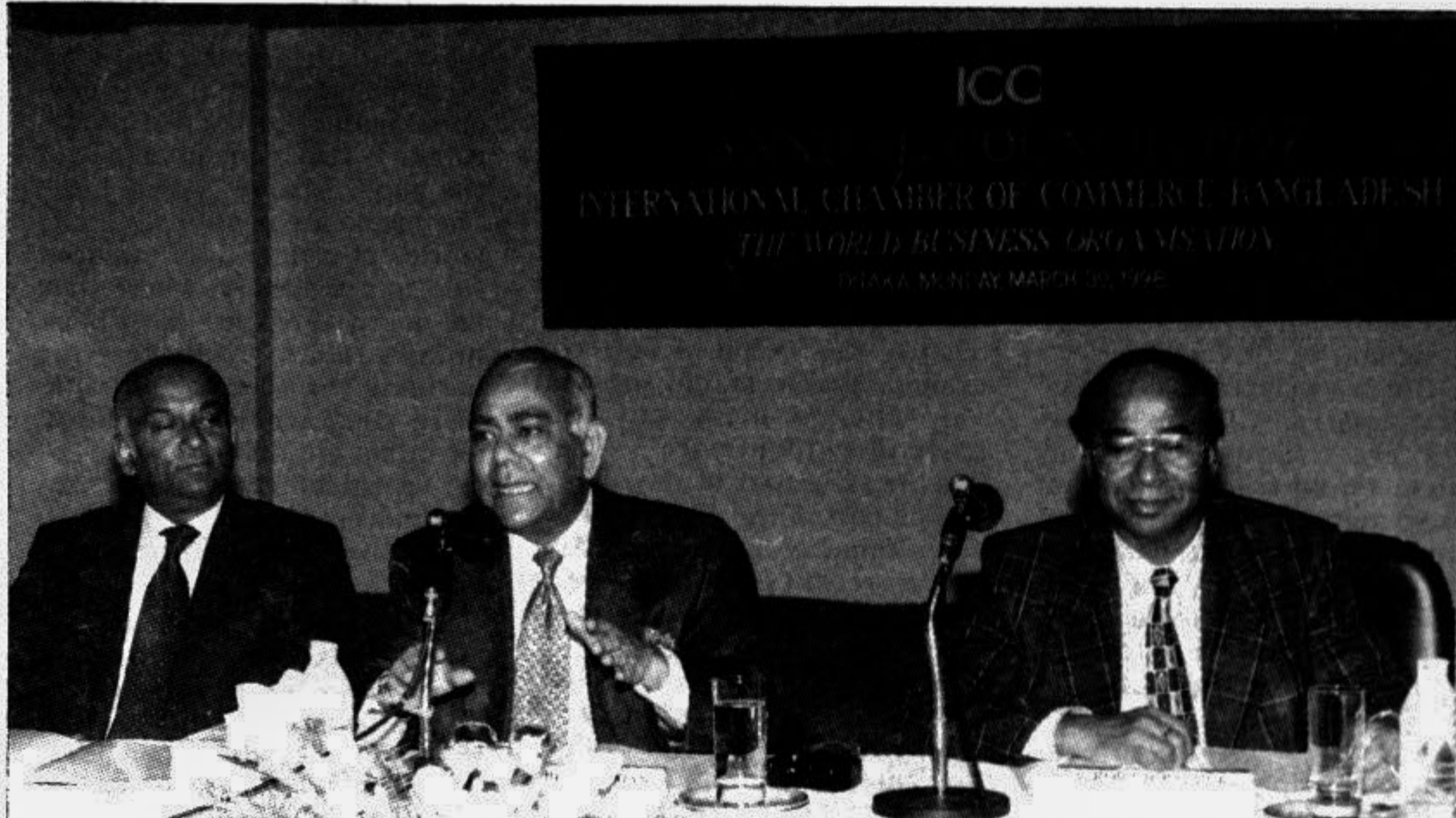


Business leaders at ICC, Bangladesh annual council

Strong government-business ties needed to face the new world

Star Business Report



President of International Chamber of Commerce-Bangladesh, Mahbubur Rahman flanked by Vice Presidents Latifur Rahman (L) and A Rob Chowdhury, addressing the annual council of the organisation at DCCI yesterday.

Business leaders felt that closer ties must be forged between government and the private sector to meet the challenges of the next millennium. 'This partnership is vital necessity in the backdrop of fierce competition and changed scenario in the global market place, the Bangladesh chapter of the International Chamber of Commerce (ICC) said in a statement yesterday. It also underlined the need for "a carefully designed policy framework to save the Bangladeshi economy" from unrestricted, free flow of foreign goods and services.'

The suggestions were unanimously endorsed at the 1997 Annual Council of the local wing of ICC, the world business organisation, held in Dhaka yesterday at the DCCI Conference Hall. The Council was chaired by Mahbubur Rahman, President, ICC, Bangladesh. ICCB vice president Latifur Rahman and A Rob Chowdhury, executive board members DCCI president R M Khan, two former MCCI presidents Syed Manzur Elahi and Samson H Chowdhury, Prime Bank MD Kazi Abdul Majid, Beximco Ltd Director Iqbal Ahmed, and United Commercial Bank chairman Zafar Ahmed Chowdhury attended the meeting.

The Council members spoke strongly of the need for "integration of Bangladesh market with the rest of the world". The Council expressed its happiness over the fact that the ICC, UN and its specialised agencies had agreed to interact more closely in various global and regional fora. It also noted that UNCTAD was helping the UN system and the business community to strengthen co-

operation, consultation for effective promotion of world trade in general and for supporting the Third World in particular. The initiative of the ICC and the UN for the establishment of a one-stop shop for promoting interaction between the UN system and the world business community was highly commended by the Council. The statement said. While reviewing Bangladesh's position in the international trade and FDI compared to other developed and developing countries, it noted that the country could neither remain isolated from the new International Trade Order nor could it afford "unqualified free flow of goods and services without corresponding market access. This is required for necessary integration with the world market. Bangladesh, the Council emphasised, should take measures to carry out immediate but steady economic reforms for "carefully opening itself to the rest of the world, and take full advantage of the opportunities that are available under the WTO Agreement. The Council expressed concern that there was "procrastination and absence of pro-development temperament in certain sections in the administration", resulting in slow deregulation and privatisation, lack of efficient infrastructure and delay in Customs modernisation, removal of tariff anomalies. They said all these were making many of the businesses uncompetitive.

Democracy no barrier to reforms: Kibria

Finance Minister Shah AMS Kibria yesterday said only a government with people's mandate could bring about an effective and lasting economic reforms, reports UNB. Speaking at the inaugural session of the international conference on "Adjustment and Beyond: The Reform Experience in South Asia", jointly organised by the Bangladesh Economic Association and the International Economic Association, Kibria said he did not agree with the idea that democracy was a hindrance to the process of reform.

"Yes, the reform process may necessitate difficult and painful adjustments to which various groups will be free to protest in a democratic framework, and yes, perhaps the public debate on the issues will be longer than the reformers would like," he said. "But, these are necessary costs to ensure that the reforms finally adopted do not impose unfair burdens on particular groups and that durable coalition are developed to ensure that reforms are successfully

carried through," he added. The explanation of the Finance Minister on reforms came in the wake of donors' allegation of his failure to implement the reforms he had committed. The Finance Minister said that perhaps most importantly, only a democratically elected government has the moral authority to ask the people to accept the sacrifices and changes associated with many reforms and adjustment. He said the government stood firm to undertake the

necessary adjustment. The firmness of the government was manifested in the recent adjustment of fertiliser, petroleum and electricity prices. Regarding reforms in the financial sector, the Finance Minister said, "Let no one doubt the resolve of the Sheikh Hasina's government to protect the interests of the many against the greed and depredations of the few." Prime Minister Sheikh Hasina inaugurated the conference in the morning held at Hotel Sonargaon.

'No rice crisis in the market'

There is no basis for any apprehension for rice crisis in the market in view of the continuous import of rice from abroad, reports BSS. According to official sources, people must remain alert of misleading information about the rice crisis and possibilities of increase in the prices of rice in the market. Import of rice at private levels from India is continuing, said the sources adding that sufficient rice is being imported from other countries which are being unloaded in the Chittagong and Mongla ports. As such no chance for any crisis of rice exists in the country and also no reason for increase in the prices, said the sources while giving specific information of the import of rice in the recent days. During the period from March 1 to March 29, 3,642 trucks and wagons carried a total of 45,348 tonnes of rice from India through different check posts. From March 1 to March 22, 307 trucks carrying 3,733 tonnes of rice was imported from India through "Sona Masjid" check post of Rajshahi district. The import increased substantially from March 22 with many trucks and wagons carrying rice everyday through different check posts in order to meet the requirement and stabilise the market condition.

BTMA urges govt Withdraw import duty, taxes on spare-parts

Bangladesh Textile Mills Association (BTMA) has urged the government to withdraw import duty and other taxes on spares used in textile mills, reports UNB. In its five-point proposal to the National Board of Revenue (NBR), the BTMA sought fiscal measure in the next year's budget. The BTMA said that presently there were 30 per cent import duty, 15 per cent Value Added Tax (VAT), 2.5 per cent advance income tax, 2.5 per cent licence fee and 2.5 per cent infrastructure development surcharge making the total to 52.5 per cent duty on spares of textile machinery. The association argued that as the spares were not manufactured in the country and hence there was no alternative to import. It said the exemption was a must if the nation wanted the desired growth in the textile sector. The Association also urged the government to exempt duty on raw material and the advance income tax. Pleading for the exemption, the BTMA said that income tax should be determined only after the final audit of the accounts of a mill. "The advance income

tax system is crippling the large industries," it said adding, "Loss making industries are facing tremendous capital crisis due to the system of advance income tax on raw material." Advance income tax system should be eliminated to make the textile industry viable and competitive. The association, however, suggested a raise in the import duty on yarn from 7.5 per cent to at least 30 per cent to protect the domestic spinners and continue the rate up to 2005. "Local industries are facing uneven competition in the market with the imported yarn due to the low rate of import tax." Regarding the problem created by imposition of different taxes on import of artificial fiber used in the spinning mills as raw material, the BTMA suggested the government to withdraw import tax and infrastructure development surcharge. The BTMA also urged the NBR to allow tax free import of all machinery used in the textile industry, including humidity control equipment, textile air conditioning plant, textile testing equipment, card conversion and ring frame drafting zone conversion.

EDC executive in city soon

Regional Manager of the Asia Pacific of Export Development Corporation (EDC) of Canada Anis Karim will arrive here on Friday on a six-day official visit to Bangladesh, says UNB. During his stay till April 8, Karim will meet government officials, leading nationalised and foreign banks, corporations and local business people. Owned by Canadian government EDC provides financing services, including insurance, loans and guarantees, to foreign buyers of Canadian goods and services.

China's investment package to lure foreign bankers

BEIJING, Mar 30: China's planned investment of one trillion US dollars before the year 2000 will provide huge opportunities for foreign banks seeking to flex muscles in the world most populous nation, "China Daily" reported yesterday, reports Xinhua. The infrastructure projects, major targets in the country's overall investment package, are sure to import equipment and materials, resulting in opportunities for foreign banks to supply trade financing including export buyer's and seller's credits.

Pakistan relaunches crucial privatisation drive this month

KARACHI, Pakistan, Mar 30: Spared Asia's economic shocks, Pakistan this month relaunches a crucial campaign to privatise state assets to ease debt and lay solid foundations for lasting economic growth, reports Reuter. "Pakistan needs a fast-track privatisation programme," said Nadeem Naqvi, head of research at International Asset Management Co Ltd, an advisor to the US-based Morgan Stanley Asset Management Co. He and fellow analysts said Prime Minister Nawaz Sharif's determination to sell off cumbersome and costly state utilities could meet foreign donor wishes for overdue structural reforms and breathe new vigour into the wheezing economy. "Privatisation will not only

boost the structural reform process by... instilling efficiency in the public utilities, but it would also inject greater vigour in the efforts to turn around the economy," Naqvi said. The backdrop for foreign investment in Asia could scarcely be less attractive, but analysts say Pakistan survived the crisis that hit Southeast Asia through a controlled exchange rate environment and limited exposure to Far East and Southeast Asian markets. Up for sale are assets ranging from banks to power companies and from telecommunications to railways. At stake is economic renewal and a chance to scrutinise government promises of a corruption-free,

investor-friendly environment, they say. Government officials say a payment crisis in state-run utilities has created a "circular debt" of about 60 billion rupees (1.4 billion dollars), equivalent to about two per cent of Pakistan's gross domestic product. But they say international donors are happy with the progress the government has made in supply-side liberalisation, including a lowering of tariffs and raising of free market consciousness. Pakistan in February successfully convinced an International Monetary Fund review mission it was on track for the second tranche of a 1.56 billion dollars loan negotiated in October 1997.



Bangladesh National Insurance Company Ltd held its branch heads conference on Sunday. Chairman of the company's board of directors, Abdul Baset Majumdar, presided over the conference which was attended, among others, by Managing Director Syed Zahurul Haque, Vice Chairman Mostafa Kamal, directors Mohammad Zakaria, FM Kamal, Beauty Aktar, Md Abu Taher and Md Yasin.

Government of the People's Republic of Bangladesh Office of the Executive Engineer Local Government Engineering Department Panchagarh

Memo No: LGED/XEN/PANCHA/98/453 Dated: 18/3/98 No: 06/97-98

Sealed Tenders are hereby invited in Bangladesh Form No. 2911 for implementation of the following works listed herewith under Small Scale Water Resources Development Sector Project (SSWRDSP) of Local Government Engineering Department from the pre-qualified Contractor/Construction firm of Small Scale Water Resources Development Sector Project. 1. Purchasing and submission: A. Commissioner, Rajshahi Division, Rajshahi. B. Project Director, Small Scale Water Resources Development Sector Project, Local Govt. Engineering Department, LGED Bhaban, Agargaon, Sher-e-Bangla Nagar, Dhaka-1207. C. Executive Engineer's Office, LGED, Panchagarh/Thakurgaon/Dinajpur. 2. Last date of tender: 05/4/98 during office hours. 3. Date & time of tender submission: 06/4/98 up to 1.00 PM. 4. Date & time of tender opening: 13/4/98 at 3.00 PM. 5. Special condition: A. The tenderers must have to be shown their renewed papers of pre-qualification, VAT registration, and TIN certificate at the time of purchase and the attested photocopies of the same have to be attached with the Tender documents. B. Earnest money @ 2.5% (Two point five per cent) of the quoted amount have to be submitted in favour of XEN, LGED, Panchagarh in the form of BD/Pay Order from any scheduled Bank of Bangladesh. C. Preference will be given to the contractor who has experience of successful completion for a water retention structure work under any Govt. organisation not less than Tk 10.00 (Ten) lac and a certificate from the authority should enclosed with the tender.

Table with columns: Sl. No., Group No., Name of work with location, Earnest money, Price of tender documents, Time allowed, Class of contractor. Contains details for two construction projects.

Advertisement for Bangladesh Agricultural Research Institute (BARI), Joydebpur, Gazipur. Invitation for Bids (IFB) for Diesel Generator. Includes details about the bid process, contact information for Dr M Sahadad Hussain, and a table of exchange rates.

Advertisement for Gold medal for long service, Star Business Report. Celebrates 35 years of service by Rhone-Poulenc Rorer Bangladesh. Includes details of the award and contact information.

Advertisement for The defaulting borrowers, responding to a query from Jainal Abedin Hajari. Lists 217 businesses with overdue amounts, including company names and addresses.