

In Asia excluding Japan, the best investment bank was Citigroup, best equity bank was Goldman Sachs and best debt bank was HSBC.

Country winners were selected in fifteen countries and industry sector winners were chosen in ten sectors.

Industrial sector wise, Citigroup topped in telecoms, technology and chemicals, Morgan Stanley in financial institutions, JP Morgan Chase in oil & gas and Lehman Brothers in power.

## Lankan tea prices up

REUTERS, Colombo

Sri Lanka tea prices rose at a buoyant weekly auction Wednesday, with strong demand from Russia and other former Soviet states as well as Iran, brokers said.

Forbes and Walker Tea Brokers said in a statement that most grades sold at between 2-10 rupees dearer than last week's average of 159 rupees (\$1.55).

Brokers John Keels said better tippy teas were well supported, while westerners were well competed for with over 25 invoices selling above the 230 rupee mark.

"The bulk of teas in the 'below best' category are also now selling above 180 rupees," Keels said.

Prices are expected to increase further with the improvement in the quality in the ensuing sales," Keels added.

## Samsung Group freed from investment restrictions

AFP, Seoul

South Korea's financial watchdog said Thursday that investment restrictions placed on the Samsung Group had been lifted after an improvement in the industrial giant's debt position.

The Fair Trade Commission (FTC) said the decision was made after Samsung cut its debt load, pushing its debt-equity ratio below 100 percent.

"At a plenary meeting, FTC members decided to drop the Samsung Group from the list of conglomerates subject to an equity investment ceiling," an FTC spokesman told AFP.

At the end of June the Samsung Group's debt-to-equity ratio had fallen to 84.26 percent, largely as a result of debt restructuring efforts and the strong performance of subsidiary Samsung Electronics.

# Businesses want to get rid of power outages

STAR BUSINESS REPORT

Expressing their serious dissatisfaction at the frequent power outages, over-billing and poor management of the power sector, leading businesspeople yesterday demanded immediate solutions to the problems.

They said load-shedding on a regular basis is severely hampering production at mills and factories and also reducing the life span of the machines.

The businessmen made the observations while participating at a meeting with State Minister for Power Iqbal Hassan Mahmood at the Dhaka Chamber of Commerce and Industry (DCCI).

DCCI President Fazle RM Hasan identified major causes for load-shedding -- inadequate power supply, pilferage and unauthorised use of electricity.

Referring to the over-billing problem and corruption of meter readers, he demanded private sector participation in the meter reading and billing system to ensure better management of the power sector.

The DCCI president urged the government to give exemplary punishment to the corrupt officials to stop harassment of customers.

Khabir Uddin, a member of DCCI, said electricity users often receive an estimated bill, which is higher than the actual amount. "If you ask any question about the excess bill the meter readers will try to harass you by any means."

He suggested modernisation of the billing system to avert such harassment.

Answering queries from DCCI members, the state minister for power said the government is trying hard to improve the present

situation in power sector. "But it requires huge investment," he added.

Iqbal said the government is planning to corporatise Ashuganj and three other power plants aiming to float their shares in the capital market. "The government has already decided to float Desco (Dhaka Electric Supply Company) shares by the end of this year."

The minister observed that power sector companies' participation in the capital market could give a real boost to the market.

The introduction of pre-paid electricity meter at Gulshan and Baridhara zones in Dhaka and also in Chittagong, Sylhet, Bogra and Sirajganj will improve the situation, he hoped.

"If we can implement the pilot projects successfully, we'll expand the initiatives all over the country," Iqbal added.

# Shrimp farmers see output boom on new method

M ABDUR RAHIM, back from Bagerhat

He took a risk that could have seen him lose everything. But he took the gamble as, he thought, someone has to do it first. One thing he believes is that people need to change their work patterns and adopt modern techniques to make business profitable.

Guided by this philosophy, traditional shrimp farmer Raunaquil Islam Bachchu of Ronshen village under Rampal upazila in Bagerhat invested his all his savings and money borrowed from relatives in his shrimp farm to shift to a scientific method.

Though the 45-year-old thought the investment was a big financial risk as a failure would make him a pauper and he would not be able to make further investment, he went ahead with the method. And finally fortune smiled on him.

Bachchu adopted the new method on advice from the officials of local Fisheries Department and Shrimp Seal of Quality (SSOQ), a programme of USAID's ATDP (Agro-based Industries and Technology Development Project), that focuses on technical know-how to raise quality and competitiveness of shrimp industry.

Bachchu and his brothers prepared their 19 ponds during January-March this year for the new system. Every single farm was fenced off by mesh net to protect

shrimps from crab, frog and snake. The ponds were cleaned thoroughly wiping out unwanted water plants.

He had to procure feed, feed trays, and instruments for examining purity of water and health of shrimps. Then came the need for procuring virus-free shrimp fries. He used SSOQ's polymerised changed reaction (PCR) lab located in Cox's Bazar to test fries.

A team of extension officers helped Bachchu use bleaching powder for purifying water. After 100 days of rearing that included hard work of daily routine feeding, checking health, weighing and monitoring, came the big moment for Bachchu. The shrimps were harvested at a function on Wednesday.

He used to get 200kg shrimps from a hectare and now the same pond yielded him 1,322 kg, a staggering 500 percent rise in production. Bachchu lost his word for a moment. "I have to overcome lots of odds to come here," he stuttered as he spoke at the harvesting function attended by high officials of SSOQ, USAID, journalists and local people.

"We have problems of getting virus-free fry, shortage of clean water and above all the high price of feeds," he said. Price of per kg shrimp feed is Tk 75.

SSOQ advised him to cultivate six fries in one square metre area. One fry needs to be given one kg feed during the 100-day cultivating period.

In traditional method, the farm-

ers were forced to harvest the fries after a period of 50 days to save them from 'white spot' virus that affected 6,000 farms in the region since 1995. They get Tk 200 a kg by selling the small size shrimps while Bachchu will get Tk 400 to Tk 450 a kg for his large shrimps.

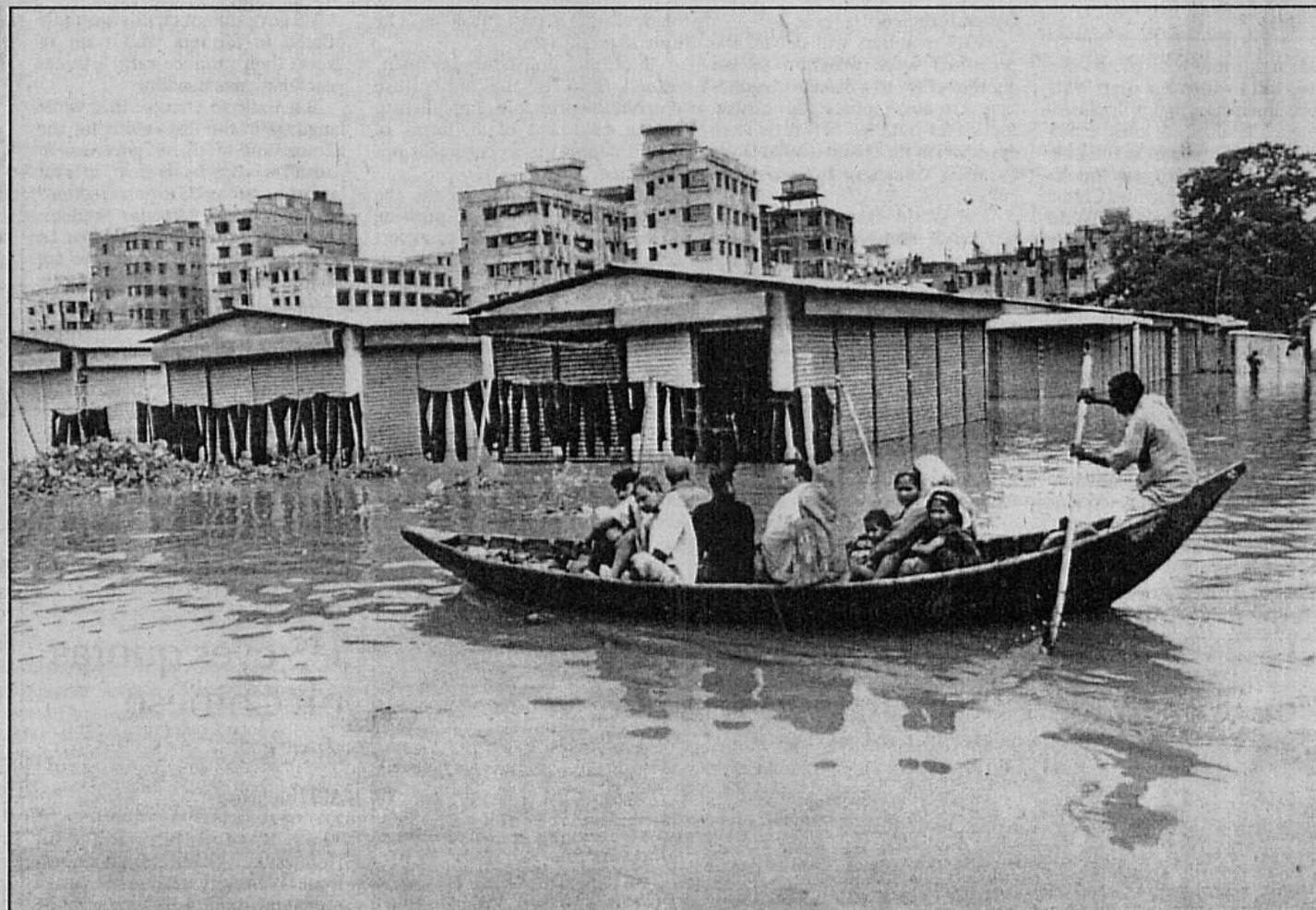
A total of 31 farms adopted the SSOQ model of modern cultivation this season in the region. Nurul Hoque Milton, another farmer who adopted the method, said, "The initial cost is high but from the second season it will come down."

Sheikh Mozharul Islam Majnu, another farmer, said, "Many farmers of our locality is keeping eyes on our venture and we hope they will start the method from next season." Shahidul Islam, a farmer of Shyamnagar, Satkhira produced 1,500 kg a hectare.

Later, briefing journalists at the farm, Ron Gillespie, chief of party of ATDP, said Bangladesh can increase its shrimp export to as high as \$1.5 billion from present \$ 200 million in the next few years if the SSOQ method is applied in the country.

Glen Bieber, a shrimp consultant of SSOQ, said, "At present the cost of initiation is high but it will come down when all farmers adopt it." According to SSOQ, the total cost of cultivating in one hectare land is about Tk 2.39 lakh and earning is over Tk 3.5 lakh.

Mc Homer, an official of USAID Bangladesh, inaugurated the harvesting.



A boatman man ferries passengers as he rows past a partially submerged garment market at Kaliganj in Keraniganj yesterday. Onrush of flood water from rivers has inundated most of the marketplaces in the upazila town, affecting economic activities.

## Labour body wants govt to seek GSP derogation

STAR BUSINESS REPORT

A labour organisation yesterday urged the government to apply to the European Union (EU) for availing GSP derogation.

Speaking at a press conference, the leaders of Bangladesh Mukta Samik Federation said the country does not have the capacity to fulfill requirements under the existing rules of origin and with the phasing out of quotas next year, Bangladesh will face serious difficulty unless it applies for the GSP ((generalised system of preferences) derogation.

The press conference was organised by Mukta Samik Federation, an affiliated organisation of Skop (Sramik Karmachari Oikya Parishad) in Dhaka.

Quoting a statistics of commerce ministry, Kamrul Islam Arju, general secretary of the organisation, said some 600 garment units will be closed down and some 10 lakh workers will lose jobs in the quota-free regime.

## Oil prices up after drop in US crude stocks

REUTERS, New York

World oil prices rose Wednesday after an unexpected fall in US crude oil stocks overshadowed healthier gasoline and heating oil inventories, traders said.

Easing concerns about product tightness in the world's biggest energy consumer were countered by the surprise drop in crude supplies, keeping the market on edge amid a taut global supply chain and concerns about Middle East security.

US light crude CLU4 for September delivery settled 14 cents higher at \$40.58 a barrel, after hitting a session high of \$41.15, only \$1.30 below an all-time peak from early June.

London benchmark Brent crude LCO ended up 15 cents at \$37.16 a barrel, but volume was thin with individual "local" traders boycotting the session over a possible proposal to shorten trading hours.

## Ford signs deal for third auto plant in China

AFP, Shanghai

Ford Motor and Mazda Motor Thursday signed a land rights deal to build a car plant on the mainland with partner Chongqing Changan, aimed at catching rivals Volkswagen AG and General Motors Corp.

"This step will help realize the long-term goals that chairman and chief executive officer Bill Ford laid out in October 2003 to expand Ford's presence here," said Ford Motor Co. chief finance officer Jim Padilla.

"With Mazda's future involvement, the success of our enterprise strategy and business presence in China is more certain," Padilla said in statement.

# US textile firms seek more protection from China

REUTERS, Washington

Chief executives from more than 100 US textile companies mounted a major lobbying effort Wednesday aimed at restricting imports from China when five-decade-old quotas expire at the end of the year.

Allen Gant, chairman of the National Council of Textile Organizations, said the executives would meet with 48 members of Congress to ask for their help in persuading the Bush administration to take pre-emptive action against an expected surge in low-priced and Chinese clothing textile imports.

"Unless the administration steps to the plate, over the next two years 75 percent of the 702,000 US textile and apparel workers, along with 30 million other workers around the world, will lose their jobs," Gant told reporters.

The United States, European Union and Canada have phased out their textile import quotas under a world trade deal struck in 1994.

Despite the long run up to totally eliminating quotas, textile groups say the situation changed dramatically when Beijing joined the WTO in late 2001 and rich countries began phasing out quotas on imports from China as well.

The Bush administration has already slapped temporary "safeguard" restrictions on imports of bras, dressing gowns and knit fabrics from China in response to a surge.

In addition, the Commerce Department said on Wednesday it has accepted for consideration an industry petition that could lead to curbs on sock imports from the Asian textile giant.

Cass Johnson, president of the US textile group, said the industry wants the Bush administration to impose additional safeguards beginning Jan. 1, 2005, based on the threat of a surge, rather than its current criteria of market disruption.

"If we have to wait to get a deci-

sion until (after market disruption has occurred), China will have already wiped out a substantial portion of the textile and apparel production in the United States," Johnson said.

The US industry move followed a call by the Indian Ocean island of Mauritius for an emergency meeting of the World Trade Organization to discuss the impact that ending the quotas will have on developing countries.

Peter Craig, trade commissioner for the Mauritius Embassy in Washington, said his country made the request on behalf of the 71 members of the African, Caribbean and Pacific Group of States.

US trade benefits for sub-Saharan Africa are credited with creating about 150,000 textile jobs in one of the poorest regions of the world. "We are really concerned that these jobs will be wiped out" when the quotas expire, Craig said at a news conference with the US textile industry.

# IMF research supports India's bullish economic growth

REUTERS, Singapore

The average Indian can look forward to an eight-fold increase in incomes over the next 40 years as a slew of favourable factors combine to boost the economy's growth rate, according to new IMF research.

India has the potential to increase output per head by 5.3 percent annually, from 3.6 percent in the period 1980-2000, and reach aggregate growth rates approaching 7 percent, say Harvard University Professor Dani Rodrik and Arvind Subramanian of the International Monetary Fund's Research Department.

And those forecasts could be on the low side, the authors write in an IMF Working Paper, "Why India Can Grow at 7 percent a Year or More: Projections and Reflections."

India's economy grew 8.2 percent in the year ended March 31, the fastest clip in almost 15 years.

But the spurt was mainly due to a bountiful monsoon and, despite the government's budget forecast of 7 percent growth this year, many academics judge India's sustainable growth potential to be no more than 6 percent.

Not so, argue Rodrik and Subramanian, who arrive at their more bullish projections using a growth accounting model build on inputs of capital and labour and improvements in productivity.

They assume the combined productivity of all economic inputs, such as labour and capital, will grow at the same pace as in the last two decades, about 2.5 percent a year.

-- Economic opportunities and investment returns, which deter-

mine the rate of physical capital accumulation, are likely to remain high and may rise further in the near future, they say.

Moreover, favourable demographics mean there will be no financing constraint as investment demand grows. Because India has a young population, its savings rate is likely to surge to 39 percent of GDP by 2025 from about 25 percent now.

This translates into growth in physical capital such as factories and equipment of about 8.3 percent in the outer years, up from 6 percent now.

-- The labour force will grow 1.9 percent a year, though this will add only 1.3 percentage points to GDP growth assuming educational standards do not rise and the percentage of Indians in work or looking for a job does not rise.

# Thailand firm on Myanmar's inclusion in EU trade talks

AFP, Bangkok

Thailand refused to back down Thursday over the controversial inclusion of military-run Myanmar at key trade talks with the European Union planned for October.

After a meeting with EU special envoy Hans van den Broek, Thai Foreign Minister Surakiart Sathirathai said the Europeans must accept a 13-country team from Southeast Asia that included Myanmar.

The European Union has railed against Myanmar's presence at the Asia-Europe Meeting (ASEM) in Vietnam because of its human rights record and continued deten-

tion of democracy leader Aung San Suu Kyi.

However, it has signalled it was ready to negotiate by sending the former Dutch foreign minister on a 10-day trip of Asian capitals.

Van den Broek gave little away after the meeting on the Thai leg of his trip, saying "quiet diplomacy" was key to the successful conclusion of talks.

Asked if there had been any progress after meeting the Thai government, he said: "We will continue to cooperate. We are both optimistic people."

Europe has demanded a signal that Myanmar's military, which has ruled the nation since 1962, is

prepared to allow a degree of democratic opening, but has seen little move towards the release of Aung San Suu Kyi.

The row has threatened the staging of the summit, which is held every two years and is intended to increase cooperation on a wide range of issues, including trade, anti-terrorism, immigration and human rights.

The Association of Southeast Asian Nations (ASEAN) has said it wants its newer members -- Cambodia, Laos and Myanmar -- to be included in the summit in return for the participation of 10 new EU members.



Jamuna Bank Limited Chairman Dastagir Gazi inaugurates a new branch of the bank at Konabari, Gazipur on Sunday. Among others, Managing Director of the bank SA Chowdhury was present.