

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 hand-out.

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 atta and flour, an official hand-out 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 AP.

Nepalese Foreign Ministry Secretary Kedar Bhakta Shrestha headed the Nepalese delegation while the EC team was led by Emiliano Fossati, Director for South and South-east 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 an operation agreement last November, which came into effect June.

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) recently.

"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 On-

cidium, the most fascinating orchids that plant-lovers like very much.

She said, she is trying to take lease of a piece of land in the nearby areas to cultivate these orchids.

A study mission funded by the UNDP-ITC-EPB has recently visited Thailand to gather technical knowledge on 'flower culture'. Thailand is one of the major flower exporters in the Asian and European markets.

The team included Mohammad Manju Miah of Malancha Flowers Center, Shahidul Islam of 'Baddon' 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 Gandhi) 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 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 58 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 Bangladesh Airlines. "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 hand-out.

They are: Alamgir Kabir and Dr AKM Shahabul 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 18,429 billion US dollars at the end of September 1996, according to the monthly economic report of the Finance Ministry for October this year, reports 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.

Food grain stocks amounted to 22.06 million tons in August 1996 and industrial production went up by 6.8 per cent in June this year as against the 12.2 per cent in the same month of last year.

Production in all basic infrastructure industries from April to August this year showed a mixed performance compared with the same period of last year.

'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 Reuters.

A combination of strong economic institutions with an under-developed economy explains the very rapid rates of growth seen in Asia over the last two 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.

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



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 (Form 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, reports AFP.

The protest led by British MEP 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 in protest to travel agents selling packages to Myanmar.

Club Med was targeted because it has recently begun promoting holidays in Myanmar.

Myanmar has made extensive use of forced labour to create the new tourist infrastructure on which this campaign is based, a spokesman for the International Confederation of Free Trade Unions (ICFTU) in Brussels.

The spokesman said women, children, and elderly people had been forced to work on the construction of new motorways, railways, bridges and numerous new tourist sites including the Golden Palace at Mandalay.

The Danish Myanmar Committee addressed a letter of protest Monday to six travel agencies in Denmark which continue to offer tours in Myanmar.

Pakistan expanding scope of privatisation

ISLAMABAD, Nov 19: Pakistan'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.

There needs to be a major injection of capital into the transportation sector, the newly-appointed Chairman of the Privatization Commission (PC), Salman Shah, said in an interview with the local press here today.

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 accumu-

lated over the past," he stated. Shah said, "We would clean up the public sector financial institutions and we would then initiate process to privatise them."

He termed the energy sector as a very complicated area 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

AFP 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 Nishio Iwai American Corporation, Lorai Electronic Systems (Lockheed Martin), Shelter International, Rba Group, Western International, Ralph Parsons Cegi Technologies, Alam Inc. and Amtech.



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

Soaring property cost a bane for foreign investors in Asia

SINGAPORE, Nov 19: Soaring property costs have become a bane for foreign investors in Asia and left some banks dangerously reliant on real-estate lending, according to a regional business consultancy, reports AP.

"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

countries hope to secure through their relatively low labour costs," the report said.

"Real value for the dollar does not exist. The pace of property development in emerging economies has been too slow to satisfy the growth in demand from international companies," it added.

PERC warned that many banks in Asia had grown "fat and lazy" after relying too much on property-related businesses, and some institutions had become "over-exposed and vulnerable to sharp corrections in the market."

"A crunch period in Thailand could be imminent," it warned. PERC also said a real-estate boom can inhibit growth in other economic sectors, but "all indications are that this Asian love affair with property will continue, if not intensify."

"The urban population of East Asian developing countries will jump to more than 1.2 billion in the next 25 years from 500 million at present, necessitating huge additional expenditure on housing," it said.

"Meeting such housing needs could emerge as one of the re-

gion's most serious policy challenges," it added.

Regional property experts say rents and property prices have escalated most sharply in emerging economies in Asia where supply of office and factory space, as well as expatriate housing, has not kept up with explosive demand.

A regional real estate conference held recently in Singapore was told that Beijing overtook Tokyo this year as the most expensive place to rent luxury housing, with Vietnam's Ho Chi Minh city a close third.

Average monthly rent for luxury housing in Beijing averaged 80 US dollars per square meter (10.76 square feet) in May, according to property consultants, Brooke Hillier Parker.

This compared with 62 dollars in Tokyo, 60 dollars in Ho Chi Minh City, 55 dollars in Hanoi, 52 dollars in Bombay and 50 dollars in New Delhi.

The least expensive cities for high-end housing rentals were Bangkok at 13.50 dollars, Kuala Lumpur at 13 dollars and Colombo at eight dollars — all cheaper than Phnom Penh's 20 dollars.



Abu Alam Chowdhury, Member of ECG Management Committee of Sadharan Bima Corporation, handing over a cheque for Taka 85 lakh to MU Faruqui, Deputy General Manager of Janata Bank, against a claim settled by Export Credit Guarantee Department of the corporation.

Government of the People's Republic of Bangladesh Institute of Public Health Mohakhali, Dhaka-1212

No. IPH/Admin-1/96-97/Tender/1938? D-11-11-96
27-11-1403 BS

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 Chailan 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 Haq
Director
Public Health Institute
Mohakhali, Dhaka-1212

DPP-25989-14/11
G-1576