

**BOI approves
Tk 22,757 m
proposals**

The Board of Investment Sunday approved 12 proposals for registration with a total investment of over Tk 22,757 million, reports UNB.

The proposals, which include three foreign direct investments and five joint venture projects, were approved at a meeting of the Executive Council of the board. Executive Chairman Farooq Sobhan was in the chair.

It also approved one local proposal for foreign currency loan of 17 million US dollar.

The projects include power generation, cement, industrial gas, spinning mills, automatic bricks, hotel, aircraft, amusement park, real estate and cash card.

The foreign investors are from USA, UK, Japan, China, Malaysia, Canada, Singapore and South Korea.

Over 3,200 employment opportunities will be created after the implementation of these projects.

**T&T earns
Tk 1031 cr in
11 months**

The revenue earning of the Telephone Board during the 11 months to May this year stood at Tk 1031 crore while the revenue expenditure was Tk 654 crore, reports UNB.

This was stated by Telecommunications Minister Mohammad Nasim in parliament yesterday in a written reply to Master Mujibur Rahman (AL).

Replying to another question from Jafrul Islam Chowdhury (BNP) the minister said the different government organisations, except defence services, owe more than Tk 11.60 crore to T&T Board.

He said they have been asked to pay the outstanding bills.

In reply to ANM Ehsanul Huq (BNP), the Nasim said, so far four private companies were given permission for mobile telephone service. The government is considering to give license to T&T Board for cellular service.

**Sirajganj Spinning
Mills resumes
production**

SIRAJGANJ, June 22: Sirajganj Spinning and Cotton Mills resumed its production on Sunday, reports UNB.

The resumption of production was formally inaugurated by Post and Telecommunications Minister Mohammad Nasim.

The mill was laid-off in 1996 by the private owner and was reopened with assistance from the government to end the sufferings of about 5000 families, said an official handout.

**Sylhet Pourashava
announces budget**

SYLHET, June 22: Sylhet Pourashava has announced over Tk 28.53 crore budget for 1998-99 fiscal without imposing any new tax, reports UNB.

Pourashava Chairman Badar Uddin Kamran announced the budget at a crowded press conference at the conference room of the municipality on Sunday.

Of the total earning, Tk 12.55 crore will come as revenue income, over Tk 2.06 crore as government contribution in the revenue sector, Tk 6.22 crore as government grant for the projects and Tk 5.25 crore as earning from its own resources.

**Haskoning Group
chief to attend
BJMB inauguration**

President of Haskoning Group Hans de Haan arrived in the city on Sunday to attend the inaugural ceremony of the Bangabandhu Jamuna Multipurpose Bridge (BJMB) today.

The Group was actively involved in the BJMB project, said the firm in a press statement.

The Dutch multidisciplinary organisation mainly deals in designing and engineering and hydraulic work.

**Indian stocks
plunge to
19-month low**

BOMBAY, June 22: Indian shares plunged six per cent to a 19-month low midway into trade today on heavy selling after US ratings agency Moody's investors service downgraded the country last week, brokers said, reports AFP.

The 30-share Bombay Stock Exchange sensitive index was down 191.65 points, or six per cent, to 2,951.45 points - the lowest level since December 4, 1996 when the index had closed at 2,745.06.

The index closed last week at 3,143.10.

Cabinet approves proposed law on CDS

By M Shamsur Rahman

The government is likely to bring a bill for setting up a central depository system (CDS) in the next parliament session. The Cabinet approved the draft legal framework for it yesterday.

The draft would be sent to the Ministry of Law for vetting before being sent to parliament to give a legal backing to a scrippless trading of publicly traded shares.

SEC officials said once the legal framework gets a go ahead by the parliament the operational framework would then follow. It would be framed and approved by the Securities and Exchange Commission (SEC) and the necessary by-laws would be framed by the depository with prior permission from the regulators.

SEC officials said "establishment of a central depository will pave the way for scrippless trading on floor by providing clearing and settlement services to the stock exchanges."

According to the proposed law, the central depository will eliminate the necessity of maintaining a full-fledged share division by the listed companies. It would also ensure safe keeping of valuable share certificates on behalf of the local and foreign investors. The CDS will operate basically in the form of book keeping entry.

It will reduce expenses and risks as there will not be any physical transfer of shares eliminating the presence of fake shares, experts said.

The bourses will send all transactions to CDS, which will record the transfer, and the shares will automatically change accounts. The shareholders will not have to go to the companies to transfer their shares.

The Chittagong Stock Exchange President Amir Khosru Mahmud Chowdhury MP welcomed the move saying "this would help restore confidence of investors both local and foreign."

"Investors don't have confidence in the present market due to lack of transparency which is related to infrastructure. With the CDS and automation most part of infrastructure would be completed," Khosru said.

Khosru, who is also an opposition lawmaker, placed a private bill before the parliament seeking to set up a CDS in December last year. The bill was later sent to the Private Members Bill Selection Committee. After the bill was placed finance minister SAMS Kibria said the bill was needless since government was formulating a similar law.

The DSE Chairman also welcomed the move saying this shows government's sincerity to stabilise the market.

"The CDS would help in eliminating kerb market with wider participation of investors from different parts of the country and abroad. It would also make automation more effective," he said.

**Sick industry owners' response to budget proposals
Let existing committees work**

By Rafiq Hasan

Owners of sick industries feel that the government committees already working to deal with their problems should continue and that the decisions already taken should be implemented quickly.

While discussing the new budget at a meeting yesterday with FBCI president Yussuf Abdullah Harun in the chair, they said the proposed budget gave proper attention to them but observed that the process of implementation announced by the finance minister might not be smooth.

The finance minister in his budget speech declared that all interests against loans of identified sick industries would be waived and that the government would pay for 50 per cent of the losses.

The committee recommended that industries that had potential to survive should receive government support and those no longer viable be given opportunity to exit.

Out of 1325 identified sick industries, 651 units had applied for reconciliation and 634 sought government support for rehabilitation.

The owners also disagreed with the finance minister's proposal that borrowers up to Tk 50 lakh would be taken into consideration by the committee while the cases with borrowing

around Tk 1900 crore. The committee recommended that industries that had potential to survive should receive government support and those no longer viable be given opportunity to exit.

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'Withdraw VAT on rubber slippers'

Bangladesh Rubber Industries Association has said imposition of 15 per cent VAT on rubber slippers is hitting hard the low-income consumers and encouraging smuggling, reports UNB.

The association had opposed the imposition of Value Added Tax on rubber slippers in the last budget and mobilised its members not to pay VAT, former president of the Association Shafiqur Rahman told newsmen yesterday.

"However, the VAT people are continuing the hunt behind us because the law still exists," Rahman said, demanding withdrawal of the VAT from rubber sandals.

The Finance Minister at a post-budget meeting last year agreed to withdraw VAT on rubber sandals, but it has not been implemented even in the proposed new budget, he regretted.

"For the interest of poor users, the government can easily withdraw VAT on rubber

slippers, which will bring at best Tk 2 crore revenue," argued Rahman Managing Director of Rupsha Rubber Industry.

He appreciated the reduction of import duty on synthetic rubber in the new budget.

Former general secretary of the Association Kamal Uddin Ahmed said they are paying VAT on all other local rubber products like tyre and tubes.

"We're not against VAT. But why is it imposed on a poor consumer item like rubber sandals?"

**Small cigarette
manufacturers
urge govt to
review taxation**

A number of small cigarette manufacturers have urged the government to review the fiscal measures proposed in the budget for saving their industry, reports UNB.

They placed some proposals which they said, would protect the small cigarette manufacturers and also enhance revenue collection from this sector.

In a set of proposals submitted to the National Board of Revenue, the small manufacturers of cigarette requested for maintaining the existing VAT and supplementary duty with regard to category one, reducing by eight per cent in category two, and increase by three and seven per cent in cases of category three and four.

Restructuring of duty, they argued, is essential to protect the small manufacturers and a large number of workers employed by them. They said that even a small increase in prices of lower brand of cigarettes may tend the consumers shift to bid jeopardising the small manufacturing units.

The owners said this would be a lengthy process, which would mean "going back to square one".

"It will also nullify the progress so far achieved by government-formed committees towards solving sick industry-related problems," one source quoted them as saying.

Two separate committees were formed to decide on several hundred industrial units identified as "sick" in late 1996.

The committees, one for review and another for reconciliation, have high-level representation from government, banks and chambers.

They held several meetings and prepared a set of recommendations for revival of sick industries and recovery of hundreds of crores of taka in bank loans.

The owners felt that the government should go ahead with the suggestion recommended by those committees instead of forming another committee.

The review committee found that different state-owned and private, commercial banks, could recover only Tk 400 crore out of Tk 1400 crore loans against 1325 industrial units. The total overdue loans stood



Renee Veyret, Ambassador of France in Bangladesh, had a meeting with the Chittagong Stock Exchange president, Amir Khosru Mahmud Chowdhury during her visit to the bourse on Sunday. — CSE photo

Playing prank with pipeline

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Elanga-Baghabari pipeline

The target may have been to award the Tk 25 crore contract to a particular firm. So it all moved very fast - and in a manner that defies the system. Eventually, they made it.

At one stage, however, the World Bank, the funding agency in this case, turned out to be the spoiler. But powerful lobbyists could successfully sideline the lending agency by securing funds from the state exchequer.

While they had kept trying to make it, they opened another front to make money. At least one minister has directly benefited from the whole process. But the state has drained quite an amount of money.

In February, under the so-called Gas Supply to Western Zone Project, Gas Transmission Company Ltd. (GTCL), a Petrobangla subsidiary, invited bids for construction of a high-pressure (24-inch and 20-inch) 64-kilometre gas pipeline from Elenga to Baghabari via Nalka. The objective was to exploit the infrastructure that is the now-complete bridge over the Jamuna to reach natural gas to the western part of Bangladesh through pipeline.

Starting from Elenga, the pipeline is to touch the eastern (Tangali) end of the bridge and then resume at the western end (Serajganj) to go up to Baghabari. The two parts would be connected by another pipeline (already collapsed) laid beneath the 4.8-kilometre Bangabandhu Bridge.

Eight offers including one from a local consortium were received. Two of them were immediately rejected for their failure to submit bid bonds.

One of the Chinese firms, M/s Helongjiang Daqing Petroleum I/E Corporation, was found the lowest bidder, followed by M/s Bangladesh Pipeline Consortium (BPC). The Chinese were cheaper by more than half a million US dollars. And this was announced on the day of opening the bids in presence of the tender committee members.

Evaluation of all the bids were done quickly. In just three days from opening of the bids, Petrobangla was seeking clearance from the IDA. World Bank's soft lending arm which was to fund the project, to award the contract to the local company.

Earlier, only seven weeks had been given to submit the offers from the date of publication of the notice - usual being at least three months in case of such an international tender. Officials spoke of a prime ministerial directive to hasten the process in view of the fact that she will open the bridge on June 23.

At a pre-bid meeting, the bidders were told that they must finish the task of laying the pipeline on the eastern side by June 20 this year, and the western part by March 30 next year.

The World Bank objected to the selection, and refused to fund the project saying the company chosen had neither the technical capability nor the financial strength as stipulated in the Bank guideline.

According to bid documents, a company should have an annual turnover of US\$ 10 million over the previous five years and "successful experience as prime contractor in the execution of at least one project of a nature and complexity to the works within the last five years."

The favoured firm, BPC, did not meet these criterion, according to sources. A consortium of 14 small and medium companies - of which four are completely new in this field, BPC's stakeholders include a Cabinet minister, an owner-editor of a pro-government newspaper and some former civil servants.

As going was getting tough after the donor's refusal, they played another trick - and a dirty one at that.

There was a prime ministerial commitment that natural gas would go to the other side of the Jamuna from the day the Bangabandhu Bridge would be open to traffic. The pledge needed to be fulfilled, so a 3-inch (instead of 24-inch one) pipeline was ordered to be laid by June 20, with the money coming from the government coffers. No project proforma, no planning, and the contract was hurriedly awarded to last month after the World Bank raised objections to the main project. But some five crore taka has already been spent.

Senior Petrobangla officials however refuse to admit that there was any ill motive behind the move. They say this is just a distribution line, and not a transmission one, and this low-pressure line would be connected to a 50-PSI (pound per square inch) line from Tangali, and not to the one coming from Ashuganj which is 700 psi, to take gas to domestic consumers on the other western bank of the Jamuna.

Meanwhile, they have succeeded in grabbing the main contract - the 24-inch and 20-inch pipeline. They did not let the tender be cancelled. Because, if fresh bids were invited, the BPC would not be able to participate at all under the IDA rules.

One option - a costly one - was open for them. The government itself should fund it. That was exactly what they tried and succeeded. The IDA is out of the scene now. The state will pay an extra Tk 2.5 crore for a lot lesser job in terms of quality.

The Chinese embassy here is angry. The other foreign bidders are frustrated. World Bank officials are not happy.

Again, top Petrobangla officials, who refuse to be identified, claim that there was "absolutely nothing wrong" in awarding the contract to the local consortium.

The loss has been on two counts. First, work for the high-pressure pipeline has been delayed. And then, additional expenses have been incurred by constructing a low-pressure 3-inch pipeline, which will be of no use.

But who will bell the cat?

Senior officials who pleaded for it are all known and identified, and perhaps will never face any scrutiny. A high-powered committee led by an additional secretary negotiated the deal with Hyundai.

Asked, the top Petrobangla officials again would not agree with the intention that asking Hyundai to do the job was not a right thing. They argued that building all the other infrastructure by one company was beneficial in terms of better coordination and better performance. The Bridge Authority was responsible for implementation of it though there was some Petrobangla presence in the process.

Difficult situation

It is now difficult for the officials to predict when the infrastructure would be ready. But they are aware of a strict deadline, March 1999, when they are committed to supply gas a couple of power plants.

"Everything depends on construction or fixing of the 30-inch pipeline attached to the bridge," said one Petrobangla official.

They are committed to supply gas to a now-diesel-fired 71-megawatt power plant at Baghabari and another 100-megawatt barge-mounted plant.

বঙ্গবন্ধু সেতু উদ্বোধন উপলক্ষে
আমাদের অভিনন্দন
তুলা চাষ করুন, লাভবান হউন

- বাংলাদেশের জলবায়ু তুলা চাষের উপযোগী।
- বন্যামুক্ত ও উঁচু জমি তুলা চাষের জন্য উত্তম।
- ভাল ফলন পেতে হলে তুলা উন্নয়ন বোর্ড কর্তৃক সরবরাহকৃত উন্নতমানের তুলা বীজবপন করা উচিত।
- ১লা শ্রাবণ থেকে ৩১শে শ্রাবণের মধ্যে তুলা বীজবপনের উৎকৃষ্ট সময়।
- সঠিকভাবে পরিচর্যার মাধ্যমে সহজেই একর প্রতি ১৫-২০ মণ বীজ তুলা উৎপন্ন করা হয়।
- এক একর জমিতে তুলা চাষ করে ছয় মাসে ১৬,০০০-২৪,০০০ টাকা আয় করা যায়।
- বিস্তারিত তথ্য জানার জন্য তুলা উন্নয়ন বোর্ডের মাঠকর্মীদের সাথে যোগাযোগ করুন।

তুলা উন্নয়ন বোর্ড
খামারবাড়ি, ফার্মগেট, ঢাকা-১২১৫।

ডি এফ পি-১৪০৩৫-২১/০৬/৯৮