

Star BUSINESS

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\$9.50m telecom equipment purchase proposal rejected

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The inter-ministerial committee of the Ministry of Post and Telecommunications (MOPT) has turned down a US\$ 9.50 million purchase proposal for Chinese telecom equipment under supplier's credit financing.

It was revealed that the Bangladesh Telegraph and Telephone Board (BTTB) had inflated the prices of Chinese telephone exchanges in its purchase proposal. Locally available materials like bricks, sands and PVC pipe were also quoted in US dollars.

The committee suspected siphoning of \$1.17 million from this deal and unanimously rejected BTTB's shopping list. It has reportedly angered a vested group, which is pressing to retract the decision.

The committee, in its meeting in early February, discovered the gross irregularities by some BTTB high officials during processing this deal. Ignoring the government's restriction they negotiated supplier's credit financing with

China National Machinery Equipment Import and Export Corporation (CMEC). BTTB, however, denied this allegation.

The public procurement guideline was found violated while the BTTB structured this deal as a "repeat order" of ongoing 216,000-line telephone project being done by CMEC.

Repeat order is permissible within first year of signing the contract. "But CMEC was contracted in June 1999 and it cannot get any repeat order now," said a BTTB official.

The inter-ministerial committee labelled the CMEC telephone exchanges "far inferior" to the currently installed similar equipment in BTTB's network.

The committee observed BTTB's chairman and its member (Planning) ignored these discrepancies. The chairman personally overruled objections of his colleagues and insisted to process this controversial procurement.

The committee questioned the member (Planning) overstepping

his authority and signing a backdated report to initiate this multi-million dollars purchase from the state-owned Chinese trading company.

The then Awami League government awarded the \$202.89 million contract to CMEC in 1999. But the BNP-led alliance government alleged overpayment of \$26.40 million to CMEC under this unsolicited deal.

Bureau of Anti-corruption filed a graft case against the then finance and telecom ministers, the then MOPT secretary and the incumbent chairman of BTTB. Later on the BTTB chairman was dropped from this case and provided one-year extension in service.

Referring to this graft case, the inter-ministerial committee apprehended further loss of \$1.17 million if the expansion work is again awarded to CMEC.

"The government cannot issue repeat order to a deal, which is already being prosecuted by the court of law," said the committee report.

But the sources said a powerful political quarter is exerting tremendous pressure to reverse this decision. "If required, the government will not follow up the graft case in order to pave the way for further rewarding this Chinese vendor," said a highly placed source requesting anonymity.

SATM Badrul Haque, BTTB's chairman, said, "We obtained necessary approvals from ECNEC and MOPT prior to proposing this supplier's credit purchase to the inter-ministerial committee." While commenting on the "repeat order" issue he said, "Since CMEC has organised the financing, it is the sole beneficiary of this deal."

Haque, however, refused to comment on the controversial role of BTTB's member (Planning).

Referring to his colleague's objection to this procurement, the chairman blamed their lack of understanding. The BTTB chief denied influencing his colleagues to process this purchase proposal. It maybe noted BTTB's member (Finance) gave his note of dissent to the Chinese telecom deal.

Foreign tea buyers stage comeback

NURUL ALAM, Chittagong

Foreign buyers have made a comeback in the weekly tea auctions in Chittagong, officials and brokers said.

When tea prices unusually rose to Tk 140 a kg, foreign buyers left the market after auction number 38 of the season. Brokers said the foreign buyers were not ready to pay more than Tk 80 per kg at that time.

Buyers from Pakistan, Afghanistan and the CIS resumed their presence in the market at the sale number 43 after a gap of one month.

Better quality tea was sold between Tk 80 and 85 per kg in auction number 44, said Rafay Nizam, director of a leading tea broker house.

But bulk of offering in the auction was poor that fetched an average of Tk 30 to Tk 40 a kg," Rafay said, adding that prices sharply dropped on average due to glut of end of season type low quality tea.

So far 45 auctions of the season were held and the season will close

after one more sale scheduled for Tuesday, brokers said.

In the auction number 38, the average price was recorded between Tk 111 and Tk 88. On the other hand, in the 44 auction, the price came down to Tk 64-78 per kg, market sources said. In the auction 43, the overall price was recorded at Tk 66 per kg.

Brokers said tea export was affected when the foreign buyers disappeared.

According to official reports, in July to January period of current fiscal year (2002-03) Bangladesh's tea exports recorded at 8.8 million kg, down from 10 million kg of the corresponding period a year before.

Chairman of Tea Traders Association of Bangladesh (TTAB) Feroz Ahmed said a delegation will visit Pakistan next month to explore ways to boost tea export to the South Asian country taking advantage of duty free access of tea.

"Our tea export will increase if more foreign buyers come here, but we must produce good quality tea to attract them," Ahmed said.

CURRENCY

Following is yesterday's forex trading statement by Standard Chartered Bank

Selling	Currency	Buying		
		TT Clean	OD Sight Doc	OD Transfer
TT/OD	BC			
58.8500	58.9000	USD	57.9000	57.7299
62.9342	62.9877	EUR	60.0655	59.8890
92.7947	92.8735	GBP	89.7913	89.5276
35.5631	35.5933	AUD	33.4836	33.3852
0.4881	0.4885	JPY	0.4716	0.4702
42.2712	42.3071	CHF	40.9419	40.8216
6.8108	6.8166	SEK	6.5790	6.5597
39.5896	39.6233	CAD	38.5358	38.4226
7.5531	7.5595	HKD	7.4169	7.3951
33.3069	33.3352	SGD	32.5117	32.4162
16.1534	16.1671	AED	15.6368	15.5909
16.8244	16.8376	SAR	15.9215	15.8765

Exchange rates of some currencies against US dollar

Indian Rupee	Pak. Rupee	Lankan Rupee	Thai Baht	Norwegian Krone	NZ Dollar	Malaysian Ringgit
47.61	57.795	98.935	43.050	7.8988	0.5491	3.80

Local Interbank FX Trading:

The local interbank foreign exchange market was subdued Saturday. Dollar remained steady against the Bangladeshi taka and ended almost unchanged.

Local Money Market:

Demand for call money was moderate Saturday. Call money rates continued to ease as the market experienced enough liquidity. At the close call rates remained unchanged at 6.50-7.50 per cent.

International Market:

The dollar rallied to its highest level in two months versus the euro and its best in three months against the yen on Friday as the US led war against Iraq took a more

aggressive turn. Dollar rose at the rumour that Saddam was killed but fell when the claim was not confirmed. Dollar hit a session low at \$1.502, its weakest since Jan 15. It gained more than one per cent versus the yen. The dollar has rallied nearly five per cent against the euro and Swiss franc since early last week, when it became clear that US would go to war soon, ending months of uncertainty.

At the closing of New York on Friday, euro was at 1.0524/28, GBP at 1.5628/34 and yen at 121.57/60 against the dollar.

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Virgin official soft drink of Fantasy World

Virgin will be the official soft drink of Fantasy World.

An agreement to this effect was signed by Shahriar Kamal, director of Concord Group, and Afzalur Rahman, director of Global Beverage, in Dhaka yesterday, says a press release.

Mir Yousuf Ali, director, Md. Zakir Hossain, general manager of Concord Group, and Dewan Ashraf Uddin, director, Tariquzzaman, general manager of Global Beverage and marketing team of Concord Group were present at the signing ceremony.



Shahriar Kamal, director of Concord Group, and Afzalur Rahman, director of Global Beverage, sign an agreement in Dhaka yesterday. Under the deal, Virgin will be official soft drink of Fantasy World.

Workshop on stock reporting

The Chittagong Stock Exchange (CSE) yesterday organised a workshop to help young journalists get acquainted with capital market reporting, says a press release.

Professor Abu Ahmed of Economics Department of Dhaka University was present at the workshop as chief guest.

CSE Chief Executive Officer Maroof Matin, Executive Director of Securities and Exchange Commission (SEC) Farhad Ahmed, and Managing Director & CEO of Asset and Investment Management Services of Bangladesh Ltd (AIMS) Yaver Sayeed also spoke at the workshop held in Dhaka.

BIBM course concludes

A 10-day training course on "Investment and Merchant Banking" conducted by BIBM concluded in Dhaka on Thursday, says a press release.

Director General of BIBM Dr. Mohammad Sohrab Uddin chaired the concluding session and distributed certificates among the participants. Dr. Prashanta Kumar Banerjee and Jyotirmoy Podder of BIBM coordinated the course.

The BIBM designed the course to acquaint the participants with the concepts and functions of merchant banking and security market.

ReadyCash Raffle Draw Winners

The latest ReadyCash raffle draw was held at Ready Cash Bangladesh

Prizes	Name of Winners	Card No
China Junction Chinese free lunch for two	Mominul Haque	5047980000046340
Meal in the box free lunch for two	Mudasser Ahmed	5047980000046283
Stricky Fingers free lunch dinner for two	Md Yousuf Mustafa	5047980000046347
Obsession free gift box	Md Akter Hossain	5047980010011704
Wonder optics free sunglass	Akter Hossain	5047980010011611
Liton's snacks free meal box	Abul Awal	5047980010011850

Winners can collect their prizes from the Executive, Promotion of ReadyCash within 30 days of this news circulation by producing their ReadyCash card transaction vouchers. **ReadyCash encourages its cardholders to read The Daily Star and the Daily Prothom Alo on every Sunday or call our Customer Service at: 8123850, 8130497 and 8125294-7.**

STOCK