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## CEPZ to acquire 40 more acres of land for further expansion

From Staff Correspondent

CHITTAGONG, Jan 20: Chittagong Export Processing Zone Authority has initiated a process to acquire 40 more acres of land for its further expansion and development in a bid to draw and accommodate more foreign investments here.

Official sources said the process to acquire additional 40 acres of land followed a decision taken recently at a high level meeting of the EPZ Authority.

Further expansion of CEPZ was planned following a good

response from foreign investors who are keen to set up industries here, sources added.

Meanwhile, the expansion work at CEPZ under its third phase programme is nearing completion and as a result, 178 additional plots will be reached by June this year.

The third phase expansion began from January, 1994 at CEPZ, country's first operational export processing zone based near Chittagong Port.

Earlier, 236 plots were de-

veloped here under first and second phase expansion programmes between 1980 and 1990 and most of those plots were already allotted to the investors both from home and abroad, official reports said.

A total of 453 acres of land were developed so far at CEPZ, reports added.

CEPZ already housed 58 operational units with maximum from Japan, and around eight more units are now under construction.

Some units including a

'Bangladesh-Australia joint venture cane manufacturing enterprise', Japanese rope industry and Hong Kong-owned hats manufacturing enterprise, started production in recent months.

Besides, two Malaysian spare parts and bicycle manufacturing industries are expected to go into production shortly, officials said.

Total investment in CEPZ which became operational in 1983 so far rose to 128 million US dollars, they claimed.

## MOU signed with Daewoo to set up cement factory

A memorandum of understanding (MOU) has been signed between Daewoo Corporation of Republic of Korea and Bangladesh Chemical Industries Corporation (BCIC) for setting up a cement factory, says a press release.

I Y Koh, Executive Managing Director of Daewoo, and Waseq al Azad, Chairman, BCIC, signed the MOU on behalf of the respective organisations in the city yesterday.

Minister for Industries, A M Zahiruddin Khan, and Hasnat Abdul Hye, Secretary, Ministry of Industries, were present on the occasion.

The cement factory will be set up at North Patenga in Chittagong with an annual production capacity of six lakh metric tons.

According to the press release, cement is one of the those sectors which were identified for joint venture investment through discussion between Daewoo Corporation and Ministry of Industries and BCIC.

The proposed cement factory is the first joint venture taken up in pursuance of discussion and will be largest cement factory of the country so far.

In selecting the process technology, special emphasis will be given to the quality of product and environment pollution control aspects in accordance with the updated ISO requirements. Daewoo shall assist BCIC in sourcing appropriate equipment which can be manufactured/fabricated locally within Bangladesh.

The indigenous cement production capacity in the country is in the order of seven lakh tonnes as against the demand of 22 lakh tonnes.

The implementation of the proposed cement factory as joint venture will be a step forward towards attaining national self-sufficiency in cement, the press release added.



I Y Koh, Executive Managing Director, Daewoo Corporation of Republic of Korea, and Waseq al Azad, Chairman, BCIC seen exchanging documents after signing the MOU at the BCIC Bhaban in the city yesterday.

## Targeted revenue growth from tobacco may not be achieved

Tobacco, the industry that was growing consistently for years and contributing a third of the country's total domestic tax revenue, now faces a slump to the concern of the exchequer, reports UNB.

Sources at the National Board of Revenue (NBR) said the projection of 18 per cent revenue growth from the tobacco sector for the current fiscal year was most unlikely to be achieved.

Stringent measures to plug tax pilferage and check smuggling of higher brand cigarettes failed to move revenue collection from the tobacco sector in the first half of the current fiscal (July-Dec 1994) to the targeted level.

It's an ambitious target which is difficult to attain, a senior VAT official said.

Collection during the period was Tk 389 crore, a growth of 13 per cent over the corresponding period in the previous 1993-94 fiscal.

VAT (Value Added Tax) officials expressed particular con-

cern at the 'much below-expectation' payment by the Bangladesh Tobacco Company (BTC), the multinational which provides nearly 80 per cent of the total revenue from the tobacco sector.

BTC's tax payment during July-December period was Tk 315 crore which, according to NBR figures, marked only 9 per cent growth over the corresponding period of the previous year. The growth rate is half of the 18 per cent which the government projected.

A BTC official said it is highly unlikely that tax payment would see any significant jump in the next six months. The forecast says that BTC's revenue contribution would be at the last year's level of Tk 647 crore which means a zero growth.

The BTC officials attributed the depressing scenario to the falling sales of its two higher brands of cigarettes — Gold Leaf and 555 — which fetch 70 per cent of the company's total revenue.

According to available figures, sale of 555 brand faced a rock-bottom decline to 22 million sticks in November last from 61 million in May.

Monthly revenue to the exchequer by the brand simultaneously fell by Tk 10 crore to Tk 3.8 crore during the period.

While a VAT official attributed the phenomenon to declining smoking habits and gradual switching over to the low-tax inferior brands or country-made cigarettes (bidli), a BTC official categorically blamed recent tax hike.

Tax on higher brands of cigarettes had increased by 3 per cent in the current budget (from 65 per cent to 68 per cent).

The price of 555 increased to Tk 52 per packet of 20's from Tk 46 in July, leading to sharp fall in its sales. BTC official said smokers of the brand immediately switched to smuggled Benson and Hedges then available at Tk 60.

## \$ 6.8m UNFPA aid to Pakistan

ISLAMABAD, Jan 20: Pakistan is to get 6.8 million dollars aid from the United Nations for its population welfare projects, including supplies of contraceptives, it was announced Tuesday, reports AFP.

The Country Director of the UN Population Fund, Nasim Tumakya, and Aftab Ahmed Khan, Pakistan's economic secretary, signed an agreement under which the UNFPA will provide 211 million rupees (6.8 million dollars to Pakistan).

The amount is to be used for procuring "appropriate quantities of quality contraceptives" until June 1998 and improve distribution of needed supplies, the official Associated Press of Pakistan (APP) said.

Pakistan's population, officially estimated at around 125 million, is growing at an annual rate of around three per cent which is considered to be among the highest in the world.

Pakistan has launched a media campaign in favour of a two-children per couple norm and officials say they hope to bring down the birth-rate to 2.6 per cent per 1,000 by 1998.

## 217 TCCAs under BRDB regain eligibility for loan

Thana Central Co-operative Associations (TCCAs) numbering 217 under the Bangladesh Rural Development Board (BRDB) have got the opportunity provided by the government for remittance of all interest and rescheduling of the principal amount in respect of agricultural loan up to Taka five thousand, reports BSS.

They have paid the first instalment within the stipulated date, signed agreements with the banks concerned and become eligible for further agricultural loan. Sanctioning of loans to these TCCAs is in progress and disbursement of loan has already started in about 50 TCCAs. BRDB press release said here yesterday.

The press release said nearly all the 449 TCCAs under BRDB had become ineligible for agricultural loan because of the inability of their members to repay agricultural loans

taken earlier from the banks. Flow of agricultural credit to the co-operative farmers through the TCCAs had remained virtually suspended during the past four years.

Taking the plight of the poor co-operative farmers into consideration, the government decided in May 1994 to remit all normal and penal interest and reschedule payment of the principal on agricultural loan up to Taka five thousand. The principal amount was to be repaid in 10 equal instalments over a period of five years, the press release said.

According to the arrangements made by the banks the TCCAs were required to pay the first instalment, amounting to 10 per cent of the principal amount due and sign agreements with the banks by December 31 last year to become eligible for further agricultural loan. 217 TCCAs have got this opportunity by making

payment of over Tk five crore.

The press release said the remaining TCCAs are in the process of realizing the dues from their members for payment to the banks. Meanwhile BRDB has requested the banks to extend the period for payment of the first instalment and signing of agreements by February 28, 1995.

The proposal is under active consideration of the banks. It is hoped that most of the remaining TCCAs will be able to get the opportunity and become eligible for agricultural loans if the period is extended as proposed by the BRDB.

Resumption of the flow of agricultural credit to the co-operative farmers through the TCCAs will, in addition to ameliorating the socio-economic condition of the poor co-operative farmers, have a significant positive impact on agricultural production.

## US trade deficit rises to \$ 10.53b

WASHINGTON, Jan 20: The US trade deficit rose to 10.53 billion dollars in November as imports set a seventh straight monthly record, the commerce department said yesterday, reports AFP.

Experts had expected a 10-billion dollar imbalance. The November deficit in goods and services was 4.3 per cent higher than October's revised figure of 10.1 billion dollars.

US exports, led by strong commercial aircraft sales, rose to a record 61.16 billion dollars, up 2.2 per cent from October.

But exports were up 2.5 per cent to 71.69 billion dollars, partly because of surging oil imports.

The trade gap with Japan fell by 6.9 per cent to 6.19 billion dollars.



Dr Monzurul Haque (extreme right) of Saint Xavier's University, Chicago, conducted a seminar on 'Stock Markets of Bangladesh, Singapore and Hong Kong' at North South University in the city recently. Dr Hafiz Siddiqi (middle), Professor and Academic Dean, NSU, chaired the session and Dr Salahuddin Ahmad of NSU participated in the discussion.

## Grain coupons again in China

BEIJING, Jan 20: Just one year after China abandoned its 40-year-old system of grain rationing, grain coupons have reemerged in a number of cities to combat price rises and ensure supply, a report said yesterday, says AFP.

The fact that local governments have been forced to bring back the coupons, a potent symbol of central planning, clearly demonstrates the difficulties the authorities are having in adapting fundamental sectors of the economy to a market system.

Cities in the provinces of Xinjiang, Liaoning, Shandong, Sichuan, Hunan and Anhui have all returned to the coupon system after an influx of business people and migrant workers drove up price on local markets, pushing grain out of the reach of low-income families, the China Daily said.

## Quake shock forces Tokyo residents to stock up

TOKYO, Jan 20: The busiest spot in the 10-storey Takashimaya Department Store on Friday was a tiny stand hawking the items that Tokyo residents are most interested in today — disaster supplies, says AP.

The 5-yard-(meter)-wide display, offering everything from bottled water to special quake kits costing hundreds of dollars, drew a steady stream of customers, their concerned faces intently scrutinizing each product.

The earthquake that devastated the Kobe area on Tuesday sent a powerful message to the capital, which has been told to expect a major quake sometime during the year.

Many people here took the warning for granted and sim-

ply went through the motions of preparedness. Now that they've seen the reality, they're scurrying to examine if they're really ready.

Kyoko Omura, a 37-year-old housewife, spent about 25,000 yen (250 dollars) for two cases of water, two cases of canned breads and an emergency bag for her family and parents. She was motivated by the tragic images she saw on television from Kobe.

"Something I thought would never happen, so I came here," she said. "This is not someone else's business. You can only count on your neighbours, not those officials, in case of emergency."

The special display was set up following a series of strong quakes that began in the final

days of last year. Most of them were centered in northern Japan.

Sally had been slow until Tuesday's Kobe quake, which left more than 4,000 people dead. Since then, business has been non-stop, with an average 500 customers each day and more than 10 million yen (100,000 dollars) in sales for three days.

"Now customers come in with a serious look and ask us questions," said Takashimaya sales manager Ikuo Tsunoda. "We get more than 100 calls a day."

Tucked amid the housewares section, the shelves offer combination flashlight-radio, emergency candles, rope ladders and fire extinguishers.

## Indian economic reforms won't hurt poor people: Singh

NEW DELHI, Jan 20: The government will ensure that India's many poor people aren't hurt by its free market economic reforms, Finance Minister Manmohan Singh said Friday, reports AP.

The reforms, launched in 1991, have begun attracting foreign investors and boosting exports and industrial production, but the governing Congress Party has faced criticism because the changes also have led to a sharp rise in food prices.

In a speech about the reforms, Singh said that rising agricultural and industrial production, big foreign exchange reserves and lifted trade barriers should help reduce inflation.

The annual inflation rate rose to nearly 10 per cent this month, up from 6.8 per cent in April 1993. In the last week, poultry prices rose by 4 per cent and egg prices by 6 per cent.

"Our government is fully committed not only to the reform process, but also to the promise that the burden of structural adjustment will not fall on those who are least able to bear it," Singh told an annual conference of labor ministers and officials from 80 Non-Aligned and other Third World countries. "Adjustment with a human face is the basic objective."

## First global UNEP survey says

# Banks foresee growing opportunities and importance of environment

The first global survey on banking and environment sponsored by the United Nations Environment Programme (UNEP) and Salomon Inc of New York said the number banks throughout the world involved regularly in environment-related investment and lending is expected to nearly triple over the next 15 years.

This was stated in a UNEP press release captioned 'Banks foresee growing opportunities and importance of environment' issued from New York and Nairobi on Wednesday.

According to the press release, the survey indicates that European banks are ahead of their North American counterparts in pursuing environment-related investment and lending opportunities.

31 per cent of respondents said they loan to or invest in environment-related firms today, 88 per cent said they expect to do so within 15 years. Comparing regions, European institutions place the most emphasis today on lending and investment strategies targeted at environment-related firms, followed by Asian institutions.

Nearly half of respondents do not monitor or evaluate environmental risks after funding is committed.

46 per cent of respondents, all of which conduct business internationally, do not stay current on environmental po-

licies and practices in other countries.

All respondents predict environmental issues will receive more attention and become increasingly integrated with core business activities over the next 15 years.

Over the next five years, respondents are very likely to add environmental criteria to all procurement decisions, and become more involved in resource reduction, energy conservation and recycling.

69 per cent of respondents say they want better training for staff to help comply with government regulations, 67 per cent want those regulations and guidelines made easier to follow and 55 per cent indicated a need for better data on financial risks associated with environment issues.

Two thirds of respondents expect government regulatory requirements to become stricter over the next five years.

80 per cent of respondents perform some degree of pre-closing environmental financial risk management on the debt side of their business; among regions, North American banks have the highest focus on risk management processes and tools.

Environmental issues presently appear to play little role when it comes to equity financing.

The survey was made public Wednesday here at United Nations Headquarters by UNEP Executive Director Elizabeth Dowdeswell, together with Mootaz Fall, Director, International Capital Markets, Salomon Bros. Inc, and researcher John Ganzl of the Environment and Finance Research Enterprise, New York.

The research establishes important baselines for further research and points the way for future work with the financial industry by governments, non-governmental organizations (NGOs) and multilateral organizations such as UNEP to pursue a proactive, global approach to environmental initiatives applicable to the work and concerns of the financial services industry.

The survey results clearly indicate that integrating environmental issues into banking practices is not some kind of corporate philanthropy, but rather good, solid business," Ms Dowdeswell said.

Speaking for Salomon Inc, Fall said: "The research clearly shows there are numerous opportunities for financial institutions like ours. It might involve direct investments in emerging environmentally-related firms or technologies or take the shape of joint ventures and activities between our firm and the various multi-

lateral development banks."

The study offers a number of recommendations for follow-up by industry, NGOs, Governments and multilateral organizations. For example, it says national governments and multilateral organizations should play a key role in creating "global" guidelines and regulations that would simplify bankers' approach to cross-border transactions while setting the stage for an "even playing field."

## US oil imports record high in '94

WASHINGTON, Jan 20: US imports of oil set a record in 1994 and for the first time made up more than half of the petroleum used in the United States, according to a year-end analysis by a trade association, says a USIS press release.

Imports of crude oil and petroleum products averaged 8,894,000 barrels a day in 1994, 108,000 barrels a day more than the previous record set 14 years ago, according to the January 18 report of the American Petroleum Institute (API).

Imports totaled 50.4 per cent of all oil used in the United States in 1994, compared to the previous high of 49.9 per cent in 1993.

## China expects much lower inflation this year

LISBON, Jan 20: Chinese vice-premier and central bank governor Zhu Rongji said on Thursday he expected much lower inflation in China this year as the country lowered its growth targets to control price rises, reports Reuter.

"Inflation this year will be a lot lower than last year," Zhu told reporters as he left a closed-door meeting in Lisbon, where he is on a four-day official visit.

China's state statistical bureau has set a target of 15 per cent inflation and nine per cent growth this year, compared with 24.2 per cent inflation and 11.8 per cent growth recorded last year, growth was 13 per cent in both 1993 and 1992.

"We see inflation as a very serious problem but for a country with this high rate of growth it is inevitable that there should be a certain amount of inflation," Zhu told the Lisbon meeting through a translator, according to a recording of his comments made available to Reuters.

From last year we began new measures to control this aspect (inflation) and this year we have fixed our growth target at nine per cent," Zhu said.

Asked about the health of Chinese paramount leader Deng Xiaoping, Zhu said: "for a man of 90 years old, his health is good."

## OPINION Int'l investors' confce

Atiqul Karim

Bangladesh is quietly cutting a path to the whole of world product and technology market especially in the forefront in Asia.

The truth of my assertion can be revealed from the fact that we are much closer to hosting of an international investors' conference of unprecedented magnitude in the capital city, Euromoney, a well reputed international publishing house, is going to organise the conference entitled Bangladesh Investment Conference: The Emerging Tiger in collaboration with the Board of Investment (BOI), Prime Minister Begum Khaleda Zia is expected to inaugurate it on Tuesday.

According to BOI sources, Euromoney has already dispatched 7000 invitation cards to different international corporate bodies seeking participation. Over 500 investors from home and abroad have confirmed attending the conference while more participants are expected to answer in the affirmative shortly.

According to my view point, this conference is of utmost significance for the following reasons:

First, while Asian countries are economically fragmented because of some contentious issues that need to be addressed immediately for peaceful cohesion, I firmly believe that staging of the conference in Dhaka would help

promote necessary business integration among the SAARC countries vis-a-vis international trade community.

Second, the conference in question would act as an important catalyst for flourishing more private investment in Bangladesh, the latter being a nucleus of all development activities. In other words, the economic potential of our country, like the rest of the world, depends largely on private-sector led growth and as such the international investors' convergence in Bangladesh can help stimulate it.

Third, the party would provide a Forum for global economic talk of wider dimension. It would assist in the development of new financial institutions and disseminate pertinent information about trade and investment opportunities in Bangladesh.

Fourth, the global investors would find enough common ground to set in motion a process for reaching a broad consensus on Probable investment sectors in Bangladesh and then outline the steps to turn it into a reality.

The government should therefore, launch a coordinated programme of concerned ministries to equip the international investors with all facilities to make the conference a grand success which will undoubtedly enhance the image of the country than ever before.