

SANYO
Micro Computer Controlled Automatic Washing Machine ASW-40MT
Tk. 25,000

The Daily Star BUSINESS

HYUNDAI
CARS THAT MAKE SENSE

DHAKA WEDNESDAY, APRIL 1, 1998

Business seminar in Singapore

Hopes for huge infrastructure investment

Star Business Report

Investors from Singapore have shown keen interest in investing in a number of projects in Bangladesh.

This was evident at a one-day seminar on "Investment and Trade Opportunities in Bangladesh" held in Singapore yesterday.

Board of Investment (BOI) executive chairman Farooq Sobhan, in his key-note paper, highlighted the investment opportunities in Bangladesh particularly in the telecommunication, energy and electricity sectors. He also referred to the competitive foreign investment package that Bangladesh offered to foreign investors, according to a BOI press release.

David Merrill, a former US ambassador to Bangladesh, told the seminar that his country's

single largest investment in Bangladesh was worth US\$ 125 million in the Sangu gas pipeline project in Chittagong. He said it was scheduled to go into operation in late April this year.

He said he expected the power situation in the area would improve with the commissioning of the gas pipeline and lead to increased investment, including FDI in the region. Cookson pointed to various impediments existing in Bangladesh but emphasised that the rate of return was very high.

In an interview with New Straits Times, Sobhan said Bangladesh would welcome the Singaporeans to build a new international airport and construct roads around the capital

which includes the Dhaka by-pass and a ring road around the city.

Sobhan said he expected US \$ 2 billion foreign direct investment into the country this year. He also referred to a new project worth US\$ 500 million to be executed by a US company to set up a private container terminal at Dhaka and Chittagong.

Sobhan told the newspaper that the World Bank and Asian Development Bank would provide funds for infrastructure project on soft terms, which were also available for foreign investors.

The Singaporeans responded by saying that more than 30 companies had invested in Bangladesh over the last 18 months.

The seminar was organised by the BOI in collaboration with the Bangladesh High Commission, Singapore Trade Development Board and Singapore Confederation of Industries (SCI).

The seminar followed closely a visit by a high-powered 31-member Singapore business delegation to Bangladesh. Another delegation had visited Bangladesh four months ago. A third delegation is expected shortly, Anthony Png, Chairman of SCI's Infrastructure Committee, told the seminar.

A high-powered, 23-member Bangladesh delegation was led by the executive chairman of BOI Farooq Sobhan. The delegation included Forrest Cookson, president of the American

Chamber in Bangladesh. Moazzem Hossain Khan, executive chairman of the Bangladesh Export Processing Zones Authority (BEPZA), David N Merrill, former US Ambassador to Bangladesh and Kihak Sung, chairman Youngone Corporation, a South Korean firm with a large presence in Bangladesh.

Bangladesh High Commissioner to Singapore Ashfaqur Rahman, Singapore High Commissioner to Bangladesh and Director General of the Singapore Trade Development Board Ridwan Dzafir also spoke at the seminar.

Farooq Sobhan, in his multi-media presentation, highlighted various reforms implemented and planned in Bangladesh. He referred to different power deals including the

Haripur, Meghnaghat and Baghabari power projects.

He also mentioned the excellent investment opportunities in composite textile mills, shrimp processing industries, tourism and hotel management, data processing, leather industries and capital market.

Kihak Sung, the largest garment manufacturer with factories in EPZ, gave words of encouragement to the Singapore investors to invest in Bangladesh.

On Monday, Sobhan met with Lee Sock Yuan, the Singapore Trade and Industry Minister, and explained to him the incentive package for foreign investors.

The BOI chief was also interviewed by the local television, which was telecast live.

Charging incoming calls Angry response prompts security alert at Grameen

Star Business Report

Strict security measures have been taken by GrameenPhone authorities at its offices in the city after subscribers reacted angrily to plans to impose charges on incoming calls.

Police posted at the entrance of GrameenPhone head office conducted security checks on visitors to the office, witnesses said.

Meanwhile, subscribers kept enquiring with GrameenPhone and newspaper offices if they would have to pay for income calls from today. Some of them said it was unfair and unethical on part of GrameenPhone to impose such charges.

The plan to impose charge was taken by GrameenPhone to keep their frequencies free so that those callers from T&T numbers, but it has been alleged by none other than the telecommunications minister Mohammad Nasim that the company gave connections to 20,000 subscribers against its capacity of only 5000. This, he said, had overloaded the frequencies making it difficult to get connections to and from a Grameen cell phone when the other side was using a T&T line.

GrameenPhone officials could not be reached for their comment.

SEC extends time for DSE automation

Star Business Report

The Securities and Exchange Commission (SEC) yesterday extended the deadline for the Dhaka Stock Exchange (DSE) to complete automation by June 30 failing which the bourse may face legal action.

In a press statement the SEC said, it responded to a request by the DSE to extend time. The Commission also directed the DSE to make necessary amendments in its regulation on trading, if required, in order to facilitate the automated trading system before the proposed date of the installation of automated trading system.

"The Commission also makes it clear to DSE that in case of its failure to implement the aforesaid order within the specified time, the Commission may exercise its power under SEC Ordinance 1969," the statement said.

Earlier in November last year, the regulators had asked the bourse authorities to take steps to ensure automation by March 31 failing which the SEC threatened to take legal action.

Meanwhile, the SEC has nominated Rokia Rahman, President of Bangladesh Employers Association, as a director of the Chittagong Stock Exchange (CSE).

Trimming government needs high growth

Star Business Report

As reforming a bloated bureaucracy poses a daunting task for Bangladesh, ADB officials say cutting the size of the government is linked to high economic growth.

"It's possible if the economy is growing fast," said ADB economist Nahari Rao. Increased economic activity would create opportunities for the retrenched manpower, he said.

Rao was with his boss, Dr M G Quibria, ADB's assistant chief economist, in a meeting with a select group of journalists in the city yesterday.

They said slow pace of reforms posed a problem for Bangladesh which also affected inflow of foreign capital. "Foreign investment is basically driven by expectations," which they said could be generated by a "more market-friendly approach".

Quibria said recent studies rated Bangladesh's competitiveness in terms of labour cost better than perceived by many. "I think Bangladesh should be able to attract a lot of labour-intensive investment."

They said other key problems of the economy included "very low rates of savings and investment" and slow reforms in the financial sector.

They said the on-going ADB-funded reforms in capital market, especially the regulatory mechanism, would help improve the situation as it happened in other developing countries.

An international comparison

How did Bangladesh perform

in the past two decades? No bad, says Asian Development Bank senior economist Dr Min Tang, compared to other low-income countries.

Tang rates the performance of the Bangladesh economy "above average" among the 96 low-income countries whose per capita income ranges between US\$ 730 and US\$ 2970.

"There is no doubt that the economic performance is much behind that of East and South-East Asia," he says in a study, but "in some key economic indicators, Bangladesh is almost at the top of the lower and lower-middle income developing world."

GDP Growth: According to the World Bank's World Development Report 1995, the average GDP growth of Bangladesh from 1980 to 1993 was 4.2 per cent. Among the 42 low-income countries for which data are available, only 9 of them, namely the People's Republic of China (PRC), Chad, Egypt, Guinea-Bissau, Lao PDR, Lesotho, India, Nepal and Pakistan did better than Bangladesh. Furthermore, in 44 low-income middle income economies in which data are available only 4 countries, Botswana, Indonesia, Thailand and Turkey had average GDP growth higher than Bangladesh. Hence, in this category, Bangladesh is ranked fourteenth among the 86 developing countries.

Per Capita GNP Growth: Bangladesh did not perform so badly in per capita GNP growth either despite its very high population density. In the past 14 years, among the 34 low-

income countries only 7 countries (including PRC, Chad, Egypt, Guinea-Bissau, Sri Lanka, India, and Pakistan) were higher than Bangladesh. Among 35 lower middle income countries, only 4 countries, namely Botswana, Indonesia, Thailand and Turkey, had GDP per capita income growth higher than Bangladesh. Here, Bangladesh is ranked twelfth.

Inflation: The average annual inflation rate of Bangladesh is ranked 24th among 93 countries from 1985-1993 and ranked 18th from 1990-1993 for 95 countries. It should be pointed out that Bangladesh has the lowest average inflation rate in South Asia from 1985 to 1993 and 1990 to 1993.

Export Growth: The average growth of merchandise exports of Bangladesh in the past 14 years was higher than most of the 62 countries for which data are available except for PRC, Indonesia, Pakistan, Thailand and Colombia. In this category, Bangladesh is ranked sixth.

Population Growth: It is well-known that Bangladesh is one of the most densely populated countries in the world. However, the country has made significant progress in reducing its population growth. The average population growth rate of Bangladesh from 1985 to 1993 was 2 per cent, the lowest among the 93 developing countries except East European countries, PRC, Indonesia, Sri Lanka, Thailand, Guyana, El Salvador, Jamaica, Surinam and Fiji as well as Ethiopia and Somalia.

ODA Receipts: It is a common perception that Bangladesh heavily depends on foreign aid. However, the per capita Official Development Aid (ODA) to Bangladesh was only \$12 in 1993. This is not only the lowest among the low-income countries, (except PRC, Indonesia, Lao PDR, Nigeria, India, Myanmar, Pakistan, Vietnam), but it is also substantially below most of those low middle income countries whose per capita income ranges from 3 to 13 times higher than that of

Bangladesh. However, in the following indicators, Bangladesh performed below average of the low income and lower middle income countries.

GNP per Capita: Per capita GNP in Bangladesh was estimated at \$230 in 1994 which is ranked thirtieth from the bottom among 87 countries in which data are available.

Gross Domestic Investment: In 1993, gross domestic investment as percentage of GDP was 14 per cent in 1993,

which is ranked fifty-ninth among 76 countries in which data are available.

Gross Domestic Saving: In 1993, gross domestic saving as percentage of GDP was 8 per cent. In this category, Bangladesh is ranked forty-fifth among 75 countries.

Human Development Index: Because of the slow improvement in the social development, Bangladesh is ranked seventy-third in UNDP's Human Development Index among 96 countries.

Growth Prospects for Selected Asian Economies, 1995-2025

Region and economy	GDP per person relative to the US		Per person GDP growth rate, 1995-95	Projections		
	1995	1995		Baseline	East Asian standard	Inward policies
East Asia	17.3	72.2	6.6	98.5	2.8	1.2
Hong Kong	30.1	98.4	5.6	116.5	2.1	0.5
Korea	9.0	48.8	7.2	82.6	3.5	2.0
Singapore	15.9	85.2	7.2	107.0	2.5	0.9
Taipei, China	14.2	56.2	6.2	88.0	3.1	1.4
PRC	3.2	10.8	5.6	38.2	6.0	4.4
Southeast Asia	10.0	21.2	3.9	45.7	4.5	2.9
Indonesia	5.2	13.1	4.7	35.8	5.0	3.5
Malaysia	14.3	36.8	4.8	71.2	3.9	2.2
Philippines	10.7	9.4	1.2	28.5	5.3	3.7
Thailand	9.7	25.6	4.8	47.4	3.8	4.0
South Asia	8.5	9.2	1.9	21.3	3.9	3.3
Bangladesh	9.9	8.5	1.6	17.2	4.4	2.1
India	6.5	7.8	2.2	24.4	5.5	6.9
Pakistan	7.7	7.7	1.6	18.1	4.4	3.8
Sri Lanka	10.1	12.6	2.3	25.3	3.9	2.3
Papua New Guinea	14.5	10.0	0.4	10.1	1.5	0.9

a. Baseline projection assumes that all countries maintain the natural and policy conditions recorded in 1995.
b. East Asian standard projection assumes that all countries adopt the same policies as East Asia in 1995.
c. Inward policies assume openness changes from 1 to 0.5, and that central government saving declines 5 percentage points.
Note: 1995 per person GDP levels are based on 1992 values from Summers and Heston (1994), extrapolated forward with growth rates from IMF (1996).
— Emerging Asia: Changes and Challenges (an ADB publication 7)

Air Parabat's daily flight to Saidpur from today

Air Parabat, country's second airline in the private sector, will start daily flights to Saidpur from today, says a press release.

Flight AP-151 will leave Dhaka at 1220 hours to arrive at Saidpur at 1325 hours while Flight AP-152 will depart from Saidpur at 1345 hours to land at Dhaka at 1445 hours.

Exchange Rates

The following are the **Sonali Bank's** dealing rates (BD Tk for one unit of Foreign Currency) to public as on 31st March '98

Name of Currency	Buying		OD Sight Export Bills	OD Transfer
	TT Clean	OD Sight		
US Dir	46.1500	45.9650	45.9610	
GB Pound	77.0200	76.9550	76.9510	
D Mark	24.8580	24.7520	24.6960	
F Franc	7.4200	7.3850	7.3725	
C Dir	32.4000	32.2720	32.2030	
S Franc	30.1600	30.0960	29.9716	
JP Yen	0.3460	0.3451	0.3443	

Name of Currency	Selling		B.C.
	T.T. & O.D.	B.C.	
US Dollar	46.5100	46.5500	
GB Pound	78.2062	78.2735	
D Mark	25.3073	25.3290	
F Franc	7.5542	7.5607	
C Dollar	32.9986	33.0270	
S Franc	30.7214	30.7478	
JP Yen	0.3564	0.3567	

The following are the **Janata Bank's** dealing rate (BD Tk for one unit of Foreign Currency) to public as on 31/3/98:

Name of Currency	Buying		OD Sight Export Bills	OD Transfer
	TT Clean	OD Sight		
US Dir	46.1450	45.9562	45.8434	
GB Pou	76.9865	76.6628	76.4745	
D Mark	24.8431	24.7386	24.6779	
FR Franc	7.4163	7.3851	7.3670	
JP Yen	0.3480	0.3466	0.3457	
C Dir	32.2651	32.1295	32.0505	
S Franc	30.1242	29.9980	29.9243	

Name of Currency	Selling		B.C.
	T.T. & O.D.	B.C.	
US Dollar	46.5104	46.5488	
GB Pound	78.1790	78.2460	
D Mark	25.2897	25.3113	
Fr Franc	7.5468	7.5532	
JP Yen	0.3565	0.3568	
C Dollar	32.8389	32.8670	
S Franc	30.7101	30.7364	

New Executive Board of ICC-Bangladesh

Star Business Report

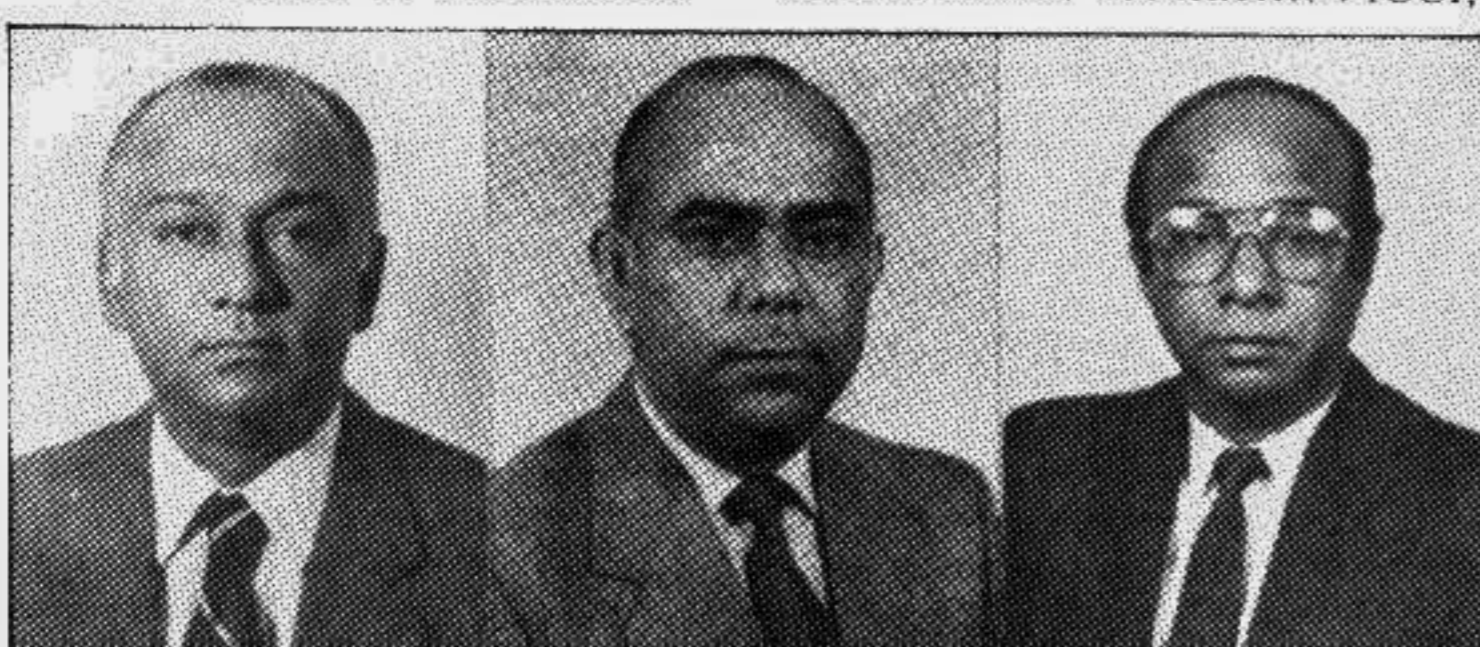
The Bangladesh National Committee of the International Chamber of Commerce (ICC) has elected its 17-member new Executive Board for a two-year term.

The new Board re-elected Mahbubur Rahman President and Latifur Rahman and A Rob Chowdhury Vice Presidents for the second term, the ICC-Bangladesh said in a press statement yesterday.

Mahbubur Rahman was elected Member of the Interna-

Dhaka. A Rob Chowdhury is a former President of the Dhaka Chamber of Commerce & Industry (DCCI) and Chairman and CEO of ARCO Group of Companies.

Other members of the Executive Board are Samson H Chowdhury, former President, MCCI, Dhaka and Chairman Square Group; Kamal Uddin Ahmed, President, CCCI; A K M Shamsuddin, President, FICCI;



Latifur Rahman Mahbubur Rahman A Rob Chowdhury

tional Board of Governors (Executive Board) of ICC HQs in 1997 for a three-year term. He was the President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) during 1992-1994 and the Dhaka Chamber of Commerce & Industry (DCCI) for two terms during 1985-86 and 1991-92.

Currently, Rahman is the Chairman and CEO of a number of business enterprises.

Latifur Rahman is the Chairman and Managing Director of Transcom Group, Chairman, Nestle Bangladesh Ltd., Reliance Insurance Ltd., Bangladesh Lamps Ltd and Bangladesh Electrical Industries Ltd (Phlips).

He is a Member of the Board of Media World Ltd, the owning company of The Daily Star, and a former President of the Metropolitan Chamber of Commerce and Industry (MCCI).

Abdul Awal Mintoo, Chairman, Bangladesh Association of Banks; M Moeedul Islam, Chairman, Bangladesh Insurance Association; Mostafa Golan Qudus, President, BGMEA; Syed Manzoor Elahi, former Advisor to a Caretaker Government of Bangladesh, former President of MCCI, Dhaka and Chairman, Apex Tannery Group; R Maksud Khan, President, DCCI and Joint Managing Director of Bengal Fine Ceramics Ltd; Iqbal Ahmed, Director, BEXIMCO Group; Kazi Abdul Mazid, Managing Director, Prime Bank Ltd.; Md Mosharrar Hossain, MP, Managing Director, Bay Eastern Ltd; A S M Quasem, former President, DCCI and Managing Director, Newage Group; A Rahim Chowdhury, President and Managing Director, Arab Bangladesh Bank Ltd; and Zafar Ahmed Chowdhury, Chairman, United Commercial Bank Ltd.

ILO-BUP study says Productive sectors get only 12pc of remittances

About 12 per cent of the remittances from Bangladeshi workers abroad was invested in productive purposes, reports UNB.

This was revealed in a study conducted jointly by ILO and Bangladesh Unnayan Parishad (BUP) in December last.

"Household expenditure, festival and construction of houses accounted for two-thirds of the remittances received by the survey households," the report said.

Another important use of remittances is the purchase of agricultural land which accounted for about 13 per cent while savings is only 2.2 per cent.

The study, conducted in the Sylhet region, found that only 29 per cent of the households surveyed have made these small investment. But 78 per cent have expressed an interest to

invest more if opportunities are available.

The study report was disclosed in a roundtable discussion on "Utilisation of remittances from abroad for local employment promotion," held at Bangladesh Unnayan Parishad (BUP) auditorium here yesterday.

BUP Chairman Dr Qazi Kholiqzaman presented the keynote paper while ILO Director A S Oberai was the moderator of the discussion.

Speakers said the remittances from abroad are being used for unproductive purposes and not creating employment opportunities in the country in any significant way.

ILO Director in Dhaka, M Anis Hassanein, former Director General of BMET, AMAH Siddiqui, Prof S A Hye of Jahangirnagar University, Eco-

nomist Advisor Faruquddin Ahmed and eminent banker Kamaluddin Chowdhury took part in the discussion.

They said the remittances receiving families largely use the money to meet household expenditure, purchase of land, construction of houses and other unproductive pursuits.

A negligible amount of the remittances have been invested in productive undertakings particularly in the industrial field, they told in the meeting.

The remittances from abroad can play a positive role in the economy if government takes appropriate initiatives in netting the remittances.

They said about 80 per cent of remittances are spent for household and other maintenance but the remitters don't intend to invest their money in productive sectors.

adding, exporters of India and Pakistan are enjoying 100 per cent rebate on their export earnings while Sri Lanka 75 per cent.

The association demanded withdrawal of tax deduction at sources, and refund the deducted money to the tax payers.

'Allow duty-free import of fish processing machinery'

Bangladesh Frozen Food Exporters Association (BFFEA) has urged the government to allow duty free import of fish processing machinery to boost export, reports UNB.

In its pre-budget proposal to the National Board of Revenue (NBR), BFFEA sought the duty exemption to produce hygienic fish product in accordance with the new standard control policy introduced by the European Union (EU). USA and Japan by their sanitation laws.

The machinery includes fish processing equipment, packing equipment, packing materials, thermometers and other fish processing equipment.

It demanded 100 per cent rebate on export earnings instead of existing 50 per cent to make the country's export products more competitive.

"Our product is competing with the neighbouring countries," the association said

Dhaka Electric Supply Authority Tender Notice

According to Tender Notice No. XEN/O&M DIVN Mirpur/98/126/224 Dt 16-3-98. Sealed tenders in PDB Form No. T-1 are hereby invited from enlisted contractor of Dhaka Electric Supply Authority for (i) Repair & maintenance inside & outside of 600 sqft Staff Quarter (East side) at Digan (ii) Repair & maintenance inside & outside of C-1 Staff Quarter at Sec-1, Mirpur, under O&M Divn, Mirpur, DESA, Dhaka. Detailed tender documents/schedule to be obtained at a cost of (i) Tk. 100 (one hundred) (ii) Tk. 70 (seventy) non refundable per set through Bank Draft/Pay-Order (from scheduled bank) in favour of the Additional Director, RAO, DESA, Dhaka during office hours up to 20-4-98 from the office of the (a) General Manager, Consumer Service (North), 75, Kakrail, DESA, Dhaka (b) Superintending Engineer, Consumer Service, Mirpur Circle, Satmasjid Road, DESA, Dhaka and (c) Manager, Janata Bank, Section-1 Branch, Mirpur, Dhaka, with prior permission from undersigned. The tender will be received up to 12-00 Noon on 21-4-98 along with 2.5% (two point five per cent) earnest money of quoted rate in the shape of PO/DD in favour of Additional Director, RAO, DESA, Dhaka in the above office. The tender will be opened on the same day at 12-30 PM (in presence of the tenderers, if any). The authority reserves the right to acceptance or rejection of any tender without assigning thereof.

DES/PRM/5/19
DFP-6498-24/3
G-651
Executive Engineer
O&M Division, Mirpur
DESA, Dhaka