

**BANGLADESH INVESTMENT CONFERENCE: THE EMERGING TIGER**

Four foreign entrepreneurs interviewed

**Dhaka under careful scrutiny of leading global investors**

By Sohel Manzur

Bangladesh as an emerging market for investment is under careful scrutiny of the leading global and regional investors as some of them attending the two-day EuroMoney conference were found well-aware of the pros and cons of the economy.

They were conscious of the prospects as well as the problems, as one Mathew Lechtzier said, he has taken the conference as an exercise of education for future involvement of his company with the Bangladesh market.

Lechtzier, representing the Jardín Fleming Securities Ltd, said despite the underdeveloped structure of the Bangladesh market, the prospects seemed to be enormous.

The Jardín Fleming being an investment bank is the largest investor in almost all the Asian countries excepting Bangladesh, he said adding, "We hope to raise capital for Bangladesh market also if the results of our study are found positive."

The Director of Jardín Fleming also said the market, which is characterised by a lot of small companies, has been emerging with great potentials and has caught attention of the global investors. Strategy of developing the market should, therefore, be to help the small firms emerge through financing more than the bigger ones, he added.

Anil Kaul, who is representing the Gujarat Ambuja

Cements Limited of India, said Bangladesh should give greater thrust for infrastructure development even by allowing the private sector to do it.

"Bangladesh desperately needs more roads, bridges, riverine routes, power plants and even more ports for rapid industrialisation and inflow of foreign investments," Kaul said, adding industry cannot develop unless the distribution system is good.

The Executive Director of the Indian company also said the private sector has to be allowed to develop the infrastructure since the government alone cannot do all these within a short time.

Anil Kaul, who had talks with a number of officials at the Board of Investment, Bangladesh Chemical Industries Corporation (BCIC) and the Industries Ministry regarding his firm's plan to set up a cement factory in Bangladesh, said the level of confidence of the foreign investors about the security of their investments would also have to be improved.

low liquidity, the rate of return from the market is good, she said.

The Smith New Court, which is involved with the Dhaka Share Market since 1992, has so far injected more than 150 million US dollars topping the list of foreign equity investors.

Tim Glover of the PBI Securities BV of the Netherlands said Bangladesh is a country under research of the global share investors and the researches are still sketching better.

"Lack of quality companies, liquidity of shares and capitalisation are the main problems of the market," Glover said, who arrived for the first time in Bangladesh despite his firm's involvement in the neighbouring India, Pakistan and Sri Lanka.

"We have a lot of investments in the sub-continent, the amount which is 14 per cent of our total investments in the emerging markets," Senior Investment Advisor of the firm said, adding Bangladesh market is still very immature compared with that of some neighbouring countries, although it has the potentials to grow.

**Emirates official heads world cargo body**

Ram Mene, Emirates Senior General Manager Cargo has been elected the President and Chief Executive Officer (CEO) of the International Air Cargo Association (IATA) and Chairman of its Executive Council for the next two years, says a press release.

Sultan bin Nasser Al Mansoury, Director of the Dubai Cargo Village, has been elected to IATA's Executive Council, and will head the Host Committee preparing for the next Air Cargo Forum, due to take place in Dubai in 1996.

Ram Mene commented: "The next two years will see great expansion of the association's activities. Recent developments such as GATT and the formation of a world trade organisation mean that trade barriers will come down and opportunities will arise, thus increasing the role of air logistics to one of paramount importance."

Other elections included W R Christopher Foyle (Chairman and CEO of Air Foyle Ltd, UK) as Vice President of the association and Vice Chairman of the Council; James H Jackson (American Airlines) as Treasurer; Garth H Daves was re-elected Secretary General for a further two years.

In addition to the election of Sultan Saeed bin Nasser Al Mansoury to chair the Host Committee, Council members elected to chair IATA's other committees were as follows: William R Boesch (Industry Affairs), Walter H Johnson Jr (Education and Nominations), James H Jackson (Finance), B F Spohrer (Development), David R Pierce (Technology), and W R Christopher Foyle (Operations).

C Brown Wilder was elected Chairman of the Membership Committee, and five Council members were made Area Membership Directors as follows: Jean-Alain Ress (Europe), E T Buz Whalen (Asia Pacific), David Rystrom (North America), Isaac Nijankin (South America), John D Hare (African Continent).

**Commerce Minister stresses role of private sector in economic growth**

Commerce Minister M Shamsul Islam yesterday underlined the important role of the private sector for the overall growth of the economy matching the liberalised import and export policies being pursued by the present government, reports BSS.



Shamsul Islam

"In fact, it is the private sector that has now become the main engine of growth in the export and import trade, Islam said while making a presentation on Trade liberalisation in Bangladesh at the plenary session of the two-day 'Bangladesh Investment Conference: The Emerging Tiger' which began in the capital yesterday.

In Bangladesh, Islam said, liberalised policies are being followed in right earnest and added it is not a theoretical or doctrinal free trade as in many other countries where free trade ideas are still nebulous in the sense that till now high tariffs and quantitative restrictions exist for many of their imports.

The Commerce Minister said during the last four years the BNP government has tried to adopt various measures to augment economic growth and that the steps taken so far have produced the desired results.

Islam, who is also in-charge of the Ministry of Information, said the export sector has made a headway in external markets and is doing quite well in certain areas. He pointed out: "If we look at our

foreign exchange reserves at this moment, we can treat it as a success story because it has reached the three billion mark.

"Most interesting to note, at the same time this moderately increased foreign exchange reserves bears no inflationary impact on our economy. We can utilise part of the reserves for repayment of the high cost of our commercial debt," he said.

He said the progress on tariff reform over the past four years has been steady and the introduction of VAT in 1992 enabled the lowering of customs duty rates.

Listing the characteristics of the present tariff structures, the Commerce Minister said the current operative tariff schedule specifies 13 customs

duty rates between zero and 300.

The import weighted average rate on nominal protection has fallen to 28 per cent from 42 per cent, while total import tax receipts have remained at about 44 per cent of assessed import value.

The concessions structures have been simplified. The use of standard tariff values as a method of valuing goods has increased sharply although un-scheduled tariff values may be reduced through voluntary pre-shipment inspection, he explained.

Statutory rates of duty have been reduced to 100 per cent with few exceptions.

The Commerce Minister said the export trade got momentum as a result of a number of incentives including convertibility of the Tk, simplification of procedures and expanded bonded warehouse facilities.

Islam said, "We are now in a changed global situation where with the end of bi-polarity, Europe has a totally changed atmosphere." He said, "The emergence of the CIS countries and trade blocs like the European Union, NAFTA, ASEAN and APEC are specially important for us to meet the changing circumstances."

In this background, he said, the role of the SAPTA will be quite important for South Asian countries to strike a balance in their regional trade, Islam added.

**SECTION I INVITATION FOR BIDS**

Date: 14.1.1995  
Credit No: 2232 BD

The Government of the People's Republic of Bangladesh has received a Credit from the International Development Association (IDA) in various currencies towards the cost of the **Third Inland Water Transport Project (IWT-III)**, and it is intended that part of the proceeds of this Credit will be applied, through the **Bangladesh Inland Water Transport Authority (BIWTA)**, to eligible payments under the contract for procurement of Dredge Mixture Flow Monitoring System.

The Deputy Chief Engineer, Dredging Unit, BIWTA, BIWTA Bhaban (7th Floor) 141-143, Motijheel Commercial Area, Dhaka-1000, Bangladesh now invites sealed bids from eligible bidders for the supply of:

- Doppler velocity meters, fixed 2 Nos.
- Doppler velocity meter, portable 2 Nos.
- Installation material for fixed meters 2 Sets
- Spare parts for velocity meters 2 years requirement
- Velocity meters on two dredgers 4 weeks

All installation works may be performed in 2 locations of Bangladesh each approachable from capital Dhaka in 6 (six) hours.

Interested eligible Bidders may obtain further information from and inspect the bidding documents at the office of the Deputy Chief Engineer, Dredging Unit, BIWTA, BIWTA Bhaban (7th Floor), 141-143, Motijheel Commercial Area, Dhaka-1000, Bangladesh. CABLE ADDRESS: AUTHORITY: TELEX NO: 642787 BIWTA - BJ FAX NO: 880-2-231072.

A complete set in duplicate of the Bidding Documents for each bid package may be purchased by any interested eligible Bidder on the submission of a written application to the above and upon payment of a non-refundable fee of Tk 4,000/- (Taka four thousand) only or US\$ 100/- (United States Dollar one hundred) only. All bids must be accompanied by a security of not less than two and a half per cent (2.5%) of Bid Amount and must be delivered to the above office on or before 11:00 hours on 28.3.95.

Bids will be opened in the presence of Bidders' representatives who choose to attend at 11:00 hours on 28.3.95 at the office of the Deputy Chief Engineer, Dredging Unit, BIWTA, BIWTA Bhaban (7th Floor), 141-143, Motijheel Commercial Area, Dhaka-1000 Bangladesh.

Deputy Chief Engineer  
Dredging Unit, BIWTA

**Mustafa made DMD of Janata Bank**

Golam Mustafa, General Manager of Janata Bank, has been appointed Deputy Managing Director of the bank, says a press release.

Prior to this appointment he held important positions at Janata and Agrani bank. He joined as probationary office in the then United Bank Ltd. in 1962.

China to buy 22 airlines in '95 to beef up services

BEIJING, Jan 24: China will buy 22 airlines in 1995 to reinforce its fast growing civil aviation fleet, the official Xinhua news agency said on Monday, reports Reuter.

Director of the Civil Aviation Administration of China (CAAC) Chen Guangyi said national flag carrier Air China and other state airlines under the CAAC carried 40.27 million passengers in 1994 up 19 per cent from 1993, Xinhua reported.

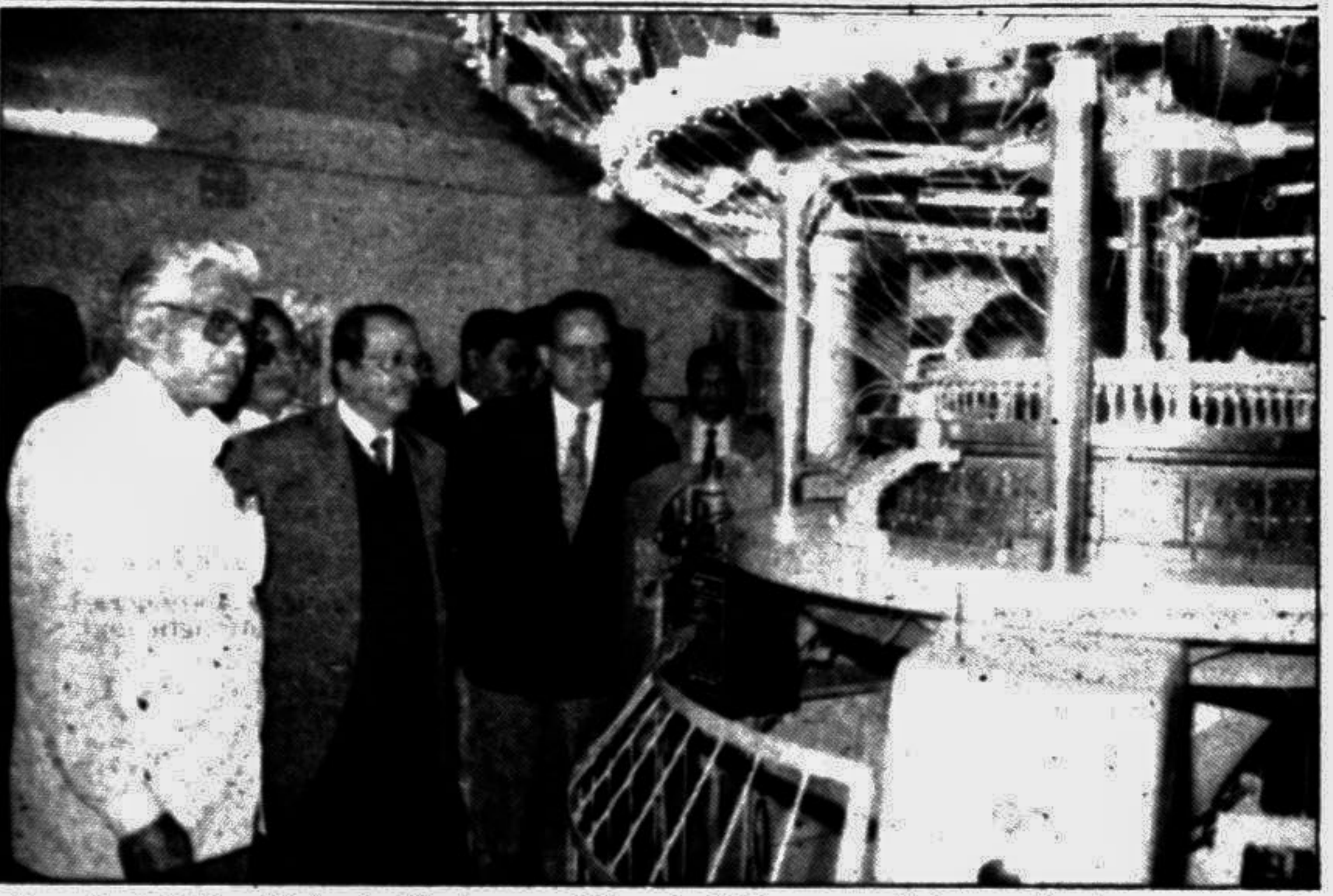
They also handled 5.84 billion km tonnes of freight, up 14.1 per cent. Chen was quoted as saying.

The target of 1995 is a further 22 planes, which will be used to beef up services on busy routes, Chen said.

China's investment in new flying stock has been lucrative. Profits in 1994 reached 1.5 billion yuan (176 million dollars), twice what planners had budgeted for, Chen said.

The windfall obliged the state-owned agency to hand over 3.43 billion yuan (403 million dollars) in taxes to the central government treasury, he said.

Chen said that in 1995 state carriers plan to boost traffic to 46.5 million passengers and freight to 6.6 billion kilometre-tonnes.



Dr. Fasi Uddin Mahtab, Chairman of Board of Directors of Agrani Bank, inaugurated Agrani Bank financed garment industry 'Tedy Toy Industries Ltd' at Konabari, Gazipur recently. Mustafa Aminur Rashid, Managing Director and Nazir Uddin Ahmed, General Manager of the Bank are also seen in the picture.

**Section I. Invitation for Bids**

Date: 14.1.1995  
Credit No: 2232 BD

The Government of the People's Republic of Bangladesh has received a Credit from the INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA) in various currencies towards the cost of the **THIRD INLAND WATER TRANSPORT PROJECT (IWT-III)**, and it is intended that part of the proceeds of this Credit will be applied, through the **BANGLADESH INLAND WATER TRANSPORT AUTHORITY (BIWTA)**, to eligible payments under the contract for the procurement of 2 (two) Nos. Dredge Tender Boats (15.00 M Tugs).

The Deputy Chief Engineer, Dredging Unit, BIWTA, BIWTA Bhaban (7th Floor), 141-143, Motijheel Commercial Area, Dhaka-1000, Bangladesh now invites (through International Competitive Bidding) sealed bids from eligible Bidders for the supply of 2 (two) Nos. Dredge Tender Boats (15.00 M Tugs).

Interested eligible Bidders may obtain further information from and inspect the bidding documents at the office of the Deputy Chief Engineer, Dredging Unit, BIWTA, BIWTA Bhaban (7th Floor), 141-143, Motijheel Commercial Area, Dhaka-1000, Bangladesh.

CABLE ADDRESS: AUTHORITY: TELEX NO: 642787 BIWTA - BJ FAX NO: 880-2-231072.

A complete set in duplicate of the Bidding Documents may be purchased by any interested eligible Bidder on the submission of a written application to the above and upon payment of a non-refundable fee of Tk 10,000/- (Taka ten thousand) or US\$ 250 (United States Dollar two hundred and fifty) only.

All bids must be accompanied by a security of not less than two per cent (2%) of Bid Amount and must be delivered to the above office on or before 11:00 hours on 29.3.95.

Bids will be opened in the presence of Bidders' representatives who choose to attend at 11:15 hours on 29.3.95 at the office of the Deputy Chief Engineer, Dredging Unit, BIWTA, BIWTA Bhaban (7th Floor), 141-143, Motijheel Commercial Area, Dhaka-1000, Bangladesh.

Zikur Rahman  
Deputy Chief Engineer, Dredging Unit

**Government of the People's Republic of Bangladesh**  
**Office of the Executive Engineer**  
Jhalakathi PWD Division, Jhalakathi  
Phone: 459

**Notice Inviting Tenders**  
No. 27/1994-95

- Name of work: Construction of Police Out Post and Barrack-Cum-Investigation Centre at Shakerhat in the district of Jhalakathi.
- Estimated cost: Tk 31,69,622/- only.
- Earnest money: Tk 63,383/- only.
- Last date of selling: On 07-02-95 up to office hours.
- Date of receiving and time of opening: Up to 12-00 Noon of 08-02-95 and will be opened at 12-15 PM on the same day (In presence of contractor, if any).
- Place of selling and receiving of tender documents: Office of the all the Executive Engineer, PWD Circle, Bansai.
- Eligibility of contractor: Special class-I & class-I approved building contractors/firms of PWD.

8 The contractors/firms of other Division should apply for purchasing tender schedule or form before 5 (five) days of last selling of tender schedule.

9 All other detailed information may be seen from the office of the undersigned during office hours only.

Marjour Marshed Anwar  
Executive Engineer  
PWD Division, Jhalakathi

DFP-1613-21/1  
G-131

**Notice Inviting Tenders**  
No 13-1994-95

Sealed tenders in Bangladesh Form No. 2911 are hereby invited from the approved eligible Bid. Contractors of P.W.D according to their financial limit for the undermentioned works and will be received by the undersigned as well as by the Executive Engineer, PWD Division, Jessore/Magura/Kushtia/ Faridpur/Narail/Rajbari/Meherpur/Chudanga PWD Division in their respective offices up to 12-00 Noon of 1.2.95 and will be opened on the same day at 12.15 PM in presence of the contractor who may like to remain present. Each tender shall be in a sealed cover with the name of work superscribed on it.

Sl No	Description of works	Estimated cost	Earnest money	Time allowed for completion of the work
1	Construction of 36 Thana-cum-Barrack building in different districts of Bangladesh (One at Harinakundu in the Dist. of Jheridaha)	Tk 37,70,000/-	Tk 75,400/-	150 (One hundred fifty) days.

Item of works, tender notice, description of terms and conditions etc., can be seen and purchased from the office of undersigned and all the Executive Engineers under Jessore PWD Circle, Jessore on all working days during office hours up to 31.1.95 on payment of usual charges (non-refundable).

Eng Md Nazrul Islam  
Executive Engineer  
PWD Division, Jheridaha.  
Phone No: 560

DFP 1396-1994  
G-132

**DSE market capitalisation may rise to \$2.5b by '96**

By Staff Correspondent

for the past five years, Bangladesh also has the opportunity to learn from the past mistakes of other South Asian governments with respect to fiscal policies, the report added.

Other positive signs for continued economic growth are the reduction in the role of the public sector and increased privatisation over the last decade by successive governments.

Despite other political differences, both the present ruling party and the Opposition are committed to encouraging foreign investment. Economic growth potential also lies in the presently underutilised natural and human resources.

Since 1990, overseas investors have become increasingly interested in the growth and investment possibilities of the newly-developing stock market, with growing companies trading at much lower price to earning ratio than other countries in the subcontinent.

The report said although agriculture accounts for more than 1/3 of GDP and employs over 70 per cent of the population, agricultural growth is slowing down which can be seen as a sign of economic development alongside the continued expansion of industry since 1990. Inflation was recorded as low in the subcontinent in 1993, and is expected to remain the same.

The report further added that while nominal GDP is 27 billion US dollars, they believe that, as is common on the continent, a huge unaccounted segment exists. They estimate that this segment, often referred to as the parallel economy, is in the region of 60-70 per cent of the official economy, making the real purchasing power of the Bangladesh economy much greater than is generally believed. Bangladesh's competitive advantage lies mainly in its cheap labour and huge un-

**Taiwan, Singapore best places for investment in Asia**

TAIPEI, Jan 24: Taiwan and Singapore are the best overall places for investment in Asia and are tied for second place worldwide after Switzerland, according to a report released by the economics ministry here on Sunday, reports AFP.

The report, based on a November assessment by the US-based Business Environment Risk Intelligence (BERI) of investment opportunities and business environment in 50 countries, put Singapore and Taiwan in second place after Switzerland as the most profitable places to conduct business.

Taiwan ranked third in the operations risk index part of the report behind Switzerland and Singapore, but was in first place in the sub-categories of balance of payments and economic growth.