

# D'The Baily Star DISINESS

Microwave Oven

Sole Distributor in Bangladesh

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

Matia Choudhury tells officials

# Needs must dictate project plans, not populist slogans

Star Business Report

Necessity should take precedence over populist demands in planning and implementing rural projects, the food and agri-culture minister told officials vesterday.

"Construction of roads is a popular demand in the rural areas because it has a visual affect. But you should keep in mind that roads can be better used for transportation of agricultural products," Matia Choudhury said as she pushed ahead the case for more resources to help the farming community.

She was addressing as chief guest the opening session of a two-day workshop on Agricultural Diversification and Intensification Project (ADIP) at

the LGED auditorium in the city yesterday.

The minister said that the project should consider developing a mechanism to make surface water available to the farmers. Because, she pointed out, only development of rural infrastructure would not benefit

the farmers much unless water

needed for cultivation was ensured. ADIP, a seven-year project starting in July 1997, is jointly funded by the IFAD, the WFP and the government. The project areas cover the districts of Gazipur, Narshingdi, Kishore-

ganj and Tangail. The Tk 144.73 crore project, targetting some 10 million people, has a poverty reduction

agenda for small, marginal and

landless farmers. The minister also stressed the need for diversification and intensification of crops in areas surrounding Dhaka where farming land was fast reducing due to growth of industries.

The Department of Agricultural Extension (DAE), Local Government Engineering Department (LGED), Agrani Bank and NGOs are the main agencies to deliver the services under the

Chaired by M. Enamul Haque, Director General of the DAE, the inaugural session of the workshop was also addressed by Youseff Attig, Project Controller, IFAD, Werner Kiene, Country Representative.

WFP. Q.I. Siddiqui, LGED chief engineer, Rafique Ahmed, Project Co-ordinating Director, ADIP, and Kazi A.B. Siddique, Project Director, LGED Component, ADIP.

Representatives of the implementing agencies as well as those from the Planning Commission, ERD, ministries of finance and agriculture and Bangladesh Bank are participating in the workshop which intends to facilitate experience-sharing, a better understanding of the project goals and its effective implementation.

The opening session was followed by a working session vesterday while two more working sessions have been planned

#### Wartsila to wrap up work by August: CEO hints at further investment

## Barge-mounted power plants come to ease Khulna's woes

By Shehab Ahmed

The US-based Finnish multi-national Wartsila NSD Inc hopes to commission two barge-mounted power plants to generate 110 megawatt electricity for the energy-starved region sometime in mid-August,

company officials said. The first of the two commodore barges, Tiger 1 arrived on Saturday near the Mongla port, with the second reaching in July. Each has a capacity to generate 55 megawatts of power using either furnace oil or gas as fuel.

The barges will be based at Goalpara which would make it easier for them to connect with the power grid.

"We are on schedule to generate power from middle of August," Richard F.Allen, President of Wartsila, told The Daily Star in an exclusive interview.

The International finance Corporation (IFC), the private sector lending arm of the World

Khulna region in October last Bank, and commercial banks are financing the US\$ 108 mil-

and Africa, he said.

infrastructral sectors.

About the prospects of the

company investing further in Bangladesh, he said it had

plans about energy and other

chairman of the Summit group

said the KPCL would eventually

use natural gas for the power

plants in next 2-3 years, which

would cut operational costs and

rates. He said they would use

Mohammad Aziz Khan,

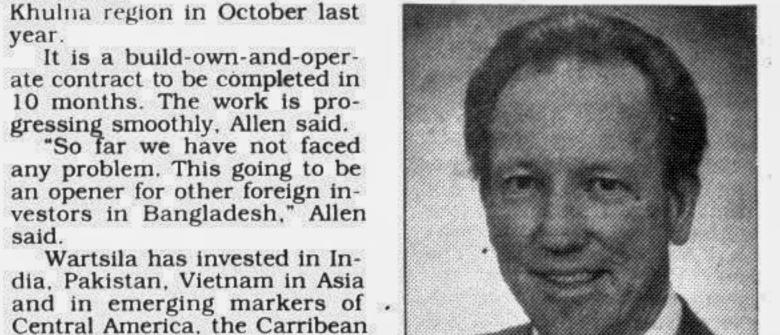
lion project, Allen said. It is a build-own-and-operate contract to be completed in IFC has already sanctioned US\$ 51.9 million in loans to the 10 months. The work is progressing smoothly, Allen said. Khulna Power Company Ltd. "So far we have not faced which will be provided through IFC's 'A' loan of US\$ 22.5 milany problem. This going to be lion and syndicated loan of US\$ an opener for other foreign investors in Bangladesh," Allen 29.4 million. IFC will also take

an equity of US\$ 3.3. million. "This is going to be the single largest IFC investment in Bangladesh," Allen said.

Wartsila tied up with two Bangladeshi companies to form KPCL. Summit group and United group have 12.5 per cent stake each.

Allen said the plants would use furnace oil to generate power, which the Power Development Board (PDB) would buy at 5.8 US cents per kilowatt

Wartsila won an international bidding for the project for the critically power-starved



Richard Allen

imported furnace oil, bringing it in their own carriers to cut

He also said that they were planning more such ventures.

## Rising inflation, low forex reserve

From Page 1 With food price increasing along with non-food items, the inflation is now leaping. The abrupt rise in fuel price had an immediate effect on inflation. The government is now set to increase prices of utility services both because of donor pressure and because of the gas purchase arrangement with foreign companies. This will have further impact on the inflation level. On top of this further devaluation, an oft explored avenue to jack up foreign reserves, can compound the sit-

These implications mean the government will have to go for tighter monetary programme both to keep inflation under control and to rebuild reserves to a level that permits higher economic growth. But the concern here again is how will the private sector react to such measures? Will that make business costly?

Another disturbing scene in this fiscal year is the large scale revenue shortfall. This is set to have its repercussion in the next budget as well. As the IMF has put it, the next budget should lay the basis for a more equitable, transport and elastic tax system that will yield significantly higher budget revenues over the short and medium terms

Economist Dr Omar Haider Chowdhury sees a direct relation between good revenue collection and low inflation.

"Till 1993, revenue collection was on the increase which had compensated for the decline in foreign aid. This also helped reduction of borrowing from the banking sector and kept the inflation level low," said Dr Chowdhury of BIDS.

But as the revenue collection stagnated, and foreign financing declined, the government had to borrow heavily to keep financing the increasing gov-

ernment machinery. "Domestic borrowing which was less than two per cent of public expenditure in 1992-93, has topped over 11 per cent now. The government opted for financing its deficit through savings instruments instead of the banking system, mainly to avoid inflationary pressure. But for this the government had to brave high repayment obligation at very high interest rate because of high interest bearing bonds," said Dr Chowdhury.

"This is an inter-temporal transfer of burden which will increase pressure on fiscal balance in the coming year," he maintained.

Economist Dr Zaid Bakht of BIDS believes that the government should marshall its fiscal

technically meet donor pressure to further liberalise the tariff rates and at the same time help the manufacturing sector.

"The government should make a double-edged deal now by reducing import duty on raw materials and capital machinery. This would meet the donor demand for further cut in tariff rate and at the same time would increase the effective rate of production," said Dr Bakht.

"The next budget is now crucial for the import substitution industries which faced a displacement effect because of rapid trade liberalisation in early 1990s," he said. "There is stiff pressure from IMF to further liberalise trade. Yielding to donor pressure would mean these industries which have made some recovery as a fall out effect of good export performance in recent time, would again slide down."

He thinks the government should streamline its tax administration to speed up revenue collection and can think of reducing corporate tax rate to encourage investment. At the same time, self assessment system of trade undertaking leaves scope for pilferage which should be stopped.

To increase the tax-GDP ratio, presently at 12 per cent, and to net in more funds to finance measures in a way so that it can its development programmes

Fligibility of

which are so much needed to push up the growth rate, the government may have to consider harsher measures. These includes taking VAT to retail level, raising tax rates and shunning the populist 'no-newtax' syndrome. On top of that, bold reforms in the tax administration are now cry of the

moment Dr Omar Haider Chowdhury also opts for liberal use of foreign assistance along with rev-

enue funds for its programme. "Both these forms of financing were non-inflationary and put no pressure on the budget in the form of repayment obligation. In fact, the government now seems to have little leeway other than increasing its revenue collection. A sure way of doing that can be taking VAT to the retail stage, but that needs a political decision to shrug off short term popularity for longterm return," he said,

#### Aramit selected for America Award

CHITTAGONG, June 8: Aramit Limited, Chittagong, the country's lone asbestos cement product manufacturing enterprise, has been selected for the 10th International America Award for quality this year by the Spain-based Editorial office and Trade leaders club, reports

The Aramit Limited will receive the award at a ceremony to be hold in New York on July 11 next, the press release said.

#### Govt urged to stop Exchange Rates tax-free import

of newsprint Bangladesh Paper and Board

Mills Association yesterday urged the government to stop tax-free import of newsprint for newspaper industry, reports UNB.

The Association made the call when they met Finance Minister Shah AMS Kibria at his office. President of the Association Khan Mohammad Iqbal led the delegation.

They described the tax-free import of newspaper for the newspapers as a discriminatory system saying the system is mainly responsible for pushing the country's newsprint mills on the brink of ruination.

The delegation leaders said taking the advantage of the situation, a section of newspapers import a huge quantity of newsprint and white papers in the name of newsprint. A majority portion of which they sell in the open market.

The minister assured of taking necessary measures in the greater national interest.

#### Al-Arafah Bank opens branch at Mymensingh

Star Business Report Al-Arafah Islami Bank Li

mited has opened a new branch at Mymensingh. The new branch was opened

at 12 Chotobazar in the town. AZM Shamsul Alam, Chair man of the bank's board of directors inaugurated the branch as chief guest recently.

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to clients.

Currency	Selling TT & OD	Buying TT Clean	Selling BC	Buying OD Sight	Buying TI & OD
USD	46.5050	46.1100	46.5450	45.9570	45.8850
GBP	76.2589	74.9288	76.3245	74.6801	74.5631
DEM	26.2814	25.8479	26.3040	25.7621	25.7217
JPY	0.3332	0.3269	0.3335	0.3258	0.3253
FRF	7.8850	7.6609	7.8918	7.6354	7.6235
SAR	12.4328	12.2600	12.4435	12.2194	12.2002
MYR	11.6553	11.5563	11.6654	11.5180	11.5000
AED	12.6969	12.5193	12.7078	12.4778	12.4583
KWD	156.9683	145.7471	157.1033	145.2635	145.0359
QAR	12.8120	12.6301	12.8230	12.5882	12.5685

TTL	Ooc	30 Days	60 L	ays	90 Days	120 Da	ays   l	80 Days
46.0	11 200000000000000000000000000000000000	45.7258	45.3	415	44.9573	44.573	80 4	3.8045
US d	lollar	London In	terbank	Offe	red Rate (LI	BOR) as	of Jun	e 8, 1998
	Buying	Setting	Currency	1 Mon	th 3 Months	6 Months	9 Month	ns 12 Months
Cash	45.8850	46.5050	USD	5.6562	5 5,6875	5.75	5.8125	5.875
TC	45.8850	46.5050	GBP	7.625	7.6875	7.6875	7.6875	7.6875
1	Excha	nge rates	of some	Asia	ın currèncie	s agains	st US d	lollars
Indi	an	Pak Rupe	e Tha	ai	Malaysian	Indone	si-	Korean

60 Days | 90 Days | 120 Days | 180 Days

Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesi- an Rupiah	Korean Won
44.470/ 44.490	43.350/, 43.500	3.9900/ 4.0000	11650/	1398/
	44.470/	Baht 1 44.470/ 43.350/	Baht # Ringgit 44.470/ 43.350/ 3.9900/	Baht Ringgit an Rupiah 44.470/ 43.350/. 3.9900/ 11650/

The local interbank foreign exchange market was active as the international market resumed operation on Monday after the weekend. There was moderate dollar demand in the market. USD/BDT traded mostly within a range of 46.4600 to 46.4700.

The call money market was slightly up as there was payment for T-bills worth Tk 1.53 billion. The days highest call rate was 13% but the average call rates ranged mostly between 10.00% and

In the international market, the US dollar reached 140.73 yen in Tokyo trade on Monday, its highest level since June 1991. The Dollar stayed above 140 yen level throughout the day.

#### Wheat production hits record high

Wheat production in the country surpassed all the previous records this year, reports

The country produced over 18 lakh metric tons of wheat during the last harvesting season which is 348,715 metric tons higher than that of the previous year. The increased production

was due to expansion of acreage, increase in per acre yield and favourable climate. Some 17.49 lakh acres of

land were brought under wheat cultivation this year which was 14 per higher than that of the previous year. On the other hand per acre yield increased by nine per cent to 906 kgs from previous year's 831 kgs.

#### Oman Air opens sales centre in Motijheel

Oman Air inaugurated its sales centre at Sena Kalyan Bhaban in Motijheel Commercial Area on Saturday.

This sales office will facilitate customers to obtain their tickets and reconfirm their reservations more conveniently, says a press release.

## Notice of RHD Inviting Tender

Tender Notice No Name of work

Estimated amount Earnest money Time allowed

Eligibility of contractor Name of offices where tender documents will be available

Last date of selling of tender Name of offices where tender will be received in sealed cover 10. Last date & time of receiving of

tender bids in sealed cover Date & time of recording tender bids in sealed cover Date, time & name of office 220 BRD of 1997-98.

Repairing in/c supplying & fitting of fixing different parts and overhauling work/supplying work at different roller under Barisal Road Division during 1997-98.

As per group list. As per group list. As per group list.

As per group list. Executive Engineer, RHD, Road Division, Barisal/ Patuakhali/Bhola/Pirojpur/Sub-Divisional Engineer, RHD, Road Sub-Division, Barisal/Jhalakathi/1st Line Workshop Sub-Division, Barisal during office hours on all working days. No tender form will be sold on the opening date of tender.

Up to 5.00 PM on 2-3-1405B/16-6-98 E. Superintending Engineer, RHD, Barisal Road Circle, Barisal/Executive Engineer, RHD, Road Division, Barisal. Up to 12-30 PM on 3-3-1405B/17-6-98E.

At 12.45 PM on 3-3-1405B/17-6-98E...

Office of the Executive Engineer, RHD, Road Division, Barisal on 4-3-1405B/18-6-98 E.

where tender will be opened Lottery date & time At 11.00 AM on 7-3-1405B/21-6-98 E Name of work & location Estimated Earnest money Time Ch to

GI. NO	Name of work & location	amount	Earnest money	allowed	Ch to	contractor
1 (One)	Overhauling and repairing in/c supplying the different parts for Saviam Truck No BKJ Ka-1239 under Barisal Road Division during 1997-98.	Tk 78,720/-	Tk 1,575/-	10 (ten) days	168 BRF	"A" to "C" class enlist contractor under gene category of RHD & "class enliste contractors und general category Barisal Road Circle Barisal & "E" class enlisted contractor und Barisal Road Division.
(two)	Repairing in/c supplying & fitting fixing of different parts for China Roller No 1 under Barisal Road Division during 1997-98.	Tk 78,000/-	Tk 1,560/-	10 (ten) days	-do-	-do-
3 (three)	Repairing in/c supplying & fitting fixing of different parts for China Tyre Roller under Barisal Road Division during 1997-98.	Tk 79,000/-	Tk 1,580/-	10 (ten) days	-do-	-do-
4 (four)	Overhauling and repairing in/c supplying & fitting fixing of different parts for Road Marshal Roller No 1 under Barisal Road Division during 1997-98.	Tk 78,320/-	Tk 1,567/-	10 (ten) days	<b>-do-</b>	-do-
5 (five)	Supplying of different parts for JM Roller No 5 under Barisal Road Division during 1997-98.	Tk 78,000/-	Tk 1,560/-	10 (ten) days	168 BRF	-do-
6 (six)	Supplying of different parts for JM Roller/Iktafaque Roller under Barisal Road Division during 1997-98	Tk 78,000/-	Tk 1,560/-	10 (ten) days	-do-	-do-
DFP-1 G-1310	2556-3/6/98 6					er, RHD (CC) Division

## Government of the People's Republic of Bangladesh

Office of the Executive Engineer

Public Works Department, Dinajpur

#### Tender Notice Invitation No-18/E/M/1997-98

Sealed tenders in Bangladesh Form No-2911 are hereby invited from the bonafide suppliers of computer (those who have the experience of supplying computers in government offices)/computer manufacturer local agents. Tenders will be received at the office of the undersigned and respective offices of the Executive Engineer, PWD, Rangpur/Kurigram/Gaibandha/Lalmonirhat/Nilphamari/ Panchagarh till 18-6-98 at 12-00 Noon and will be opened the same day at 12-15 PM in presence of the intending

Name of work :

participants in the tender (if any). Supply and installation of one computer each in the offices of the Additional Chief Engineer, Public Works Rajshahi Zone, Rajshahi, Superintending Engineer, Public Works Circle, Rangpur and Executive Engineer, Public Works Department, Dinajpur (2nd Call).

Earnest money

tion of work

DFP-12544-3/6/98

G-1312

Tk 15,000/-Time for comple-: 10 (ten) days after the issue of work order.

Schedule of tender, additional terms and conditions and tender form etc can be seen at and purchased on payment of usual fee (non-refundable) till 17-6-98 during office hours from the offices of undersigned and Executive Engineer, PWD, Rangpur/Kurigram/Gaibandha/ Lalmonirhat/Nilphamari/Panchagarh and office of Sub-Assistant Engineer, Public Works Sub-Division I/II/Fulbari/E/M Dinajpur.

If any contractor/firm quotes the same lowest tender, lottery will be held to select one contractor at the office of undersigned on 25-6-98 at 11-30 AM. Those who are not capable of repairing and altering out of order spare parts for 1 (one) year at own expenses need not participate in the tender.

> Md Jahangir Alam **Executive Engineer**

Public Works Department Dinajpur.

### Natore Pourashava

Secondary Towns Infrastructure Development Project-II

ADB Loan No. 1376 BAN(SF) Project Implementation Unit (PIU) Infrastructure Implementation Section (IIS)

#### **Tender Notice**

No. 02/97-98

DFP-12288-9/6/98

G-1317

Dated: 24.5.98 The Government of the People's Republic of Bangladesh has received a credit from the Asian Development Bank (ADB) under Loan No. 1376-BAN (SF) towards the cost of Secondary Towns Infrastructure Development Project-II for 22

Pourashavas namely Bagerhat, Barisal, Brahmanbaria, Chandpur, Chapainawabganj, Comilla, Faridpur, Gaibandha, Gopalgonj, Jamalpur, Jessore, Jhenidah, Madaripur, Magura, Munshigonj, Natore, Noakhali, Rajbari, Rangamati, Sirajgonj, Tangail and Thakurgaon. The undersigned intends to take up under the said loan different types of works as listed below under the 1997-98 (FY) implementation programme. Sealed tenders for implementation of the works are hereby invited in Bangladesh Form No 2911 from the prequalified contractors of Secondary Towns Infrastructure Development Project-II Interested contractors may obtain necessary tender documents during normal office hours on all working days up to

10.06.98 from any of the office (i) the Project Director, Secondary Towns Infrastructure Development Project-II, LGED Bhaban (Level-7), Agargaon, Sher-e-Bangla Nagar, Dhaka-1207, (ii) Divisional Commissioner, (iii) Dy. Commissioner, District Natore, (iv) Executive Engineer, LGED, District Natore, Head of IIS, PIU, Natore Pourashava, (v) Executive/Assistant Engineer, ESFOS, PIU, Natore Pourashava, (vi) Thana Engineer, Sadar, District Natore, (vii) any other places mentioned in the Tender Notice on cash payment of Tk 300.00 & 500.00 (Taka three & five hundred) only (non-refundable) after obtaining written approval from the respective offices for purchase of tender documents on showing documentary evidence of their prequalification. Tenders will be received by the abovementioned offices up to 12-00 hours on 11.06.1998. No tender will be accepted beyond this time, and tenders will be opened at 12-30 hours on the same day in the receiving offices by the Officers-in-Charge in presence of the tenderers, if any.

Interested tenderers may gather necessary information regarding tendered work from the abovementioned offices during normal office hours on all working days. Tenders must be accompanied by all relevant papers and Earnest Money @ 2% (Two per cent) of the estimated cost of the work in favour of the undersigned.

VAT registration certificates must be enclosed along with tender. Both income tax & VAT in respect of each payment will have to paid by the contractor as per prevailing rules and regulations of the Government of Bangladesh. Tender without VAT registration certificate will be rejected. Tender shall quote rate on overall percentage basis above/at par/below the estimated cost of the tender. Any tender with quoted rates more than 5% (Five per cent) less than the estimated cost will be summarily rejected. Tender with quoted rates more than 5% (Five per cent) higher than the estimated cost accompany itemwise detail analysis of rate of each item without which tender will be rejected.

The authority reserves the right to accept any tender or reject any or all the tenders without assigning any reason thereof. Tender not complying with the stipulated conditions will be treated as non-responsive and will be rejected.

#### Secondary Towns Infrastructure Development Project-II 1997-98 Implementation Program

SI No	Package No	Name of Package	Estimated cost (Tk)	Earnest money (Tk)	Cost of tender document (Tk)	Completion time for work (days
1	2	3	4	5	6	7
01.	NTR-IS- 97006	Construction of Kanaikhali Drain behind BADC Godown.	6,99,002.00	13,980.00	300.00	45
02.	NTR-IS- 97007	<ul> <li>a) Construction of bypass mour to Narad river in front of Giti Cinema.</li> <li>b) Construction of drain from Bogra Road mour to Part A</li> </ul>	17,59,343.00	35,187.00	500.00	60
03.	NTR-IS- 97008	Construction of drain from Madrasha mour to Bhushikhali Gola near pipe culvert on R&H Road	9,71,363.00	19,428.00	300.00	50
04.	NTR-IS- 97009	Construction of Alaipur drain from Girls School to Alaipur Mosque	3,62,834.00	7,257.00	300.00	40
E00=2				Cl	nairman	

Head, Project Implementation Unit (PIU)

Natore Pourashava.