

BGMEA demands further devaluation of Taka

By Staff Correspondent

The Bangladesh Garments Manufacturers and Exporters Association (BGMEA) has demanded further devaluation of Taka to compete with the garment exporters of the neighbouring countries.

Our currency should be devalued in line with the neighbouring countries specially India and Pakistan to keep our Ready Made Garments (RMG) sector competitive in the world market, said Capt (ret'd) Anisur Rahman Sinha, the newly elected president of the BGMEA at a press conference held at a city hotel yesterday.

According to him, Pakistan and India have devalued their currencies by about hundred per cent during the last five years.

Newly elected first vice-president Alhaj Khalilur Rahman, second vice-president S U Haider, vice-president Benajir Ahmed and treasurer Mohammad Uzair Afzal FCA were also present at the conference.

Highlighting the problems

faced by the RMG sector which fetched 66 per cent of the export earnings last year, the BGMEA president said that about 600 to 800 small garment manufacturing units were going to be closed down due to the previous prolonged political impasse in the country.

On the other hand, the struggling factories could not keep pace with the requirements of buyers to make timely shipments which resulted in cancellation of orders, stock-lots and bank liabilities, Sinha said.

He said many factories which were once contributing to the national economy, were burdened with forced loans created by the banks due to cancellation of orders. These factories can not open new L/Cs because of their overdue loans, he added.

Demanding the formation of a special fund for rehabilitation of the factories badly affected during the last political impasse, the BGMEA president

said that it could be created with the foreign currency fetched by the garment sector.

He also demanded allowing of EPZ facilities for the hundred per cent export oriented readymade garment industries established outside the EPZs, and establishment of Bonded Ware house facilities under private trading houses.

To ensure supply of quality fabrics locally, conducive environment for investment should be created so that backward linkage industries could flourish within the next five years, Sinha said.

In this regard he further said that to ensure increased use of local fabrics the 25 per cent alternative cash benefit given to the fabric producers should be equitably distributed between the fabric producers and the apparel manufacturers and exporters.

Referring to our neighbouring countries the BGMEA president observed that the export earnings of hundred per cent export oriented readymade garment industry should be exempted from all sorts of taxes.

Sinha said the demand for garments from Bangladesh is increasing by 20 per cent on an average every year and the country will be able to retain it if the present political stability continues.

When asked to comment on BNP chairperson Begum Khaleda Zia's recent threat to wage a movement against the present government he said Begum Zia had already assured them of not taking up any political programme which might go against the country's economy.

Expressing dissatisfaction over the existing facilities at the Textile Cell of the Export Promotion Bureau (EPB), BGMEA president demanded establishment of an independent Apparel Board as the existing facilities at the EPB can not accommodate the recently increased work load of the apparel sector.



BGMEA President Capt (Rtd) Anisur Rahman Sinha addressing a press conference at a local hotel yesterday. First Vice President Khalilur Rahman and Second Vice President SU Haider also seen.

—Star photo

'Govt pledge-bound to ensure equal development of all areas'

State Minister for Information Professor Abu Sayeed has said that the government of Sheikh Hasina was pledge-bound to the people to ensure equal development of all parts of the country, reports BSS.

The minister was addressing the annual general meeting of Daulatpur Thana Welfare Association at the BCIC auditorium here Friday.

ABM Anwarul Haq, President of the association, presided over the meeting.

Prof. Sayeed criticised some opposition leaders for their undemocratic language and their conducts against the present government and said these political parties are making propaganda against the national consensus government under the leadership of Sheikh Hasina.

He said the present government has taken steps to build a strong local government.

He called upon the people to cooperate with the government, irrespective of political affiliation, to build a strong local government to ensure development fulfilling national aspirations.

Western zone's oil-based power plants incur huge losses

By Sharier Khan

The government is incurring heavy losses in the oil-based power plants in the country's western zone covering from Khulna to Dinajpur as it is subsidising up to Taka seven for per kilowatt of power generation there, according to a well-placed source of the Energy Ministry.

While it costs only Taka 0.54 to produce one kilowatt hour of power by a gas-fired power plant in the eastern zone, it costs between Taka 5.50 and 7 for the same by an oil-based power plant in the western zone.

The country has an installed power generation capacity of 2900 MW but it actually generates 2100 MW maximum — leaving a shortfall of 200 MW demand for power in peak hours.

The power plants in the eastern zone, extending from Chittagong region to Sylhet region and Dhaka, mainly use natural gas as its main raw material to generate around 1900 MW power.

In contrast, the western zone, which lacks a gas supply network system—uses imported oil to generate around 200 MW

power.

The power generation by the oil-based power unit in Barisal, Khulna division has also become unpredictable since most of these units have become old.

To address the bleak power situation in the western zone, the Power Development Board (PDB) has taken initiatives to install a 120 MW barge mount power plant near Khulna and another in the eastern zone.

According to a recent statement of the Energy Minister, it would take another year to install and start supplying power to the grid.

To build gas-based power plants as well as to avail gas facilities to western part, the government has plans to install gas pipeline in the Jamuna Bridge. However, this bridge would not be completed before 1998.

The government is also considering purchasing power from India to feed the power hungry eastern zone. The installation of the line can be completed and power can be connected to the main transmission grid within nine to twelve months, sources pointed out.

Since the price of power in

the eastern India is much cheaper than that of the Khulna region, it would significantly help reduce the heavy subsidy expenditure of the government.

The Energy Ministry sources further said that the power purchase was not any substitute of expanding the power generation units by attracting private investment but it was supplementary.

On the face of severe power crisis and costly maintenance of power plants in the western zone of Bangladesh, the then BNP government sent a team of experts late last year to West Bengal to review prospects of power purchase. However, the move did not proceed further due to political unrest in the country.

The government has also made political commitment to set up a 210 MW power plant by utilising the Shaikhpur gas field in Bhola of the western zone. But to set up a power plant there and to build transmission network from the Bhola island to the mainland, a huge investment of 235 million US dollars is required. In addition, such a scheme would take at least five years to complete.

34pc ADB-funded projects in Philippines suffer delays

MANILA, Nov 9: A joint review by the Philippines government and Asian Development Bank (ADB) found 34 per cent of government projects funded by the ADB here had suffered delays, a government council said yesterday, reports AFP.

Project managers from the government and the Manila-based ADB found 10 projects "suffered slippages in disbursements," Francisco Del Rosario, Executive Director of the Coordinating Council of the Philippine Assistance Programme, said in a statement.

The projects that were bogged down included earthquake reconstruction, roads, water, health, forestry, utilities, agriculture, and rehabilitation of areas damaged by a volcanic eruption.

"We hope that we were able to come up with timely solutions to ensure that things get done in the implementation of our foreign-assisted projects and in the process optimize the utilization of official development assistance resources," Del Rosario said.

He did not say why the projects fell behind. But some foreign development assistance usually require counterpart local funds which are occasionally lacking.

Daily average turnover of CSE tripples in Oct

From Nurul Alam

CHITTAGONG, Nov 9: Amid a bullish run in Chittagong Stock Exchange (CSE) in the month of October, daily average turnover trippled while index and market capitalisation doubled compared with the previous month, according to official reports.

In October, the daily average turnover recorded at Taka 85.96 million as against the daily average turnover of Taka 27.19 million in September.

The price index on October 31 closed at 1315.90 points while the index on September 30 at 694.99 points showing that it doubled in a month's transactions.

Besides, market capitalisation at the end of October surged to over Taka 14,163 crore from Taka 7005 crore recorded one month back.

In October total transactions stood at taka 2063 million and floor trading took place for 24 days while in September total transactions recorded at Taka 680.1 million in 25 days floor trading.

CSE sources and market operators said the bourse in this port city had witnessed a boom in trading as new brand of investors continued to take interests in share business.

Prices of shares also jumped with the increase of investors in the market, they said.

Market operators attributed the tremendous rise in share prices to scarcity of share certificates.

From the middle of October the number of buyers of share increased rapidly though sellers were found very few in number.

Sources said some artificial crisis also was created in the market by a section of "alleged manipulators" to "mint" money overnight out of the situation.

However, CSE started its journey on October 1995 with a market capitalisation of Taka 800 crore and price index at 385.43 points.

The daily average turnover recorded in October '95 at Taka 0.28 million only.

Backward areas to be given priority in dev works, says Faezul

BARGUNA, Nov 9: State Minister for Jute and Textiles AK Faizul Haq has said backward areas of the country will be given priority in implementing the development programmes, reports UNB.

He was presiding over a district rural infrastructure maintenance coordination committee meeting here on Friday.

Faizul Haq said government is determined to ensure welfare of rural people through sound and balanced development of rural infrastructure.

The meeting elaborately reviewed the projects taken under the special rural infrastructure maintenance in the rainy season and rural infrastructure maintenance (general) programmes.

The rural infrastructure programme includes road and embankment repair and maintenance, bridge and culvert construction, tree plantation, school, college, madrasa, temple, church repair and reconstruction.

Among others, parliament members Dharendra Devnath Shambhu, Golam Sarwar Hiru, and others were present.



The 63rd Board Meeting of KAFCO and the 27th Board Meeting of KAFCO International Investment Company Limited were held at Sonargaon Hotel yesterday with the Company's new Chairman, M Akhtar Ali, Secretary, Ministry of Industries, in the chair.

S'pore economy needs no drastic steps to arrest decline

SINGAPORE, Nov 9: Singapore confirmed on Friday that economic growth had slowed significantly but said it saw no need for drastic measures to arrest the decline, says Reuter.

"We are seeing a cyclical phenomenon as such, there is no need for drastic policies or measures. This is not 1985. It's a cyclical slowdown," an official from the Ministry of Trade and Industry (MTI) told reporters in a briefing.

Singapore underwent three consecutive quarterly contractions in 1985.

MTI said its preliminary 1997 growth forecast was at five to seven per cent as the external environment is expected to be positive.

Countries in the region are expected to record healthy growth. Global electronics demand next year is expected to rebound.

On Friday, MTI reported

Singapore's economy expanded by only 3.2 per cent in the third quarter against growth of 7.5 per cent in the second quarter of 1996. Slower growth was reported in all major sectors in Singapore for the third quarter.

Manufacturing contracted by 4.3 per cent against 6.5 per cent growth in the last quarter, due to a slowdown in the electronics sector, a weak global marine sector, and shutdowns and keen competition in the petroleum and petrochemical industries.

The financial and business sectors grew more slowly at 6.6 per cent against 7.1 per cent growth in the last quarter because of the sluggish performance of the stock exchange and slow growth in domestic banking loans.

The transport and communications sector expanded by 6.2 per cent against 8.5 per cent growth a quarter ago.

The commerce sector grew by

a paltry 2.7 per cent against 6.1 per cent growth previously, due to a slowdown in the region's growth, weak re-export trade and lower visitor arrivals.

MTI said growth in the construction sector reached 13.6 per cent against 16.9 per cent growth in the last quarter.

The ministry said Singapore's manufacturing sector will probably remain weak in the last quarter of 1996 despite indications of a pick-up in US semiconductor orders and US demand for personal computers.

Electronics contribute 44 per cent to the country's manufacturing output. Sector's like construction and business services were expected to stay healthy. MTI forecast full-year 1996 growth in those sectors at about six per cent.

Analysts said that while the figures looked disturbing at first sight, there was little cause for concern.

Western donors to the ADB have in the past criticised the ADB for unsatisfactory standards on project quality.

A total 176.04 million dollars ADB loans have been disbursed to the Philippines in the nine months to September, the council said.

ROK carrying out sweeping tax probes

SEOUL, Nov 9: South Korean officials are carrying out sweeping tax probes of some 600 people including owners of luxury shops and bars in an effort to clamp down on conspicuous consumption, a spokesman said here yesterday, reports AFP.

"Despite the ongoing economic slowdown, conspicuous consumption is rampant among sections of the rich," the National Tax Administration (NTA) said in a statement.

"The NTA is carrying out a special tax probe into extravagant restaurants and bars and shops blamed for fanning excessive consumption by dealing in high-priced consumer goods," it said.

A NTA official told AFP the tax investigation started on Tuesday and would continue until the end of this month.

Subjected to the special tax audit are dealers in furs, cosmetics, watches, women's wear, glasses, bags, light fixture, furniture, kitchen-ware and golf clubs and owners of luxurious bars and restaurants, the NTA said.

South Korea is faced with a swelling trade deficit. The cumulative trade deficit in the first 10 months of 1996 soared 75 per cent from the same period last year to 16.8 billion dollars.

As part of an effort to keep its international payments in balance, South Korea has staged government-led austerity campaigns in the past, triggering protests from trading partners, who charged that the real target is imported goods.

Despite the public statement that the 600 were being probed for dealing in luxuries, NTA officials questioned by foreign journalists changed their tune and said the 600 had been targeted for suspected tax evasion by forging documents.

Baropukuria power plant 'Tender suspended for making it cost-effective'

The Energy and Mineral Resources Ministry Friday termed a news item published in some newspapers during the past few days on the suspension of a tender for installing the coal-based Baropukuria power plant as misleading and "not based on facts," reports BSS.

In a handout issued here Friday night, the ministry said its decision to suspend and correct a tender notice for setting up the plant was not taken to serve any particular party's interest, rather it was taken to make the tender more competitive, flexible, cost effective and follow the provisions of "Power System Master Plan" formulated last year keeping in view the requirement of the power demand in 2015 and the transmission system in future, it said.

The handout said the international tender was suspended for correction and installation of the plant with a generation capacity of between 250 mega

watt to 300 mega watt in two units instead of the earlier tender inviting parties for installing 300 mega watt in two units.

The handout said the initiative to implement the Baropukuria coal-based power plant was taken to meet the growing demand for power in the Western region, bring stability in power management and to properly utilise the coal, to be extracted from the mine.

The project, it said, was conceptually accepted at an ECNEC meeting held on December 26, 1984.

The handout said the Chinese government showed interest to implement the project under Chinese suppliers' credit during the Prime Minister's visit to China in September this year.

The decision to implement the project, it said, was given under the suppliers' credit scheme through inviting international competitive tender.

Demand for oil to rise by 3 pc next yr: IEA

PARIS, Nov 9: World demand for oil next year will be 2.6 per cent greater than demand this year, the International Energy Agency (IEA) reported here yesterday and it said that OPEC output had exceeded 26 million barrels per day for the first time since 1980, reports AFP.

The IEA said that world demand for crude oil next year would amount to 73.7 million barrels per day on average, or 1.9 million barrels per day or 2.6 per cent more than the unchanged forecast figure for this year.

The agency in its monthly report, increased its forecast for demand in the fourth quarter by 0.1 million barrels per day to 73.8 million barrels per day.

It held its forecast of demand in the first quarter of next year at 74.7 million barrels per day. It said that output of crude oil by the Organisation of Petroleum Exporting Countries (OPEC) had exceeded 26 million barrels per day in October for the first time since 1980 owing mainly to an increase of production by member countries outside the Gulf.

OPEC had produced 26.03 million barrels per day which was 997,000 barrels more than the quota ceiling of 25,0334 million barrels even though Iraq had not resumed exporting.

Output had exceeded the figure for September by 90,000 barrels per day.

Indonesia and Nigeria increased their output strongly. Indonesia by 70,000 barrels and Nigeria by 50,000 barrels for a net gain of 95,000 barrels.

Venezuela, which frequently exceeds its quota, held its output steady. Production by Qatar had risen by 10,000 barrels per day.

But Saudi Arabia had reduced its output by 5,000 barrels per day and the United Arab Emirates had held its output steady. Output by Libya had fallen by 20,000 barrels per day.

The amount of oil being produced and the overshooting of quotas was likely to be at the centre of talks at the next OPEC conference to be held in Vienna on November 27.

Canadians keen to invest in Bangladesh

The Canadian High Commissioner in Bangladesh expressed keen interest of his country to invest in Bangladesh, reports BSS.

High Commissioner Nicholas H Etheridge called on Finance Minister Shah AMS Kibria at the latter's office at Bangladesh Secretariat yesterday.

During the meeting they discussed matters of bilateral interest particularly foreign investment in Bangladesh.

The Finance Minister apprised the High Commissioner of the reform programmes undertaken by the government in financial and judicial sectors in order to provide attractive opportunities to the investors especially foreign private investors.

Kibria welcomed the Canadian business community to invest more in the energy and power sectors in Bangladesh.

They hoped that the friendly relationship existing between the two countries would further be strengthened in the day to come.

US-Japan trade talks fail

GENEVA, Nov 9: United States and Japan have failed so far in their bid to resolve a dispute over access for imported goods in Japanese markets, a US trade official said Friday, reports AP.

Two days of discussions in Geneva under the auspices of the World Trade Organization failed to produce any agreement, the official said.

He said no decision had yet been made it, or when, further talks would be held.

The United States has complained to the WTO that laws restricting the number of large stores, one of the best outlets for imported goods, as well as a series of other related laws, make foreign products hard to sell in Japan.

The complaint is the second prong of an attack by the United States on complicated rules and guidelines in Japan which Washington contends continue to keep foreign goods out of the Japanese marketplace.

An independent WTO panel is already looking into whether Kodak Film Company has the same opportunities to sell its products in Japan as its Japanese counterpart Fuji.

The two sides have until Nov. 20 to resolve the dispute. If no progress is made the United States can request that the WTO set up a panel of judges to decide this matter as well.

2-day workshop begins at IPSA

A two-day workshop on "6th Annual Research Evaluation" began at the auditorium of Institute of Post Graduate Studies in Agriculture (IPSA) in Gazipur yesterday, reports UNB.

IMED Secretary M Shahidul Islam inaugurated the workshop while Residential Representative of JICA in Bangladesh Morimasa Kanamaru attended the programme as special guest.

Presided over by IPSA Rector Prof Dr Abdul Halim, the workshop was also addressed by the workshop coordinator Prof Dr Ismail Hossain Mia.

Scientists from different institutes including IPSA and Bangladesh Agriculture University took part in the workshop, said a press release.

Call to ensure efficient food management

Speakers at a seminar yesterday underlined the need for ensuring food security as well as safe food for all classes of people of the country, reports BSS.

They said the issue of food security is important for Bangladesh, still a country of food deficit and where the natural disasters visit frequently.

The speakers called for ensuring proper and efficient food management and prevention of any disruption in food security.

The food management seminar titled "Procurement, Movement, Storage and Marketing of Food Grains" was held here with Director General of Food Directorate Sirajul Islam in the chair. Food Secretary Abdul Hamid Chowdhury presided over the seminar held at the Khadda Bhaban.

The food secretary said each individual has a right to food and that is why it is very important to ensure safe food for all the people of the country through a proper food management system.

Describing the activities of the Food Department and the Food Ministry as very sensitive, Chowdhury said the decision-making process should be carried out properly and efficiently to remove the problems relating to procurement, movement, storage and marketing of foodgrains.

ILO's six-day training opens

A six-day training on "Organizational Management and Accounts Keeping" (fourth batch) organised by the International Labour Organization (ILO) for rural employment with special reference to women and sustainable development was inaugurated at the Academy for Planning and Development at Nikhet in the city yesterday, says a press release.

Twenty four project beneficiaries from two project locations in Khilpara and Sharifpur will participate in the training course between November 9-14, 1996.

Md Ashraf Ali, Director, Women's Affairs Department, attended the inaugural session as chief guest. He was appreciative of the efforts taken by the project to empower rural poor women through training on management and accounts keeping.