

BCCI Seoul liquidators, workers reach accord

SEOUL, Oct 18: Liquidators of the local branch of the scandal-plagued Bank of Credit and Commerce International BCCI agreed Thursday to postpone the dismissal of 73 employees pending headquarters' approval of more compensation, officials said, reports AFP.

The development came one day after the three court-appointed liquidators announced they would sack the local employees without compensation Saturday for allegedly blocking the orderly liquidation of the bank.

"We hope that the employees cooperate by participating in the liquidation process because we need their knowledge of the banking business," liquidator Paek Kuen-Kill said by telephone.

The union members agreed to help BCCI customers file claims against the bank as the liquidators decided to postpone their dismissal until the end of the month. Paek and a union representative said.

The local liquidators also told the workers they would await word from their counterparts dealing with the bank's headquarters on Grand Cayman Island on how much compensation would be paid in addition to severance pay.

"Both parties shall meet next week to specify compensation," the union representative said, adding that by then the local liquidators would "hopefully" have received a reply from Grand Cayman.

The liquidators had initially promised to seek some two years' compensation for the BCCI employees under normal early retirement policy guidelines, but the workers balked at the offer and demanded five years' compensation on top of severance pay.

The employee representative said the workers deserved more than the standard early retirement package because, she alleged, the negative image of BCCI would rub off on them.

"Due to the banking scandal, it is not easy for us to get new jobs," she said.

Paek said the BCCI employees were demanding "a huge compensation" but added that "ultimately we are depending on a reply from Cayman."

The local branch of the bank was closed July 6 after the Bank of England led and international swoop on BCCI for worldwide fraud and drug money laundering.

Urban water supply gets a boost

From Shahiduzzaman Khan

JHENIDAH, Oct 18: Water supply situation in the town has considerably improved after completion of Japanese aided water supply project. Twenty five per cent of an estimated 75,000 population of the town have been getting water supply at present.

Briefing a group of newsmen recently, Pourashava Chairman Mosharrar Hossain said that 3.88 lakh gallons of water are being supplied daily out of an estimated requirement of 31.46 lakh gallons.

The project, completed on a turn-key basis, cost Taka five crore with entire amount being donated by the Japanese government. Four production wells, three overhead tanks and 25.32 kilometres of pipelines were constructed under the project. Following completion of the work, 1082 domestic, 21 public and 26 commercial connections could be given, the Pourashava Chairman said.

The other 14 public stand posts and 593 shallow tubewells cater to the needs of 38,000 people in the town.

Under the Japanese grant assistance of 763 million yen, two projects at Jhenidah and Chudanga have been implemented for supplying pure drinking water to the consumers.

Japan has also extended grant assistance to Bangladesh for improvement of water supply systems in the district towns of Kurigram, Gaibandha, Narasingdi, Narayanganj, Sunamganj, Kurigram and Feni.

The existing water supply system in Jhenidah does not cover the other bank of the river Nabaganga. The township has expanded steadily on the other side of the river and demand for water has also considerably increased.

The Pourashava Chairman told the visiting journalists that one more deep tubewell should be installed and six kilometres of pipelines needed to be laid to meet the additional demand. If this is done, nearly 35 per cent of the town population will be covered, the Pourashava chairman said.

Hossain, however, could not confirm whether the extra fund required for the extension of the services would be available shortly. He said the poor people cannot avail services of the existing pure and hygienic water supply. "They cannot pay even Taka 50 a month as service charges", Pourashava Chairman said.

Detailing the quantum of fees, the Chairman said house connection charges for domestic services range between Taka 700 and Taka 1800. The taxes vary from Taka 40 to Taka 100 per month and fees for commercial services vary from Taka 1200 to Taka 3000 and Taka 80 to Taka 200, he added.

EC team due tomorrow

A European Commission (EC) mission, arrives in Dhaka Sunday to have broad-based talks with authorities on its future involvement in Bangladesh's development, especially in flood protection and rehabilitation works in cyclone affected areas, reports UNB.



J. P. Pronk

The 12-member delegation will be led by JP Pronk, Minister for Development Cooperation of Netherlands and current Chairman of the Commission, official sources said Friday.

The team will include JM Durao Barroso, Secretary of State for Foreign Affairs and Cooperation of Portugal and MA Ungenheuer, the Permanent Representative of Luxembourg to the EC.

During its three-day visit, the delegation known as 'Troika' is expected to call on Prime Minister Begum Khaleda Zia.

They will also meet Finance Minister M Saifur Rahman, Relief Minister Lutfor Rahman, Irrigation Minister Majedul Haq, Communication Minister Oli Ahmed and Planning Minister Jahiruddin Khan and discuss with them matters relating to EC's possible participation in the country's upliftment.

The Pourashava Chairman said that the municipal authority took charge of the water supply system from the Department of Public Health Engineering (DPHE) on June 18. The transfer of authority vested on the municipalities as per decision of the government. "Yet the manpower to handle the onerous task is very short, only six at present, and we have requested for recruiting 35 more people," the Chairman said.

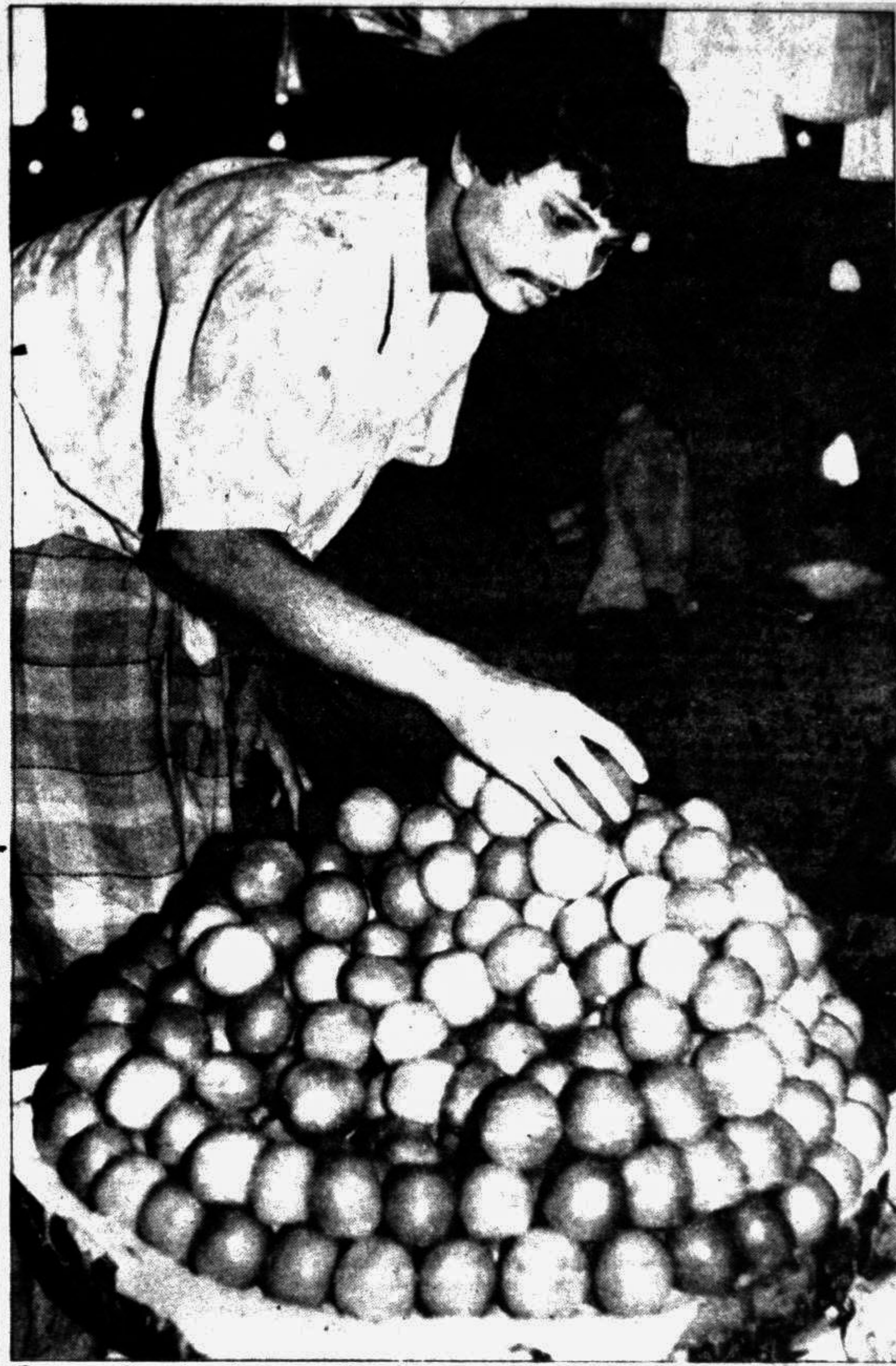
Quoting official sources, he said, system loss in the urban water supply system commissioned in 1985 was eight to 10 per cent.

The DPHE is still engaged in the maintenance and supervision of the project and assisting the municipality in providing technological knowhow to the monitoring of the project performances. The Executive Engineer, DPHE, Jessore, Sub-divisional Engineer, DPHE, Jhenidah were also present during the briefing session.

The sleepy town, emerging from backwardness and sheer neglects, has witnessed tremendous developments both in infrastructures and human influx in the recent past. The township expanded to 34.78 kilometres and rural unemployed workforce found their ways to the town for livelihood. But there is little scope for job opportunities for these people as the authorities could offer little jobs to them.

As a resultant effect, the law and order situation has deteriorated in the town and its adjoining areas, the Pourashava Chairman said and added, "It is difficult to go out of the residence after dusk as 'terrorists' from different groups take control of the town."

The Chairman said at least five factions of a left radical party were very active in the town and its adjoining areas. Armed cadres belonging to these groups collect toll from the affluent people of the town on a regular basis and give 'death threats' to the persons enlisted 'undesirable' by them. The entire township has been held hostage by them and the law enforcing authorities have little to offer in tackling the situation. The economic activities have little to offer in tackling the situation. The economic activities have thus come to a standstill, he added.



Tomato, a favourite winter vegetable appears in city markets ahead of winter. The item is beyond the reach of common men as it sells at Taka 60 per kilogram. —Star photo

Vegetable prices rise abnormally

Star Economic Report

The city markets witnessed exorbitant rise in the prices of vegetables in the past week.

The high prices of vegetables are keeping the customers at bay. Some of the items recorded a rise of as much as Taka 12 a kg. The customers were seen wandering around the markets in a perplexed mood and buying was very scanty.

Almost all kinds of vegetables registered a rise of between Taka four and six on an average. Bitter melon (karala) witnessed the highest rise of Taka 16 a kg. It is now selling at Taka 32 a kg while the price only a few days ago was Taka 16 only. 'Patil' is selling at Taka 20 a kg, only a week ago it could be bought for Taka 12.

'Even brinjal which we regarded as one of the cheapest vegetable has now become dearer', a customer at New Market Vegetable Bazar told The Daily Star correspondent on Friday evening. "I never dreamed that one day I have to buy it for Taka 20 a kg." Only a couple of days ago it was sold at Taka 14 a kg.

'Zhinga' price has soared up to Taka 18 from the previous price of Taka 10 a kg. 'Barbat' sells at Taka 18 a kg. The price has jumped by Taka six each kg within two or three days. Lady's finger, sold at Taka 16 a kg about four days back, is now Taka 20 a kg.

A limited number of vendors were found selling winter vegetables. The prices were also exorbitant but still seemed nothing extraordinary compared with the normal vegetables. Tomato is selling at Taka 60 a kg. A small sized cauliflower costs Taka 15.

The vendors said the supply of vegetables is very scanty in the wholesale markets. They blamed the flood and dislocation of transport system for the price hike. They expressed the fear that the high price may continue for another one or two months.

The spices market, however, showed mixed trend in prices. 'Mushur' pulses and 'mugh' pulses showed rise in prices. Both the items are selling at Taka 30 a kg from the previous price of Taka 28. 'Jira' price slid down by Taka 10 a kg. Onion price is now lower than what it was two weeks ago. It is selling at Taka 16 a kg from the previous price of Taka 20.

Prices of rice, ata and flour increased slightly during the week. About Taka one rise was registered for each kg of rice while ata showed Taka two rise in each kg. Salt price is also higher than normal. It is now selling at Taka 10 a kg. The Trading Corporation of Bangladesh (TCB) is selling salt at lower rate to put the salt price down. But it seemed not working as desired.

Import duty hits shipping sector

By Rafi Omar

The government has somewhat thought it necessary to re-introduce the import duty on purchase of ocean going vessels of over 3000 DWT size. What has inspired the budget pundits to do so is anybody's guess and difficult to fathom. The annual budget, as is generally understood by the common man, is the incumbent government's financial intentions for the coming fiscal year in which forecasts are made of revenue and other earnings as against estimated expenditure. The sources of revenues are identified and strengthened while efforts are made to curb leakages in the expenditures. In addition the Annual Development Plan is detailed outindicating sources of financing same.

While appreciating the government's concern to increase revenue earnings in the light of their claim of past government's mismanagement and losses due blatant corruptions, one must always bear in mind the effectiveness of any decision. Decisions that cannot be either implemented or brought to fruition are always futile decisions. In this case it has been witnessed that the 20 per cent Advalorem duty placed on import of ocean going vessels of size 3000 DWT and above in effect will give zero contributions unless a vessel is actually purchased during the financial year under review (1991-92).

The prevailing market price for vessels likely to be purchased by intending investors in Bangladesh is on the high side. When one adds the present rate of interest, and other fixed operational costs the project no longer remains attractive. Records show that private sector investment in shipping since 1971 has already been minimal as compared to other major industries. Since the independence a total number of about 20 vessels having over 3000 DWT capacity have been bought and registered by Bangladesh entrepreneurs. This averages to one vessels per annum. Assuming that average cost over the years of such vessels to be around US\$ 2,000,000 the carrying from duty and sales taxes have been about US\$ 400,000 annually. This constitutes a very minuscule amount when compared with total revenue earned by way of duties & sale taxes against all imports. On the other hand, for an investor a 20 per cent duty sticker is a large enough figure to turn his project from marginally attractive to a non-viable one.

It is evident that vessels flying Bangladesh flag carry only 26 per cent of import and 16% of export cargo of the country leaving a lion's share for the foreign flag vessels.

This after previous government's decision to institute the Flag Protection Ordinance virtually guaranteeing both export and import cargo to Bangladesh flag vessels.

In recent past it has been witnessed the emergence of container trade in and out of Bangladesh. From a paltry 5095 boxes through-put during 1981-82 it has risen to nearly 90,000 TEUS on 1989-90. As the two ports of Chittagong and Mongla do not have the required facilities to handle the new generation large container vessels, the modus operandi of the this trade has been to use smaller size feeder vessels having container capacities of 200-450 TEUS to ferry the boxes from the two ports of Bangladesh to either Singapore or Colombo where they are transhipped onto larger vessels for onward carriage to various destinations all over the world. This is known as the Hub and the Spoke system and is being used to connect all small ports to the main shipping lines.

For reasons of bank's shying away from financing purchase of ships and the very high interest rate alongwith duty structures imposed from time to time, investors with many years of shipping experience under their belts have kept for away from buying vessels, thereby, leaving wide openings for foreign operators to reap financial harvest. This was possible for them because purchase and registration of vessels for them remained comparatively cheaper.

In the container trade alone there are at present about 16 vessels operating between Bangladesh and the ports of Singapore and Colombo. Taking into consideration that about 90% of the total through-put of about 90,000 TEUS are Laden and 10% empty, the approximate total revenue earnings of the feeder operations is close to US\$ 30.15 million. Against this the total outflow of funds after deducting freight tax at 8.8% and port cost may be estimated at about US\$ 26.50 million. A very large sum for a financially ailing economy as compared to revenue earnings of US\$ 1.3 million from duty and taxes shown above.

A considerable part of this drainage of valuable foreign exchange can be halted if local entrepreneurs are attracted into buying and operating vessels. This motivation has to be mainly through financial benefits though there is a lot to be desired in the field of documentary procedures. This burden of 20% import duty is a major dampening factor. It is believed that to promote this industry government should look into the

possibility of giving tax benefits for at least the first five years. Shipping business will remain and will definitely grow in course of time as Bangladesh progresses in the path of development. Therefore, it is imperative that in the coming years, privately owned Bangladesh flag vessels take larger share of the trade and help save drains of millions of had earned foreign exchange. Only a rationale policy of the government in power can help achieve this.

The author is Managing Director of a shipping agency with more than 20 years of experience in the shipping.

Sales-Purchase-Tender & Employment News

Employment

- The Advertiser, GPO Box No. 3328, Dhaka-1000 invites applications for the post of "Medical Representative," must be Science graduates/Diploma in Pharmacy/Qualified Pallchikitsak with same experience. Please apply with bio-data alongwith P.P. size photograph by 25-10-91.
- Secretary, Bangladesh Public Service Commission Secretariat, Old Airport Building, Teagosa, Dhaka-1215 invites applications in prescribed form for the post of Assistant Engineer/Upazila Engineer for Local Govt Engineering Bureau. Applicants must have Bachelor's degree in Civil Engineering from any recognised University or Section 'A' and 'B' of A.M.I.E. passed. Prescribed form available from (1) The Secretary, Bangladesh Public Service Commission, Secretariat Old Airport Building, Teagosa, Dhaka-1215, or (2) The Assistant Director, Zonal Office, Bangladesh Public Service Commission Secretariat, Plot No. 49, Panchlaha Residential Area, Chittagong or (3) The Assistant Director, Zonal Office, Bangladesh Public Service Commission Secretariat, Plot No. 1458, Ramchandrapur, Natore Road, Rajshahi or (4) The Assistant Director, Zonal Office, Bangladesh Public Service Commission Secretariat, 37, Khalishpur, Housing Estate, P.O. Muzgunni, Khulna. Applications will be received only at the office of Commission's Secretariat situated at Old Airport Building, Teagosa, Dhaka-1215 up to 24.11.91.
- Additional Director General, Department of Health, Mohakhali, Dhaka-1212 invites applications in prescribed form for the post of "National Consultant," must have (1) MBBS degree recognised by BMDC, (2) Diploma/Masters/Doctorate degree in Public Health with 12 years experience. Application form available from the Office of the Director General, Department of Health. Applications must reach to the Director General of Health by 28.10.91.
- A major multi-divisional European Company requires EDP Manager for its EDP department. Candidates must have Master's degree in Science with atleast 2nd division/Class with 2 to 4 years experience RPG II Programming Language complemented by sound experience in PC applications. Please apply with hand written application, bio-data alongwith recent P.P. size photograph to the Personnel Manager, GPO Box No 507, Dhaka by 30-10-91.

Tender

- Executive Engineer (RHD), Special Project Division, Barani, Dhaka invites sealed tenders in Bidding Form No 291/1 from RHD entitled 'A' to 'C' class contractors for earth filling work on low land at the South Bank of the Mohananda of the Mohananda Bridge Project under RHD Special Project Division, Dhaka in the fiscal year 1991-92. Tender document available from the Office of Executive Engineer, (RHD), Special Project Design Division, Dhaka/Executive Engineer RHD, Planning & Programming Division, Sarik Bhaban, Ramna, Dhaka/Executive Engineer (RHD), Rajshahi Road Division, Rajshahi/Sub-divisional Engineer (RHD), Special Project Sub-division, Dhaka and above office up to 30-10-91. Tenders will be received by the Office of Superintending Engineer (RHD), Special Project Circle, Alenbari, Dhaka/Superintending Engineer (RHD) Project Control Circle, Sarik Bhaban, Ramna, Dhaka/Executive Engineer (RHD) Rajshahi Road Circle, Rajshahi and by the above office up to 12.30 P.M. of 31-10-91.
- Mymensingh Jute Mills Ltd, Shamshuganj, Mymensingh invited sealed tenders from Genuine Traders/Manufacturers for supply of (1) Hardware & Tools (2) Sulfuric Acid (3) Laminated Compressed Picking Stick (4) Fire Wood. Tender documents available from the office of General Manager (A&F), B.M.C (Dhaka Zone, Kam Chamber (4th floor), 99, Motiheel C/A, Dhaka as well as from the Accis Dept at mill site up to 27-10-91. Tenders will be received in the tender box kept at the office of D. General Manager (Store Purchase) Dept, Bangladesh Jute Mills Corporation, Dhaka Zone, B.M.C, B.M.C, Karim Chamber (6th floor), 99, Motiheel C/A, Dhaka up to 12 noon of 28-10-91.

Market Prices of Listed Shares and Debentures with Dhaka Stock Exchange

At the close of trading on October 10 and October 16, 1991.

Company	EV/MLC	1990-91			
		October 10 Taka	October 16 Taka	High Taka	Low Taka
BANKS (Ten)					
Al-Banque Bank	1000/1	765.00	790.00	1010.00	725.00
AB Bank	100/5	180.00	180.00	185.00	135.00
City Bank	100/5	290.00	290.00	290.00	178.00
LFIC	100/5	178.00	178.00	202.00	140.00
Islamic Bank	1000/1	1190.00	1190.00	1400.00	1000.00
National Bank	100/5	108.00	103.00	125.00	102.00
Punjab Bank	100/5	87.00	85.00	110.00	86.00
Rupali Bank	100/10	70.00	68.15	110.00	70.00
UCBL	100/5	119.00	119.00	138.00	119.00
Utara Bank	100/5	190.00	190.00	230.00	180.00
INVESTMENT (Eight)					
ICB	100/5	92.00	92.00	100.00	90.00
1st ICB M.Fund	100/5	345.00	345.00	450.00	345.00
2nd ICB Fund	100/5	154.00	157.02	200.00	150.00
3rd ICB M.Fund	100/5	134.00	133.00	168.00	130.00
4th ICB M.Fund	100/10	130.00	130.00	157.00	123.00
5th ICB M.Fund	100/10	100.00	96.13	139.00	94.00
6th ICB M.Fund	100/10	64.00	63.00	100.00	59.50
ICB Unit Cert.		115.00	115.00		
ICB Price		110.00	110.00		
RE-INSURANCE (Four)					
BIC	100/10	106.00	110.00	117.50	104.00
Green Delta	100/10	115.00	115.00	122.00	104.50
Peoples	100/10	132.67AL	132.67AL	153.00	108.00
United	100/10	123.67	123.00	124.00	105.00
ENGINEERING (Nineteen)					
Alfab Automobiles/100/5		200.00	202.00	220.00	194.00
Atlas Bangladesh	1050	39.00	38.50	44.00	36.00
Ata Pipes	100/5	290.00	290.00	300.00	218.00
Bangladesh Autocars/100/5		89.00	88.50	123.00	89.00
Bangladesh Lamps/105/5		265.00	265.00	290.00	230.00
B. Thai Aluminium/100/10		89.00	88.50	110.00	75.00
Bengal Carbide	100/5	250.00	250.00	250.00	250.00
Bengal Steel	10/50	18.00	18.00		
Bengal Cement	100/5	77.12	77.12	102.00	75.00
Howdaher PVC	100/10	98.00	98.00	122.00	97.00
Karim Pipe	100/5	138.00	138.00	139.00	110.00
Metalex Corp.	100/5	116.89	115.00	117.00	75.00
Monno Staffers	100/5	200.00	200.00	200.00	200.00
Monno Jute	100/5	210.00	210.00	210.00	210.00
National Tubes	100/10	107.00	107.00	137.00	103.00
Panther Steel	10/50	6.00	6.00		
Quasem Drycell	10/50	7.80	8.00	8.30	7.50
Renzick Jute/100/5		71.00	72.00	74.00	48.00
Singer Bangladesh/100/5		990.00	990.00	1125.00	990.00
FOOD & ALLIED (Twenty one)					
AB Biscuit	100/5	180.00	180.00	200.00	180.00
Alpha Tobacco	10/50	48.00	48.00	48.00	48.00
Amson Tea Food	100/5	36.00	36.00	40.00	36.00
Amson Tea	100/5	330.00	330.00	340.00	270.00
Amson Tea	100/5	80.00	75.00	85.00	45.00
Bengal	100/5	305.00	305.00		
Bengal Food	100/5	116.00	120.11	255.00	115.00
B.L.T.C.	100/5	600.00	400.00	600.00	600.00
B.T.C.	10/50	42.00	184.00	83.00	35.00
Cig. Vegetable	100/10	99.00	99.00	117.00	92.00
Dhaka Vegetable	100/5	131.00	131.00	175.00	127.00
E.L. Cornella	100/5	700.00	700.00	700.00	500.00
Frogging Export	4/50	4.50	4.50	6.75	4.00
Genial Sea Food	100.00	100.00	100.00	100.00	100.00
Modern Industries/100/5		160.00	160.00	160.00	135.00
N.T.C.	100/5	270.00	270.00	280.00	220.00
Rabeya Flour	10/100	NT	NT		
Rupali Oil	10/100	6.00	5.85	7.50	6.00
Taluk Dairy	100/10	94.00	94.00	105.00	90.00
Yeast Flour	10/50	NT	NT		
Zaid Bangla	10/50	8.15	8.37	10.00	7.50
FUEL & POWER (Three)					
Padma Oil Co.	10/50	40.00	40.00	45.00	40.00
Eastern Lubricant/10/50		14.00	14.00	81.50	46.50
Oxygen	10/50	49.00	46.50		
JUTE (Twelve)					
Ahad Jute	100/10	NT	NT		
Amson Jute	10/50	NT	NT		
Delta Jute	10/50	8.50	8.50		

** FV = Face Value * MLC = Market Lot NT = Not Traded. AL = Allotted Letter XB = Ex-Bonus/ XD = Ex-Dividend