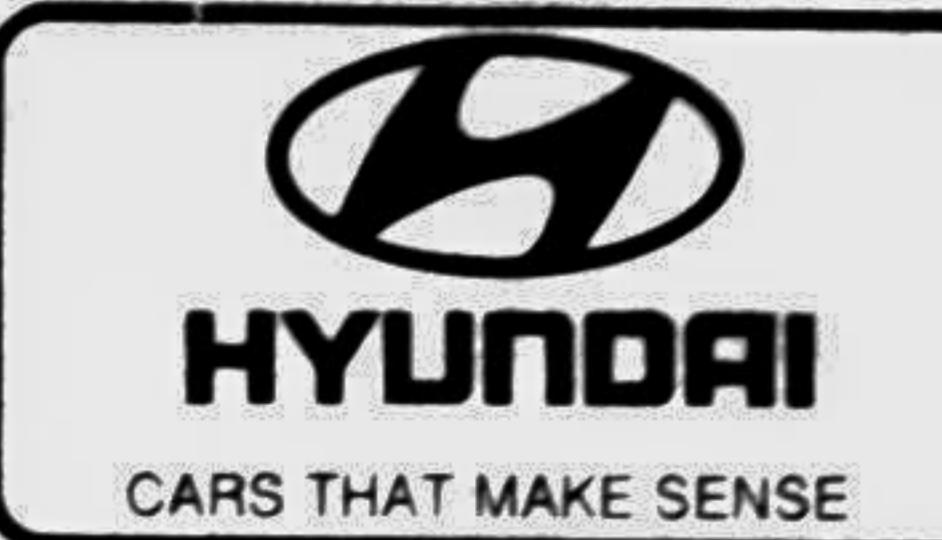




# The Daily Star BUSINESS

DHAKA WEDNESDAY, NOVEMBER 20, 1996



## Two more Tobacco Co officials arrested in India

NEW DELHI, Nov 19: Two more executives connected with Indian Tobacco Company Ltd, one of the country's largest companies, have been arrested on foreign exchange charges, a company official said Tuesday, reports AP.

ITC Spokeswoman Aditya Syam said Executive Director RP Agarwal and ITC Bhadrachalam Paperboards Director for Finance PK Talwar were arrested late Monday by agents of the Enforcement Directorate, which deals with violations of foreign exchange rules.

She said the two will appear before a Calcutta magistrate later Tuesday for a bail hearing.

Federal police raided the offices of the ITC October 30 and arrested four current or past executives.

The Enforcement Directorate has accused ITC Ltd. of creating false invoices for exports and imports of tobacco and machinery to hide four million dollars abroad, apparently to be routed back to India through a man living in the United States.

The directorate had said it had evidence that the funds may have been siphoned through ITC front companies in Singapore, Cyprus and Switzerland.

ITC's largest shareholder — BAT Industries PLC of Britain — had levelled allegations of financial irregularities last year when it tried to remove KL Chugh from the post of chairman. Chugh took early retirement.

Apart from tobacco products, ITC is involved in paper, hotels and cooking oil industries.

## IMF team meets Nooruddin

A six-member IMF delegation, led by Senior Adviser Margaret R Kelly, held a meeting with Minister for Mineral Resources Lt Gen (retd) M Nooruddin Khan at his office here yesterday, reports UNB.

They discussed matters relating to power and gas policies with a view to preparing a macro-economic model for Bangladesh, said a PID handout.

Measures taken by the present government for development of power and gas sector of Bangladesh also came up in the discussion.

## Govt allocates wheat for 290 flour mills

The government has decided to allocate 30 thousand metric tons of wheat for 290 flour mills to increase the supply of flour and flour, an official handout said here yesterday, reports UNB.

It said the government had allocated another 30 thousand MT of wheat for different flour mills last month for the same purpose.

## First Nepal-EC meeting begins in Kathmandu

KATHMANDU, Nov: The first meeting of the Nepal-European Community (EC) joint commission began here yesterday, reports AFP.

Nepalese Foreign Ministry Secretary Kedar Bhakta Shrestha headed the Nepalese delegation while the EC team was led by Emiliano Fossati, Director for South and Southeast Asia.

During the two-day meeting, discussions will be held on Nepal-EC co-operation in the areas of development and commerce, human rights, child protection, textiles and other matters of mutual interest.

Nepal and the EC signed a 40-operation agreement last summer, which came into effect June.

SINGAPORE, Nov 19: Soaring property costs have the benefit of developing economies and left some banks dangerously reliant on real-estate lending, according to a regional business consultancy, reports AFP.

"As soon as foreign direct investors start showing real interest in a country, rents and prices for any property they might want to use start going through the roof," the Political and Economic Risk Consultancy Ltd (PERC) said.

The pattern has happened in China, Vietnam, India and most recently, in the Philippines. At some point in the future, it will probably happen in Myanmar, Cambodia and North Korea," said the report, received here on Monday.

It added that whatever the political system, Asian businessmen and officials seem to fall back on real estate as a "quick source of cash," often resulting in two markets existing side by side — one for locals, another for foreigners.

"High property rents and prices alone are enough to erode many of the competitive advantages some of Asia's developing

## Bangladesh targets orchid to earn foreign exchange

By Govinda Shil

Bangladesh may export orchid to the world market to earn huge foreign exchange, according to a UNDP-ITC funded report that was prepared in collaboration with the Export Promotion Bureau (EPB) re-

cently.

"We have already started exporting flowers and are now trying to explore the orchid market," said A Rahim Khan, a senior official of the EPB.

He said, Bangladesh, being a tropical country in the northern hemisphere, is quite suitable to grow popular orchid. Orchid is used as decorative item to beautify offices and residences.

According to a UNDP project official, Bangladesh has bright prospects for export of Gladiolus, Orchid, Heliconia, Ginger Lily etc. to the world market.

Talking to The Daily Star, Naseem Iqbal, an amateur orchid grower in the city, said The soil and climate of Bangladesh are suitable for growing Dendrobium and Oncidium.

The team included Mohammad Manju Miah of Malancha Flowers Center, Shahidul Islam of Badhon' enterprise, Raisul Islam of Green Leaf Nursery, and Naseem Iqbal.

Manju Miah of Malancha said some Bangladeshi flowers are popular in European market. But due to high shipment cost Bangladesh can not compete with other exporting countries like India, Kenya, Israel and Thailand.

Shahidul Alam, who ex-

ported two consignments of Tuberose (Rajani Ganda) to the Netherlands, said Bangladesh needs to improve vase-life of Tuberose. "Quality control is not a quite tough task," said Alam and added that he was trying to sustain the market.

Manju Miah and Alam urged the Biman Bangladesh Airlines authorities to minimise the shipment cost to Taka 60 for per kilogram from Taka 158. "We have talked to Biman but they did not respond positively," added Alam. He said the shipment cost of vegetable exports is Taka 50 per kg.

The exporters said the flower export to the Netherlands has been suspended for the last couple of months due to change in flight routes of the Biman.

"Biman is operating through Brussels instead of Amsterdam," said one of the exporters.

He said, the exporters are now

planning to talk to KLM authorities to use their cargo facilities.

## 2 SEC members re-appointed

The government has re-appointed two contract basis full-time members of the Securities and Exchange Commission for another one year on contract service, says a PID handout.

They are: Alamgir Kabir and Dr ARM Shahbub Alam.

The appointments have been made under Securities and Exchange Commission Act Clause 5 (2).

## Second unit of Eastern Refinery likely at Patenga

CHITTAGONG, Nov 19: The government is actively considering a proposal to establish the second unit of Eastern refinery at Patenga here at a cost of about Taka 500 crore.

An official source told BSS here today that construction of the second unit of the Eastern Refinery was necessary because of the fact that the existing unit has become old and its production capacity can not be increased.

Eastern Refinery was re-structured in 1992/93 at a cost of Taka 250 crore. It now refines about 14 lakh tons of crude oil per annum and this is the highest production capacity at the refinery, said the source, adding the refinery has no major problem and it continues to make profits every year.

The source also said that the government is contemplating the setting up of a second refinery in the country.

Iranian government is likely to extend necessary assistance for construction of the second refinery in Bangladesh.

## India's forex reserves rise

NEW DELHI, Nov 19: India's foreign exchange reserves stood at 18,423 billion US dollars at the end of September 1996, according to the monthly economic report of the Finance Ministry for October this year, reported Xinhua.

The figure represents an increase of 1,385 billion dollars over the end of last year.

Exports in US dollar terms during April to August 1996 showed a rise of 9.8 per cent and imports 4.7 per cent as against the 28 per cent and 37.1 per cent respectively a year earlier.

The imported wheat will be distributed all over the country through the public food distribution system of the government, mainly under the open market sale (OMS) to stabilise its price level.

Japan has been providing food aid to the country since the independence of Bangladesh and this is the 26th such grant.

Bangladesh so far received 383.23 million US dollar equivalent to Taka 1550 crore.

ERD secretary Dr AKM Masihur Rahman and Japanese Ambassador in Dhaka Yoshikazu Kaneko signed the exchange of notes on behalf of their respective governments.

## AMERICAN CHAMBER OF COMMERCE IN BANGLADESH



Shah AMS Kibria (M), Minister for Finance, speaking at the monthly meeting of the American Chamber of Commerce in Bangladesh (AmCham) at the Dhaka Sheraton Hotel yesterday. (From Left) M Nurul Islam, Vice-President-AmCham, David N Merrill, American Ambassador, Forrest Cookson, President-AmCham and A Gafur, Executive Director-AmCham, are also seen in the picture.

## 'Visit Myanmar' campaign being countered

BRUSSELS, Nov 19: A campaign aimed at countering Myanmar's attempts to attract European tourists was launched here on Monday with members of the European parliament and trade unionists staging a protest outside the offices of French Holiday Group Club Med.

The protest led by British MP Glenys Kinnock, was timed to coincide with the official launch of the "Visit Myanmar 1996" promotional campaign by Myanmar's military government.

In a separate initiative, a support committee in Denmark has written a protest to travel agents selling packages to Myanmar.

"We want to come up with the coordinated plan as a whole to make it flourish under healthy dynamic private initiatives," he said.

The caretaker government has asked the commission to expand the range of assets for privatisation especially in the transportation sector.

"We want to come up with the coordinated plan as a whole to make it flourish under healthy dynamic private initiatives," he said.

Shah emphasised the imperative need of modernisation, saying, "we have not been able to keep up with the equipment and investment in the infrastructure."

He put the financial sector on top of the priority list and said the government intends to move very fast in the area.

He said the government would set up a Resolution Trust Bank (RTB) to take account of bad debts taken out from some banks and initiate moves to recover them.

The RTB would devise ways and means of collecting on those bad debts with the full backing of law and government. We intend to recover all the bad debts which have been accumulated.

## Pakistan expanding scope of privatisation

ISLAMABAD, Nov 19: Pak-

istan's caretaker government is working to expand the scope of privatisation in the transportation sector including airlines, railways, shipping companies and airports for their modernisation, says Xinhua.

He termed the energy sector as a very complicated areas in privatisation and the privatisation of gas sector is highly technical and complex due to a monopoly situation.

Asked about the spending of proceeds from privatisation, he said, it should go towards debt retirement because Pakistan currently has a really high level of outstanding debt, both internal and external.

Nine US cos offer to finance \$20b projects

APP report says: Nine American companies have offered to finance development projects worth 20 billion dollars in Pakistan, the official Associated Press of Pakistan (APP) said on Monday.

The areas in which the US companies are willing to invest include housing, transportation and infrastructure development, it added.

The companies have approached the state-run Board of Investment (BoI) through a US-based consultancy firm, the agency said, without identifying the consultants.

The interested companies include Nisshe Iwai American Corporation, Loral Electronic Systems (Lockheed Martin), Shelter International, Rba Group, Western International, Ralph Parsons Ccgl Technologies, Alam Inc. and Amtech.

## Government of the People's Republic of Bangladesh

Institute of Public Health Mohakhali, Dhaka-1212

No. IPH/Admin-1/96-97/Tender/1938

DI 11-11-96

## Tender Notice

Tenders are hereby invited from bonafide & valid respective group contractor/supplier/trading firms of Bangladesh in their respective letterhead pads under sealed over addressed to the undersigned for supply of goods of the undermentioned groups to the office of the Institute of Public Health, Mohakhali, Dhaka-1212 during the current 1996-97 financial year.

### Name of group:

- A) Electrical goods
- B) Hardware & plumbing items
- C) Horse drugs &

D) Beef, cattle pancreas & lamb heart supply.

2. Tenders will be received in the tender box kept for this purpose in front of office chamber of the undersigned & at Directorate of Health, Mohakhali, Dhaka up to 12-00 Noon of 30-11-96. Besides, tenders under double sealed cover marked attention: Administrative Officer, Institute of Public Health, Mohakhali, Dhaka by registered post granted express delivery post/courier service post will also be received on the same day. No tender after this prescribed date & time will be received late by post & will be treated as cancelled outright.

3. Tenders will be opened on 30-11-96 at 12-30 pm. at the office chamber of the undersigned in presence (if any) of the tenderers or their representatives.

4. Tender schedule can be collected from the office of the undersigned by depositing Tk 400 (four-hundred) only (non-refundable) as price of tender per group in the Govt exchequer through Treasury Challan underhead "36-Health & Population Control" in favour of the undersigned and producing the original copy and submitting the duplicate or photocopy, everyday during office hours up to 28-11-96.

5. The tenderer should purchase separate tender schedule for each group mentioned above and submit tender by superscribing the name of tender group on the envelope.

6. Tenderer shall have to properly abide by all the terms & conditions mentioned in the tender schedule in this regard while submitting tender.

7. The tender committee/authority reserves full right to accept or reject any or all tenders without assigning any reason.

Dr Md Enamul Huq  
Director  
Public Health Institute  
Mohakhali, Dhaka-1212



Japanese Ambassador in Dhaka Yoshikazu Kaneko and Economic Relations Division's Secretary Dr AKM Mashur Rahman signed an agreement yesterday under which Bangladesh will get food aid from Japan.

## 'Growth miracle' poised to strike in S Asia

HONG KONG, Nov 19: The East Asian growth miracle is really no miracle at all but an easily-explained phenomenon that is now poised to strike in South Asia, particularly in India, world-renowned economist Jeffrey Sachs said on Monday, reports Reuter.

A combination of strong economic institutions with an under-developed economy explains the very rapid rates of growth seen in Asia over the last 10-15 decades, Sachs, Director of the Harvard Institute for International Development, said during a address at the world economic forum in Hong Kong.

And now, "The great change in Asia in the last five years is definitely the opening up of India," Sachs said.

"Another one billion people are being brought into the world's economic system... and we're only beginning to factor in the enormous implications."

Sachs said that if India applies strong economic institutions to its under-developed economy, it can quickly generate

the stellar growth rates seen in East and Southeast Asia.

"Asia is on the move as never before, including South Asia, finally," Sachs said. "India is going to find its way to fast growth and find its way back to the world economy, and it's going to play a very significant role in my view."

In more developed Asian economies such as Singapore, growth rates are slowing. Singapore failed to meet forecast growth rates of seven per cent and more have prompted unanswered anxiety, Sachs said.

"Everything else being equal, poorer countries will tend to grow faster than richer because they are catching up. And as that catching up process ends, growth rates will slow down," Sachs said.

"I think that is probably the safest and most prudent way to view the current circumstances."

The economies of South Korea and Taiwan should also expect to see their growth rates slow from prior to mid rates of between eight and 10 per cent, he said.

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