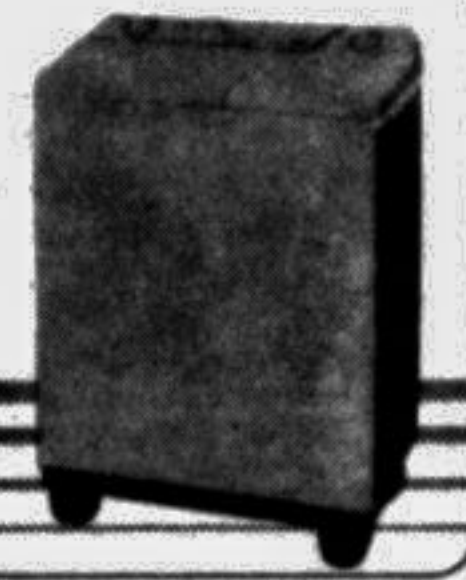

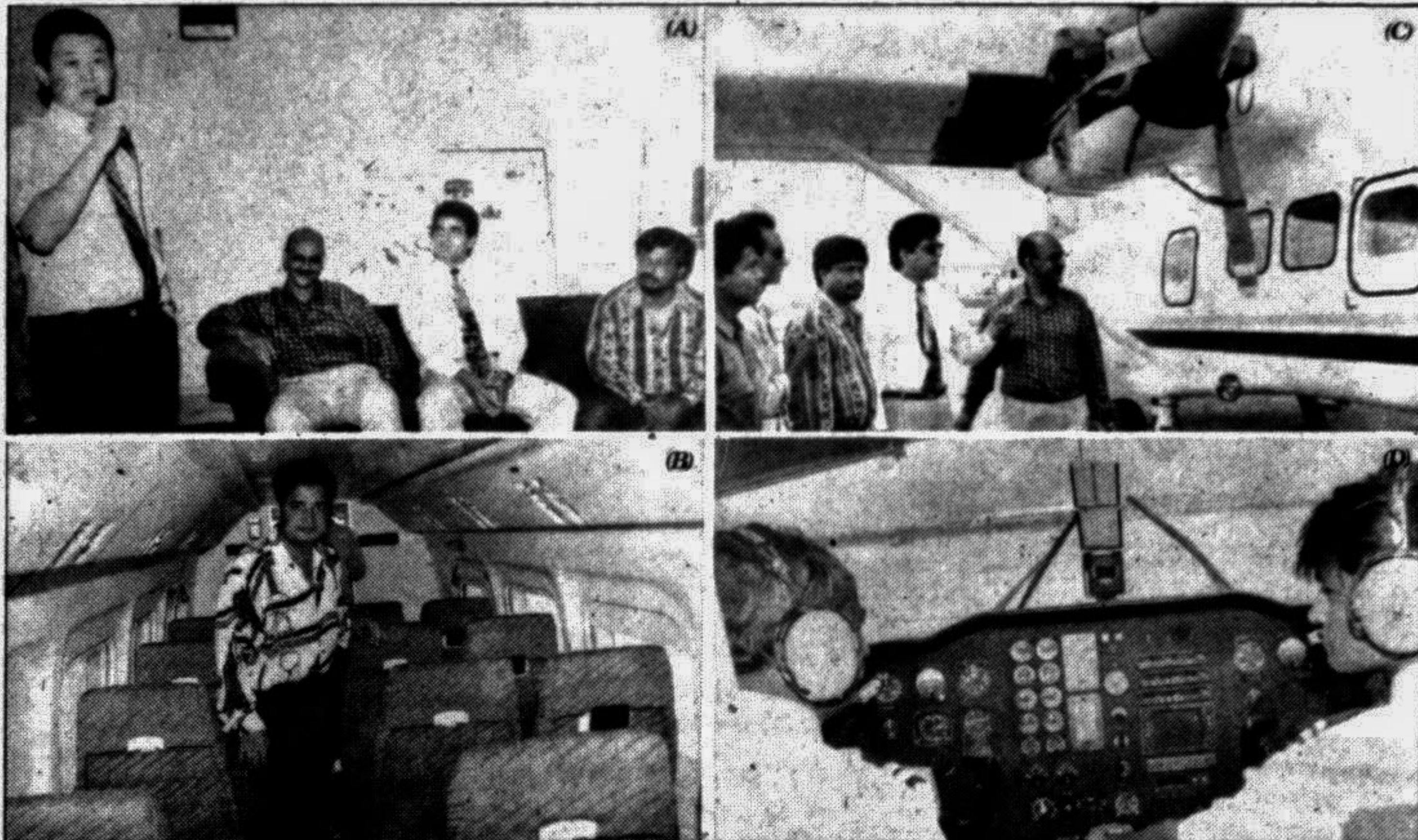


SANYO
Two-Tub Washing Machines
SW-225T Tk.11,900/=

HYUNDAI
CARS THAT MAKE SENSE



Aero Bengal Airlines arranged a press briefing at Zia International Airport yesterday to explain its plans to operate in the domestic routes of the country. Picture shows: (A) Leu (extreme left), Bangladesh representative of CAIEC — the manufacturing company of the Y-12 aircraft which are likely to take off next week, Air Commodore Moinul Islam (2nd-L), Vice Chairman, HBM Iqbal (3rd-L), Chairman, and Dr BH Haroon (extreme right), Managing Director of the airliner were present; (B) A general view of the aircraft's passenger cabin; (C) The interior of the aircraft being shown to newsmen; (D) Cockpit of the aircraft. (Story on page 1).

BUDGET '95-96: Business leaders speak out FICCI chief suggests continuation of tax-holiday up to the year 2000

Mahub Jamil, President of the Foreign Investors Chamber of Commerce and Industry (FICCI), has suggested the continuation of tax-holiday facility up to the year 2000. He also suggested reduction of Corporate Income Tax in the next budget.

In an interview with The Daily Star, he said the continuation of tax-holiday would attract more investment both local and foreign.

He was interviewed by Parveen Ahmed and Rafiq Hasan.

The full text of his interview is given below:

The Daily Star (DS): What is your sector's expectation from the next budget? Do you think the priorities in the last budget were implemented properly?

Mahub Jamil (MJ): The budget must help create a congenial environment for large scale private investment, both local and foreign. We feel very strongly that a reduced Corporate Income Tax together with continuation of 'tax holiday' facility at least up to the year 2000 would be good incentives for attracting both local and foreign investments.

DS: Do trends in your sector show a growth or decline? Why?

MJ: Yes, it is growing, but at a very slow pace. Major reasons for such a slow pace of growth are — policy inconsistencies, frequent changes in various policies of the government, gaps between policies, non-transparency of a number of policies, infrastructural bottlenecks like — inadequate power supply, non-availability of telecommunication facilities and lack of proper road communication.

DS: What kind of problems did your sector face with the fiscal policies adopted in the last budget like VAT, tax structure and tariff duties?

MJ: The major problems are: high rate of Corporate Income Tax, tariff anomalies, fixation of high tariff values for goods and materials of European/Western origins, requirement of multiple VAT registration for different units of a single entity and levying of electricity duty to Tk 0.15 on each unit of self-generated electricity by industrial companies.

DS: What are your views on the on-going economic reforms and what particular impact did it have on your sector?

MJ: We feel the on-going economic reforms are very positive and some are even much better than many other countries of the South Asian region. But the implementation of the reform programmes is not up to expectation. If all the reform programmes are truly implemented, we are sure that there will be a surge of foreign private investment. We have no hesitation in saying that despite all the shortcomings in the implementation of various reforms, our members have benefitted immensely and operations were less hazardous than before.

DS: Have you any suggestion for any major policy changes to bolster the economy?

MJ: We have already made few suggestions to the relevant quarters regarding policy changes to be undertaken, major ones being: (a) amendment of Clause 7 (I) of the Foreign Private Investment (Promotion and Protection) Act, 1980 which relates to expropriation and nationalisation, (b) giving legal cover to the industrial policy through an act of the national parliament.

This chamber strongly feels that immediate steps should be taken for proper execution and implementation of various policy reforms so far undertaken by the government.

DS: What is your opinion about the current political situation? How is it affecting the economy?

MJ: The political situation is not healthy. So we are concerned. Both ruling and opposition political parties must find a quick solution to overcome the existing impasse. Otherwise, it will act as a major hindrance towards investment in general and foreign private investment in particular.

DS: How do you look at the overall economic scenario of the country and what are your suggestions to improve it?

MJ: We are not pessimistic about the prevailing economic scenario. It is definitely better than the past decades. But it needs further improvement at a faster pace as Bangladesh has to compete with the neighbouring and other developing countries.

DS: How many members are there in your chamber? When was it formed?

MJ: The Foreign Investors Chamber of Commerce and Industry has 63 members consisting of multinationals, hundred per cent foreign and joint-venture companies. It was formed in 1963.

DS: What was the estimated annual turnover of your sector last fiscal year and how much is it likely to be in 1995-96?

MJ: The annual turnover of FICCI members is around Tk 20 billion. Our members' contribution to the national exchequer in the form of taxes and duties is around 60 per cent of the total private sector contribution.



Mahub Jamil

US-Japan aviation talks fail

TOKYO, June 3: Expanding their trade dispute from the highways to the runways, the US and Japan broke off contentious airline negotiations Saturday, a Japanese official said, reports AP.

The breakdown in the air, which follows a separate impasse in the high-profile auto trade, occurred when Tokyo refused a US demand for new flights that stop in Japan before going to other Asian countries, said a Transport Ministry official who requested anonymity.

Japanese Transport Minister Shizuka Kamei and US Transportation Secretary Federico Pena failed to agree to each other's demands after spending nearly two hours on the phone Saturday morning, Tokyo time, the official said.

Both sides have threatened to impose sanctions if a deal is not reached on the bilateral treaty that regulates air routes between the two countries.

US negotiators say treaty allows them to increase flights to Asian points with stopovers in Japan. Japan says the document is outdated and unfair, and is demanding that it be revised.

The impetus for the most recent dispute is a request made by American cargo carrier Federal Express Corp. to add the Philippine city of Cebu to the Asian destinations it serves from Japan. United Airlines also wants to serve Kuala Lumpur, Malaysia, from the newly opened Kansai International Airport near Osaka, central Japan.

Cebu is among 11 Federal Express requests for new routes controlled by Japan, which Tokyo is refusing to grant in an effort to force the United States to change the treaty.

The 1952 US-Japan aviation treaty grants both countries rights to fly beyond destinations in each other's countries to third-country destinations — so-called "beyond rights."

But Japan says it is being shortchanged. Under the treaty, which mentions specific airlines by name, Northwest Airlines, United Airlines and Federal Express can increase their flights to Osaka, Tokyo and Naha, Okinawa and have rights to fly beyond these three airports.

But among Japanese carriers, only Japan Air Lines can increase its flights to Los Angeles, New York, Anchorage and San Francisco and fly on to countries such as Brazil.

American carriers make 312 flights a week through Japanese airports to other countries, while Japanese airlines only make two — both through Los Angeles to Sao Paulo, Brazil, Japanese negotiators have said.

The latest US-Japan trade dispute follows the announcement of American plans to impose nearly \$6 billion in punitive tariffs on Japanese luxury autos later this month after talks broke down on opening Japan's market wider to foreign autos and auto parts.

Auto parts and autos make up two-thirds of the \$66 billion annual US deficit in trade with Japan.

EU's huge single market nearly complete

BRUSSELS, June 3: The 15 nations of the European Union are nearing completion of their huge single market, but still need coherence on public procurement, insurance, and property rights, an EU executive said Friday, reports AP.

EU Internal Market Commissioner Mario Monti said he would tell EU governments next week that they must erase their remaining barriers to each other in awarding contracts and issuing licenses.

They also must standardize their intellectual and industrial property rights, he said.

And the right of citizens of any of the 15 nations to travel and work freely in any other is still a big stumbling block.

Yusuf speaks on poverty alleviation

Health and Family Welfare Minister Chowdhury Kamal Hossain said poverty is a veritable curse and number one obstacle to national development, reports BSS.

"Our future prosperity depends on a well nourished and productive nation and effective poverty alleviation programme," he said, adding "poverty alleviation would never be successful without improving nutritional status of the people of the country."

He was speaking as the chief guest at a regional food and nutrition planning workshop on "Programmes in poverty alleviation and their impact on the nutritional status of the vulnerable group" held at Centre for Development Management (CDM), Rajendrapur in Gazipur yesterday.

Presided over by Executive Director, BRAC, Fazle Hossain Abed, the function was also addressed by Resident Representative of FAO, Dhaka, Peter Myers, Director M A Antonia G Tuazon and Head of Training Division BRAC Dr G Samdani Fakir, Additional Secretary, Ministry of Health, Fazlur Rahman was present.

The Health Minister said, poverty alleviation and nutrition for all is a pre-condition for ensuring social justice. "It is unfortunate that we could not come out of the poverty level during the last twenty four years of our independence. Freedom and democracy would be meaningless if we could not come out of this vicious circle," he said and added "all development efforts would fail unless we were able to encounter poverty effectively."

Yusuf said, government has identified poverty alleviation as one of the main objectives of development activities. The 'dal-bhat' programme of Prime Minister Begum Khaleda Zia is not rather a slogan but also a nutritional approach to poverty alleviation, he said adding through the 'dal-bhat' programme, the government has shown strong determination and commitment towards nutrition for all.

Real estate scandal German couple in court to deal with extradition hearings

MIAMI, June 3: A German magnate and his wife, linked to their country's biggest postwar real estate scandal, sought separate legal counsel Thursday to deal with their extradition hearings, reports AP.

Juergen Schneider, 61, has been charged in Germany with fraud, forgery and bankruptcy fraud. His wife Claudie, 49, faces bankruptcy fraud allegations.

"One person's exposure and involvement may be different than the other," said Roma Theus, who will defend both of the Schneiders until an attorney for Mrs Schneider is hired.

Theus told Chief Magistrate William C Turnoff during a hearing Thursday that he has asked for more information about evidence against the tycoon. He would not give specifics.

Theus refused to say whether the Schneiders would fight extradition.

Turnoff set June 19 for a hearing on legal representation. An extradition hearing has been set for July 24. The Schneiders are being held without bond.

They were fugitives for 13 months before being arrested two weeks ago in Miami. They had been living in a luxury ocean-side apartment about 25 kilometers (15 miles) north of the city.

Before their flight, the Schneiders lived elegantly in a restored castle outside Frankfurt and rode in a limousine.

Schneider is accused of buying some of Germany's oldest and most prestigious real estate, by overvaluing property and using front companies. When he and his wife fled, they left behind 3.6 billion dollars in debts.

Twentyseven participants from home and abroad participated in this three-day workshop — 14 from Bangladesh and rest from China, Indonesia, Philippines, Sri Lanka, Thailand, Vietnam and India.



Lutfur Rahman Khan, State Minister for Industries, addressing an inter-ministerial meeting at BCIC conference room in the city yesterday. Dr. AMM Shawkat Ali, Industries Secretary, and Ayub Quadri, Chairman, BCIC, are also seen in the picture.

UN appeals for more money

GENEVA, June 3: The United Nations said Friday it needed an additional 261 million dollars for aid operations in former Yugoslavia for the next six months, reports AP.

"The reality of today is that more than two million people need humanitarian help and will continue to need it for the foreseeable future," said UN High Commissioner for Refugees, Sadako Ogata.

"Each day brings news of renewed tensions, ethnic cleansing and fighting in Bosnia and Herzegovina and Croatia," Ogata said in a statement.

The UN aid budget for the whole year is 470 million dollars.

UNHCR, the main aid agency in former Yugoslavia, is doing well as far as funding is concerned. It said it needs an additional 44 million dollars for the rest of the year.

However other organizations, like the World Food Programme, face severe shortfalls.

The United Nations is helping displaced people in all the former Yugoslav republics, including Serbia and Montenegro.

EU still deadlocked over aid for ACP states

BRUSSELS, June 3: The European Union is still deadlocked over the amount of aid it will offer African, Caribbean and Pacific (ACP) countries over the next five years, European Commission officials said yesterday, reports Reuter.

The 15 EU member states are sharply divided over how much to offer the 70 ACP countries through the European Development fund with the European Commission and France leading demands for an increase and Britain and Germany the most firmly agnostic.

"It's completely blocked," an official said, noting that development ministers did not even discuss the issue when they met in Luxembourg on Thursday.

The French EU presidency suggested in March 13.3 billion dollars European Currency Units (ECU) (17.3 billion dollars), compared with 10.9 billion ECUS (14.2 million dollars), over the previous five years.

ACP states have demanded 15.8 billion ECUS (20.5 billion dollars).

Officials said France is likely to make a major effort to get agreement before it hands over the presidency to Spain at the end of the month.

The issue is likely to be raised next on Tuesday when European Commission President Jacques Santer meets new French President Jacques Chirac in Paris.

It is also likely to come up at a 'getting-to-know-you' dinner for EU leaders and Santer hosted by Chirac in Paris next Friday.

Romania's energy workers on strike over pay claim

BUCHAREST, Romania, June 3: Tens of thousands of energy workers and coal miners went on strike Friday to protest low wages — one in a series of labour disputes in Romania's painful transition to a market economy, reports AP.

Talks designed to avert the strike between the government and union representatives broke down Thursday.


There were no immediate effects for the population of 23 million as workers from the night shift worked overtime, but union leaders warned of national power outage if workers stayed away.

"The national energy grid could fall in a matter of hours," said Vasile Suta, head of energy workers union by telephone.

He said three workers from the night shift who had continued working had been hospitalized, suffering from exhaustion.

The government said it would call in former employees in the power industry to ensure energy supply, and the state news agency Rompres said that in western Romania the army was on stand-by to help.

By law, energy workers are not allowed to leave the workplace until the next shift has replaced them.



Tender Notice

UNIVERSITY OF DHAKA: Sealed tenders in Dhaka University form "Tender for works" are hereby invited from the bonafide firm, 1st & 2nd class enlisted contractor (Electrical) of Dhaka University/MES & PWD for the works of "Installation of 82 Nos Air-conditioner with necessary materials in the University Library and Institute of Fine Arts" and will be received by the undersigned up to 12 Noon on the 13th June, 1995 and opened on the same day at 12-15 PM in presence of the contractors who may remain present. Contractors will have to deposit as earnest money a sum of Tk 13,525/- only in Demand Draft or Pay Order from a scheduled bank of Bangladesh. Tender form schedule and other particulars may be had from the office of the undersigned up to 12 Noon on all working days except on the date fixed for submitting the tender on payment of Tk 100/- only (Non-refundable) to the Janata Bank, Dhaka University campus after obtaining permission from the undersigned duly supported by a certificate from an officer not below the rank of an Executive Engineer under whom he worked during the last three years. The authority reserves the right to accept or reject any tender without assigning any reason. The contractors are liable to abide by the decision of the authority.

Md Abdul Matin Miah
Executive Engineer (Electrical)
University of Dhaka

D-547



IBB AGM today

By Staff Correspondent

The 21st annual general meeting (AGM) of the Institute of Bankers Bangladesh (IBB) will be held today at the auditorium of Pubali Bank Ltd in Motijheel.

Khorshed Alam, Governor, Bangladesh Bank, will preside over the meeting, in the afternoon.

In a press release yesterday, the IBB has invited its all members to attend the AGM.




DHL Bangladesh installs 2 HP 9000 computers

DHL, the global leader of air express industry, installed two HP 9000 computers in its Country Office in Gulshan, introducing the latest information technology in Bangladesh, says a press release.

Using TCP/IP over X.25 protocol for on line global network with DHL's communication software, DHL Bangladesh will now be able to do tracking and tracing of its customers shipments much more faster than previous years.

The new Open System Platform will enable DHL in Dhaka to link up other DHL stations in 220 countries forming an exclusive global network for sending and receiving business information instantaneously.

In Bangladesh DHL has invested four million taka to install two high performance, high capacity Open System computers.



Tender Notice

UNIVERSITY OF DHAKA: Sealed tenders in Dhaka University form "tender for works" are hereby invited from the 1st & 2nd class enlisted contractors (Electrical) of Dhaka University for the works of "Installation of 500 KVA sub-station equipments and other electrical works for University library" and will be received by the undersigned up to Noon on the 13th June, 1995 and opened on the same day at 12-15 P.M. in presence of the contractors who may remain present. Contractors will have to deposit as earnest money a sum of Tk 14,560/- only in Demand Draft or Pay Order from a scheduled bank of Bangladesh in favour of Executive Engineer (Electrical), Dhaka University. Tender form schedule and other particulars may be had from the office of the undersigned up to 12 Noon on all working days except on date fixed for submitting the tender on payment of Tk 100/- only (non-refundable) to the Janata Bank, Dhaka University Branch after obtaining permission from the undersigned. The authority reserves the right to accept or reject any tender without assigning any reason. The contractors are liable to abide by the decision of the authority.

Md Abdul Matin Miah
Executive Engineer (Electrical)
University of Dhaka

D-546



Works Minister Barrister Rafiqul Islam Mia seen handing over Kalchakra Ekushey and Shadhifata gold medals to Rashida Muhiuddin, Public Relations Director of Dhaka Sheraton Hotel and TV newscaster, as chief guest at a function held recently.