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DHAKA THURSDAY, JUNE 22, 1995

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DCCI suggests measures for boosting capital market

By Staff Correspondent

Dhaka Chamber of Commerce and Industry (DCCI) yesterday presented a 19-point recommendations for the development of the capital market and accelerating the process of privatization.

Identifying liquidity shortage as the main cause of slow expansion of the capital market, the DCCI President Rashed Maksud Khan presented the Chamber's suggestions in this regard at a press briefing held at a city hotel yesterday.

The recommendations were formulated on the basis of a national conference on 'Capital Market Development and Privatization' organized earlier this month by the Chamber, said Khan adding "We have already placed our recommendations for the consideration of the Finance Minister."

To overcome the liquidity problem, the DCCI recommended for privatization of State Owned Enterprises (SOEs) and government run utility sectors and floating their shares in the capital

market, introducing mutual funds in the share markets, persuading the cent per cent foreign owned large firms in the EPZs to be enlisted with the stock exchanges.

The DCCI also suggested for non-application of capital gain tax to the transaction in secondary market, differentiating the tax rate between the listed and non-listed companies by 15 per cent, allowing the foreign audit firms to participate in audits and accounting of companies coming into public issues, withdrawing levy and excise duties on small savings.

It laid special emphasis on functioning of the merchant banks and asset management, introduction of new securities instruments like government bonds, housing bonds and municipal bonds, amendment of laws to bring trust funds into the capital market.

The DCCI was of the view that restrictions in IPO at the initial stage of capital market development might be detrimental to the inflow of foreign portfolio funds especially

in case of large issues.

Coming to the point of privatization, the DCCI expressed the view that privatization is a total economic system and not confined to disposal or transfer of few SOEs from the public sector to private sector.

It recommended that political leadership should have clear vision of what is expected through the process of privatization. "The present half hearted support is doing more harm than good and helps to keep the genuine buyers away."

The Dhaka Chamber called for a reform in the bureaucratic set up and resolved that sick SOEs should be liquidated rather than sold to an unfriendly market.

However, no clear recommendation came out about the one-year lock-in period, which was recently imposed on foreign portfolio investors.

Some share market experts who attended the press briefing took part in a lively debate on lock-in.

MA Yunus a former presi-

dent of the DCCI said, there were two separate views within the government on the crucial question of lock-in. "Weather it is necessary or not - we are not commenting on that. It will just say - too much restrictions bring no good."

Jamal Uddin Ahmed, Chairman of Jaroms Consultants Ltd, said, "We are yet to reach on a consensus regarding lock-in. It is general practice that both local and foreign investors enjoy same facilities at PIO level. But, in our country as the foreign investors are enjoying preferential treatment at PIO level so lock-in is necessary to some extent."

In reply to a question Imtiyaz Husain, Vice-Chairman of the Dhaka Stock Exchange said the issue of tax exemption in the secondary market was not clearly explained in the budget speech of the Finance Minister.

The immediate past president of the DCCI A Rob Chowdhury and other members of the Chamber were also present at the press briefing.

Citibank to open full service branch Saturday

Citibank, one of the leading banks of the United States, is going to start its business with a full service branch in Dhaka from Saturday, reports UNB.

Being the second American bank in Bangladesh, Citibank has operated in the country as a representative office since March 1987.

David N Merrill, the US Ambassador in Dhaka, will formally inaugurate the operations of the branch.

Citibank's Executive Vice President and Group Head David E Gibson, Area Head Robert Eichfeld and a few other executives from around the world will also be visiting Dhaka for the occasion.

It will be the largest international bank operating in Bangladesh with its upgraded presence as a full branch.

SAARC seeking to boost trade ties with EU

COLOMBO, June 21: South Asia was collectively seeking closer ties with the European Union (EU) in a bid to boost trade and economic co-operation, Sri Lanka's Foreign Minister Lakshman Kadirgamar said today, reports AFP.

The seven-nation South Asian Association for Regional Co-operation (SAARC) was keen to become an "outward-looking" organization and strengthen relations with the EU and the Association of South East Asian Nations, the minister said.

Kadirgamar told reporters here that Germany has agreed to place SAARC on a permanent agenda for European ministers dealing with the region.

"I consider this (German move) a significant step in making SAARC an outward-looking organisation," he said. "I am one of the (SAARC) foreign ministers cautiously optimistic that SAARC has got a new lease of life."

He said a preferential trade pact among SAARC countries, including Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka, should come into effect by the end of the year.

Dealers for actual assessment of country's fertilizer needs

By Staff Correspondent

Fertilizer dealers stressed the need for annual monitoring of the status of arable land and testing plant tissues in order to assess the actual requirement of different types of fertilizers in the country.

They also emphasised on passing valuable information on environment, soil degradation and fertilizer usages to the farmers for the sake of a long term benefit.

At a seminar in the city held yesterday to promote Australian Single Superphosphate (SSP) fertilizer, the speakers, including representatives of Australia's Pivot Fertilizer Ltd and local dealers, said that farmers should use high quality fertilizer at fair price in order to improve the deteriorating soil fertility level of the country with a long term vision.

The Australian fertilizer manufacturer Pivot, said to be the largest farmers-owned agro-chemical industry, is interested in exporting "high quality and environment-friendly" Single Superphosphate (SSP) to Bangladesh. Its representative at the seminar

said Australia may import urea fertilizer from Bangladesh and market its TSP here.

The seminar jointly organised by Austrade, Nufarm (Asia) and Pivot, highlighted that the SSP, processed from natural phosphate and sulphur, is most environment-friendly and helps produce

DPRK's economy posts negative growth of 1.7 pc

SEOUL, June 21: North Korea's overall economic growth posted a negative growth of 1.7 per cent in 1994, the fifth straight year of economic decline since 1994, South Korea's central bank said in a report released yesterday, reports AFP.

The Bank of Korea (BOK) which has compiled North Korea's economic indicators since 1990, said the isolationist North saw growth last year only in agricultural output thanks to good weather conditions.

protein, and replenishes soil with vital nutrients like sulphur and calcium.

"In case of under-use of the SSP in the soil, it can retard the growth of crops as the soil nutrients would deplete fast," David Livingstone of Pivot said.

"Again, its over-use may lock up other soil elements," Livingstone said. "Therefore we recommend regular annual monitoring of the status of the soil, testing the tissues of plants during cultivation and determine the nutrient base of the plants in order to determine by what proportion farmers should apply different fertilizers for optimum benefit."

Bangladesh's annual import requirement of SSP fertilizer is around 9,50,000 metric tons, Executive Secretary of Bangladesh Fertilizer Association Md. Mofizul Islam told the seminar.

Australia requires import of 400,000 MT of Urea annually, Livingstone pointed out.

The seminar was also attended by Geoff Quick of Nufarm among others.



R Maksud Khan, President of Dhaka Chamber of Commerce and Industry, addressing the seminar on capital market development and privatisation at Dhaka Sheraton Hotel in the city yesterday. — Star photo

Civil servants in Turkey stage work stoppages

ANKARA, June 21: Thousands of civil servants on Tuesday staged work stoppages as part of a campaign demanding higher wages and labour rights, reports AP.

The action halted service in many public offices around the country. Tax offices did not accept payments, and hospitals received only emergency cases.

Civil servants are not allowed to engage in collective bargaining or strike under Turkish laws adopted by former military rulers. Under the Tuesday action, workers remained at their desks but refused to work.

Tuesday's protest followed rallies over the weekend by about 40,000 civil servants in Ankara. Another work stoppage was planned for Wednesday.

Police placed four civil servant union representatives under custody Monday. The reason for their detentions was not disclosed, but it was believed to be in connection with sit-ins in Ankara over the weekend.

Orhan Altug, a union activists, said civil servants would launch a hunger strike if the union leaders were not released.

Civil servants also protest low salary increases under Prime Minister Tansu Ciller's belt-tightening package.

95,189 phones installed in 4 years, JS told

Post and Telecommunications Minister Tariqul Islam yesterday informed the Jatiya Sangsad that the telecommunication sector attained spectacular advancement during the last four years, when 95,189 new telephones were installed, new facilities like card-phone introduced and massive infrastructural facilities created, reports BSS.

Replying to a question from BNP member Shardar Sakhawat Hossain Bakul (Narsingdi-4), the minister said during the time digital micro-wave links were established between Dhaka-Sylhet, Dhaka-Khulna, Dhaka-Mymensingh-Bogra and Chittagong-Betbunia, radio links were established in 89 thanas and nationwide trunk dialling bracket was increased from 8,345 in 1991 to 10,500 to date.

The minister said 500 more new card phones will be installed during the current year in addition to the existing 866 such phones.

The Telecommunications Minister said to prove better international network facilities, the T and T Board has increased international trunk dialling bracket from 358 in 1991 to 847. As a result, revenue earnings on account of international calls increased by Taka 241.65 crore over the years.

Tariqul Islam said in view of increased demand for international trunk links, a new digital earth satellite station and an international trunk exchange were established in the city and another earth satellite station is being set up in Sylhet with assistance from British Telecom.

The minister said, in Dhaka city, work is in progress for giving one lakh more digital telephone connections to the city dwellers.

Replying to a supplementary from the member, the minister said the net income of the telecommunication sector was more than Taka 600 crore during the current fiscal year.

The net profit will be more than Taka 900 crore when the new one lakh fifth thousand telephone connections will be given.

Hilton Int'l may build hotel in Myanmar

YANGON, June 21: Well-known Hilton International Hotels Group of the United States is dealing in hotel business in Myanmar, the official paper 'The New Light of Myanmar' disclosed today, says Xinhua.

The visiting Vice-Chairman of the Hilton Group Alain Mahillon called on Myanmar Minister for Hotels and Tourism Lieutenant General Kyaw Ba on Tuesday and discussed with him the building of a hotel in Bagan, a place rich in ancient Myanmar cultural heritage, the paper said.

The Vice-Chairman of US Hilton Group disclosed that it holds 20 per cent of share in the United States and Japan, and runs altogether 160 hotels including 30 in Asia and Pacific region.

The Myanmar Minister also said hotels and tourism in Myanmar can be extended to some other states - Kachin state to the north, Shan Plateau to the east and coastal regions to south and west of Myanmar.

Wellcome-Glaxo deal wins USA approval

WASHINGTON, June 21: An agreement clearing the way for the merger of world pharmaceutical giants Wellcome PLC and Glaxo PLC won final approval from US federal regulators Tuesday, reports AP.

In March, Glaxo agreed to sell the rights to a migraine drug under development by Wellcome in order to win US approval for its 14.3 billion dollar acquisition of Wellcome, the world's largest pharmaceutical maker.

The Federal Trade Commission had feared that the combined Glaxo-Wellcome PLC could monopolise the migraine drug market, since both of the British companies were developing treatments for the ailment.

The European Union also put similar conditions on the deal.

Good demand, fair prices for tea persist in Ctg

CHITTAGONG, June 21: The weekly tea sale held here yesterday was once again marked by good demand and fair prices for all grades of teas, market sources said, reports BSS.

Buyers for Poland and other out markets operated actively for bold and large brokens with prices moving up further in sellers' favour.

Internal buyers and major packers also lent fairly useful support to good liquoring, smaller brokens and fannings at around last levels and occasionally dearer.

Plainer fannings were easier owing to lack of sufficient export enquiry.

Bold brokens were a stronger feature and were dearer up to Tk 3/- per kg. Larger brokens were also a stronger market and sold at firm to dearer levels of ten

advancing up to Tk one (1/-) above last levels.

Medium and smaller brokens were about steady except for the few good liquoring types which were dearer. Popular types once again sold quite well selling between Tk 48/50 and Tk 51/30 per kg.

Good liquoring primary fannings were a strong market selling at around firm to occasionally dearer levels while all others were slightly easier.

Plainer types were generally an easier market with some withdrawals. Popular types sold at around last levels selling between Tk 48/50 and Tk 52/40 per kg.

Three thousand thirty two chests of dust category on offer once again met with fair demand at lower rates generally declining by up to Tk one (1/-) and at times more following quality.

ROK, DPRK sign accord on food aid

SEOUL, June 21: South Korea announced it would provide 150,000 tonnes of emergency rice "free of charge" to North Korea after an agreement was signed by the two sides in Beijing today, and that rush deliveries would start in the coming days, reports AFP.

The South's Unification Minister, Rha Wong-Bae, told a crowded press conference here that the first batch of 2,000 tonnes would be shipped within "this week" from the eastern port city of Donghae.

It will be carried in South Korean flagged-ships directly to the two North Korean ports of Rajin and Chongjin, but the 40-kilogram (88-pound) rice sacks, at North Korea's request, will carry no markings indicating their origin, he said.



Winners of the "Mystery Shopper Contest," held as part of the State Express 555 centenary celebrations, seen with chief officials of Bangladesh Tobacco Company Ltd at a local hotel yesterday.

General Electric Manufacturing Company Ltd (BSEC)
Patenga, Chittagong

জাতীয় অগ্রগতিতে বিদ্যমানের আন্তর্জাতিক মানের পণ্য সামগ্রী ব্যবহার করুন

Short Local Tender Notice

Sealed offers with 1% Earnest Money are invited by General Electric Manufacturing Co. Ltd., Patenga, Chittagong for procurement of the following materials on Free Delivery Basis:

| Sl. No. | Tender No. & Date | Name of Material | Price Per Set | Opening Date |
|---------|----------------------------|-----------------------------|---------------|--------------|
| 1. | GEM/COM/138/95 dt. 11.6.95 | Various sizes of Insulators | Tk. 200/- | 9-07-1995 |

Tender documents will be available during office hours except opening date on Cash Payment (non-refundable) from the following offices:

- Cash Section, Accounts Division, Bangladesh Steel & Engineering Corporation, BSEC Bhaban, 102, Kazi Nazrul Islam Avenue, Dhaka-1215.
- Cash Section, GEM Co. Ltd., Patenga, Chittagong.

N.B. No tender documents will be sold on the date of opening.

No. BSEC/PRD/250-13/6
DFP-15315-15/6

Trade Queries from Abroad

By Staff Correspondent

The Export Promotion Bureau of Bangladesh (EPB) has received a number of trade enquiries from abroad. The interested exporters are requested to contact directly with Freight on Board (FOB) and Cost and Freight (C&F) values.

| Name and Address | Expected goods | Telephone/Fax |
|--|--|---|
| Monsieur Deva Sockalingum Residence Albert Chatelet Rue Frederic Combe-mare 59045 Little Cedex France | Species, Pickles, canned foods | Tele: 20536237 Fax: 20882332 |
| Trend Trade Pte Ltd. Robinson Road, P. O. Box 298, Singapore 9005 | Fresh chilled Chinese Pomfret, fresh chilled Silver Pomfret Raw Jute | Tele: 7208290 Fax: 5668891 |
| Universe International Group Pte Ltd., 1/F, 1072 Centre Road, South Okleigh: 3167 Victoria, Australia. | | Tele: 61-3-95764088 Fax: 61-3-95764068 |
| 7 Seas Import Company, 1326, Terrace Avenue, Waukegan 11 60085, USA | Leather goods, toys and games, apparel | Tele: 7082630072 |
| Tony Enterprises, 5931 Dryad Houston, USA | Costume Jewelry, Leather goods | Tele: 71371235899 |

BTC hosts prize giving ceremony for SE 555 shopper contest

Bangladesh Tobacco Company Ltd, hosted a prize giving ceremony for its "SE 555 Mystery Shopper Contest" at a local hotel yesterday, says a press release.

Hugh Tweed, Managing Director of BTC, handed over the prizes to the winners.

According to the press release, this is for the first time in the country that a contest of this kind was held to basically promote proper merchandising in the retail shops. Out of 18,000 contestants, 1000 got "successful participant" prizes while the three special prizes went to the top scorers.

The prize giving ceremony was attended, among others, by Francois Gillet, Marketing Director, Wazirul Alam, Brand Group Business Manager, and GM Kawsar, Regional Trade Marketing Manager, Dhaka.

The competition was held as part of the State Express 555 centenary celebrations.

BANSDOC Bangladesh National Scientific & Technical Documentation Centre

Science Laboratory Campus
Dhanmondi, Dhaka

Re-Tender Notice

Sealed tenders are hereby invited from the bonafide suppliers/sole agents for supply of one PPC Machine from ready stock with the following specifications:

Copy size: Max. A3 and Min. A6.
Copy speed: 22 copies per minute.
Reduction & Enlargement Zoom: 64% to 156%.
Power: 220 Volts-50HZ, Made in Japan/USA.

The tender must be accompanied by Earnest Money of 2.5% of the quoted amount in the form of Bank Draft/Pay Order in favour of "BANSDOC, DHAKA," attested copies of Trade Licence and Income Tax payment certificate.

The tender will be received in the sealed tender box in the office of the Administrative Officer, BANSDOC, Dhaka on 25th June 1995 up to 12.00 Noon and will be opened on the same day at 12.30 PM in presence of the tenderers, if any.

The authority is not bound to accept the lowest tender and reserves the right to accept any or reject any or all the tenders without assigning any reason whatsoever.

DFP-15345-17/6
G-984

Dr. Md. Lutfur Rahman
Director.