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### Tofael addresses BGMEA members

## Export-oriented sectors to get preference in next industrial policy

The government will soon formulate an industrial policy with a bias to export-oriented sectors and a simplified investment procedure, reports UNB.

This was disclosed by Industries and Commerce Minister Tofael Ahmed in a meeting with members of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) at its conference room here yesterday.

"We will take steps to facilitate establishment of more export-oriented mills and factories alongside their development of the existing ones through a sound policy," he said.

The minister assured the BGMEA members that the government would consider the

formation of an Apparel Board, as demanded by them, after consultation with the concerned people.

He termed the readymade garments sector as a 'flourishing industry' and said the government would try to resolve the problems faced by the 2.2 billion US dollar industry that employed over 12 lakh people.

Tofael also informed that the government is going to create another export processing zone (EPZ) in Joydevpur near Dhaka while expanding the existing two EPZs in Dhaka and Chittagong.

"We're already decided on principle to allow the Japanese entrepreneurs an exclusive EPZ. We'll also allocate land for the Koreans, who have re-

quested for land on the bank of river Karnaphuli," he said.

The minister also assured that the government would do its best to create a favourable environment for business. "We'll never play the role of businessman. We'll play the role of facilitator."

At the meeting, garment manufacturers apprised the minister of different problems of the readymade garment industry, battered by recent political turmoil in the country.

BGMEA President Redwan Ahmed said the industry suffered most by the political unrest and requested the minister to take steps to ensure that the banks provide loan on easy term and increase facilities for the garment sector.

"We don't want subsidy, we don't want compensation," said Redwan, a former state minister of the BNP government, calling for creating a congenial atmosphere for investment in the industrial sector.

He also requested the government to waive the advance income tax, suspended by the caretaker government but introduced again. The tax at a rate of 0.50 per cent was introduced by the previous government, but was later reduced to 0.25 per cent, he said.

The BGMEA chief also requested the minister to look into the complexities regarding two plots allocated by the BNP government for the association's hospital at Mirpur and office complex near Sonargaon

Hotel.

The industries minister assured them of looking into the matter. He said the government wants to proceed with the 'good works' of the past government. "We don't have any decision that we will scrap everything of the previous government."

Tofael sought cooperation from the garment manufacturers in carrying out the government policy to eradicate poverty and build a happy and prosperous Bangladesh.

Commerce Secretary A H Mofazzal Karim, BGMEA Vice-President Shahabuddin Chowdhury and Executive Committee member Nur-e-Alam Siddiqui also attended the meeting.



Samson H Chowdhury, President of the Metropolitan Chamber of Commerce and Industry, seen handing over a paper entitled 'Economic Agenda of the New Government' to the Prime Minister Sheikh Hasina yesterday, when a 15-member chamber delegation called on her.

### Japanese business team to arrive Monday

A seven-member economic mission from Japan will arrive in Bangladesh on Monday, for a four-day visit, says a FBCCI press release.

The mission is dispatched by the Japan-Bangladesh Committee for Commercial & Economic Cooperation (JBCCEC) and the Japan Chamber of Commerce & Industry (JCCI).

The members of the mission, headed by Uzuhiro Uwatoko, chairman, JBCCEC, and chairman, Toyo Engineering Corporation, includes Yutaka Shibata, director, Nichimen Corp., Kazumichi Yanagihara, general manager, International Cooperation office, Mitsubishi Corp., Hisao Tanimoto, deputy managing director, Operations Department, the Overseas Economic Cooperation Fund, Akihiko Mishima, general manager, Bangkok office, Toyo Engineering, Yoshihiro Ishihara, Asia and Oceania Sec. Corporate Strategies Department, Marubeni Corp., and Kiyoshi Yamada, manager-in-chief, International Division, of the Japan & Tokyo Chamber of Commerce and Industry.

The main objectives of the mission are to enhance mutual understanding through exchanging views with leaders in economic and political circles in Bangladesh and thus further promote economic exchanges between the two countries.

## Bangladesh-China talks end in Beijing

### Dhaka calls for narrowing trade imbalance

Foreign Secretary Farooq Sobhan has underscored the need for bolstering cooperation between China and Bangladesh in economic and trade matters, says UNB.

In the Bangladesh-China consultations that ended in Beijing on Tuesday, the Bangladesh foreign secretary also called for narrowing the gap in Bangladesh's unfavourable trade balance with China.

Sobhan, who led the Bangladesh delegation to the consultations, said the new government in Bangladesh is determined to expand cooperation in all areas with China. There would be no deviation in policy of close friendship that has been followed by the previous governments in Bangladesh, he added.

Vice-Foreign Minister of China and Head of the Chinese delegation Tang Jiaxuan said the Chinese government would cooperate fully with the new government in Bangladesh to further strengthen bilateral relations with particular emphasis on trade and economic cooperation.

An official handout said

here Wednesday that the third session of the bilateral consultations was held in an atmosphere of cordiality, friendship, understanding and cooperation.

The consultations were the first formal bilateral meeting between Bangladesh and China since the assumption of power by the Awami League government following the July 12 election.

Bangladesh ambassador to China Mustafizur Rahman also joined the meeting covering the entire gamut of bilateral relations and exchanged views on the international situation.

The two sides expressed satisfaction over the existing friendly relations between the two countries and agreed to further consolidate and strengthen the bonds of friendship between Bangladesh and China.

The Foreign Secretary, accompanied by him messages from Prime Minister Sheikh Hasina and Foreign Minister Abdus Samad Azad addressed to their counterparts.

He said the Bangladesh government attached high importance to strengthening relations with China.

Chinese Vice-Foreign Minister Tang Jiaxuan said the Chinese government welcomed the new government and expressed total confidence in the leadership of Sheikh Hasina towards a happy and prosperous Bangladesh.

He stressed the need for maintaining contact between the leaders of the two countries and hoped that there would be exchange of high level visits in the very near future.

The foreign secretary also held high level bilateral meetings with top Chinese leaders including General Zhang Zhen, Vice Chairman of the central military commission, Vice Premier Li Lianqing, the acting Foreign Minister of China and Director of the Foreign Affairs office of the state council, Lu Huaqiu and former Minister of the National Textile Council Mu Wenying.

The Chinese leaders expressed their best wishes for the new government in Dhaka and assured their continued support and cooperation in furthering relations with Bangladesh.

### BOI registers 279 foreign projects with \$252 m

By Staff Correspondent

The Board of Investment (BOI) has registered 279 foreign projects during January-March period with an investment outlay of 252 million US dollars.

According to the latest BOI quarterly Investment Newsletter, this is 7 per cent less than what was invested during the corresponding period of 1995. Most of the newly invested companies are in infrastructure sector.

The major investing countries are: Taiwan, Pakistan, Republic of Korea, Germany, India, Malaysia, Singapore and Japan.

The foreign direct investors of these countries will invest in ceramics, jute, telecommunications, garments and cosmetics sectors and sub-sectors.

According to World Bank report, Bangladesh registered the highest increase in Foreign Direct Investment (FDI) in 1995 to 125 million US dollars from 11 million US dollar in 1994.

The FDI growth for Bangladesh was the highest recorded for a single country in the South Asian region in 1995.

Quoting an Australian daily, The Australia, the quarterly Investment Newsletter said, "Despite limitations and political unrest, Bangladesh has a good prospect for foreign investment."

### India initiates special jute dev programme

NEW DELHI, July 25: India has initiated a centrally sponsored Special Jute Development Programme (SJDP) in jute growing and mesta growing states including Orissa on one hundred per cent central funding pattern, reports BSS.

Minister for Textile R L Jalappa told the upper house today that under the scheme subsidy is provided to farmers in distribution of jute or mesta seeds, distribution of jute implements, distribution of essential nutrients and technology demonstration.

Among various measures, the minister said, the government is encouraging production of diversified jute products.

He said market supply scheme and jute yarn bank scheme are also being implemented in different states.

### Training course on computer at BIBM ends

A 18-day training course on Computer Operation and Programming concluding at Bangladesh Institute of Bank Management yesterday, says a BIBM press release.

The course was designed with a view to familiarising the participants with computers and their uses in banks and developing knowledge and skill about computer programming.

A total of thirty eight officers from different banks and financial institutions participated in the course.

The concluding session of the course was chaired by AHM Nurul Islam Chowdhury, Director General, BIBM. Chowdhury also distributed certificates to the participants.

While speaking on the occasion Chowdhury emphasised the importance of computer technology in modern banking system. He stressed the need for computer programming for banks and said that computer could contribute significantly to productivity gains.

Kazi Amarat Hossain and Fahmida Chowdhury, BIBM faculty members, coordinated the course.

## Govt urged to take measures to rehabilitate sick industries

A group of debt-ridden entrepreneurs yesterday appealed to the new government for taking urgent measures to rehabilitate their 'dying units,' reports UNB.

Rugna Shilpa Punarbashan Parisad, an association of sick industries, at a press conference here called for creating favourable atmosphere for industrialisation by enacting necessary laws.

The association said several thousand "sick" industries were on the verge of closure, threatening thousands of job losses. It urged the government to take necessary steps in the light of the recommendations made by the sick industries' rehabilitation cell constituted in 1991.

Leaders of the association said the country could earn Taka 600 crore in revenue annually and create employment opportunities for four lakh people by reactivating the sick industries.

According to them, the number of sick industries rose to 5,000 from 1,556 in 1991 due to what they called re-

pressive policy of the previous government towards industrialisation.

### Works of 5 major roads completed in Pirojpur

PIROJPUR, July 25: Roads and Highways Department has completed the construction work of five major roads at a cost of about Tk 4.29 crore, says UNB.

Of the total, over Tk 1.16 crore was spent for the Pirojpur-Nizirpur-Matibhanga road while over Tk 1.18 crore for Rajapur-Naikathi-Bekuti road and over Tk 1.42 crore for Charkhali-Tushkhali-Modhbaria-Patharghata road.

The remaining two other roads - Modhbaria-Baramachua road and Jhalakati-Kirtipasha-Swarupkati road were completed at a cost of Tk 51.60 lakh.

### Bank holiday

The Bangladesh Bank (BB) and all scheduled banks will remain closed on July 29 on the occasion of holy Eid-e-Miladun Nabi, a BB press release said yesterday, reports UNB.

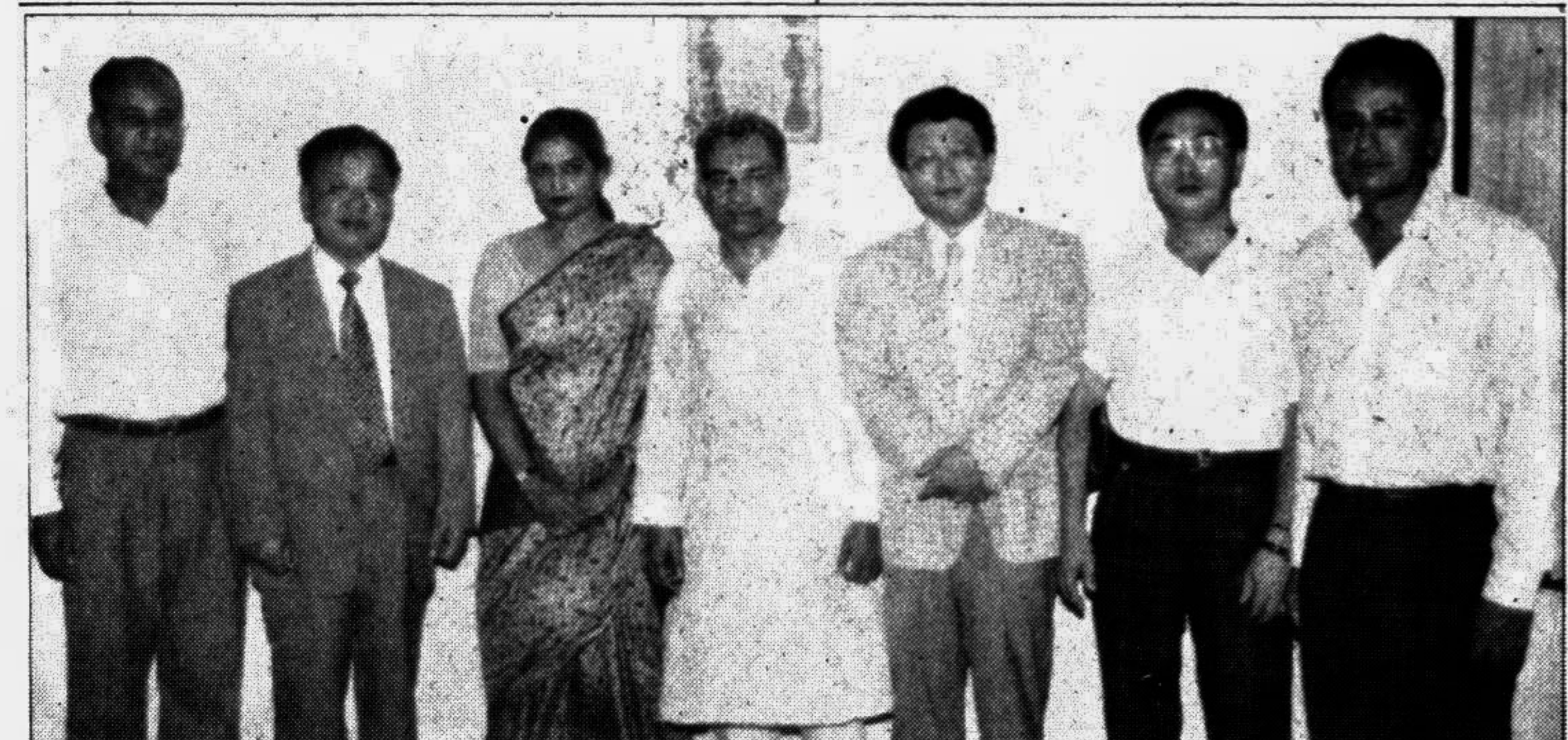
In the soap sector alone, about 700 industries are either sick or closed, they said adding that almost all the 81 BSCIC industrial estates in 64 districts had become 'grazing fields.'

The association said sick industries have overdue bank loans to the tune of Taka 2500 crore. Banking circle puts the figure several times higher.

Owners of the sick industries refuted the previous government's claim that it had rehabilitated 400 sick units. Only a few had been rehabilitated, they claimed.

They proposed setting up of a board for industrial and financial restructuring to identify all the sick industries as well as those who did not repay loans intentionally.

The press conference was addressed, among others, by convenor of the Parisad Alauddin Ahmed, secretary general Mohammad Ishaq and vice president Manjur Ahmed. Owners and representatives of different sick industries were present.



A reception was accorded to J M Song and J K Choi, Chairman and Managing Director respectively of S&C Corporation Ltd, by Bangladesh counterparty Mainuddin Ahmed of a joint venture Korean company. Also seen in the picture are Mrs Mainuddin Ahmed and Amir M Khasru Chowdhury (MP), Chairman, Chittagong Stock Exchange. Song said his company will train up Bangladeshi workers and transfer technology. The company will initially create employment for 300 Bangladeshis. The company is expected to go into commercial production from the middle of October, 1996.

## Silk yarn producers facing odd competition following VAT withdrawal

By Staff Correspondent

Silk yarn producers of the country view that the sector is facing an odd competition after the withdrawal of all duties including VAT on imported yarn putting the livelihood of at least 25,000 cocoon rearing households at stake.

The government had withdrawn all duties on import of silk yarn in 1992 following which the price of Chinese silk yarn dropped from over Taka 2,000 to Taka 1,000 per kg, said an official of BRAC, an NGO that has a vast network of silk fabric production.

This has prompted the weavers to use foreign yarn which is also superior in quality depressing the market for local yarn which, in turn, led to fall in the price of cocoons from between Taka 70 and 90 per kg to between Taka 40 and 50 per kg.

Many cocoon rearers, as a result of this, in Bholahat of Chapainawabganj district have switched from rearing mulberry to other crops, BRAC maintained.

Those rearers who are still in production are mainly subsidised by NGOs using the

profits made in the weaving of silk fabrics, officials said.

The main reason for high cost of production of local

rearsers is inefficiency and low productivity, they said. The World Bank is considering a silk project which will also help in raising the productivity of the sector.

The reeling units are now trying to minimise their losses by making use of the reeling waste to generate some profit to cover the losses from reeling yarn.

BRAC officials pointed out that while there is no duty on imported silk yarn, the government imposes 7.5 per cent duty and VAT on imported spun silk yarn. At the same time, the domestic weaving sector gets some protection by way of 45 per cent duty and VAT on imported silk fabrics.

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Its previous highest level since the oil boom was in the first half of 1991, when it stood at 18.25 dollars, according to OPEC's news agency OPECNA.

Oil prices have remained high this year even though the Organisation of Petroleum Exporting Countries (OPEC) produced nearly one million barrels per day (BPD) above its nominal output ceiling.

Initial estimates showed

help in raising the productivity of the sector.

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They said this puts the rearers to face a stiff competition against the international market while weaving sector is getting protection.

BRAC feels that there should be duty on silk yarn to make it more consistent with the duty structure on other items such as spun silk and silk fabric. A duty structure similar to spun silk would give the rearers and reelers some protection, but would still allow the weavers to enjoy some border protection with respect to Indian fabrics.

## আঞ্চলিক শাখা কর্মকর্তা সম্মেলন '৯৬

### ইস্টনাথ ইনস্যুরেন্স কোম্পানী লিমিটেড



A K M Humayun Kabir, Director-in-charge of Eastland Insurance Company inaugurated a two-day long regional and branch managers' conference of the company at a local hotel on Wednesday. Kazi Bahauddin Ahmed, Principal CO-ordinator, M Azmal Hoque, Executive Director & Chief Executive and Ghulam Rahman, Director (Planning) of the company, are also seen in the picture.

## Huge quantity of sweet potatoes being damaged in Madaripur

MADARIPUR, July 25: Sweet potatoes worth crores of taka are getting damaged due to lack of proper storage and marketing facilities in the charlands of six thanas of the district, reports UNB.

Local people said the vast areas of the charland produce 50,000 metric tons of sweet potato annually but most of them are getting rotten due to lack of proper storage.

Sweet potatoes are extensively being cultivated at the vast char areas of Naria, Goshairhat, Jajira and Shariatpur thanas. Farmers are very eager in growing the sweet potato due to very less production cost. Besides, no chemical fertiliser is required for the crop.

According to local farmers the per acre yield in the area is between 150 and 200 maunds.

Generally, the growers face food shortage during the Bangla months of Baishakh, Jaishtha and Asharh. The rural people affected by natural calamities and erosion are habituated to take the sweet potato as their main food during the three months period.

Five varieties of sweet

potato - white, red, black, reshmi and bhairab - are grown abundantly in the areas. Of these, the red variety has

### Businessmen believe Stability depends on political leaders

HONG KONG, July 25: Business leaders in Indonesia, South Korea, the Philippines and Malaysia believe political and economic stability depend largely on continued rule by their respective political leaders, a Far Eastern Economic Review poll said yesterday, reports AFP.

The poll of about 300 business leaders was unanimous in three of the countries: 100 per cent in Indonesia, the Philippines and Malaysia said stability depended 'a great extent' or 'some extent' on their political executives.

In South Korea, 94 per cent agreed. The results were much different among business leaders in Japan and Australia and Hong Kong.

the maximum yield. This variety is also tasty and comparatively cheaper than the other varieties. Besides, this can be eaten without any other food by boiling for a while. It has also more nutritional value.

Agriculture department sources said 50,000 metric tons of sweet potato are being grown in the district annually. But last year the farmers incurred losses due to flash flood and high tide and this year too production prospect is not satisfactory due to scarcity of water.

There are huge quantity of sweet potato in the rural huts and bazars but the growers are compelled to sell their product at a throw away price due to lack of marketing facilities.

At present per kg sweet potato is being sold at Taka 3-4 in the local markets. But in the absence of buyers a huge quantity of the crop are being damaged due to want cold storage facilities.

Local farmers urged the concerned authorities to set up a cold storage in the area and take steps for proper marketing facilities of the crop.