

# Govt decides to turn Joydevpur Machine Tools Factory into EPZ

The government has decided to turn the Machine Tools Factory at Joydevpur in Gazipur district into an Export Processing Zone (EPZ).

The decision was taken at the eighth meeting of the Board of Governors of Bangladesh Export Processing Zone Authority (BEPZA) recently.

The meeting was presided over by Prime Minister Begum Khaleda Zia.

Close circle in the Ministry of Industries said a decision was taken in this regard in principle and the Ministries of Finance and Industry and

**By Staff Correspondent**

BEPZA have been authorised to formulate a strategy to implement the decision.

The Principal Secretary of the Prime Minister's office will coordinate the matter.

After the completion of the project, this will be the fourth EPZ in the country. Besides Chittagong and Dhaka EPZ, another EPZ is under process at Mongla in Khulna.

The meeting also decided to expand the Chittagong Export Processing Zone (CEPZ).

According to the decision, about 40 acres of land to the southern side of the existing

location of CEPZ will be brought under it.

Sources in the Bangladesh Steel and Engineering Corporation said the government has already closed down the machine tools factory at Joydevpur due to mounting losses in the last few years. The employees of the factory also have been relieved.

According to BEPZA, both local and foreign investors have shown much interest in investing in the EPZ areas for its attractive facilities including tax holiday for 10 years.

The source said, CEPZ, the first EPZ in the country established in 1983, has so far exported various items worth about 490.016 million US dollars. Investment in CEPZ also increased by 31.50 per cent in the last fiscal year. The total investment in 54 industrial units of CEPZ now stands at 123 million US dollars equivalent to Taka 505 crore.

About 21 thousand local people have so far been employed in CEPZ. The employment opportunity in CEPZ rose by 15 per cent in the last fiscal year.



AS Mahmud (4th-R), Chairman, Bangladesh Lamps Limited, seen addressing the shareholders at the 33rd Annual General Meeting of the company at Hotel Sonargaon in the city yesterday.

## India's 2 biggest businesses to tie up

**NEW DELHI, Oct 26:** India's two largest manufacturers of consumer goods have been given permission to merge after the Supreme Court turned down petitions seeking to block the alliance, reports AFP.

Market leader Hindustan Lever Ltd (HLL), the Indian subsidiary of Britain's Unilever Group, and Tata Oil Mills and Co Ltd. (TOMCO) will together corner a dominant share of the country's soap, detergent, shampoo and toothpaste market.

Workers' unions of the two companies challenged the merger in court, fearing layoffs and protesting that it would create an unfair market monopoly.



## Frank Gamble joins Grindlays Bank as GM

**By Staff Correspondent**

Frank Gamble, a career international banker, has taken over as General Manager (Chief Executive) of ANZ Grindlays Bank, plc Bangladesh on October 24, says a press release.

Born in Calcutta in 1953, Gamble is no stranger to this country as he lived with his father in Khulna and Narayan-ganj from 1958 to 1964. Gamble's father worked in the jute industry as manager of various Andrew Yule Mills in India.

He obtained honours and masters degrees in Economics from Dundee University, followed by one year postgraduate work at Edinburgh University. In 1978, he received the Sir Ross Prize of the Chartered Institute of Bankers in Scotland and ACIB (Scott).

Gamble joined the Bank of Scotland as a graduate trainee in 1976 and then Grindlays Bank London in 1978. His appointments with the bank have since included a three year stint with the Corporate Banking Department in London, Manager Credit & Marketing and Manager International Marketing at Nairobi, Kenya, Manager Northern Emirates, UAE, Manager Zurich, Switzerland and lastly Country Manager Qatar, where he ran the ANZ Grindlays operation since his posting in 1990.

## Lankan stocks fall sharply after blast

**COLOMBO, Oct 26:** Prices fell sharply at Sri Lanka's tiny stock exchange Tuesday, the first day of trading after the assassination of the main opposition presidential candidate during a rally here, brokers said, reports AFP.

The all share price index shed 32 points while the sensitive price index, reflecting the performance of blue chips, dropped heavily from the previous close of 1,644 to 1,591 points, a broker at the trading floor said.

There is a lot of selling pressure, this is the normal reaction you see after this kind of (bomb) attack, the broker said, adding that the violence came as the market appeared to be recovering from a prolonged bear run.

## Transformer industry on the brink of closure: TMB

The transformer industry is threatened with closure for improper operation of open market economy and inappropriate application of VAT law, manufacturers said yesterday, reports UNB.

They alleged that the present budget, using market economy as a pretext, was encouraging and protecting import of transformer against local manufacturing.

"For the present crisis of transformer industry, open market economy or VAT law is not a fault, the crisis has been created by unequal and illegal applications," said Secretary General of Transformer Manufacturers of Bangladesh (TMB) at a press conference.

There are at least seven manufacturers who can manufacture transformers up to 1,000 KVA and are capable of meeting the country's total requirement of distribution transformers, he said.

The duty on imported transformer up to 650 KVA capacity was reduced from 60 per cent last year to 30 per cent this year in the name of GATT, but duty on imported raw materials for manufacturing transformer remained up to 60 per cent.

TMB said the industry was

existing under the adverse conditions with weak industrial and moribund administrative structures and marketing system but this year's budget was encouraging and protecting import of transformer.

About 40-60 per cent of raw materials are purchased locally. For a large percentage of these locally purchased materials, no VAT-Chalan can be obtained, the manufacturers alleged.

Local transformer producers were prohibited from importing transformer oil. They can only purchase oil from government companies.

"The rate of VAT imposed

US dollar up, stocks mixed in Tokyo

**TOKYO, Oct 26:** The US dollar finished high against the Japanese yen Wednesday, while prices on the Tokyo Stock Exchange were mixed at the end of trading, reports AP.

The dollar closed at 96.94 yen, up 0.18 yen from Tuesday's close and also above its overnight New York finish at 96.83 yen.



Nurul Anam (1st-R), Convenor, Transformer Manufacturers of Bangladesh, addressing a press conference at the National Press Club in the city yesterday. — Star photo

# South Korea — a replicable model for Bangladesh?

**By Abdus Shahid**

South Korea's experience in economic development and its relevance as a model for other Third World countries is a much discussed topic. The reason for such interest is obvious: Korea's economic transformation is dubbed as a miracle. A war-ravaged poor agrarian economy with per capita income of 80 dollars in 1962, South Korea is now called a newly industrialised country. It now has a per capita income of 7,250 dollars (1993 figure).

Agriculture's share of GNP declined from 37.0 per cent in 1962 to 7.1 per cent in 1992. Manufacturing sector's share has increased from 14.4 per cent to 33.6 per cent in the same period. Merchandise trade volume increased from 500 million US dollars in 1962 to 145.3 billion US dollars in 1992. The nation now ranks 13th in the list of world exporters.

Planners and academicians in Bangladesh in their search for a replicable development model often point to comparable socio-economic factors which would justify Korea as an example. Korea, after the war, did start with an under-developed agrarian economy; it also was over-populated and had poor natural resource base. But

comparable factors between Korea and Bangladesh stop just there.

### Contrasting socio-economic factors

Koreans claim a national identity of at least five thousand years, with dynastic rule generally expanding over 500 years. Korean peninsula came under colonial rule only for a brief period, from 1910 to 1945. During this period of Japanese occupation manufacturing grew at the rate of 10 per cent per annum and accounted for 20 per cent to total output in 1938. From 1945 to 1960, formal education at all levels expanded tremendously. By 1960 literacy rate was 80 per cent. A revolutionary land reform was implemented in 1948; a land ceiling was introduced and the land expropriated from the landlords were distributed among the previous tenants. This reform had a far reaching effect on the industrialisation effort by increasing the real income of farmers and supply of industrial raw materials.

Bangladesh on the other hand presents a completely reverse picture. The concept of Bengali nationalism began to

assert itself only recently and our past history is an account of unbroken chain of foreign occupation and colonialisation. Agriculture still accounts for 40 per cent of our GNP and employs about 70 per cent of our people. Since our liberation in 1971, three half-hearted plans were made for partial land reforms. None of those efforts were however implemented. Agriculture has grown nonetheless, to a level where we are about to achieve food autarky, though production of jute, the main cash crop of farmers has long ceased to be profitable for them. This has reduced their purchasing power; also the jute industry, backbone of our rudimentary industrial sector is facing extinction after our liberation due to mismanagement and lack of proper policy guidelines.

Bangladesh's performance in developing its human resource is also very poor. Literacy rate is still 35 per cent, with a paltry eight per cent of population completing tertiary education. General standard of education is also widely recognised to be very low.

### Korea's strategy

Contrary to popular belief,

## Bangladesh Lamps announces 30 pc dividend for shareholders

**By Staff Correspondent**

Bangladesh Lamps Limited, the licensed manufacturer of Philips bulb in Bangladesh, has announced dividend for the shareholders at a rate of 30 per cent.

The announcement was made at the 33rd Annual General Meeting (AGM) of the company yesterday at the Hotel Sonargaon. Chairman of the company AS Mahmud presided over the meeting.

The company made a pre-tax profit of Tk 4.39 crore in 1993 as against Tk 1.98 crore of the previous year.

Contribution of the Bangladesh Lamps Ltd along with other subsidiary companies of the Transcom Group to the national exchequer was Tk 36 crore in 1993, which is expected to increase to Tk 50 crore in the current year.

## Poor sug: production forecast

**From Our Correspondent**

**GAIBANDHA, Oct 26:** The country's sugar production target will not be achieved in the current season (1994-95) for low output of sugarcane in different mill zone areas.

According to Bangladesh Sugar and Food Industries Corporation (BSFIC), this season production target from 15 sugar mills of the country was fixed at two lakh 18 thousand 622 metric tons. Mill-wise targets are: Shampur Sugar Mills — 11,658 tons; Rangpur Sugar Mills — 13,440 tons; Shatabganj Sugar Mills 13,050 tons; Thakurgaon Sugar Mills — 14,196 tons; Joypurhat Sugar Mills — 19,090 tons; Panchagarh Sugar Mills — 10,962 tons; Natore Sugar Mills — 19,140 tons; Rajshahi Sugar Mills — 20,160 tons; North Bengal Sugar Mills — 21,315 tons; Deshabandhu Sugar Mills — 1,050 tons; Mobarakganj Sugar Mills — 16,625 tons; Kushtia Sugar Mills — 15,200 tons; Keru and Co. — 15,400 tons; Faridpur Sugar Mills — 14,784 tons and Zilabanga Sugar Mills — 12,750 tons.

It said for achieving the target, the mills will have to crush a total of two lakh 55 thousand 500 tons of sugarcane. However, the decline in sugarcane output will greatly affect sugar production in the country.

## Tea prices ease at Ctg auction

**By Staff Correspondent**

Except for some selective lines, prices for all other types of tea eased at this week's auction sale held in Chittagong on Tuesday.

According to a Unity Brokers market report, lack of much competition for the larger broken led prices to ease by about Taka one per kilogram as buyers shared freely.

The major buyers at the sale were Russia and Poland with Pakistan remaining practically inactive. Withdrawals in the fannings category was substantial. The local traders operated strongly for the lower varieties.

A total of 26,277 packages of leaf and another 4,489 packages of dust were offered at the auction sale. The total withdrawals at the sale stood 37 per cent of the offerings as against last week's 33 per cent.

In the leaf category, the ex-

port buyers accounted for 43 per cent of the sale while the local traders purchased 20 per cent and the rest was withdrawn.

In the dust category, the internal traders accounted for 41 per cent of the sale while the export buyers brought 22 per cent and the remaining 37 per cent was withdrawn.

Following is the category-wise market report as prepared by Unity Brokers:

**CTC:** Larger broken eased by Taka one and sold between Taka 36.50 - Taka 37.50. Except for the internal popular lines which were firm to dealer, most others eased by about Tk one. Selective best lines realised between Taka 45.40-Taka 51.60.

Reduced export demand for the fannings led prices to decline between Taka 1/2 with plainer sorts losing further. Withdrawals in this section

## Tk 3,417 cr remitted from abroad till Sept

The country has earned about Taka 3,417 crore in first nine months of the year as remittances from Bangladeshi nationals working abroad, a meeting was informed yesterday, reports BSS.

The amount is nearly eighteen per cent higher than the earnings made in the corresponding period of the previous year.

The 24th meeting of the Parliamentary Standing Committee on Labour and Manpower was told that Taka

3416.93 crore was received as remittances from Bangladeshi workers staying abroad during January to September 1994.

The meeting, chaired by Labour and Manpower Minister, Abdul Mannan Bhuiyan, was also informed that remittances in the corresponding period of 1993 was Taka 2899.46 crore. The increase of earning was 17.85 per cent, the meeting noted.

The meeting was further told that licenses of a total of 27-recruiting agencies have been cancelled recently.



AKM Mostafizur Rahman, Managing Director, Jiban Bima Corporation, is seen handing over a death claim cheque for Taka eleven lakh thirty six thousand on Monday to Rehana, wife of late Kamrul Alam.

was fairly large. The internal popular lines were firm to dealer and sold between Taka 47.00-Taka 51.20.

**GREEN TEA:** 600 packages were on offer. FYH and Hysons were fully firm and sold between Tk 74.00-Tk 77.50 YH's remained unsold.

**DUST:** 4,489 packages were on offer. Strength of the previous sale weakened and most prices declined by Tk 1/2. There were some withdrawals in the plainer categories.

The next tea auction sale would be held in Chittagong on November 1 and the total offerings would consist of about 25,000 packages of leaf and another 3,500 packages of dust.



## Hamano takes over as Sonargaon Hotel GM

**Yoji Hamano joins as the General Manager of Sonargaon Pan Pacific Hotel, Dhaka, reports BSS.**

Hamano, a Japanese national, is graduated in law and economics from Kanagawa University, Japan. He has to his credit a long working experience with the Tokyo group, the parent company of Pan Pacific hotels and resorts, a press release said yesterday.

Hamano has over 34 years of experience in hospitality industry. He commenced his career with the Ginza Tokyo Hotel in 1960. Over the years, he was transferred and promoted to various positions within the Tokyo Hotel China.

In January 1993, he was assigned the position of Vice President (administration) at the Pan Pacific Hotels and Resorts, Asia regional office. He has been holding this position prior to his recent appointment as the General Manager, Sonargaon Pan Pacific Hotel, Dhaka.

## World Bank okays \$150m loan to Vietnam

**HANOI, Oct 26:** The World Bank has approved a 150 million dollar loan to Vietnam to support market reforms in the Communist country's banking, tax and public finance sectors, a bank official said Wednesday, reports AP.

Officials at the Washington headquarters will sign an agreement Friday for the loan, the bank's fourth to Vietnam, according to the Hanoi representative, Bradley Babson.

The interest-free loan will deepen Vietnam's transition to a free market economy, a process the country began in 1986, Babson said.

The money will support reforms in tax collection, the possible adoption of value-added taxes, reductions in subsidies to state-owned companies, the development of a retail banking system and elimination of obstacles to free trade, he said.

Babson would not specify trade barriers, saying the Vietnamese were still writing their reform plan.

The two-year loan will also help improve management of strategic industries such as power generation.