

BRTC bearing brunt of age-old loans

Incurs net loss annually despite operating profit

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Burdened with huge bank loans, Bangladesh Road Transport Corporation (BRTC) is incurring annual losses despite having operative surplus.

Sources said if there had been no burden of bank loans, the state-owned corporation would have clocked profit.

"Had it been only our operative surplus apart from bank loan, the organisation could have made a good profit," commented BRTC Chairman Taimur Alam Khandaker.

Sources said, BRTC is faced with a total loss of Tk 2093.46 million until 2004 since its beginning in 1961. It also faced depreciation worth Tk 2461.7 million during the period. However, the total operative surplus is Tk 260.7 million.

In 2003-2004, the organisation faced a net loss of Tk 312.27 million which includes Tk 154.2 million as bank interest, they said.

"We have nothing to do when it comes to interests of banks and depreciation," said one of them,

"These can not be avoided."

The chairman said, BRTC is still bearing the loans and other credits that began from as early as 1961. He said, the organisation took huge amount of bank loan during the liberation war in 1971 to buy 100 trucks from abroad.

However, it was delivered at Karachi port of the then West Pakistan that never reached the organisation. "BRTC is still bearing the loan and paying interest for it," the chairman said, "Banks would not bother whether we have received the trucks or not. BRTC has to pay against the loans it took."

Moreover, the chairman mentioned that 100 buses were 'dumped' on BRTC during the regime of Ershad government in the eighties. He said, Dhaka City Corporation (DCC) tried to operate a city service with those buses but failed. "DCC dumped those low quality buses on BRTC and it is still bearing the maintenance cost and depreciation for them," he added.

At present BRTC has around 700 buses to operate. The buses ply on

different routes within the capital. It has inter-district services, which is limited within a few parts in the country due to several reasons including protest from private bus operators.

"They (private bus operators) vandalize BRTC buses as they hamper their business by offering cheaper rates. But we do not get any help from the government," said the chairman.

It also introduced the first Indo-Bangla direct road link on Dhaka-Kolkata route in June 1999 and the second one in Dhaka-Agartala route in September 2003. While the first one turned out to be profitable, service in the second route received very low response from passengers. The BRTC authority earlier told The Daily Star they would continue the service in spite of financial losses.

Despite financial losses the organisation provides free service on special occasions. "BRTC is a public-service-oriented organisation and we try to provide the people with necessary services whenever possible," the chairman expressed.

Bay-Phones to start land phone service from February

BSS, Dhaka

Bay-Phones is expected to launch land phone services in Bangladesh from February next.

Bangladesh-origin American expatriate Chairman of the company Abul Hashem disclosed this when he called on Minister for Post and Telecommunications Aminul Haque at his secretariat office yesterday.

He informed the minister that the new land phone will start operating with latest technologies from America and it will be equipped with call waiting, call forwarding, call hunting, voice mail, internet and other modern facilities.

The minister assured all out support and cooperation.

The Bay-Phones, sister concern of Westack Limited, will operate its services in Chittagong, Chittagong Hill Tracts, Noakhali and Comilla areas at the initial stage targeting one lakh subscribers. The line-rent will be Tk 150 and call charge Tk 1.50 for first five minutes.

The rate of phone connection will be Tk 9000 and prospective subscribers will get phone connections within 48 hours.

Desh Garments approves 5pc dividend

Desh Garments Ltd has declared a 5 percent dividend for its shareholders for the financial year 2003-'04.

The declaration came in the company's 27th annual general meeting held recently in Dhaka, says a press release.

Chairperson of the Board of Directors of the company Rokeya Quader presided over the meeting attended by other senior officials.

Ashraf Textile approves 2.5pc dividend

Ashraf Textile Mills Ltd has approved a 2.5 percent dividend for its shareholders.

The approval was made at the company's 22nd annual general meeting held in Dhaka on Thursday, says a press release.

Chairman of the company Abdur Rauf presided over the meeting.

Among others, directors of the company and Managing Director Md Ibrahim Rahmatullah attended the meeting.

Study on \$2b Tata investment plan near completion

Ishwardi, Sirajganj on priority list for steel, power plants

STAR BUSINESS REPORT

A feasibility study on proposed US\$2 billion investment plan in Bangladesh by Indian industrial giant Tata Group is at its final stage.

The Tata Group has shortlisted Ishwardi and Sirajganj as two prospective sites for its steel and power plants and is likely to sign final agreement with Board of Investment (BoI) by April.

As part of the spadework, Tata has appointed Indranil Sengupta, a senior manager of Tata Group in India, as its steel and power operations head in Bangladesh.

In a historic visit to Bangladesh Tata Group Chairman Ratan Tata led his company signing an expression of interest (EoI) with BoI on

October 13 on \$2 billion investment plan in steel, power and fertiliser sectors. It was the biggest ever investment proposal in Bangladesh by a single foreign company.

According to the EoI, Tata Group is to sign final investment agreement with BoI within six months of the signing.

Sources said the Tata feasibility team has made intense study on some proposed sites and initially selected the two between which one will be selected finally for the plants. Sources, however, said although initially Ishwardi was speculated to be the site of Tata's choice, Sirajganj site having transport and other facilities has impressed Tata feasibility team.

Tata was searching for a site, which has riverine connection as it likes to use river route for transport of ore and other raw materials from Chittagong seaport. Sources said the feasibility team found that the navigability of river from the seaport to Sirajganj is better than that to Ishwardi.

Sources said Tata is searching for a 2000-acre land having river and other modes of transport facilities. In the site Tata will set up a 2.4 million-tonne capacity steel plant at a cost of \$700 million and two 500-megawatt power plants at a cost of \$350 million each.

In addition, the Group is also looking for another 500-1000 acres of land beside the plant site for establishing a mini-city to accommodate around 10,000 Tata

employees. Sources said the Tata's plan for a mini-city may create another Jamshedpur, a city developed around Tata's steel plant in Jharkhand.

The Tata feasibility team held meetings with the chiefs of Sirajganj and Pabna district administration and made field trips to the sites.

Sources said the Tata team has selected the two sites since both offer smooth road, rail and riverine communication facilities. Tata's chemical division officials, meanwhile, visited Chittagong where the company plans to set up its fertiliser plant.

Textile fair begins in Sylhet

UNB, Sylhet

A 20-day 'Handloom and Textile Fair 2005' began in Sylhet yesterday on the occasion of upcoming Eid-ul-Azha.

Textile and Jute Minister Shajahan Siraj inaugurated the fair organised by Bangladesh Handloom Board.

A total of 112 stalls have been set up in the clothing bazaar where Mirpur Benarasi, Jamdani of Ruppai, Tangail handloom saris, Monipuri saris of Sylhet, Khodder of Comilla and other traditional handloom products are on display and sale.

The minister informed that country's running handlooms produce about 68 crore metres textiles, which can meet hardly 40 percent demand of the country. "And it contributes Tk 1,000 crore to the national economy," he said.

He further said there has been a demand for 12 crore yards of check-textiles in the export-oriented garment industry, but Bangladesh can supply only one crore. "By ensuring logistic support to this industry, Bangladesh can meet the overall demand for check-textiles."

Local MP Fariduddin Chowdhury and convener of BNP Sylhet City unit Ariful Haque Chowdhury attended the function as special guests with Chairman of the Handloom Board Abdus Salam in the chair.

Among others, Chairman of Bangladesh Textile Mills Corporation Anwar Hossain Chowdhury, Deputy Commissioner Harun Chowdhury and president of the Fair Organising Committee Abdul Gani were present.



PHOTO: BANK ASIA
Syed Anisul Huq, president and managing director of Bank Asia, receives ICAB Best Published Accounts and Reports Award-2003 from Barkat Ullah Bulu, advisor to commerce ministry, at a function in Dhaka recently. Among others, Saifur Rahman, minister for finance and planning, and Jamal Uddin Ahmad, former deputy prime minister, were present.

ROK exports hit record high in '04

AFP, Seoul

South Korean exports hit a record high of more than 250 billion dollars in 2004, with the country's trade surplus doubling year-on-year to some 30 billion dollars, government figures showed Sunday.

Semiconductors, autos, mobile phone handsets and ships led the outstanding performance in exports, the ministry of commerce, industry and energy said in a preliminary report based on customs clearance.

Exports jumped 31.2 percent

year-on-year to hit 254.22 billion dollars in 2004, the biggest ever reported by the country, the report said. Imports also rose 25.5 percent to 224.47 billion dollars last year.

The trade surplus of 29.75 billion dollars was nearly a two-fold increase from 14.99 billion dollars reported in 2003, it said.

"The country's annual exports exceeded the 250-billion-dollar level in volume for the first time last year," the ministry said in a statement, adding the event was the "biggest news" for the trade year of 2004.

"The world's overall economic recovery and strong demand for our semiconductors, cars and mobile phones contributed to such a good performance in exports."

South Korea is the world's 11th-largest economy and exports serve as a key growth engine.

Exports of semiconductors rose 35.4 percent year-on-year in 2004, while shipments of telecommunication equipment and cars shot up 41.1 percent and 39.5 percent respectively, according to the ministry report.

Lanka hotel industry estimates Rs12-13b tsunami damage

ANN/THE ISLAND

Around 4,000 hotel rooms in Sri Lanka have been damaged by the tidal waves and the hospitality industry estimates that the restoration cost would run as high as Rs 12 billion to Rs 13 billion, a senior industry spokesman said.

"How fast we can normalize depends on how fast we get our insurance claims and how quickly we re-construct," Tourist Hotel Association Chairman Malin Hapugoda said Sunday.

The association had an emergency meeting last week is seeking duty free imports of equipment necessary for the repairs and had channeled their request to the government through the Tourism Ministry and the Sri Lanka Tourist Board.

"We believe that the government would be sympathetic," Hapugoda said.

A spokesman from the Sri Lanka Insurance Association said they could not meet the claims from the hospitality industry until they have made certain clarifications with reinsurers abroad regarding most claims having an earthquake rather than a tsunami clause in their policies.

Hapugoda said they believed that the big companies had earthquake cover and would not have problems but the smaller hotels without such cover may be in trouble.

Tourist Board Chairman Udaya Nanayakkara was confident that the industry which had suffered

damages estimated at around US\$ 2 million would soon get back on feet. He said that no financial assistance from the government had been requested and he did not expect hotels with earthquake cover to have any problems with their insurance claims.

Hapugoda said the executive committee of their association at their meeting on Friday had decided to engage the services of Nivard Cabraal and his company to represent their interest with regard to the insurance claims.

Nanayakkara said the US\$ 7 million campaign to promote the Sri Lanka destination next year will continue as planned while Hapugoda said the problem of obtaining soft loans from foreign funding agencies for restoration and re-construction will also be explored.

"If all goes well, hotels on the coast from Negombo to Induruwa can be fully operational by the end of January," he said. "But hotels on the east coast and deeper in the south that are badly affected will take longer."

Jetwing Hotels Managing Director Hiran Cooray who is a vice president of the Sri Lanka Hoteliers Association said that they were more concerned about the loss of life rather than material losses.

He said in addition to many guests, they had lost 12 members of their staff at the Yala Safari Game Lodge. About 100 tourists country-wide are believed to have died in the disaster while 89 are still missing.