

SANYO

Microwave Oven

Sole Distributor in Bangladesh

Transfin Trading Limited

100, Kazi Nazrul Islam Avenue, Dhaka-1215

Telephone: 815306-09, 819625-29, Fax: 813062

The Daily Star BUSINESS

DHAKA FRIDAY, DECEMBER 29, 1995



HYUNDAI

CARS THAT MAKE SENSE

Five more new sugar mills to be set up in the country

By Govinda Shil

While the government has put two sugar mills on the dock for auction, a taskforce of the Ministry of Industries has recommended the setting up of five more sugar mills in the country to "boost sugar production towards self-sufficiency."

According to official sources, the proposal of setting up of new sugar mills and other recommendations have been sent to the Planning Commission for approval.

The 15 sugar mills in the country, all in the public sector, are struggling to survive in the face of stiff competition from imports and smuggling. The cost of setting up of five sugar mills will be about Taka 400 crore, said Bangladesh Sugar and Food Industries Corporation sources.

The suggestions of the taskforce, which was formed early this year, include completing the "Balancing, Modernisation, Rehabilitation and Expansion (BMRE) of 11 sugar mills, introducing High Yielding Varieties (HYV) of sugarcane, making the sugar mills economically viable, developing infrastructural facilities in the mill areas, carrying out research and development (R&D) programmes, shortening the harvesting period to 120 days and extending bank loans to the farmers.

The shortening of crushing period would help the mills to earn a profit of Taka 33 crore.

BSFIC placed the Desh Bandhu and Kalachakra sugar

mills to the Privatisation Board last month for sale in the private sector.

But the private sector has showed little interest to buy the mills.

The sugar mills have an annual production capacity of around 200,000 tonnes annually and the country requires additional 150,000 tonnes of sugar which is imported.

"If the suggestions are implemented, the mills can meet the requirement of the country by the year 2005," said senior BSFIC official.

He said the sugar mills that have been incurring losses since 1984 earned a profit of Taka 9.02 crore in the last fiscal and the projected profit in the current fiscal is set at Taka 23.57 crore.

In an open and free economy, the sugar mills are under pressure of the World Bank and other donor agencies to be privatised. But the officials and workers of the mills as well as the management are unwilling to let the mills go to the private sector. So, the mill-personnel are desperately trying to make those factories economically sound.

The sugar industry was made open to the private sector since 1979 but no entrepreneur showed interest to invest independently or go for joint venture.

Dwelling on the cost of production, often alleged to be high, the official said, the cost of production of one kg of sugar was Taka 26. "But we can produce a kg of sugar at Taka 18 to 21 if the govern-

ment pays for R&D, develops roads in the mill areas and reduces Value Added Tax on sugar.

Citing examples of the neighbouring countries, he said these works are done by the concerned ministries. In Bangladesh, the factories do these works at their own cost.

Bangladesh sugar mills spent additional Taka 5.50 to produce one kg of sugar which included Taka 2.42 Value Added Tax (VAT) on one kg of sugar. The Indian mills pay only Taka 89 as VAT on one kg of sugar.

Another official in the BSFIC said in an open market economy, the government cannot regulate input and output prices, but here, the prices of sugarcane and sugar are fully regulated by the government.

"By chaining our activities, the government cannot tell us to compete in the free market," he observed.

BSFIC official pointed out that the government increased the price of sugarcane to Taka 37.50 per maund from Taka 27 in 1989 but reduced the per kg sugar price substantially, from Tk 29 to Taka 22.50 at that time, that was helping the sugar mills to lose their competitiveness in the market.

Citing an example of the international market, the official of the BSFIC said, a US farmer was paid more than Taka 70 as subsidy to produce one pound of sugar. India paid 100 crore rupees as subsidy to their sugarcane

cultivators in 1990-91.

"If BMRE of 11 sugar mills could be done at a cost of Taka 288 crore and five new mills were constructed, the country would be self-sufficient in sugar production," said another official of the BSFIC.

These initiatives would help to increase the efficiency of the mills, increase productivity of sugar fields and raise the sugar output from 200,000 to 433,000 MT, sources added.

Considering per capita sugar intake at three kg, the country will require 433,000 tonnes sugar, said the taskforce.

"If BMRE is not done, the economy would have to pay Taka 250 crore annually to import additional 1.8 lakh metric tons of sugar after the year 2000," said the official.

In Bangladesh, the sugar mills pay subsidy to the consumers by selling at a price lower than the cost of production, sources said. In these circumstances, the sources pointed out, that the mills earned profit during 1973 to '83 period, and again it could sustain its profitability if necessary co-operation is given to the mills.

Meanwhile, a new sugar mill in Pabna is going on a trial production in February next year. The initial cost of the mill was determined at Taka 68.77 crore but due to lengthening of the time period and the devaluation of taka, the revised cost of the mill stood at 84.42 crore, sources said.

Car importers for removal of tax 'anomalies'

By Staff Correspondent

Bangladesh Reconditioned Vehicles Importers and Dealers Association (BARVIDA) has demanded removal of 'anomalies' regarding tax on imported vehicles.

Representatives of BARVIDA at a press conference at the Jatiya Press Club Wednesday expressed their fear that many importers of reconditioned vehicles would become bankrupt if the authorities do not allow unloading of vehicles, for which letters of credit (LCs) were opened before December 12, under Pre-Shipment Inspection (PSI).

Earlier, on December 12, the National Board of Revenue (NBR) issued a notification banning import of four types of motor vehicles—car, jeep, microbus and pick-up van—under PSI.

There were allegations of abuse of the system.

Customs officials claim that over the recent months they were detecting increasing number of import invoices under PSI which did not conform to their respective tariff values.

Pressed by newsmen, BARVIDA representatives admitted that the prices of the imported vehicles increased by Tk 10,000 to 30,000 after the abolition of PSI.

In a written statement at the press conference, BARVIDA president Abdul Haque alleged that the Chittagong Port Authority 'unilaterally and illogically' imposed four times higher wharf rent for vehicles and Bangladesh Road Transport Authority (BRTA) realises more fees for the registration of old and reconditioned vehicles than those for the new ones.

He demanded readjustment of the rate of depreciation for fixing tax on imported vehicles.

BARVIDA also called for the formulation of transport policy.

BARVIDA secretary Nimal Kant Roy, vice president Alauddin and other office bearers were also present at the press conference.

Tk 4cr BKB loan disbursed in B'baria

BRAHMANBARIA, Dec 28: An amount of Taka four crore one lakh 90 thousand has been distributed among the farmers as agriculture loan by Bangladesh Krishi Bank (BKB) through its 24 branches in Brahmanbaria region till November, official sources said, reports BSS.

Out of the disbursed amount, Taka three crore 30 thousand has been distributed among the farmers of the district as crop loan, Taka 22 lakh 26 thousand for purchasing cattle, Taka 68 lakh 56 thousand for employment generation of women in rural areas, Taka there lakh 90 thousand for dairy farm, Taka three lakh eight thousand for cottage industries, Taka 30 lakh 28 thousand for the landless farmers and the rest as general loan.

The sources also said that the target of distribution of loan has been fixed at Taka 12 crore 76 lakh 10 thousand during the current financial year in Brahmanbaria district.

On the other hand, the bank realised Taka 2.66 crore 30 thousand during that period, the sources added.

Sonali Bank's management-CBA meet held

A formal discussion meeting was held Wednesday morning at the head office of Sonali Bank between the bank employees union, B-202 (CBA) and the bank's highest authority to consider the 26-point demands placed by the CBA and accelerate the pace of overall business development, says a press release.

Newly elected CBA President Aminul Haque Faruque and General Secretary Jamal Uddin Ahmed took the lead in the discussion and the bank's Managing Director M Ahsanul Haque represented the bank management. Deputy Managing Director, all general managers, concerned deputy general managers and other executives and CBA leaders were present on the occasion.

The 26-point demands were discussed in detail in the meeting and a consensus was reached for instant solution to some problems.



Qatar Airways inaugurated its flight to Dhaka on December 26 with the founder and Chief Executive Officer H H Hamad Ali Jabor Al-Thani piloting the airline's Boeing B747 himself. He was welcomed at the Zia International Airport by State Minister for Civil Aviation and Tourism Major (Retd) Abdul Mannan. High-level officials of Civil Aviation and Biman Bangladesh Airlines and Qatar Airways' GSA Oryx Aviation were present on the occasion.

BOI registers 672 projects in five months

The Board of Investment (BOI) has registered a total of 672 projects during the last five months (July-November, 1995) with an investment outlay of Tk 63,586 million, equivalent to 1590 million US dollar, reports UNB.

The amount is 350 per cent higher compared to corresponding period of 1994 when a total of 533 projects were registered with an outlay of Tk 18,572 million.

The amount of registered investment clearly indicates a sharp acceleration of investment trend, although this does not reflect the actual quantum of investment, said a press release of BOI yesterday.

Projects involving foreign participation have shown an increase of around 700 per cent compared to the corresponding period of the previous year.

The proposed foreign investment in 86 projects during the last five months stands at Tk 34,965 million which is equivalent to US dollars 874 million. The amount was Tk 5,174 million, equivalent to US dollars 129 million during the same period of last year.

Major interested countries are Japan, USA, UK, France, The Netherlands, Korea, Philippines, Malaysia, Hong Kong, Iran, Sri Lanka, Pak-

istan and India. The proposed investment will be made in the industries like textile, electronics, engineering, chemicals, telecommunications, shrimp hatchery, pharmaceuticals, leather goods and services industries.

BOI said efforts were underway to find out the progress of implementation of the projects and further improvement of the methodology and quality of statistics.

The Board will periodically publish estimates of number and volume of investment proposals registered with its office, the press release added.

Europeans angry over US move to punish investments in Libya

WASHINGTON, Dec 28: America's European allies reacted angrily to a US Senate decision to impose sanctions on foreign companies that make new, substantial investments in Libya's energy business, according to Wall Street Street Journal Service.

The Libyan measures were added December 20 on the US Senate floor to a bill that would penalize foreign companies making investments of 240 million dollars or more in Iran's energy sector. If the bill becomes law, the sanctions are expected to have a far greater impact on European firms doing business in Libya than in Iran because foreign investment is much greater in Tripoli.

"This is not the right legislation," said Jean-Christophe Belliard, a spokesman for the French

Embassy. "We have a good relationship with the US, but this is adding stress to the relationship." He added that, "I presume if this passes, we would go to the World Trade Organization with a complaint."

One casualty of the bruised feelings could be an Organization for Economic Cooperation and Development initiative to liberalize investment rules for industrialized nations. "The US jeopardizes its leadership and credibility... if it adopts a secondary embargo on companies investing in Iran or Libya," said William Berry, president of the European-American Chamber of Commerce.

The expanded bill also puts the Clinton administration in an awkward position. A US official worries that

such unilateral actions involving sanctions would make it more difficult for Washington to maintain the support of its allies at the United Nations Security Council, which imposed milder sanctions on Libya in 1992.

"What kind of precedent does this set?" asked the US official. "When we act unilaterally about the things we care about, how can we complain when the Europeans do the same thing?"

In a move to head off the Libyan portion of the bill, the White House called for tougher multilateral UN actions against the nation. Spokesman Michael McCurry said in a statement: "We urge the international community to support the expansion of existing UN sanctions on oil-related equipment for Libya."



Harun-or-Rashid Khan, Chairman of Monno Ceramic Industries Ltd, addressing the 14th annual general meeting of the company at a city hotel on Wednesday.

Thakurgaon Road Division TENDER NOTICE

Sealed Tenders in Bangladesh Form No 2911 are invited.

- Tender Notice No : 10EE/T of 1995-96.
- Name of work : Construction of RCC box culvert, work under Thakurgaon Road Division during 1995-96 in 2 (two) Groups.
- Head of Accounts :
- Estimated cost :
- Earnest money : as per group list.
- Time allowed :
- Eligibility of Contractor :
- Name of office where tender documents can be purchased : 1. Executive Engineer (RHD), Road Division, Thakurgaon/Dinajpur/Nilphamari/Planning & Design Division, Rangpur/Planning & Design Sarak Bhaban, Ramna, Dhaka.
2. Sub-Divisional Engineer (RHD), Road Sub-Division, Thakurgaon/Panchagarh.
- Name of office where tender will be received : 1. Add. Chief Engineer (RHD), Rangpur Zone, Rangpur.
2. Superintending Engineer (RHD), Road Circle, Dinajpur/Monitoring & Evaluation Circle, Sarak Bhaban, Ramna, Dhaka.
3. Executive Engineer (RHD), Road Division, Thakurgaon/Dinajpur/Nilphamari.
- Last date of selling tender documents (Within office hours) : Up to 8-1-1996.
- Last date & time for receiving tender : At 12-30 PM on 9-1-1996.
- Date and time of opening tender box : At 12-45 PM on 9-1-1996.
- Date and time of opening of tender bids : At 11-00 AM on 15-1-1996.
- Date & time of lottery (if necessary) : At 11-00 AM on 20-1-1996.

Groups list of work

Group No	Name of Road	Name of work with location	Chargeable head	Estimated cost	Earnest money	Time allowed for completion of work	Eligibility of contractors	Remarks
1	Thakurgaon-Baliadangi-Nekmorad-Ranisankail-Pirganj-Birganj (in/c Dharmagarh connecting Road).	Construction of RCC Box Culvert at 13th KM.	168 RBF	7,55,262/-	15,106/-	90 (Ninety) days	'A' to 'D' special category of (RHD)	Separate tender with separate Earnest Money to be submitted for each groups.
2	Thakurgaon-Pirganj Road.	Construction of RCC Box culvert at 6th KM.	-do-	7,64,784/-	15,296/-	90 (Ninety) days	'A' to 'D' special category of (RHD)	

Md Hamidur Rahman
Executive Engineer (RHD)
Road Division, Thakurgaon.

Government of the People's Republic of Bangladesh

Office of the Executive Engineer

Mirpur H&S Division-2

Mirpur, Dhaka

DHAKA URBAN INFRASTRUCTURE IMPROVEMENT PROJECT (DUIIP)

ADB Loan No 942 BAN (SF)

Notice Inviting Tender

No. 05 (DUIIP) 1995-96

1. Government of Bangladesh (GOB) has received a loan No 942-BAN (SF) from the Asian Development Bank towards the cost of Dhaka Urban Infrastructure Improvement Project at Mirpur. Different organisations/agencies shall implement different components of the project. Housing & Settlement Directorate (HSD) shall be responsible for the implementation of the area upgrading and infill works. It is intended that part of the proceeds of this loan shall be applied to eligible payments for the infill works under this contract.

2. HSD now invites sealed tenders in Bangladesh Form No 2911 under local competitive bidding from the VAT registered enlisted special 1st class (former 'A' class) contractors of Housing & Settlement Directorate/Special 'A' class of PWD/A' Class (general) of R&H and 'A' Class of MES for the undermentioned works which will be received by the undersigned & Executive Engineer, Dhaka H&S Division-II, Mphammadpur, Dhaka up to 12.00 Noon on 10-1-96 and will be opened on the same day at 12:15 PM in presence of the intending tenderers. Sealed envelopes containing the tender papers should bear the name of the work with package no. clearly written in block letters and addressed to the undersigned.

3. Tender documents may be obtained from the office of the undersigned and Executive Engineer, Dhaka H&S Division II, Mphammadpur, Dhaka during office hours on all working days up to 9-1-96 on cash payment (non-refundable) of Tk 1000.00 (Taka one thousand) only per set. Tender documents will be sold only to those contractors who have successfully completed the earth work (supplied earth carried by Truck) costing not less than Tk 20 lakh (Taka twenty lakh), in a single tender in Housing & Settlement Directorate or PWD/R&H/MES for which necessary completion certificate must be produced at the time of purchasing tender documents. Registration certificate as a VAT payee must also be produced at the time of purchasing tender documents, otherwise tender documents will not be sold.

Sl No	Name of works with location	Package No	Earnest Money (Tk)	Time allowed for completion
1	Development of land at Block-D at Section 14&15 and Block-C at Section No. 11, Mirpur under Dhaka Urban Infrastructure Improvement Project during the year 1995-96	X	2% of the quoted amount	3 (three) months

4. Earnest money @ 2% of the quoted amount must be enclosed along with the tender in the form of Bank Draft from any scheduled bank of Bangladesh in favour of the Executive Engineer, Mirpur H&S Division-2, Mirpur, Dhaka. Any bid not accompanied by requisite earnest money will be rejected by the Engineer-in-Charge as non-responsive.

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

6. The bidder shall bear all cost associated with the preparation and delivery of its tender, and the employer will in no case be responsible or liable for those costs.

7. This tender notice will form a part of contract and will be binding upon the tenderer.

8. All other terms and conditions will remain the same as in Bangladesh Form No 2911.

Md Serajul Haque
Executive Engineer
Mirpur H&S Division-II
Mirpur, Dhaka-1216
Phone: 382755

DFP-32292-24/12
G-1972

DFP-32343-24/12
G-1973