

BANGLADESH INVESTMENT CONFERENCE: THE EMERGING TIGER

Investors suggest steps to remove liquidity problem in share market

Foreign equity investors participating in the international investment conference were hopeful about the future of Bangladesh's share market, but suggested that measures should be taken to remove the existing liquidity problem.

market indicators with those of the neighbouring countries. Shiner said the Dhaka share market is still far behind the markets of India, Pakistan and Sri Lanka due to the absence of those institutions in the private sector.

ing the last decade. Ebrahim said. The investment rate in the services sector has gone up to 51.2 per cent of GDP in 1993 compared to 35.8 per cent in 1990, while investment in the industrial sector was 15.3 per

foreign firms to invest in Bangladesh early 1992, perceives the country to be a long-term prospective market, he added. Finance Secretary Nasimuddin Ahmed explained the reform measures undertaken



Prof Rehman Sobhan  
The country badly needs institutions like mutual funds, fund managers, portfolio managers and merchant banks to ensure adequate liquidity in the market, representatives of the foreign securities firms, who are already involved in the market, said, addressing yesterday's first session of the conference.

Sultan Uz Zaman  
The local contribution to the market capitalisation also remained the lowest among the South Asian countries like India, Pakistan and Sri Lanka due to that reason, he said.

Nasimuddin Ahmed  
cent of the GDP in 1993. Ayaz said. He also said there has been a phenomenal growth in the Earning Per Share (EPS) in the market, which is higher than many other countries in the region.

Niall Shiner  
by the government in the banking and financial sector and said the reforms have in the meantime, started to yield good result.

Chaired by Prof Rehman Sobhan, Executive Chairman of the Centre for Policy Dialogue, the session was addressed among others by Finance Secretary Nasimuddin Ahmed, Managing Director of UBS Securities East Asia Ltd Niall Shiner, Associate Director of Indosuez Asset Management Asia Ltd (IAMA) Ayaz Ebrahim and Chairman of the Securities and Exchange Commission (SEC) Sultan-uz-Zaman Khan. Comparing Bangladesh's

Ayaz Ebrahim said the IAMA invested in Bangladesh because of three reasons despite the small size and low liquidity of the market. The reasons are: implementation of the liberalisation programme, successful stabilisation of the macro-economy and the enhanced growth prospect of the market, he said. There has been significant improvement in the investment in Bangladesh's industrial and services sectors dur-

The EPS was 38 per cent in Bangladesh in 1994 as against 25 per cent in Sri Lanka, 17 per cent in Pakistan, 45 per cent in India and 29 per cent in Thailand, the IAMA Associate Director said, adding in 1995 the percentages were speculated to be 35 per cent in Bangladesh, 40 per cent in India, 20 per cent in Sri Lanka, 20 per cent in Pakistan and 26 per cent in Thailand. He said liquidity is the main problem for Bangladesh market. At the moment there is no system for solution of the problem in the market. The IAMA, which is one of the first

SEC Chairman Sultan-uz-Zaman Khan said a law for allowing private sector to operate as fund managers, portfolio managers and merchant banks is now under the process. Once the law is enacted, it would have tremendous effect on the stock market, he added.

German investor pleased with 'open-minded' Bangladeshis

By Staff Correspondent  
K R Zapp, Chairman and Managing Director of BASF Bangladesh Limited, said Bangladeshis are very liberal and open minded.

"They are always smiling and liberal to the white people," said the German entrepreneur, who has been in Bangladesh for about a decade with his company producing textile and leather goods. Addressing the concluding session of the two-day Euro-money conference, the BASF Chairman said his impression about the country at the initial stage in 1985 was, "Bangladesh is a flood affected, disaster-prone and aid-dependent country, the lands of which remain under water in most of the times".

"The image has changed after few years of my arrival in the country and I started to feel like living at home", Zapp said. The incentive packages offered by the government is also very attractive, Zapp said, adding the foreign investors in the Export Processing Zones are enjoying the facilities like duty free import of capital machinery and liberalised tariff rate for import of raw materials.

All these have made the country a convenient place for investment, although the country would have to improve some areas for ensuring more inflow of foreign investments, the BASF Chairman said.

Latifur Rahman says

Huge prospect for investment in agro-based industries

By Staff Correspondent

With a productive agricultural sector in place, the food processing and agro-based industrial sector in Bangladesh holds huge potentials for both investments and for exports, observed Latifur Rahman, Managing Director (CEO) of the Transcom Group of Companies.

Making a sectoral presentation on "Food Processing and Agro-based Industries" at the concluding session of the Bangladesh Investment Conference yesterday, Rahman noted that the potentials of this highly prospective sector still remains largely untapped in the country.

Despite having a productive agricultural sector producing primary commodities, the potential of the sector remains underutilised primarily due to the lack of value addition, he noted, and this is where there are good prospects for both local and foreign investment.

Country has the ability to produce agricultural products in a large scale as it can easily feed 120 million of its population, he said, but the farmers do not get the right value for their products. "What is lacking is that we have failed to provide the right value addition to the agricultural produce. The need is to transport fresh produce to the market and to process the remaining quantity."

Rahman noted that the country is bestowed with

favourable climate and soil conditions and a potential agricultural workforce. "Our farmers have proved to be extremely adept at adopting modern methods and tech-



Latifur Rahman

nologies to increase the agricultural output.

Although huge investments are made in producing farm products, but at the peak of the season the prices drop sharply primarily due to the absence of any food processing and agro-based industries.

The government needs to formulate the right policy framework giving priority to the agro-based industrial sector and also provide infrastructural and financial support for its growth in the country.

Rahman noted that in neighbouring India the sector is given the same priority as other export oriented high-tech sectors and the govern-

ment's emphasis is underlined by the fact that they have a ministry of food processing in that country.

The food processing and agro-based industrial sector, he said, can exploit both the domestic and export markets. There are good prospects to process soya to supplement the milk shortage in the country while edible oil extracted from sunflower also holds lot of prospects, he said adding, the export market for fresh flowers and vegetables, including mushrooms, can be successfully exploited.

The country already has some cold storage and chilling facilities which could be used by food processing industries, he noted.

Responding to a question, Rahman pointed out that foreign joint venture collaboration in agro-based industries is important to get access to the markets in the developed countries.

Taber Sobhan, a leading shrimp exporter, noted that there are good prospects for both local and foreign investment in setting up shrimp cultivation farms and hatcheries.

"Agro-based industries offer huge potentials for the country and the development of this sector will also have a great chain economic effect as the agriculture sector involves a large portion of the population," Latifur Rahman concluded.

Apex Tannery chief hopes

Leather sector to attract foreign investors

There are ample opportunities for foreign and local entrepreneurs to invest in the leather sector of Bangladesh as only a few companies are engaged in high-quality leather processing activities.

By Staff Correspondent  
This was observed by Syed Manzur Elahi, Chairman of Apex Tannery Ltd, yesterday at the working session of the Bangladesh Investment Conference.



Syed Manzur Elahi

tries such as domestic supply of good quality raw materials, competitive labour costs and favourable government policy allowing free import of inputs exist in Bangladesh, he further said.

Manzur Elahi said, Bangladesh has been endowed by nature with a large cattle and livestock which has remained intact due to the agrarian nature of the economy. In addition, the quality of the raw hides and skins is relatively better particularly, he mentioned, the Kushtha Black Goat which is famous for its fine grain structure and tensile strength.

He said, 40 per cent of the annual supply is obtained during the Eid-ul-Azha and skins are on average of better quality because of improved feeding and care prior to the sale.

Due to improper storage, transport and preservation system, huge amount of leather goes to wastage during this period, which can be used to produce high quality goods if necessary technology is available. Apex Tannery chief said.

The investors would come to invest in this vital sector and as such new job opportunities could be created,

WB delegation calls on Saifur

The visiting World Bank delegation, led by its Director Paul Isenman, called on Finance Minister M Saifur Rahman at his office here on Tuesday, reports BSS.

During the discussion, the Finance Minister sought World Bank assistance for poverty alleviation, food for education, rural electrification and road construction programmes for the current year in Bangladesh.

He particularly sought WB assistance for improvement of Dhaka urban transportation system. Saifur Rahman said with more than eight million people now, the city's transportation has become a serious problem and at least five flyovers are needed to ease the ever increasing traffic congestion in the metropolis.

The WB Director complimented for the reform measures being undertaken by the present government. He said the big investment conference which is the first-ever such conference being held in the city is the result of the macro-economic stability achieved by the government. The large number of participants in the conference indicates the confidence reposed by the investors from home and abroad in the economic programmes and policies of the government. Isenman observed.

Millers using chemicals to brighten rice

NARAIL, Jan 25: The husking mill owners are allegedly mixing rampantly chemical fertilizers for brightening rice while husking paddy, reports UNB.

The mill owners of Kalta, Lohagara and Sadar thanas of the district are using the fertilizers like urea for the purpose in broad day light before the nose of the law enforcing agencies, local people alleged.

They also complained that some unscrupulous traders are engaged in adulteration of sugar, date juice molasses and fried rice by mixing urea to make a windfall profit.

To hasten the growth of fish fry urea is also being used in the waterbodies rampantly, it is learnt. But physicians said application of chemical fertilizers as fish food causes ulcerative gingivitis in fish.

Health experts said the mixing of chemical fertilizers with rice, sugar, molasses and waterbodies is harmful and might cause intestinal diseases among the consumers.

Turnover from pharmaceuticals stands at Tk 10,350m

By Staff Correspondent

With the population growing at 2.7 per cent per annum and reaching the 140 million level by the year 2004, Bangladesh has a brilliant future in the pharmaceutical sector.

Samson H Chowdhury, Chairman, Square Pharmaceuticals, claimed in his speech while presenting the workshop on 'Current situation and future of pharmaceuticals in Bangladesh' on the second day of the two-day investment conference being held at a local hotel in the city.

He said at present this sector is going through a transitional period attracting local and foreign investors. The total turnover of the country's 200 or more pharmaceuticals in the year 1994 stood at Tk 10,350 million. The demand is growing at the rate of 15 per cent per year and this growth is the second highest among the country's industrial sector.

Chowdhury added that although most raw materials are imported from different parts of the world, more than 90 per cent of the medicine used in the country are produced locally. Recently, some local companies have taken initiatives to produce the raw materials in the country, he said.

The major portion of the local market, however, belongs to the top two pharmaceutical companies taking up 23 per

cent of the local market. Antibiotics has the largest market in the country.

He further stressed that a terrific hue and cry went off in 1982 when the government imposed restrictions on the production of medicine through the Drug Control Ordinance. In the Ordinance the companies were allowed to produce only 230 types of medicine locally he said following a hard bargaining with the authorities the number rose to 320. But soon the pharmaceuticals sought the help of the court of justice which ruled for the companies and most restrictions were withdrawn.

Citing few foreign involvements in the sector he said that Ciba Geigy and Glaxo have expanded their businesses in the country. Ciba has recently opened up a new facility.

Chowdhury said the local growth is hampered considerably due to inadequate technology transfer. But with the modern telecommunications system in hand, the workforce can easily capitulate on the modern technologies in a short span of time.

He further said that in Bangladesh the per capita consumption of medicine stands at two US dollars per annum. Fifteen per cent of the sick people do not opt for the modern medicine because of

superstition and the presence of quack doctors. But the situation is now changing rapidly, he added that with the campaign waged by government and non-government organisations on healthcare education, the poor are increasingly becoming aware of the problems.

The country is thriving to come out of poverty, social prejudices and other obstacles, he said.

SIA Managing Director Dr Cheong Chong Kong cited five reasons that drive the Group to venture overseas: Synergy, profit, growth, defense and cost.

A maturing market, increasingly higher labour costs and intense competition in Singapore have also played their part.

As the oldest subsidiary, SATS had three overseas projects prior to 1991, and according to its Senior Manager Business Development Ronald Yeo, the objectives for investing in SATS Pacific Dobbs (SAPADO) in the United States, Maldives Inflight Catering (MIC) in Male and Royal International Air Catering (RIAC) in Osaka were to ensure high standards of catering for the airline of reasonable prices, to help the Group recover some of the profits from SIA's catering requirements and enable SATS to expand abroad. SAPADO has already paid back reasonable dividends from the investment.

One of the latest tie-ups is between SATS and Arab Asia Investments in Pakistan to build and manage a flight kitchen in Karachi. Aviserv will commence operations by late 1996.

SIA sows seeds for future

Singapore Airlines Group is sowing seeds for the future to keep it a step ahead of others. The airline and two major subsidiaries SATS and SIA Engineering Company (SIAEC) are forging new trails though their diverse investments not only within Singapore but also outside, says a press release.

SIA Managing Director Dr Cheong Chong Kong cited five reasons that drive the Group to venture overseas: Synergy, profit, growth, defense and cost.

A maturing market, increasingly higher labour costs and intense competition in Singapore have also played their part.

As the oldest subsidiary, SATS had three overseas projects prior to 1991, and according to its Senior Manager Business Development Ronald Yeo, the objectives for investing in SATS Pacific Dobbs (SAPADO) in the United States, Maldives Inflight Catering (MIC) in Male and Royal International Air Catering (RIAC) in Osaka were to ensure high standards of catering for the airline of reasonable prices, to help the Group recover some of the profits from SIA's catering requirements and enable SATS to expand abroad. SAPADO has already paid back reasonable dividends from the investment.

One of the latest tie-ups is between SATS and Arab Asia Investments in Pakistan to build and manage a flight kitchen in Karachi. Aviserv will commence operations by late 1996.

Ceramic industry fetches \$360m during '93-'94 fiscal

By Staff Correspondent

The ceramic industry in Bangladesh has established itself as one of the success stories of the last decade, which generated 360 million US dollars of revenue in '93-'94, and now employs over 10,000 people.

Bangladesh ceramics have firmly secured presence in the overseas markets throughout Europe, the United States and Australia.

Harunur Rashid Khan, Chairman, Monno Group of Industries, speaking at the Bangladesh Investment Conference yesterday, stressed the quality of the products as a main factor in the growth of the international market for Bangladesh-manufactured ceramics. "Most laboratories in the industry utilise quality control instruments and machinery, and are continuously investing in R&D and new technology in order to ensure higher production as well as quality."

He urged other manufacturer-

ers in the industry to maintain their market levels. When asked if cheaper imported products, e.g. from Indonesia posed a threat to the domestic market, Khan replied that although there was a niche in the market for such products, no direct threat was posed to domestic manufacturers of higher quality products. When questioned as to whether the industry could survive the reduction of import tariff as a protective measure against foreign competition in the domestic market, Khan was confident that it could. The government is not only reducing import tariff, but at the same time reducing duty on the import of raw materials, and furthermore what we do pay in duty we draw back in foreign export."

He also emphasised the improvements carried out by the industry as a whole with respect to factory conditions and training programmes in order to realise the full potential of

workers. In some countries, there have been cases of lead pollution in the production of glass and ceramics, but Bangladesh has ensured an environment free from such hazards.



Harunur Rashid Khan

External factors that have led to the successful world-wide performance of the industry include revolutionary changes in domestic policy stability of the Taka, low inflation and fierce competition from the international market.

Bridge foundation laying ceremony

NOWABGONJ (Dhaka) Jan 25: State Minister for Textiles Abdul Mannan has said the present government is pledged to change the lot of the common people of the country, reports BSS.

Addressing a public meeting arranged on the occasion of foundation laying ceremony of Gobindapur-Galimpur Bridge under Nowabgonj thana yesterday, he said the government has undertaken pragmatic steps for overall development of the country.

He further said, better communication system is a precondition of the development and the government has attached highest priority to this sector. During the last three and a half years thousands of kilometers of roads have been constructed and a number of bridges have been built to ensure better communication network in the country, he added.

Presided over by thana nibahi officer, Nawabgonj, the meeting was also addressed among others by president, Nawabgonj, thana BNP, Islam Khan, secretary general Abed Hossain.

**Government of the People's Republic of Bangladesh**  
Office of the Executive Engineer  
Local Government Engineering Department  
Dist: Pabna

**Tender Notice No: 12/1994-95**

Sealed Tenders are hereby invited from the Class 'A' & 'A-Special Pre-qualified Contractors of PL-480. Title-III Project of LGED in Bangladesh form No-2911 for execution of following work during financial year 1994-95

1. Place of Purchasing Tender documents & submission : A. Office of the Project Director, PL-480, Title-III, LGED, 6/11 Lalmitia, Block-B, Dhaka-1207.  
B. Office of the Executive Engineer, LGED, Pabna/Bogra/Rajshahi.  
C. Office of the Thana Engineer, Pabna Sadar, Pabna.

2. Last Date of Selling of Tender Documents : 28-01-95 up to office hour. No Tender document will be sold on the date of submission & the day before Tender is received.

3. Date of Submission of Tender Documents : 30-1-95 up to 1:30 PM. No tender will be received by mail.

4. Date of Opening of Tender Documents : 30-01-95 at 2:00 PM.

5. Description of Work:

Pack age No.	Name of Work & Location	Earnest money	Cost of Tender Document (Tk)	Time allowed for Work	Class of Contractor
1	Construction of 83.84m long RCC Bridge over Badai river on Nazirgong-Kashinathpur GCC road, under Sujanagar Thana, Pabna.	2.50% of quoted amount	5000.00	12 (Twelve) months	'A' & A-Special Prequalified Contractor PL-480 Title-III

6. Contents of Tender documents : The tender documents comprises of (i) Tender Notice (ii) Abstract of Tender (iii) Instruction to tenderers, tender form, of agreement, schedule of items, Bill of quantities, work programme & Drawing (iv) Condition of Contract (General-BD form No-2911 & special) (v) Material and work specification.

Executive Engineer  
LGED, Pabna

DFF-1512-19/1  
G-135