

25 pc extra duty on car imports

Plan to raise revenue backfires

By Inam Ahmed

The government's aim to mobilise more revenue from import of cars by slapping a 25 per cent additional supplementary duty has turned out to be counterproductive as tax collection from car imports has slumped.

According to statistics, Tk 4.80 crore revenue had been collected from car imports in the first 15 days of August. In July, collection was some Tk 9.75 crore. Both these figures are much lower than average

monthly revenue collection from car imports.

Car importers said the revenue collection would further dwindle in the coming months as higher car prices due to additional duties are keeping buyers away.

The number of registration of vehicles with the road transport authority has also decreased in keeping with lower sales. While some 800 vehicles had been registered on an average every month during Jan-

uary-June period of the last fiscal year, the number has come down to about 270 vehicles per month now, according to BRTA.

Meanwhile, some 5,000 imported vehicles have now piled up at the Chittagong port as demand for cars has sharply declined. Two more ships with some one thousand cars are expected to arrive at the port in the next two weeks.

Market sources say there would not be any large scale import as car dealers are not

opening letters of credit.

The port authority has already asked the concerned department to start auctioning vehicles which have not been cleared even after more than 45 days.

This move, as many view, has been taken to improve revenue collection.

"I am not opening any LCs without concrete orders," said Abdul Huq, leader of reconditioned car importers. "Sale of cars has gone down to only about five per cent of what I

used to sell before."

"I am unable to clear my cars from the port as cash flow has declined with the fall in sales," said Arikul Islam, another car dealer. "On the other hand, I have to count the bank interests on LCs."

The 25 per cent additional supplementary tax and a 2.5 per cent development surcharge had resulted in a net tax increase by 50 per cent, dampening demand drastically, according to car dealers.

More money needed to boost jute market

By Rafiq Hasan

maund. Demanding special incentives for the jute sector officials said that there is no other alternative to save the growers going bankrupt.

China may import 10 lakh bales of raw jute

China, the largest buyer of Bangladesh jute, is expected to import 10 lakh bales of raw jute from the country during the current fiscal, reports UNB.

A Bangladesh jute delegation, now visiting China, is negotiating this with the China National Native Produce and Animal By-products Import and Export Corporation.

State Minister for Land and Haj Rashed Mosharrar, who is leading the 9-member high-powered delegation, held a meeting with the corporation in Beijing on Monday.

Leader of the Chinese delegation Xu Jiang Chung told the meeting that although China is a jute producing country, it imports a large quantity of jute from Bangladesh for better quality fibre.

He hoped that the corporation, which is the biggest Chinese jute-purchasing company, will import a huge quantity of raw jute this year.

Against the turmoil in the home market the government tried to explore export market.

It sent two separate missions headed by two state ministers. The first mission led by State Minister for Jute and Textile A K Faezul Huq has already returned after visiting some jute importing countries including Pakistan, UK and USA.

Another team led by State Minister for Land Rashed Mosharrar is now in China for negotiating with raw jute buyers. The government is expecting that China, suffering from a production shortfall this year would buy at least 10 lakh bales this season. The other mission has also made some success in negotiating with jute goods buyers of Pakistan and USA.

A member of the team told The Daily Star that the jute goods export to US had fallen drastically in last two years because of in competitive market price. Though jute export from Bangladesh amounted to about 37 thousand tonnes in the year 1993-94 fiscal year, it went down to only 7 thousand tonnes in the last fiscal year.

After consultation with the team the jute goods buyers were convinced and agreed to import from Bangladesh again, the member said. Pakistan with 14 jute mills may also import about 4.89 lakh bales of raw jute this year, he added.

'BCS trade cadre problems to be resolved soon'

Star Business Report

Commerce and Industries Minister Tofael Ahmed yesterday assured the BCS trade cadre officials that the problems they are facing would be resolved soon.

The minister made the assurance while the Secretary General of the BCS Trade Association MA Sabur called on him at his chamber in the secretariat.

Tofael also spoke of his government's firm commitment to remove all obstacles to the national development.

Earlier, MA Sabur demanded of the minister to remove disparity in the wages between the trade and other cadre officials and posting of the experienced trade cadre officials to the country's foreign missions.

Tk 8 cr remitted in July

Bangladesh nationals living abroad remitted about Tk 8.10 crore during the month of July, reports UNB.

In the month, the expatriate Bangladeshis remitted 37,198.40 pound sterling and 14,67,019.76 US dollars through 9,601 foreign money orders.

The exchange value of the remitted money in local currency stood at Tk 8,10,36,377.11, said an official handout Tuesday.

Exchange Rates

The following are the Sonali Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on 27/8/97.

	Buying			
	TT	OD Sight	OD	Transfer
	Clean	Export Bills		
US Dlr	44.4200	44.2545	44.1580	
GB Pound	71.1233	70.8563	70.7037	
D Mark	24.5544	24.4629	24.4096	
F Franc	7.2928	7.2656	7.2498	
C Dlr	31.7058	31.5877	31.5188	
S Franc	29.7309	29.6201	29.5555	
JP Yen	0.3706	0.3692	0.3684	

	Selling			
	T.T. & O.D.	B.C.		
US Dollar	44.7105	44.7505		
GB Pound	72.1728	72.2374		
D Mark	24.9772	24.9996		
F Franc	7.4155	7.4221		
C Dollar	32.2455	32.2743		
S Franc	30.2464	30.2735		
JP Yen	0.3808	0.3812		

Indicative Rate					
Selling		Buying			
Saudi Riyal		11.9212		11.7736	
UAE Dh		12.1734		12.0223	
KUW DI		146.8807		144.8278	
D Guilder		22.0694		21.7806	
S Krona		5.6809		4.9754	
Malay Ringgit		15.9794		15.7651	
Sing Dollar		29.8867		29.4977	

The following are the Janata Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on 27/8/97:

	Buying			
	TT	OD	OD	Transfer
	Clean	Sight	Export	
		Bills		
US Dlr	44.4200	44.2493	44.1334	
GB Pound	71.2002	70.9103	70.7245	
D Mark	24.5543	24.4543	24.3902	
F Franc	7.2954	7.2657	7.2466	
JP Yen	0.3721	0.3706	0.3697	
C Dlr	31.7031	31.5740	31.4913	
S Franc	29.7390	29.6179	29.5403	

	Selling			
	T.T. & O.D.	B.C.		
US Dollar	44.7115	44.7510		
GB Pound	72.2274	72.3080		
D Mark	24.9556	24.9833		
F Franc	7.4162	7.4245		
JP Yen	0.3808	0.3812		
C Dollar	32.2238	32.2597		
S Franc	30.2369	30.2706		

Janata Bank's selling and buying rates in cash currency for public:			
Selling		Buying	
US Dlr		45.0000	
GBP		71.2300	
S Riyal		11.9000	
UAE Dh		12.0500	
KUW DI		146.5000	



Secretary General of BCS Trade Association MA Sabur called on Commerce and Industries Minister Tofael Ahmed yesterday.

New Pak plan to woo foreign investors

KARACHI, Aug 27: Pakistan will set up an industrial zone near Karachi targeting foreign investors, officials said yesterday, reports AFP.

An area of 6,000 acres (2,428 hectares) had been earmarked under the plan, they said.

An official at nearby Port Qasim said the plan had been approved by the communication ministry and was expected to be endorsed by Prime Minister Nawaz Sharif in the next couple of weeks.

"After the prime minister's approval the Port Qasim Authority (PQA) will go globally with the help of the Board of Investment, Pakistani missions

abroad and the media to attract mega investors, he said.

The PQA has divided the land into four 1,500 acre (607 hectares) plots to be offered to investors on long-term leases or an annual rental basis.

Located some 50 kilometres (31 miles) southeast of there, Port Qasim has a total of 12,000 acres (4,856 hectares) of land for industrial and commercial development.

The port has already allotted more than 2,300 acres (930 hectares) to various local and international firms involving estimated total investment of three billion dollars.

Those project involves firms including Toyota Motors.

SAARC civil aviation officials meet in Dhaka
Plan to promote people to people contact

Civil aviation officials of seven SAARC countries began a three-day meeting here yesterday to finalise strategies for connecting the SAARC capitals by direct air links, reports UNB.

The meeting followed a proposal made by Prime Minister Sheikh Hasina at the ninth SAARC Summit held in Male from May 12-14 for establishing direct air links among the SAARC capitals to promote people to people contact and encourage tourism.

Although it will take some more time to fully implement the decision of establishing air links, the meeting of Civil Aviation authorities of SAARC countries is the first step towards achieving that goal, said a SAARC Secretariat official.

Dhaka has direct airlink with India, Pakistan, Nepal and Bhutan. There are air service agreements with Sri Lanka and the Maldives, but Dhaka's direct airlink with Colombo and Male have not been established due to lack of commercial viability.

Inaugurating the meeting at Sonargaon Hotel in the morning, State Minister for Civil Aviation, Tourism and Planning Dr. Muhiuddin Khan Alamgir said the task of establishing air links is no doubt challenging because of resource constraints.

Other limitations may also pose as hurdles in the way of implementation of this type of schemes, but if concerted efforts are made the impediments can be overcome, he added.

He said the proposal was for establishing a pool service encompassing airlines of the Maldives, Nepal and Sri Lanka linking Kathmandu, Dhaka and Male at one end and another pool linking Islamabad, Delhi and Dhaka.

Following such establishment, it was envisaged that these twin ended pool services would be conveniently merged into one.

The state minister said problems like fleet constraints, commercial viability and traffic rights under the existing Air Services Agreements will come up for discussion in the meeting.

Isolated solution to each of these problems may be difficult, but an integrated approach with the expertise and experience of both airlines and civil aviation authorities of the SAARC member states will yield a positive result, he said.

"Today's meeting is the first step towards achieving that goal. I am confident that significant progress can be achieved in this new area of South Asian cooperation," said TZA Samudren, a Director of the SAARC Secretariat.

SAARC has embarked upon developing tourism in the region realising its potential, he said adding this region can cater to every aspect of a holiday maker is looking for.

Twenty-four officials from the SAARC countries are participating in the meeting.



San Amalan, General Manager, Dhaka Sheraton Hotel, presented a silver coaster to ADB President Mitsuo Sato.

Asia-Pacific states set to free energy sector

EDMONTON, Canada, Aug 27: Energy ministers from 18 Asia-Pacific nations opened a two-day meeting here Tuesday amid calls for liberalisation of trade and investment rules in the energy sector, reports AFP.

The call came from a business symposium which preceded Asia Pacific Economic Cooperation (APEC) forum ministerial meeting.

Recalling that the overall objective of APEC was "sustainable economic growth and equitable development for its members economies," Canada's Minister of Natural Resources Ralph Goodale told the opening session of the ministerial meeting: "Nowhere is the importance of open and flexible markets more evident than in the energy sector."

"Several APEC economies will require massive amounts of capital from international markets to develop the energy infrastructure needed to support economic growth," he said.

The energy ministers' meeting is one of several ministerial

ais being hosted by Canada this year in the build-up to the November summit of the 18 APEC economies in Vancouver.

Separate ministerial meeting covering transport and international trade have already been held so far this year.

The common theme throughout has been opening up sectors which have traditionally been controlled by national government and government-owned corporations, and cutting down non-tariff barriers as a way to improve intra Asia-Pacific trade.

Each ministerial meeting has been preceded by a business symposium of industry leaders which has presented a series of recommendations for the ministers.

In Edmonton, representatives of the energy sector met prior to the ministerial meeting to draw up their wishlist which included the opening-up of investment possibilities and the cutting of regulatory duplication.

DCCI-StanChart workshop on forex

Standard Chartered Bank and The Dhaka Chamber of Commerce & Industry (DCCI) jointly organised a workshop on "Foreign Exchange Liberalisation" yesterday. The workshop was inaugurated by Syed Amir-ul Mulk, Secretary, Banking Division, Ministry of Finance. A S M Quasem, President, DCCI, Geoff Williams, Chief Executive Bangladesh, Standard Chartered Bank, Mamun Rashid, Treasurer, Standard Chartered Bank, Ashraf Ibn Noor - Senior Vice President, DCCI and A Q Siddiqui, Former Managing Director of Sonali Bank were also present, says a press release.

Amir-ul Mulk highlighted the benefits of foreign exchange liberalisation that took place in recent past and urged the business community to take advantage of it. While addressing the workshop Geoff Williams reiterated the significance of foreign exchange and foreign trade and requested the business community to play an active role in the liberalisation process.

Manila may impose 10 pc tax on forex deposit

MANILA, Aug 27: The Philippine senate has finally agreed to a 10 per cent tax on foreign currency deposits, the Manila Times reported today, reports Xinhua.

In Tuesday's session which tackled the last phase of the comprehensive tax reform programme (CTRP), the Senate voted 12-6 to approve the 10 per cent tax scheme, the newspaper said.

Senator Juan Ponce Enrile, Chairman of the Senate Ways and Means Committee, had earlier proposed a 20 per cent tax on foreign currency deposits to align it with the prevailing rate on peso deposits.

At present, foreign currency deposits are not subject to any tax in the country. Mainly because of the government's tax treatment, foreign currency deposits grew from virtually nothing in the early 1980s to the current 14 billion US dollars.

Bankers are worried that the imposition of the tax may trigger a capital flight while others opposing the scheme believe that the tax may act as a deterrent to foreign investors whose investments have helped spur the growth of the country's economy.

Shipping Intelligence

Chittagong Port

Berth Position and performance of vessels as on 27.8.97

Berth No	Name of vessels	Cargo	L.Port	Local Agent	Date of Arrival	Date of Leaving
J/1	Ping Shun	C. Clink	Dali	Ustc	23/7	28/8
J/2	Agra	Cl	Sing	lpl	22/8	-
J/5	Trust-38	Sugar(G)	Darb	Ustc	4/8	28/8
J/6	Tong Chuan	Cl	Sing	Baridhi	22/8	5/9
J/7	Hill Harmon	Wheat(P)	Sing	Aass	1/8	30/8
J/8	Jennifer-R/Khanak	Cl	Fuch	Prog	23/8	2/9
J/9	Nanning Shan	Gesp(P)	Adab	Litmond	24/8	3/9
J/11	Asha Global	Cement	Ind	Seagory	R/A	28/8
J/12	Saipan Pioneer	Cont	Sing	Bdship	24/8	29/8
J/13	Qg Teal	Cont	Sing	Qsl	22/8	28/8
Oct/1	Fong Yun	Cont	Sing	Bdship	20/8	29/8
Oct/2	Kota Bintang	Cont	Sing	Pil(BD)	19/8	28/8
Oct/3	Elbe Star	Cont	Col	Bdship	21/8	30/8
RM/1	Chosun Hope	Idle	Lian	Ows	28/8	-
RM/4	Aspidoforos	R.Sulp	Mad	Move	21/8	2/9
RM/6	Polymnyia	Cement	Sing	Psai	14/8	29/8
RM/8	Bustan	Repair	Sing	Rml	15/8	30/8
Doj	Banglar Jyoti	Idle	Para	Bac	R/A	-
Doj/2	Tanary Star	Idle	Para	Psai	23/8	30/8
RM/9	Zara	Repair	Fena	Nishan	R/A	2/9
Cufj	Blue North	Cement	Mong	Qsl	10/8	31/8
			Qing	Psai	30/8	-

Name of Vessels

Name of Vessels	Date of Arrival	Last Port	Local Agent	Cargo	Loading Port
Esco Cargo	27/8	Bang	Rainbow	Gil(Mt.Cement)	-
Pacific Ocean-III	27/8	Mala	Othl	Ballast	-
Great Fortress	27/8	Vanc	Rcl	Wheat(P)	-
Meng Lee 22/8	2/9	Sing	Bdship	Cont	Sing
Sea Bird	27/8	Mong	Cncl	Cont	-
M.Regina 17/8	29/8	Sing	Pil(BD)	Cont	Sing
Tug GreenVile-16	28/8	Sing	Karma	Empty	-
Wester Star 18/8	30/8	Col	Bdship	Cont	Col
Banglar Robi 18/8	28/8	Sing	Bac	Cont	Sing
Venturer	28/8	Fuja	Simni	Scraping	-
Tanker -1	28/8	Sing	Simni	Scraping	-
Tiger Star	28/8	Sing	Prog	Cl	-
Tong Ah	28/8	Sing	Mbl	-	-
Hatun (48) 23/8	28/8	Sing	Jf	St. Coils	-
Neamonituba	29/8	Col	Psai	Cement	-
Banglar Doot	31/8	Col	Bac	Cl(Cont)	-
Hui Feng	30/8	Dali	Ustc	Cement	-
Kota Pusaka 28/8	30/8	Sing	Pil(BD)	Cont	Sing
Fong Lee 24/6	30/8	Sing	Bdship	Cont	Sing
Sin Hai 21/8	30/8	Sing	Qsl	Cont	Sing
Vishva Pankaj	31/8	Sing	Ssl	Cl	-