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HYUNDAI
CARS THAT MAKE SENSE

New varieties of tomato evolved

MYMENSINGH, Mar 21: It's a good news for the gourmants who like to eat tomatoes round the year, reports UNB.

Bangladesh Institute of Nuclear Agriculture (BINA) has created the opportunity evolving two new varieties of tomato which are suitable for cultivation during the summer and winter seasons.

The two varieties, BINA tomato-2 and BINA tomato-3, do not need any kind of hormone in cultivation and these are bigger in size than the previously evolved variety.

The seeds have to be sowed during the period between early part of March and June. But more production could be ensured if the seeds are some between March and April.

The 75-80 cm height of each tomato plant of BINA-2 with light green curly leaves can produce 18 to 22 tomatoes while 80-85 cm BINA-3 can produce 12-14 tomatoes. Per hectare production of BINA-2 is 36-40 tons and BINA-3 about 38-42 tons.

Cultivation of the new varieties is suitable in any type of land. But sandy-loamy land is more suitable for its cultivation. Tomatoes will be harvested after 50-60 days of planting.

The scientists of BINA hoped that the new varieties would be favourable to the interested consumers.

SCB workshop on foreign exchange to be held today

Star Business Report

A workshop on foreign exchange and funds management will be held at BAFEDA training room at Pubali Bank building in Motijheel today.

The workshop is being organised by Standard Chartered Bank (SCB) in collaboration with Bangladesh Foreign Exchange Dealers' Association, says a press release.

M R Khan, Chairman of BAFEDA will inaugurate the workshop.

Treasury and fund managers of all local commercial banks are likely to attend the workshop.

IMF, Indonesian officials meet on new bailout agreement

JAKARTA, Mar 21: Senior officials from Indonesia and the International Monetary Fund met Saturday to work out details of a new agreement to counter the worst economic crisis in 30 years, reports AP.

The meeting follows news that Indonesia has shelved a controversial plan to stabilize the battered rupiah through a currency board.

It also comes after Australian Foreign Minister Alexander Downer said in Washington on Friday that the World Bank would coordinate an international effort to provide food to struggling Indonesia, where riots and protests have broken out over rising prices.

The head of Indonesia's national logistics body, which controls the marketing of basic food items, said the IMF team has agreed to an Indonesian request to maintain state subsidies on nine essential food types, as well as basic medicines.

Before Saturday's meeting Finance Minister Fuad Bawazir said he hoped a new agreement could be struck with the IMF by next week.

Fuad and other senior minister and Indonesian officials are meeting an IMF team led by Hubert Neiss, the fund's top man in Asia.

Neiss came to Indonesia this week amid fears that President Suharto's government was backsliding on earlier commitments to implement tough and sweeping reforms as required under a 43 billion dollar IMF-sponsored bailout.

Small groups of Indonesian and IMF officials have met in recent days.

But Saturday's gathering was the biggest meeting of both sides in this latest round of negotiations.

Indonesia's currency, the rupiah, has plunged more than 70 per cent since last July, resulting in mass unemployment, inflation and the potential for widespread corporate failures.

The IMF was worried about a plan being considered by Suharto to stabilize the rupiah by pegging its value to the US dollar through a currency board. The IMF and some industrialized nations fear Indonesia's fragile economy would be damaged further by the rigors of a currency board.

On Friday Fuad told reporters that a currency board was not feasible for "the time being".

Earlier this week there were signs that Indonesia was beginning to favour reinstating currency trading bands that would control the value of the rupiah through a managed float.

Laws likely to ensure delivery of investment incentives

The government is contemplating a new law styled Investment Promotion Act to ensure implementation of incentives and facilities pledged for the investors, says UNB.

"The proposed act is intended to make a legal binding for the enforcing agencies to implement the government's policies to develop the country's industrial base," said an official of the Ministry of Industry.

"The most important is the legislation of an appropriate statutory framework which makes the provisions of the policies enforceable through the court of law," the official said.

To make the proposed legislation effective for speedy industrialisation, the government has also planned to update other laws related to investment.

"Other existing laws like Foreign Investment Act," Board of Investment Act and Industrialisation Relation Ordinance will also be made compatible with the proposed act," the official said.

Meanwhile, the Ministry of Industries has decided to amend the Foreign Private Investment (Promotion and Protection) Act, 1980 as it is found inadequate to meet the need of the present situation.

"It should be suitable amended to make provisions for arbitration or conciliation in the provisions of the Arbitration Act, 1940, Trade Mark Act, 1940 and Patent and Design Act 1911, according to

necessary amendment to make the law judicially enforceable and specify the modalities for any compensation," the official said.

According to sources in the ministry industries, many foreign investors have urged the government to bring amendments also to some of the provisions of the Foreign Private Investment (Promotion and Protection) Act.

The demand came when some of the joint-venture industrial units faced problem to settle dispute with their local partners.

Similarly, necessary amendments will also be made in the provisions of the Arbitration Act, 1940, Trade Mark Act, 1940 and Patent and Design Act 1911, according to

ministry sources.

The ministry is also contemplating amending and simplifying the laws which create unnecessary impediments to the growth of industrial sector.

For example, the land registration which requires compliance of various laws should be simplified as soon as possible, he said.

The Chamber bodies, including the FBCCI, DCCI and BCI, are demanding for a long time to simplify the laws related to land registration and transfer to make the process smooth.

They are also demanding that the government should provide lands to the investors for the purpose of setting up industrial unit at the shortest possible time.

S'pore team in Cox's Bazar to finalise investment proposals

A 17-member high-powered Infrastructure Mission from Singapore has gone to Cox's Bazar at the start of a six-day visit to finalise some infrastructure related investment proposals, says UNB.

The team which arrived here Friday is inspecting possible sites for infrastructure development projects involving port, inland water container depots, chemical plants, property development, industrial estates/parks and tourism.

The Cox's Bazar visit of the mission has been organised by the Ministry of Civil Aviation and Tourism to explore possibilities of investment in the development of tourism facilities.

Returning to Chittagong today, the mission will visit the Chittagong port, the Korean EPZ and have talks with the members of the Chittagong Chamber of Commerce and Industries.

The Singapore mission, sponsored jointly by the Singapore Trade Development and the Singapore Confederation of

industries in collaboration with the Bangladesh High Commission in Singapore, is visiting Bangladesh at the invitation of the Bangladesh Board of Investment.

Led by Chairman of Industrial Infrastructure Committee of the Singapore Confederation of Industries Anthony, Png Choo Ling, the Mission, during its six-day stay in Bangladesh, will hold detailed discussions with several Ministers and senior officials of Bangladesh, including Ministers for Housing and Telecommunications, Energy and Mineral Resources, Civil Aviation and Tourism and Executive Chairman of the Board of Investment.

A Senior Director of International Business of Singapore Confederation of Industries Emmeline Lam had come to Dhaka earlier to hold detailed pre-visit discussions with the officials of the Board of Investment and other Government agencies.

The present mission has come to Bangladesh as a follow-up to the previous Singapore Trade and Investment Mission which visited Bangladesh in November last year.

Three Singapore companies have already opened offices in Dhaka as a step towards setting up industries in Bangladesh.

It may be mentioned that the visit of the Singapore Infrastructure Mission to Singapore will be followed by a Bangladesh Investment Seminar to be held in Singapore on March 31. The Executive Chairman of Board of Investment will lead a 30-member high powered investment Delegation with senior representatives from both the public and private sectors on the occasion.

The Singapore Confederation of Industries, the Singapore Trade Development Board and the Bangladesh High Commission in Singapore will be the organisers of the Bangladesh Investment Seminar.

Workshop on engineering insurance

Star Business Report

A three-day workshop on 'engineering insurance' will be held at the academy bhawan in the city from tomorrow.

The workshop is being arranged by Bangladesh Insurance Academy in collaboration with Munich Re of Germany, says a press release.

Munich Re is the largest reinsurance company of present-day international reinsurance market. Kerl Weid, an eminent expert and highly experienced engineer on the subject, will be the keynote speaker during the course period.

About forty senior officers from sector corporations, insurance organisations banks, developer, construction firms, and manufacturers will take part in the workshop.

K M Mortuza Ali, Director of the Academy will inaugurate the workshop on Monday.

Syed Alamgir Faruque Chowdhury, Commerce Secretary and Chairman, Board of Governors, Bangladesh Insurance Academy, will be the chief guest at the certificate awarding ceremony and distribute certificates among the participants.

S'pore external trade budget rises by 7pc

Star Business Report

SINGAPORE, Mar 21: Singapore's total external trade increased by 7.1 per cent in February this year on a three-month moving average basis, with exports and imports expanding by 10.5 per cent and 3.9 per cent respectively, the Singapore Trade Development Board (TDB) said on Friday, reports Xinhua.

Non-oil domestic exports grew by 12.2 per cent while non-oil re-exports recorded a 13.9 per cent growth, the TDB said. Oil domestic exports, on the other hand, continued to decline by 12.2 per cent in February, it added.

On a monthly basis, non-oil domestic exports recorded a robust growth, surging by 28.1 per cent following a drop of 0.9 per cent in the previous month. The TDB said that the high February growth was partly statistical due to the shift of festive holidays from February in 1997 to January in 1998.

On the average of January and February figures, non-oil domestic exports increased by 11.6 per cent, it said.

During the period, domestic exports on integrated circuits and printed circuit boards assembled (PCBAs) continued to increase strongly by 22 per cent and 31.1 per cent respectively.

But shipment of disk drives was weak, registering a moderate growth of 1.4 per cent. In the same period, non-oil re-exports increased by 14.7 per cent, reflecting the strong growth in the US and European Union markets, which, however, were offset by weak performance in the Malaysian and Thai markets.

The TDB said that non-oil domestic exports increased by 12.2 per cent to reach 71 billion Singapore dollars (about 4.44 billion US dollars) in February this year.

Indonesia slaps tax on foreign currency purchase

Star Business Report

JAKARTA, Mar 21: The Indonesian government will impose a five per cent tax on the gross value of foreign currency purchased here starting next week, a statement by the finance ministry said here yesterday, reports AFP.

The tax, to come into effect on Monday, "is one of efforts to pressure the growth of speculations on foreign exchange," the statement said.

The statement also said that the tax was considered a form of income tax that can be deducted from the tax paid at the end of the year.

Exempted from the tax were banks, official money changer and buyers with official proof that the purchase was to repay foreign debt or to meet obligations linked to letter of credits.

also some by-products such as sulfuric acid, sodium, calcium hydrochloride and di-chlorobenzene.

The products of the Complex are used as raw materials in more than one hundred industrial units.

Official sources said the main raw material for producing caustic soda is the industrial grade oceanic salt. The Complex runs on very high grade of salt which is to be imported from abroad.

But for importing the salt, the authorities have to pay 42.5 per cent duty, 50 per cent supplementary duty, 15 per cent VAT and 7.5 per cent other

charges.

With so much duties and charges to be paid on imported raw materials, the production cost of chemicals becomes much higher that forces the Chittagong Chemical Complex to face an uneven competition in marketing its products.

Caustic soda is one of the main products of the Complex, the sources said. But as there is no tariff value on import of caustic soda (liquid) at present, some quarters are importing it through under-invoicing.

Besides, the National Board of Revenue has lowered customs duty to the extent of 12.5 per cent.

The sources mentioned that before 1993, there was a 500 US dollar tariff value plus 45 per cent customs duty on import of caustic soda.

The authorities of the Chemical Complex demanded imposition of the above tariff value and 42.5 per cent import duty on liquid caustic soda and also the withdrawal of 50 per cent supplementary duty on the import of its chief raw material, salt.

Another important product of the Complex is hydrochloric acid, which can fulfil the entire demand of the country. Yet huge quantity of hydrochloric acid is being imported from India at

FICCI wants culprits punished

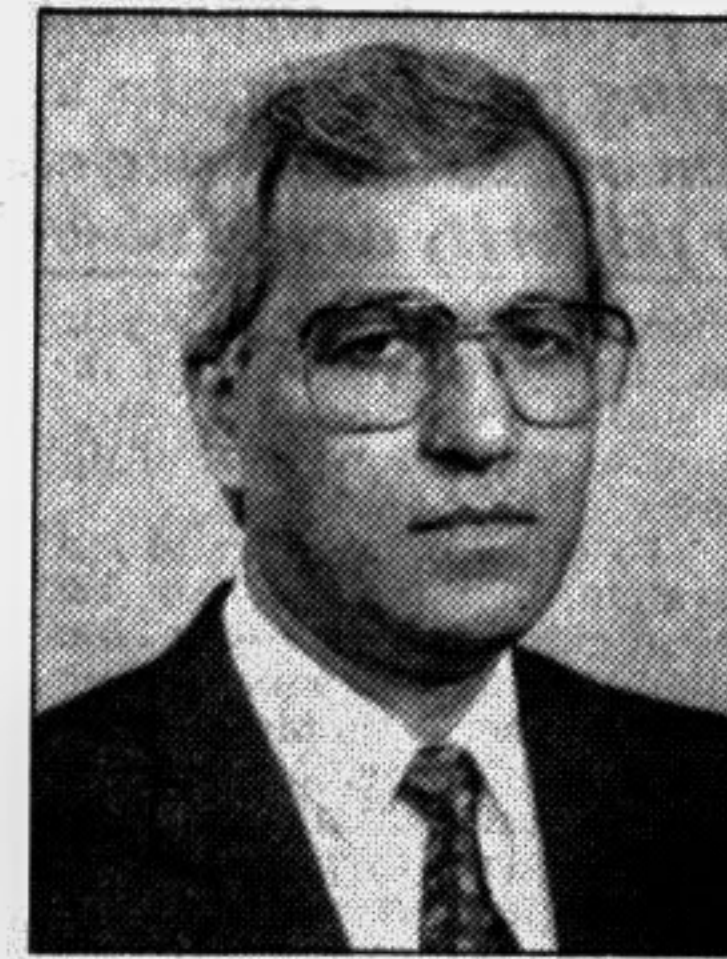
Star Business Report

The Foreign Investors' Chamber of Commerce and Industry (FICCI) has called for reforms in the country's financial sector and removal of contradictions in laws to ensure quick justice and stop unscrupulous people seeking to delay legitimate procedures from taking shelter of the court-house.

In a press statement yesterday, FICCI president AKM Shamsuddin said only public disclosure of names of bank defaulters did not help in the past and nor was it likely to help now to get the money back.

Shamsuddin also lent support to the Federation of Bangladesh Chamber of Commerce and Industry's suggestion to form a task force to track the willful defaulters and corrupt bank officials who colluded with the offenders.

"Willful defaulters and con-



"One exemplary punishment would be much more effective"

niving officials should be brought to book through the legal process, without fear or favour," Shamsuddin said. "One exemplary punishment would be much more effective than publishing lists."

The statement said lending and borrowing activities depended on the bank-client relationship and that any breach of contract should be dealt with in accordance with law.

The FICCI president also put emphasis on building the country's image to attract foreign direct investment. The government "has to decide whether bashing the private sector would help" to lure FDIs, referring to recent discussions on "default culture".

"Punishing the real culprits and helping the genuine businessmen will help enhance investor confidence," he said.

'Policies not good enough for gold jewellers to go global'

By Govinda Shil

Jewellers cannot export ornaments though the price of gold has declined by Tk 200 on each tola (11.664 gm) recently.

City jewellers say they fail to avail the chance because of absence of a "proper" policy to sell jewellery in the international market.

One tola of guinea gold, suitable for ornaments, was selling at Tk 6,700 in October last year but the price came down to Tk 6,300 in November and then again to Tk 5,950 late January this year, they said.

"We made the downward price adjustment of gold on March 9 after we observed that prices in the London bullion market had also declined," said MA Wadud, president of the Bangladesh Jewellers Association.

The recent price of gold in the bullion market was US\$ 294 for each 31 gm or one ounce.

"If we had a proper ornament export policy, we could have taken advantage of the price cut," said Aftab Ahmed, owner of the Guinea Jewellers in the city.

Under the existing policy, the jewellers are to procure gold from the Bangladesh Bank vault but the bank does not have enough stock, jewellers alleged.

"Besides, the National Board of Revenue wants us to maintain a tight office time to make ornaments which is not convenient for the smiths," Ahmed said adding the NBR was yet to respond to the jewellers' long-time demand to allow them flexible work hours.

Bid to win 30pc quota hike

Mission to US successful, says BGMEA

Star Business Report

Bangladesh Garments Manufacturers and Exporters Association (BGMEA), President Mostafa Golam Qudus, has said his recent mission to USA to increase quota of Bangladesh garment products was 'extremely successful', reports BSS.

Qudus visited USA beginning March 9 at the head of an eight-member BGMEA team. He returned home Friday.

Talking to BSS, Qudus said he launched a two-pronged campaign with both the US officials and law makers to win a 30 per cent quota increase.

His team could successfully convince the concerned officials and the politicians that Bangladesh deserves the additional quota rise at least as an incentive for the country's amicable solution to the child labour from the garment sector, he said.

Qudus called for more meaningful and dynamic role of the concerned Bangladesh Mission officials in Washington DC to win more business for Bangladesh.

"We have prepared the ground and now waiting for bold and sympathetic efforts from the highest levels of both the sides to score the final success in our favour," said one confident delegation member.

During stay in USA, the team met Senators Tom Harkin, Robert Torricelli, Charles Robb and Congressmen Sander

Lavin, Tom Lantos, Lee H Hamilton, Jim McDermott, Dana Rohrabacher and Stephen Solarz.

Besides, the team had meetings with Ambassador David Aron, Under Secretary for International Trade Administration, Department of Commerce, Andrew Samet, Deputy Under Secretary of Labour, Annie Lewis, Special Assistant to President Bill Clinton for Economic Policy at White House and Karl Inderfurth, Assistant Secretary of State for South Asian Affairs.

In all separate meetings either the officials or the law-makers gave a very positive hint that Bangladesh's case would get sympathetic consideration by the US administration this time, the BGMEA president said.

A leading exporter having long experience of negotiations with US officials said, "It will be over-expectation to hope a quick and specific commitment right after the visit of such a promotional mission."

Bangladesh, the fifth largest garment exporter to the USA, exported products worth 1456 million US dollars last year. At present the US quota is being increased on growth basis. The last formal quota negotiations between Dhaka and Washington was held in December 1995. Formal quota negotiation needs notice from one of the either side.

But he said the company was ready to close a branch factory next to Beijing's new railway station.

SEOUL: South Korea's Samsung Heavy Industries Ltd said Monday it has won orders worth 200 million dollars to build five ships for companies in Italy and Liberia.

A 150 million dollars contract calls for Samsung to build four 73,000-ton oil carriers for Premuda Co of Italy for delivery by the year 2000, the company said.

The No 2 South Korean shipbuilder will also build a 180,000-ton bulk carrier worth 50 million dollars for Liberia Shipping Co for delivery by early 2000, it said.

SINGAPORE: In a continuing effort to develop Singapore into the premier financial hub of the region, the government announced broad measures Thursday that will liberalize its fund management industry.

"Our vision is to develop Singapore into the premier fund management hub in Asia over the next five to 10 years," Deputy Prime Minister Lee Hsine Loong told an investment management seminar. "Regulatory, institutional and policy weaknesses have held us back from realizing our full potential."

Source: AP.

Japan offers \$ 246m loans to Pakistan

Star Business Report

TOKYO, Mar 21: Japan on Friday extended loans totalling 32 billion yen (246 million dollars) to help reform Pakistan's banking sector, the foreign ministry said, reports AFP.

The Official Development Assistance (ODA) loan is generally united with an annual interest at 1.8 per cent and repayment period of 30 years, the ministry said.

Japanese Foreign Minister Keizo Obuchi and his Pakistani counterpart Gohar Ayub Khan agreed on the loan earlier this month in Tokyo.

Lone state-owned chemical complex falls sick

CHITTAGONG, Mar 21: Imposition of excessive duty on raw materials and withdrawal of tariff value on imports have turned the country's lone state-owned chemical complex into a sick industry, reports UNB.

Negative attitude of the ministry concerned was blamed for the poor state of Chittagong Chemical Complex (CCC), an enterprise of Bangladesh Chemical Industries Corporation (BCIC).

Set up on 90 acres of land in the Barabkund industrial area in Chittagong, the Complex mainly produces caustic soda, bleaching, hydrochloric acid and chlorine powder. There are

also some by-products such as sulfuric acid, sodium, calcium hydrochloride and di-chlorobenzene.

The products of the Complex are used as raw materials in more than one hundred industrial units.

Official sources said the main raw material for producing caustic soda is the industrial grade oceanic salt. The Complex runs on very high grade of salt which is to be imported from abroad.

But for importing the salt, the authorities have to pay 42.5 per cent duty, 50 per cent supplementary duty, 15 per cent VAT and 7.5 per cent other

charges.

With so much duties and charges to be paid on imported raw materials, the production cost of chemicals becomes much higher that forces the Chittagong Chemical Complex to face an uneven competition in marketing its products.

Caustic soda is one of the main products of the Complex, the sources said. But as there is no tariff value on import of caustic soda (liquid) at present, some quarters are importing it through under-invoicing.

Besides, the National Board of Revenue has lowered customs duty to the extent of 12.5 per cent.

The sources mentioned that before 1993, there was a 500 US dollar tariff value plus 45 per cent customs duty on import of caustic soda.

The authorities of the Chemical Complex demanded imposition of the above tariff value and 42.5 per cent import duty on liquid caustic soda and also the withdrawal of 50 per cent supplementary duty on the import of its chief raw material, salt.

Another important product of the Complex is hydrochloric acid, which can fulfil the entire demand of the country. Yet huge quantity of hydrochloric acid is being imported from India at

dumping prices, the Complex authorities alleged.

They demanded imposition of restriction on import of hydrochloric acid and 300 US dollar tariff value plus 42.5 per cent customs duty on import of the acid.

Officials said the Chittagong Chemical Complex is now facing acute shortage of working capital as an amount Tk 20 crore is lying unpaid with different government industrial units.

If this situation continues, they feared, the Chemical Complex will face closure and some 600 workers and employees and 100 officers face an uncertain future.

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