

SANYO

Washing Machine

Sole Distributor in Bangladesh

Transfin Trading Limited

100, Kazi Nazrul Islam Avenue, Dhaka-1215
Telephone: 815306-09, 819625-29, Fax: 813062

The Daily Star BUSINESS

DHAKA WEDNESDAY, JUNE 25, 1997



HYUNDAI

CARS THAT MAKE SENSE

Necessary steps taken to lure FDI: PM

Proposals worth \$1200m under process to set up power plants in pvt sector

Prime Minister Sheikh Hasina said in parliament yesterday that the government has taken a number of steps to attract significant amount of foreign direct investment, which have started to deliver, reports UNB.

Replying to Harunur Rashid Khan Monno (BNP-Manikganj), she said investment proposals worth an estimated 1200 million US dollars are now under process to set up power plants in the private sector.

Of the amount, the final agreements to set up four barge-mounted power plants with a total of 400 million dollar in foreign investment are expected to be signed by July this year, Hasina said.

She said the country has been divided into 23 blocks to explore gas and oil under production-sharing contracts, and accords have already been signed for eight blocks. Eight

more blocks are now on offer. The prime minister said already two companies have started their exploratory activities and they would invest a total of 265 million US dollars. The companies have already invested about 75 million dollars for the purpose.

Hasina said her government has taken the following steps to attract foreign direct investment and to strengthen the private sector:

- Tax holiday for five to seven years - 10 years for the units in the export processing zones. The tax holiday for power generation will be 15 years;
- 7.5 per cent import duty on machinery and spares. No import duty on machinery for 100 per cent export-oriented industries;
- Easy repatriation of

profit, invested capital, royalty, technical fee, etc by the foreign investors;

- 100 per cent foreign investment allowed;

- Avoiding double taxation with different countries;

- Tax exemption on royalty, technical fee and salary of foreign personnel working in Bangladesh;

- Permanent residency for foreign nationals who will invest at least 75,000 US dollars. Citizenship for investors who will invest at least five lakh dollars or who will deposit 10 lakh dollars in non-repatriable account of a recognised financial institution;

- Private sector allowed to set up EPZs;

- Multiple visa for foreign investors;

- Announcement of Private Power Generation Policy to allow private sector in the power

generation sector. The Telephone Policy is also being drafted;

- Enactment of the Private EPZ Act;

- Formation of a Law Commission to make the judiciary and legal system up-to-date;

- Formation of Administration Reforms Commission to make the administration dynamic;

- Advertisements in largely circulated foreign newspapers informing the advantages of investment in Bangladesh;

Besides, the prime minister said, seminars were arranged in different countries and she herself invited the foreign investors attending these seminars to put their money in Bangladesh.

Hasina said she would attend two seminars during her ensuing visit to Japan.



A contract to set up a 151 km 230KV power transmission line was signed between Power Development Board (PDB) and ABB, Germany in the city yesterday. H Peters of ABB, Germany (second from left) and Habibur Rahman Jamaly of PDB (third from left) signed the agreement.



Kazi Fazlur Rahman, Chairman of Delta Life Insurance Co. Ltd presiding over the 11th annual general meeting of the company at a local hotel yesterday. Shafat Ahmed Chaudhuri, Managing Director and Actuary of Delta Life is also seen in the picture. The meeting was conducted by the Company Secretary Azadur Rahman Khan FCA. The AGM was held for the 2nd time after the company went to public issue. Delta Life Insurance Company has declared 26% dividend to its shareholder for 1996.

Annual fish output falls by 98000MT

State Minister for Fisheries and Livestock Satish Chandra told the Jatiya Sangsad yesterday that the average annual production of fish has declined by about 98,000 metric tons worth about Taka 500 crore following the adverse effect of Farakkah barrage since 1973-74, reports BSS.

In reply to a question from Awami League member Panna Kaiser, he said the quantum of fish production has decreased gradually as the adverse effects of the Farakkah barrage. He said the production of fish in 1973-74 was 276,000 metric tons in the Ganges basin, which fell to 178,000 metric tons in 1989-90.

He said that following implementation of different development measures in that area, the present figure of fish production has reached 190,000 metric tons.

Urea fertiliser being sold at different prices

By Staff Correspondent

Fertiliser dealers are selling urea at different rates because of varying prices at mill-gate and buffer stock levels.

The mill-gate price of a 50 kg bag urea is Tk 240 while its price at the buffer stocks is Tk 275, which is Tk 35 higher, Bangladesh Fertiliser Association sources said.

BFA Executive Secretary Abdul Baten said due to price of urea in the buffer stock dealers were compelled to sell it at higher prices which farmers resented. The matter turned worse as some dealers obtained urea from the mills and were able to sell it at lower prices, Baten pointed out.

When contacted, a senior official of the Bangladesh Chemical Industries Corporation (BCIC), a government body that runs six urea factories admitted the fact.

He said due to transport costs stock price of urea was above the mill-gate price.

But dealers alleged BCIC's carrying costs were much higher than that of dealers.

Urea is being sold at between Tk 250 to Tk 300 in the different areas of the country, Baten said.

About 24 lakh metric tonnes of urea will be required during 1997-98 financial year of which about four lakh tonnes may be imported, according to BCIC.

Shipping Intelligence

Table with columns: Berth No., Name of vessels, Cargo, L.Port call, Local agent, Date of Leaving, Date of Arrival. Includes sub-tables for Tanker due and Vessels at Kutubdia.

Bangladesh Agriculture Research Council

New Airport Road, Farmgate Dhaka-1215
Show Cause Notice
Show Cause Notice vide Section 43(1A) of Bangladesh Agriculture Research Council Employees Service Rules

Whereas, you Mr Pradeep Ranjan Kar, Senior Scientific Officer (Crop), BARC, son of late Atul Krishna Kar, Vill Hasamdia, PO Surjadia, PS Boalmari, Dist Faridpur have been accused of committing offence described under Section 39(C) of Bangladesh Agriculture Research Council Employees, Service Rules 1989, therefore you are instructed to show cause in writing and also state whether shall make a personal hearing by attending, within 15 (fifteen) days of publication of this notice.

Accusation

Whereas, you Mr Pradeep Ranjan Kar, Senior Scientific Officer (Crop), BARC went to USA for study under 2 years duration higher education (Masters' Programme) from 24.9.93 to 23.9.95 and despite compulsion to join duty, after completion of the course, on 24.9.95, you did not join duty but applied for extension of leave for further 2 years from 24.9.95 to 23.9.97. In respect of your application you were informed by letter issued vide this Council's Memo No. even dated 1.2.96 to your USA address that the extraordinary leave along with study leave with full or half or without pay under no circumstances being more than two years as per Section 26(1, 2 & 3) of Council Employees' Service Rules, admission of any additional leave could not be possible and instructed to immediately join duty. But as you did not join duty returning to country, you were again informed vide Memo No. even dated 1.1.97 by registered post to your USA address that office work was severely hampered due to your absence and you were instructed to join duty within 15 (fifteen) days of issuing the memo. But as you did not join duty and again applied for extension of leave on 4.2.97, your application for leave extension was sent to the Ministry of Agriculture for consideration. The Ministry of Agriculture, vide their letter dated 4.12.96, rejected your application and instructed to join place of work and on deft to take punitive action, thus "Notice to join work" was issued vide the Council's Memo No. even dated 29.3.97 instructing you to join duty within 15 (fifteen) days of issuing the notice with satisfactory explanation as to why legal punitive action would not be taken against you for being absent from office without permission of the authority and as such hampering office work, otherwise punitive action as per sub-Section 39(C) of Council Employees Service Rules 1989 would be taken and you were sent copies of the "Notice to join work" to your permanent address and foreign residence address (USA). But you did not join work in time or absconding without any communication with the council. Your such absconding and unauthorised absence is hampering the work of the council and your such conduct is detrimental to the above rules of the council.

Under the circumstances, you are accused under Section 39(C) of Bangladesh Agriculture Research Council Employees, Service Rules 1989.

DFP-14719-18/6 Member Director (Administration & Finance)
G-1729 BARC, Dhaka

EU ministers begin talks on slashing farm subsidies

LUXEMBOURG, June 24: European Union agriculture ministers Monday began three days of marathon negotiations over controversial plans to slash subsidies to the EU's 8 million farmers, reports AP.

Agriculture Commissioner Franz Fischler is pushing for cuts of 1.4 billion euro (1.6 billion dollars) in aid to cereal and oil seed farmers saying the reduction are needed to pay for the "mad cow" crisis.

The EU's top farm official would eventually like lower support prices in the cereals and beef sectors as well. Those outlays account for nearly half of the annual EU farm budget of 41 billion euros (45 billion dollars).

But Fischler has an uphill battle Monday in getting cooperation from the EU farm ministers. Of the 15, only Britain and Sweden are said to support subsidy cuts.

Following last year's outbreak of mad cow disease, or BSE - bovine spongiform encephalopathy - consumers abandoned beef in droves, and the EU has spent millions of dollars propping up beef prices and buying up excess stocks.

But Fischler maintains the problem with European agriculture is more fundamental, saying overpaid farmers produce too much cereal, beef and other products.

In a speech last week before the European Parliament in Brussels, Fischler said without a through revamping of the agriculture sector. "We will have ever greater surpluses. We will not be able to sell those surpluses on the world market," he said.

Market imbalances are likely to become even more distorted, after the 15-nation EU expands to include 10 can-

didates East European countries, Fischler said. The Commission says farm export subsidies will become more difficult to justify at a time of increasing liberalised international trade.

"We are going to have to consider market-based solutions that will allow us to be more independent of exports," Fischler said in Brussels last week.

The EU farm expenditures account for nearly half of the Union's annual budget of 90 billion euros (99 billion dollars).

BOC commits to train welders

BOC is committed to train and develop welders in the country through its Welding Training Centre, says a press release.

Ali Akbar, Welding Training Officer of BOC, is the first person from Bangladesh to obtain welding instructor certification and registered master welder instructor registration through TWI Certification Limited, Cambridge, UK.

HK's role as main econ centre being eroded

HONG KONG, June 24: Hong Kong is doomed to lose its competitiveness as Shanghai emerges as the world's leading economic centre over the next 25 years, a prominent investment advisor warned yesterday, reports AFP.

Marc Faber, a Swiss fund manager renowned for his gloomy forecasts here, told a seminar that "global financial asset mania and handover euphoria" was creating an "artificial boom" in the territory.

At the same time, accelerating growth in Shanghai and other northern Chinese cities such as Tianjin and Dalian has been eroding Hong Kong's hegemony as a trading centre.

By 2005 the territory's re-exports will have slumped, with the Shanghai stock market surpassing the Hong Kong market in size and most international companies in Hong Kong moving their head offices to the coastal city.

"A vicious secular global financial asset bear market and a property market collapse (will) create havoc for the Hong Kong economy," Faber said adding foreigners would be blamed for the problems, with many choosing to leave in such a "hostile" environment.

By 2010, the territory will be "just another Chinese city," with antique shops selling

Hong Kong bank notes and books on the local constitution. Shanghai will meanwhile resume its role as Asia's most important city after Tokyo and Osaka, with local property prices exceeding those in Hong Kong by 50 per cent. By this stage, air and maritime traffic in Shanghai is also likely to exceed that in Hong Kong, Faber said.

By 2020, a major political shift in China is likely to lead to a new government in Beijing, with a well-run legal and commercial infrastructure replacing the current system of personal connections and allowing Shanghai to emerge as the world top economic and financial centre, he added.

"The old guard and their Hong Kong cronies, who abused the system have been purged. For facilitating all types of practices, Hong Kong was punished - it lost all of her autonomy and heavy 'pro-patria' taxes were levied on its people," Faber predicted.

"Due to politically-motivated investments in China, Hong Kong's reserves were badly depleted."

"Real-estate prices in Hong Kong are so low that hippies and young artists flock to Hong Kong. It becomes Asia's avant-garde centre."

Business briefs

JAKARTA, June 24: A deal for Indonesia to buy Russian jet fighters could be clinched in early July when a Cabinet minister flies to Moscow with a powerful delegation, a Russian spokesman said Tuesday.

Negotiations for Indonesia to obtain Russian military hardware have moved forward quickly since the Jakarta government canceled an agreement earlier this month to buy nine F-16 jet fighters from the United States.

BEIJING: Shanghai will freeze development of land in the city for non-farm uses this year in an attempt to revive its sagging real estate market, the newspaper China Daily reported Tuesday.

A building boom has left Shanghai with a surplus of empty office space and luxury apartments, forcing down rents and sale prices.

GUANGZHOU, the capital city of Guangdong Province, which borders Hong Kong, is to have its own English-language newspaper, an official report said Tuesday.

The Guangzhou Morning Post will begin distribution July 1, the day Hong Kong reverts to Chinese control, the Xinhua News Agency reported.

HANOI: The central bank has ordered all commercial banks in Vietnam to submit detailed reports on overdue loans to help study the cause of the problem, state-run media reported Tuesday.

The reports must be submitted by the end of the month. State Bank of Vietnam Governor Cao Sy Kiem was quoted as saying in the Economic Times.

SYDNEY: Chemical giant ICI was found negligent Tuesday over a pesticide that cattle producers said contaminated their stock, causing Japan, the United States and other nations to ban Australian beef in 1994.

Federal Court Justice Murray Wilcox found ICI was under a "duty of care" in connection with the manufacture and distribution of the pesticide chlor-fluazuron (CFZ), sold under the brand name Helix.

Wilcox said in his haste for profits, ICI cut research corners and suppressed information that might have alerted "the dozing public watchdog."

At a news conference, a lawyer for the cattle producers, Peter Long, said: "It's clearly a case, I think, which will end up in the hundreds of millions of dollars."

WELLINGTON: The telecommunications company Switchee has won a 16 million dollars (23 million New Zealand dollar) deal in Malaysia with a new cellular phone company.

Switchee will supply direct-current power supply systems for 1,000 cellular sites being installed by Telekom Malaysia's cellular subsidiary, which is installing a nationwide cellular network.

Sealed quotations are invited from internationally reputed manufacturers of computer Hardware/Software/their authorised dealers/distributors/agents in Bangladesh for supply, installation and commissioning of IBM Computer System along with other peripherals at 89 centres all over Bangladesh for transfer of information in between the centres under a communication umbrella through dialup telecommunication from pc to pc via Modem on "Turn Key Basis" and as per terms and conditions of tender schedule.

01. Sale of tender schedule
Tender schedule will be available at the office of the undersigned (Computer Division, Sonali Bank, Head Office, 35-44, Motiheel C/A, Dhaka) on all working days from 10.30 AM to 3.00 PM on payment of Tk 2500.00 (Two thousand five hundred) only (non-refundable) per set in the form of Pay Order/Bank Draft of any Branch of Sonali Bank in Bangladesh favouring "Sonali Bank, Head Office". No tender schedule will be sold on the date of dropping of the tender. Those bidders can use the relevant tender schedule who have purchased the same earlier.

02. Submission and Opening
Tender is to be submitted in two separate envelopes one containing "Technical Offer" and the other containing "Financial Offer". "Technical Offer" and "Financial Offer" for the proposed system should be prepared separately as per Tender Schedule and quotation should be dropped in the tender box to be kept at the Computer Division, Sonali Bank, Head Office (6th floor), Dhaka latest by 3.00 PM (local time) on July 13, 1997. Only "Technical Offer" will be opened on the same day at 3.15 PM in presence of the tenderers or their authorised representatives, if any.

03. Earnest Money
Tenderers must submit with financial offer a Pay Order or Bank Draft from any Branch of Sonali Bank in Bangladesh @5% of the quoted price (excluding maintenance charge) favouring Sonali Bank, Head Office as earnest money (refundable). Any financial offer without earnest money will be rejected and will disqualify the entire bid.

04. Other
Bank will not bear any type of cost for preparing and submitting tender. Bank authority, at its absolute discretion, may accept or reject any or all tenders partly or wholly at any stage without assigning any reason whatsoever and also is not bound to accept the lowest tender.

No 16/41397
D-788
Jaghat Karim
Deputy General Manager