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The Daily Star BUSINESS

DHAKA SATURDAY, NOVEMBER 16, 1996

HYUNDAI
CARS THAT MAKE SENSE

Dhaka-Cairo Jt Commission meet early next year

The first meeting of Bangladesh-Egypt Joint Commission will be held in Dhaka early next year, reports UNB.

Egyptian Foreign Minister Amr Moussa is expected to lead his country's delegation to the meeting.

An agreement to this effect was reached at a meeting between State Minister for Foreign Affairs Abul Hasan Chowdhury and Egyptian Minister for Economy and Cooperation Dr. Nawal El Tawati in Cairo on Wednesday, according to a message received in the city Thursday.

Chowdhury who is attending the Third Middle East and North African conference (MENA-III) in Cairo, discussed with the Egyptian Minister bilateral matters, particularly in the field of trade and economic cooperation. He is leading a four-member delegation to the meeting.

They also discussed possible cooperation between the two countries in textile and garments sectors.

During the meeting, Tawati showed keen interest in Bangladesh's development efforts including privatisation process, economic liberalisation and restructuring programme.

Chowdhury also exchanged views with Egyptian State Minister Dr. Yousef Boutros Ghali on investment drives, micro and macro economic policy being pursued by the two countries.

8-day Ctg fair begins today

CHITTAGONG, Nov 15: An eight-day 'Chittagong National Trade Fair '96' begins at Chittagong Stadium tomorrow, reports UNB.

Shipping Minister ASM Abur Rab will inaugurate the fair organised by Chittagong Chamber of Commerce and Industry (CCCI) in collaboration with German Confederation of Small Business and Skilled Crafts.

City Mayor Alhaj ABM Mo-huddin Chowdhury will attend the inaugural function as special guest.

Some 140 local and multinational companies will put up stalls of handicraft, grease and allied products, consumer items, garments, leather goods, electronics, aluminium, cosmetics, jute products, carpet, steel furniture and mobile phone.

Handloom industries of Dhaka, Rajshahi, Comilla, Kushtia and Chittagong Hill Tracts will also take part in the fair.

CCCI President Sarwar Jamal MP told a press conference yesterday that the fair was being organised every year since 1993 for expansion of small and cottage industries through proper use of local resources and speeding up industrialisation in private sector.

He said the Chittagong Chamber, identifying 56 growth sectors, had organised six workshops and national seminars since 1990 with the participation of some 2,500 entrepreneurs including 300 females. It also submitted study reports and recommendations to the government.

Dhaka likely to get \$275m ADB loan next year

The Asian Development Bank has indicated that it would lend 275 million US dollars next year to Bangladesh, but asked the country to carefully prioritise the projects in the context of limited available resources, reports UNB.

ADB's Country Programme Confirmation Mission, which visited the country last month, also requested the government to make adequate allocation to social sectors and poverty alleviation initiatives, officials said.

While infrastructure projects will remain an important component of the Bank's programme, the mission said it will be essential to mobilise co-financing for these projects as well as proactively explore private sector involvement in infrastructure financing.

The ADB, one of the major donors to Bangladesh, has promised continued assistance to the country, but cautioned that replenishment of the Asian Development Fund (ADF), the soft-loan window, was facing uncertainty.

In view of the ADF resources availability, it noted that careful prioritising of the programmes is necessary and suggested the government to arrange co-financing in the ADB-assisted projects.

The donor agency will make new lending in live projects in infrastructure and social sectors. The areas are: rural liveli-

hood, participatory livestock, primary education, Jamuna Bridge railway link and urban poverty reduction.

ADB's total lending to Bangladesh amounted to 4509.20 million US dollars up to December 1995 for 117 loans and total grant in the form of technical assistance totalled 105.47 million dollars for 209 projects.

At present 37 investment and 49 technical assistance projects are being implemented in various sectors with ADB assistance. In recent years, the disbursement ratio of ADB loans to Bangladesh has been about 22 which is above the Bank-wide average ratio of 18 for the ADF loans.

The Mission indicated that given the limited availability of ADF resources, the mobilisation of co-financing will be critical for the timely delivery of the 1997 lending programmes, particularly for larger infrastructure such as the Jamuna Bridge railway link projects. It also said there is substantial scope for increasing private sector's role in infrastructure financing as well as improving the environment for efficient public-private partnership for infrastructure development.

The ADB, which had been assisting infrastructural development in Bangladesh, is now also eager to help in social sectors and poverty alleviation

initiatives.

The ADB has offered a 30 million dollars loan for the Participatory Livestock programme which aims at increasing income opportunities for the poor through micro-credit for poultry and small-scale cattle raising. The livestock project will be principally delivered through NGOs.

It is also expected to make a loan of 60 million dollars for the Rural Livelihood programme that will provide micro-credit to the rural poor for small non-farming income generating activities.

The 1997 programme in the agriculture sector includes technical assistance for institutional arrangements for Kalini-Kushiyara River Management and a Crops Productivity Action Plan.

The government and the Bank have noted with concern that in spite of the increasing use of high yielding crop varieties, average crop yields in Bangladesh remain low and agriculture productivity has stagnated.

The ADB Mission has also indicated a loan of 100 million US dollars for the Second Primary Education Sector Project to assist the government for implementing its Primary Education Development Programme for 1997-2001 by supporting the improvement of quality of primary education and more equitable access for

girls and children from poor households.

Another loan of 40 million dollars for an Urban Primary Health Care Project (UPHC), a part of Bank's multi-pronged interventions for urban poverty reduction, has also been offered to improve the health status of the urban poor.

One of the loan offers from the Bank is for an Urban Poverty Reduction Project of 40 million US dollars aimed at improving the social, economic and physical conditions of people living in the slums of Dhaka.

The Bank included a loan of 90 million dollars for the Jamuna Bridge railway link project in next programme, but indicated that it would be made under a 'reform-investment' linkage concept.

The ultimate objective is that Bangladesh Railway should become an autonomous, commercially-oriented enterprise able to compete with other modes of transport.

The Mission indicated that the standby loan of 80 million dollars for the Capital Market Sector Development and 40 million dollars for the Urban Primary Healthcare would be processed during 1997, but only submitted to the Board if any of the five loans slips. If not, the standby loans would be ready for approval in early 1998, the Mission said.



BCS Computer Show '96 is going to be held at the Winter Garden of Hotel Sheraton from November 16 to 18.

BCS computer show inaugurated

Local Government, Rural Development and Cooperatives Minister Zillur Rahman said in the city yesterday that the present government was determined to strengthen the foundation of science and technology to build a modern Bangladesh, reports BSS.

Inaugurating the three-day computer show of Bangladesh Computer Samity (BCS) at Dhaka Sheraton Hotel, the minister said in the present day world computer technology is part of industrial, commercial, economic, education, state and social life.

He said there was no alternative to computer to increase efficiency of administration, check corruption and to maintain economic discipline. One cannot deny the need for this technology in today's state system, he said.

Referring to the use of computer in the local government engineering department of the Ministry of Local Government, the minister said efficiency of the department has increased manifold with the introduction of computer there.

Rupali Bank raises interest

Rupali Bank has increased the interest rates for various deposit accounts with effect from November 1, 1996 in order to generate savings habit of the prospective depositors, says a press release.

The interest rate for savings account has been increased to 7.50 from 6.75 per cent. The interest rates for fixed deposits for the period of three months and above but less than six months have been increased to 8.00 from 7.50 per cent for six months and above but less than one year to 8.25 from 7.75 per cent for one year and above but less than two years to 8.75 from 8.25 per cent for two years and above but less than three years to 9.00 from 8.75 per cent.

Saiham Textile declares 10pc dividend

Saiham Textile Mills Ltd has declared ten per cent dividend at its 15th annual general meeting held on Thursday at BCIC Auditorium, says a press release.

The meeting was presided over by the Chairman of the company, Syed Md Qaisar. The proposed dividend, the audited accounts for the financial year '95-96 and Directors Report was unanimously approved at the meeting.

During the period of 95-96 the company has earned a net profit of Tk 2.20 crore and has paid Tk 5.01 crore to BSR against long term loan, the release added.

The Managing Director of the company SM Faisal in his speech expressed high hope to turn the company into a more profitable organisation in future.

IMF may reactivate stalled standby loan to Pakistan

ISLAMABAD, Nov 15: The International Monetary Fund said yesterday that it expected to reactivate, and possibly expand, a stalled standby loan to Pakistan next month and to start early discussions on a longer-term structural adjustment loan, reports Reuters.

A statement from the IMF's resident mission in Islamabad said the IMF and Pakistan's caretaker government had confirmed a draft agreement on resuming loan disbursements that was originally reached with the ousted government of Benazir Bhutto.

The IMF statement said Pakistani authorities have also asked for more money under the standby arrangement and that the request would be considered. The original loan was for 600 million US dollars.

An IMF team led by Paul Chabrier, Director of its Middle Eastern Department, conducted the discussion with Pakistani officials.

"There were extremely successful discussions," Shahid Javed Burki, adviser on finance and economic affairs to caretaker Prime Minister Mirza Khalid, said in a news conference.

With the conclusion of this agreement we have really turned the corner," said Burki, who is on leave from the World Bank.

The IMF had withheld two 80 million US dollars disbursements of the standby loan due in June and September because it was unhappy with the Bhutto government's economic performance and the budget for fiscal 1996/97 (July-June).

The IMF relented last month after Bhutto unveiled a new economic stabilisation package. But following Bhutto's dismissal on November 5 and replacement by the interim

government the IMF had asked for assurances that her economic package would be carried out by any permanent future government.

Burki said he expected the IMF to make an extra up-front payment on top of the overdue 160 million US dollar he gave no figures.

Burki also said he would go to Washington in early December to start talks with the IMF on a new, longer term, Enhanced Structural Adjustment Facility (ESAF) agreement, which he hoped could be reached before the end of fiscal 1996/97.

"Structural reform measures being implemented by the government will facilitate initiation of discussions on an ESAF arrangement at an early date," the IMF statement said.

Pakistan needs funds now to replenish its depleted foreign reserves and make payments due next month on its foreign

debt, which stood at 28.6 billion US dollars at the end of June. Burki said he and Chabrier had briefed President Farooq Leghari on the accord reached with the caretaker government, which has a 90-day mandate to oversee elections on February 3.

Leghari, who sacked Bhutto's government for alleged misuse and corruption on November 5, told Chabrier he would take "personal responsibility" to ensure that economic reforms begun now would be implemented by whatever government is elected in February.

Burki quoted Leghari as saying that a lesson had been learnt from the experience of the last caretaker government led by Moeen Qureshi, which set Pakistan on an IMF-agreed reform course in 1993, only to see the Bhutto government deviate from it.

BIWTA earns Tk 7 cr in '95-'96

Bangladesh Inland Water Transport Authority (BIWTA) earned a revenue amounting to Taka seven crore during the 1995-96 fiscal, reports UNB.

During the period, about 97 lakh people travelled and 25 lakh tons of goods were handled through Sadarghat Launch Terminal.

This was disclosed when Shipping Minister ASM Abur Rab was visiting the terminal yesterday.

Earlier, addressing a function organised by Sadarghat Terminal unit of BIWTA employees' union, the Minister said some 100 patoons would be installed throughout the country soon. "We have also a plan to procure two more ferries," he said.

Rab said measures would be taken to introduce pension and housing facilities for BIWTA employees.

Among others, Haji Mohammad Selim MP, BIWTA Chairman Azizul Haque, President of BIWTA Employees' Union Mohammad Nurul Alam Miah and President of Sadarghat unit of BIWTA Employees' Union Mohammad Shah Alam Khan were present.

APEC meet in Manila Nov 25

US to press for tariff-free trade in information tech

WASHINGTON, Nov 15: The United States at an upcoming Asia-Pacific summit will press for firm commitments to tariff-free trade in information technology (IT) in order to goad the rest of the world into taking similar steps, reports AFP.

"Our actions in APEC (the Asia Pacific Economic Cooperation Forum) will signal to Europe and the rest of the world that the Asia Pacific (region) and APEC are moving forward with world trade and investment liberalisation and that others need to keep up or fall ever further behind," said John Wolf, US APEC Coordinator.

Leaders from the 18 APEC nations are to convene November 25 at Subic Bay, north of the Philippines capital Manila, a summit preceded by a week of ministerial talks.

For Washington, the issue that will make or break the gathering is information technology.

The United States has proposed the elimination by 2000 tariffs on trade in the sector, which ranges from semiconductors to computer hardware and software and according to Wolf is worth half a trillion dollars. Unambiguous APEC backing

for the proposal would set up pressure on the rest of the world — Europe in particular to follow suit, notably at a ministerial meeting of the World Trade Organisation (WTO) in Singapore in early December.

"We certainly hope that by the end of the (APEC) leaders meeting there will be firm support for the conclusion of an information technology agreement and a challenge to others to be ready to conclude an agreement in Singapore," Wolf said.

But the US delegation may have trouble getting its way in Manila, notably as Washington is locked in trade disputes with Japan and China, two of the most influential APEC economies.

There are lingering conflicts with Japan over access to the Japanese market for US providers of insurance, photographic equipment and air services.

China has meanwhile threatened to suspend the imports of certain US products next month to protest a US move cutting back on Chinese textile exports.

The Chinese are also irked by Washington's refusal to back their admission to the WTO.

The United States is insisting that China first take steps to open its markets further to foreign goods and services.

APEC foreign ministers nonetheless plan to endorse China's WTO entry at their meeting November 23, while summit host Philippines President Fidel Ramos has publicly called for such backing to be included in the final declaration at Subic Bay.

The United States in addition opposes the near-term expansion of APEC when a three-year membership moratorium expires at this month's summit.

No fewer than 11 countries — notably Russia, India and Pakistan want to be part of APEC. But Wolf said delegates to Manila would likely focus on drafting membership criteria rather than on the candidacies of individual applicants.

"Until you have criteria it's hard to have a structured discussion about the countries themselves," another initiative, according to Wolf, the United States will use the Manila meetings to promote complete deregulation in air traffic under bilateral agreements known as "open skies."

R&H Notice Inviting Tender

1. Tender Notice No : 94/EE/1996-97
2. Name of work : Supply of spare parts for repairing Toyota car model-E. E-90 UN-63-4944 of (R&H) Planning & Programming Circle, Dhaka under R&H, Workshop Division, Dhaka.
3. Estimated cost : Amount as per schedule.
4. Earnest money : 2% (two per cent) of estimated cost to be submitted through BD/TC/Sanchay Patra /CD from any scheduled bank on behalf of Bangladesh Bank in favour of the Executive Engineer, R&H, Workshop Division, Dhaka. 10% security money should be submitted before work order.
5. Time for completion of work : 20 (twenty) days from the date of issuing work order.
6. Eligibility of contractors : R&H, Directorate enlisted 'A' to 'E' class contractors as per eligibility & rules.
7. Offices where tender & schedule will be available : Can be bought at Tk 510/- per set (non-refundable) with Bangladesh Form No-2908 from Workshop Division, Tejgaon, Dhaka/Executive Engineer, R&H, Workshop Division, Mymensingh during office hours up to the day before the tender receiving day.
8. Officers & offices where tender & schedule will be received : Superintending Engineer, R&H, Workshop Circle, Tejgaon, Dhaka/ Executive Engineer, R&H, Workshop Division, Tejgaon, Dhaka/Executive Engineer, R&H, Workshop Division, Mymensingh.
9. Last date & time of receiving sealed tenders : 24/11/96 upto 12:00 Noon.
10. Date & time of opening sealed tenders : 26/11/96 at 12:30 PM.
11. Head of expenditure : 2 - Repair.

MD Humayun Rashid Khalilpha
Executive Engineer-R&H, (Mechanical)
Workshop Division, Tejgaon, Dhaka.
DPP-25272-6/11
G-1524



The 15th annual general meeting of Saiham Textile Mills was held at the BCIC auditorium on Thursday.

Global grain crisis threatens survival of many people in next century

WASHINGTON, Nov 15: Substantially higher grain prices and declining global grain reserves are the first signs of a looming food crisis that threatens social stability and even the survival of many people in the next century, according to a report released here Saturday, says IPS.

Overfishing, declining fresh water supplies, population growth, and rising demand for grain as animal feed in the rapidly developing countries of east Asia are among the factors that are putting unprecedented strains on global food production, according to Lester Brown, President of the Washington-based Worldwatch Institute and the report's author.

"Food scarcity is emerging as the defining issue of a new era,

much as ideological conflict was the defining issue in the era that recently ended," Brown says in the 159-page report, "Tough choices: Facing the challenge of food scarcity."

The book — a synthesis of a series of studies published by Worldwatch over the last two years — is being submitted to the UN World Food Summit in Rome in mid-November.

Long criticised as a latter-day follower of Thomas Malthus, the 19th-century economist who predicted that human population growth would outstrip agricultural production, Brown says his warnings are now attracting more attention from global leaders, media, and institutions.

The major international

agencies which monitor world food production such as the World Bank and the UN Food and Agriculture Organisation, argue that food supplies will continue to exceed demand over the next 25 years.

They say this year's historically high grain prices and the decline of global grain reserves from 77 days of consumption to only 48 days — the lowest level in 35 years — constitute a temporary situation that would not alter more favourable trends.

"We don't see the current crisis as a trend," says Peter Hazell, head of the environment and production technology division of the bank-funded International Food Policy Research Institute here.

Hazell says Brown underestimates the degree to which

price incentives and fertilizer use can boost production — especially in major grain-growing areas like Argentina and Australia — technologically, he says, "most of the world's agriculture is still at a very low level. There's a lot of flexibility in this system."

The recent spike in grain prices, he adds, resulted from a coincidence of two factors: an unusual number of droughts around the world and low levels of food stocks due to changes in trade policies in exporting nations.

Brown says the more optimistic forecasts for grain supplies are based primarily on extrapolations from trends of the past 35 years.

Government of the People's Republic of Bangladesh Office of the Executive Engineer, R&H Chandpur Road Division Chandpur

R&H Notice Inviting Tender

1. Tender Notice No : 19/EE/CRD/1996-97.
2. Name of work : Tender invitation for the work of repairing in pre-mixed carpeting method with sealcoat at 4th (Part), 5th (Part) and 6th (Part) km of Doabanga-Suchipara-Dalta Road under Chandpur Road Division for 1996-97 financial year. (Head of expenditure: 266-Development).
3. Estimated cost : Tk 5,16,492/-
4. Earnest money : Tk 10,330/- to be submitted through BD/TC/Pratirakha Sanchay Patra/5-year Sanchay Patra or Bonus Sanchay Patra in favour of the undersigned.
5. Name of offices where tender documents will be available : Office of the undersigned/Executive Engineer, R&H, Road Division, Comilla/Baria/Planning & Design Division Comilla/Planning Division (Road & Bridge), Dhaka and offices of all Sub-Divisional Engineers under this Division.
6. Name of offices to receive tender documents : Office of the Additional Chief Engineer, R&H, Comilla Zone, Comilla/Superintending Engineer, R&H, Road Circle, Comilla/Superintending Engineer, R&H, Monitoring & Evaluation Circle, Dhaka and the office of the undersigned.
7. Allotted time : 30 (thirty) days from the date of issuing work order.
8. Last date of selling tender : 25.11.96/11.8.1403 BS during office hours.
9. Date & time of receiving tender : 26.11.96/12.8.1403 BS up to 12:30 PM.
10. Date & time of opening tender : 28.11.96/14.8.1403 BS at 11:00 AM.
11. Eligibility of contractors : R&H Directorate enlisted 'A' to 'E' general class contractors.

Executive Engineer, R&H,
Road Division, Chandpur
DPP-25265-6/11
G-1529