

DHAKA TUESDAY, NOVEMBER 30, 1993

a four letter word

By Imtiyaz Husain

Over two years ago, globally the doors of the Bank of Credit and Commerce, its various affiliates and subsidiaries were shut — some permanently others temporarily till adjustments or take-overs could be approved by governmental monetary organizations. Many such outlets in several countries have changed their shroud and ownership pattern and are once again working as economic units with a different name. Others have been straddled with serious disputes and litigations which perhaps shall never resolve the rights of the depositors, at least during this century.

longer honoured. It was hardly conceivable that a single action could have so devastating an effect on so many in so short a time. Deluge of international media coverage in USA has linked BCCI with drugs, arms and terrorism. In Europe and UK, unsavoury lending policies and defaults were highlighted. BCCI's downfall began before it could mature and level off as an acclaimed international bank.

It took about a year of bureaucratic fence sitting and procrastination to come up with a temporary solution for the distressed depositor of

thorized capital of Tk 1 billion, larger than any other bank in Bangladesh. There would be three categories of shareholders — the government, financial institutions and the depositors. The spirit of privatization and liberalization halted the bureaucracy from turning it totally into a government bank. The shares were issued to the stipulated categories of shareholders which eventually resulted in a paid up capital of Tk 600 million with 20 per cent held by the government, 31.67 per cent by the financial institutions and 48 per cent by the depositors.

The issue in the forthcoming first annual general meeting of Eastern Banking to be held on December 9, 1993 will not be the concern for the losses. Because the facts of the losses and its cause will be perceived to be a natural calamity. A situation beyond the control of its management and to be blamed on others elsewhere. The main issue would be the election of five directors from the depositors shareholders. A mad race for proxy collection by geographic interest cartels, self supporting groups has been going on in the capital, in Chittagong and Khulna, since last several week to find 'bhalo lok' who would steer the future of the bank as directors representing the depositor-shareholders. Even the bank personnel have been known to be going around collecting mandates from their clients for their favourites.

No doubt the fight will be democratic and the biggest ever seen in the corporate world of Bangladesh. Because there are no sponsor directors or their stooges and because of the current limits on ownership of shares in banking companies, the real strength lies with the small depositors. It is they who can for once infuse the democratic spirit in our corporate life and elect directors who could honestly serve the interest of this bank and that of the small investors and depositors without malice and private greed. But this can only be achieved provided the small shareholders are serious about their choices and wish to really participate in this important endeavour with heart and soul.

The Market Place

Bangladesh in the form of a small withdrawal scheme through Agrani Bank. This was hardly a long term solution which would come much later in the form of the proposal to set up the Eastern Bank Limited. EBL would be a new banking company and would take up the assets and liabilities of the closed BCCI of Bangladesh. Several restructuring proposals had been submitted and examined by the government. Many take over proposals from high flying business groups had to be thwarted in the interest of fair play. EBL which had essentially been conceived by the central bank bureaucracy in the image of a nationalized bank structure became the first bank to be given the license by the BNP government.

Albeit, EBL's financial structure and categories of share holder gave it a different perspective. It began with an au-

The shares of EBL were listed in the Dhaka Stock Exchange despite the fact that the public offer was only open to the depositors who had no other alternative but to take up the shares rather wait for years to get back the deposit. Thus many became shareholders by default rather than by their own wish.

Almost a year has passed since all this happened. Time has now come to give Eastern Bank a new Board of Directors in terms of the requirement of the Companies Act. For the first time the real affairs of the former BCCI have been made public in the annual report of EBL. Significant features of the bank in December, 1992 prior to issue of shares to the depositors were:

Paid up Capital	310 million
Block Account	1373 million
Deposits	2379 million
Credit	206 million
Investments	562 million
Net Loss	21 million
Total Assets	1889 million

The operations of BCCI, Bangladesh was stopped in July, 1991 at the instance of its principle shareholders in Abu Dhabi. It is said that the Bangladesh Bank was reluctant to close BCCI's doors, but the Central Office of BCCI (Overseas) Ltd, Abu Dhabi said that it could remain open only at our national risk. And thus a decade of third world's aspirations in international banking, a surrogate foreign service, a basket of opportunities for the young and bright men of the sub-continent were lost for ever. Suspension of BCCI affairs in Bangladesh brought about uncertainty among the depositors, customers and employees. A pattern of economic behaviour suddenly ceased to exist. A way of life for some had become frozen that very day. People were suddenly left with unfinished businesses, unpaid bills, unsettled transactions. Companies found that their hard earned credit lines, their letter of credits, their remittances from abroad were no

Fisheries fetch Tk 294.94 cr

Minister for Fisheries and Livestock Abdullah Al Noman told the Jatiya Sangsad here Sunday that the country had earned Taka 294.94 crore in foreign exchange from exports of fish till September during the current fiscal 1993-94, reports BSS.

Replying to a question from Shaduzzaman of the Jamaat from Bogra, the minister said the earnings were Taka 62.62 crore higher than that of the corresponding period in 1992-93. Responding to another question from Enamul Huq of the same party from Cox's Bazar, he said there was at present no fish policy. A draft fish policy had been prepared which was awaiting approval of the government, he added.

In reply to a query from the AL MP from Tangail, Abul Hasan Chowdhury, Noman said the government had earned Taka 42.48 lakhs since July 1, 1993-94 till today from fish hatcheries.

To another question from Moulana Habibur Rahman of the Jamaat from Chuadanga the minister said there were 22 artificial insemination centres in the country. He said during the fiscal 1992-93, 11.52 lakh animals had been artificially inseminated in these centres. The minister also informed the House that the government had earned Taka 57.60 lakh at the rate of Taka 5 as fee for each cow during the period.

BAPEX to get 4 pc of gas tariff earnings

By Special Correspondent

The gas companies will spend a part of their earnings for exploration activities and to pay the debt servicing liabilities (DSL) for the money already invested for the purpose.

The government has decided that all the companies will have to pay four per cent of their gas tariff earnings at consumers end directly to the Bangladesh Petroleum Exploration Company (BAPEX), a subsidiary of the Petro-Bangla, entrusted to explore gas and oil resources.

The exploration work of the BAPEX remained virtually suspended for some years due to lack of fund while foreign aid or investments are also not available for it.

The companies under Petro-Bangla, which will provide fund for BAPEX, are: Titas Gas Transmission and Distribution Company Ltd, Bakhrabad Gas System Ltd, Jalalabad Gas System Ltd, Sylhet Gas Fields Ltd, Bangladesh Gas Field Ltd and Rupantarita Prakritik Gas Company Ltd.

The Ministry of Power, Energy and Mineral Resources recently proposed increase of gas tariff by at least 10 per cent to mobilise more fund for the gas companies to facilitate investment in exploration and development work.

The ministry source said that due to low tariff rate of gas, the earnings of companies concerned are not enough for which they are unable to invest for exploration and development activities.

Since the companies have failed to pay the DSL, the donors are also reluctant to provide fund for the new projects. The donors have also been setting pre-conditions for providing fresh loans for development projects. The government has already increased the gas tariff by 10 per cent in May last year.

The proposal of the Energy Ministry for further increase of tariff was discussed at a cabinet meeting held recently, but no decision was taken.

The policy makers maintained that the proposal for increasing gas price should be reviewed and examined meticulously before taking any decision. They believe that the repercussions of such increase on national economy and different sectors should also be considered carefully.

However, to facilitate the exploration activities and to arrange payment of DSL, creation of a fund utilising a part of gas tariff earnings was approved by the cabinet.

Milk Producers' Assoc executive body

Bangladesh Milk Producers' Cooperative Union Limited Officers' Association elected an 11-member Executive Committee for the years 1994 and 1995 in their third annual general meeting held here recently, reports BSS.

According to an Association Press release, M A Barik, Mustafa Kamal and Khalilur Rahman were elected President, General Secretary and Treasurer respectively.

All officers of the union head office and production units took part in the election.

ADB approves \$ 258m loan for India, Lanka

MANILA, Nov 29: The Asian Development Bank on Monday approved a 245 million dollar loan for a highways project in India a 13 million dollar loan for a financial management training project in Sri Lanka, reports AP.

The Indian project will improve sections of the national highways totalling 330 kilometres (206 miles) in the predominantly industrial states of Andhra Pradesh, Bihar, Haryana, Rajasthan and West Bengal.

The bank said an improved national highway system will lower transport cost, move goods and passengers more efficiently, reduce poverty in the affected areas, upgrade the government's institutional and implementation arrangements, and improved road transport operations.

The loan is payable in 25 years, with a five-year grace period. Interest will be determined in accordance with the bank's pool-based variable lending rate system.

The loan to Sri Lanka will be used to develop the government's training capability in financial management skills, including more use of computers, the bank said.

The loan is interest-free and can be paid in 40 years, with a 10-year grace period and an annual service fee of one per cent.

Manila loses \$ 3.4b in revenue

MANILA, Nov 29: The Philippine government loses about 90 billion peso (3.4 billion US dollar) in potential revenues a year due to tax evasion and exemptions granted to industries, a study says, reports Reuter.

Tax evaders account for 40 billion peso (2.4 billion US dollar) of the losses while another 29 billion peso (one billion US dollar) is lost due to loopholes in the collection of value added tax imposed on goods and services, according to the study published on Sunday in the Manila Times newspaper.

Another 29 billion peso is lost due to tax exemptions given by the board of investments to investors, said the study prepared by the Philippine Institute for Development Studies, a private think tank.

The study said that if all the taxes were collected there would be no need for the congress to pass new tax laws being proposed by the government to raise revenues.

China will reveal successful bids for oilfields next month

BEIJING, Nov 29: China will reveal next month the successful bids in its first international tender for onshore oilfields and will soon announce a new round of bidding, it was reported Sunday, reports AFP.

The China Daily Business Weekly said some 68 oil firms from 17 countries bid last month to explore and develop a 72,000 square kilometre (29,000 square mile) tract of far northeastern Xinjiang province's Tarimbasin, exactly the same number earlier said to have "expressed interest" in bidding.

But foreign oil men here have said they believe the number of actual bids to be much lower, with many companies forming consortiums to reduce risk in the remote region and others falling by the wayside because of the poor standard of pre-bid data supplied by the Chinese.

The basin, China's great hope for the future amid declining output at traditional oilfields, was the first major onshore area to be opened to foreign bidding.

A second round of bidding is to begin early next year.

Drastic tariff reduction likely

The authorities are planning to refocus manufacturing from domestic to export markets, drastically reducing tariffs within a 7.5-50 per cent range for its rationalisation in the context of free economy.

From 1994, as per the proposed tariff restructuring suiting a competitive market, tariff rates above 50 per cent will be used only to provide temporary protection to industries that pledge to adjust to lower rates within a few years, officials said.

A highly placed source told UNB that the National Tariff Commission had been given the task of the complex analysis needed to facilitate both the proper management of such temporary exceptions to the norm as well as reduction and rationalisation of the existing tariff rates. The present tariff range is 75 to 350 per cent.

With its help, subsequent reform of the custom duty schedule, the only instrument for nominal protection from FY '94, is expected to result in limiting the anti-export bias within an effective protection ceiling comparable with internationally competitive developing countries by FY '97, the source said.

Provided that ceiling is set now, at, say 30 per cent, and is credibly publicised, it should immediately encourage private

investment and restructuring decisions to be made in favour of export activities, he added.

"This," the official said, "is critical if the urgently needed recovery and growth of manufacturing is to be consistent with the export strategy."

Referring to ongoing structural reform programme, he said World Bank had suggested that the FY '94 and subsequent stages of the tariff reform should be facilitated by reduced reliance on high tariff rates for revenue purposes.

According to WB, this will occur through 1) expansion of the domestic VAT base and more active use of supplementary duty instrument for sumptuary taxation of domestic

products and imports alike; 2) containment of custom duty losses through the combination of offshore assessment under the pre-shipment inspection and assessment scheme with more sophisticated monitoring of imports and duty collections by the National Board of Revenue and Bangladesh Bank; and 3) higher levels of recorded imports as economic activity increases and lower tariff rates remove present incentives for smuggling.

The official said tariff reform had been accelerated significantly in FY '93 by the compression of customs duty rates into a range of 7-100 per cent for most products, accompanied by the removal of many en-

duser-defined distinctions.

This follows the FY '92 abolition of the development surcharge and regulatory duty and replacement of the import sales tax by trade-neutral VAT, leaving only the 2.5 per cent import permit fee to be removed to make custom duty the only protective instrument, he said.

Further tariff adjustment in FY '93 has reduced the economy-wide averages to 50 per cent protection within 72 per cent import tax, with some increase in VAT and supplementary duty coverage to offset the reduced base for calculating VAT caused by the lower protective duties, he added.

He said between the FY '89 to FY '93 the mean protection rates for the agriculture, manufacturing and mining sectors fell from 105 per cent to 49 per cent, from 94 per cent to 50 per cent, and from 54 to 33 per cent respectively.

Despite those efforts, the custom duty structure still remained high and also distorted by: 1) the recently expanded use of prescribed "tariff values" which may not reflect actual world prices in many cases; and 2) various inconsistencies in rates for output and input goods which, perhaps inadvertently, yield low or negative rates of effective protection for some industrial process.

Titas Gas reduces system loss to 6.35 pc in Oct

Titas Gas Company Ltd, a subsidiary of Petro-Bangla, reduced its system loss to 6.35 per cent in October following the action programme introduced by the government, reports UNB.

The system loss was 10.07 per cent during the month of July.

This was disclosed in the 20th meeting of the parliamentary Standing Committee on

Energy and Mineral Resources Ministry at Sangsad Bhaban Sunday with its Chairman Dr Khandaker Mosharrar Hossain in the chair.

Asian Development Bank has fixed a target for the company to bring down the system loss below 7 per cent by October, 1993 as one per cent reduction of system loss can help the company to save Tk 1.30 crore.

Iraq's Gulf ports fully operational

BAGHDAD, Nov 29: Iraq said Sunday its Gulf ports were fully operational and ready to accept import of goods not banned by the UN embargo, reports AFP.

"Iraqi imports will henceforth arrive directly at Iraqi ports, and that will reduce transport costs," Commerce Minister Mohammad Mehdi Saleh told the government daily Al-Jumhuriya.

The newspaper also quoted Transport Minister Ahmad Khalil as saying the waterways leading to Iraqi ports were "navigable and reliable."

The Iraqi announcement came two days after the port of Umm Qasr on the Kuwaiti border reopened.

An official with the UN Iraq-Kuwait Observer Mission (UNIKOM) said in Kuwait city that Baghdad was free to use Umm Qasr to import goods not covered by the embargo imposed after Iraqi troops invaded Kuwait in August 1990.

Iraq has been importing goods via the Jordanian port of Aqaba on the Red Sea since the embargo came into force.

Western naval vessels in the Gulf and Red Sea regularly inspect vessels bound for Iraq to ensure they are not carrying prohibited goods. The ban does not include foodstuffs or medicine.

Iraqi authorities have also said they completed dredging the Shatt Al-Arab waterway on the Iran-Iraq border.

BIA certificate awarding ceremony held

Bangladesh Insurance Academy's annual certificate and prize-giving ceremony was held at the Academy Bhaban here Saturday, reports BSS.

Commerce Minister M Shamsul Islam distributed certificates and prizes among the winners as the chief guest. Chaired by the Commerce Secretary Syed Ahmed, the function was also addressed by C M Rahman, Director, Bangladesh Insurance Academy and Chairman of the Bangladesh Insurance Association M Moeedul Islam.

The minister said the present government has been pursuing liberal and simple functioning of insurance in order to make the insurance activities popular in the rural areas.

He called for quick disposal of claims by the policy-holders.

120 flats for low paid employees to be built

A project is underway for construction of 120 flats for the employees of class three and four at Palassey, parliament was told yesterday, reports UNB.

Replying to Begum K J Hamida Khanom of BNP, Works Minister Barrister Rafiqul Islam Miah said of the project, works of 12 flats are nearing completion. The construction of the rest of the flats will be completed in 1994-95 provided availability of funds.

Barrister Rafiq also told the parliament that a new project is awaiting approval of the government for the construction of 1,000 flats for official and employees of different categories in various places of Dhaka city.

On availability of fund, the project is expected to be completed

in next three years.

In reply to Shaduzzaman of Jamaat, the Works Minister said there are 8,541 residential flats in Dhaka city for government officials and employees.

The government could provide flats to about nine per cent officials and employees, the minister said.

He said several housing plans for construction of 1216 flats have been undertaken by the government to meet the accommodation problem. The projects, however, are expected to be completed in next three years provided availability of funds.

Another report adds: The government has no plan for special housing project for working women in the capital.

State-owned mills buy Tk 101.92 cr jute

The State-owned jute mills have bought 15.07 lakh quintal of jute worth Taka 101.92 crore till November 11 of the current fiscal year, reports UNB.

Jute Minister A S M Hannan Shah said this replying to Mohammad Shamsuddoha of BNP during the question-answer hour in parliament yesterday.

The minister said the nationalised jute mills had purchased 32.16 lakh quintal of jute worth Taka 221.16 crore in 1992-93 financial year.

The country exported 72.793 metric tons of jute goods of Taka 148.70 crore till October of the current fiscal year. During the last fiscal, 2.92 lakh metric tons of jute goods worth Taka 558 crore, he said. In reply to Haji Rashed Mosharrar of Awami League, the Jute Minister informed the House that no worker of Adamjee Jute Mills was sacked in 1992-93 and 1993-94 under the retrenchment programme.

Another report adds: Jute Minister A S M Hannan Shah

yesterday denied in parliament that an organisation under Ministry of Jute exported bags of sand instead of jute.

The minister's denial came to a query from opposition Whip Sheikh Harunur Rashid of Awami League during question-answer hour in the House.

Hannan Shah also dismissed the report that Japan government has demanded compensation of 25,000 US dollar for this from Bangladesh government.



Samir F. Farha, Export Sales Manager for Middle-East and Indian Sub-continent, explaining about the preparation of Ilford film paper and chemicals at the National Press Club yesterday. He also assured them of marketing the Ilford products. Bangladesh agent Imran sitting beside him. — Star photo

বাংলাদেশ ব্যাংক
প্রধান কার্যালয়
ঢাকা

গাড়ী বিক্রয়ের পুনঃ দরপত্র বিজ্ঞপ্তি

ব্যাংকের নিম্নোক্ত যানবাহনগুলি যেখানে যে অবস্থায় আছে বিক্রয়ের জন্য সীলমোহরকৃত দরপত্র আহ্বান করা যাইতেছে। দরপত্র আগামী ১৩-১২-৯৩ইং তারিখ বেলা ১১-০০ ঘটিকায় বা তৎপূর্বে ব্যাংকের প্রধান ভবনের ৬ষ্ঠ তলার ৪নং কক্ষে রক্ষিত টেন্ডার প্রত্যেক যানবাহনের জন্য পৃথক দর উল্লেখকরতঃ দরপত্র দাখিল করিতে হইবে। মহাব্যবস্থাপক, ব্যায় ব্যবস্থাপনা বিভাগ, বাংলাদেশ ব্যাংক, প্রধান কার্যালয় ঢাকার অনুকূলে যে কোন সিভিলিয়ান ব্যাংক হইতে ব্যাংক ডাফট/পে-অর্ডার আকারে উদ্ধৃত মূল্যের ১০% আর্নেস্টম্যানি দরপত্রের সহিত দাখিল করিতে হইবে। ১৩-১২-৯৩ইং তারিখ বেলা ১১-৪৫ মিনিটে দরপত্রাদাতাদের উপস্থিতিতে (যদি কেহ থাকে) দরপত্র খোলা হইবে। কৃতকার্য সর্বোচ্চ দরপত্রাদাতাকে দরপত্র গৃহীত হওয়ার তারিখ হইতে ৭ দিনের মধ্যে দরপত্রে উল্লেখিত অবশিষ্ট টাকা নগদ/চেকের/ব্যাংক ডাফটের মাধ্যমে জমা দিতে হইবে। অন্যথায় আর্নেস্টম্যানি বাজেয়াপ্ত করা হইবে। কোন কারণ প্রদর্শন ব্যতিরেকে কর্তৃপক্ষ যে কোন বা সকল দরপত্র গ্রহণ বা বাতিল করার অধিকার সংরক্ষণ করেন।

অগ্রহী দরদাতাগণ যে কোন কার্যদিবসে অফিস চলাকালে ব্যাংক চত্বরে রক্ষিত যানবাহনগুলি পরিদর্শন করিতে পারেন।

যানবাহনের বিবরণ

ক্রমিক নং	গাড়ীর রেজিস্ট্রেশন নং	গাড়ীর ধরন	মডেল
১।	ঢাকা-৬-৯৭৮০	মিনিসুবিপি ল্যান্ডার কার-১২৪৪ সিসি	১৯৮৩
২।	ঢাকা-ঘ-৭৫৫২	টয়োটা স্টারলেট কার-১০০০ সিসি	১৯৮১
৩।	ঢাকা-জ-৪৫৩০	টয়োটা মাইক্রোবাস-২৪৯৫ সিসি (১৫ সীটের হাইএস)	১৯৮২
৪।	ঢাকা-চ-৩০৩৬	—ই— (১২ সীটের হাইএস) ২১২৮ সিসি	১৯৮২
৫।	ঢাকা-ভ-৫৮০৭	হুন্ডাই এঞ্জেল কার	১৯৮৬

দরপত্র গ্রহণের উপর "গাড়ী ক্রয়ের দরপত্র" অবশ্যই লিখিতে হইবে।

জনসংগ্রহঃ ৪৪৮/৯৩-১৯৪০
ডিএফপি(জি) ১৯৬২৫-২৫/১১
জি-১৬৪৯

আকুর রশীদ
মহাব্যবস্থাপক