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DHAKA, TUESDAY, NOVEMBER 17, 1998

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More cars going gas as RPGCL picks up business

By Sharier Khan

Rupantarita Praktik Gas Company Ltd (RPGCL), a subsidiary of Petrobangla, is gradually picking up businesses by promoting alternative gas usage for motor cars and kitchen ovens across the country.

The RPGCL, once considered to be another unpromising state-owned enterprise, is now earning about Tk 1.6 crore per month by selling Liquefied Petroleum Gas (LPG) for kitchen use and Compressed Natural Gas (CNG) for cars in the country. Only two years ago, its monthly earnings was as low as Tk 84,000.

Managing Director of RPGCL Engr ABM Fazole Elahi said that one of the biggest successes of the company was popularising CNG conversion of motor cars.

CNG conversion enables motor vehicles to run on gas at a minimum cost of Tk 7.50 per cubic meter of gas (equivalent to one litre of petrol). According to the managing director of RPGCL, it costs Tk 23,000 to convert a car into gas-run system.

Although RPGCL was established years ago, its CNG conversion was suffering a setback due to lack of marketing drive.

Two years ago, there were only 86 CNG converted cars across the country. Only two of its four CNG filling stations in Dhaka were operational, the other two being closed down due to technical reasons, said Fazole Elahi.

"Afterwards, we involved foreign experts to repair the two closed stations and installed another one. In total, we now have five CNG filling stations," he added.

After a marketing drive by the RPGCL from last year, many car owners contacted the company for CNG conversion. Now there are over 900 CNG converted cars in the country.

The RPGCL managing director noted that car owners could install gas cylinders of various sizes according to their car capacity. The smallest cylinder weighing 32 kg can be installed in a 1300 cc car. A 32 kg cylinder contains gas equivalent to 18 litres of petrol.

Although this extra cylinder installation takes quite some space in the car boot, it does not add much weight to the

car. "It is because methane gas is lighter than air. Therefore, gas equivalent to 18 litres of petrol does not weigh anything," said Fazole Elahi. "The cylinder's weight should be less than the weight of a fully filled petrol tank so that the car does not take any extra load."

The gas cylinders are also very safe and the RPGCL checks each cylinder every five-year for faults.

RPGCL has also geared up its LPG sales with the completion of its Kailashitla plant in June, 1997. Its plant capacity is about 11.50 lakh cylinders a year.

In implementing the Kailashitla LPG Plant, the RPGCL faced various difficulties, which initially slowed down the progress of the project. One of the major hurdles faced by the project was mobilising heavy machinery to

Kailashitla by river that had reduced navigability.

The LPG plant could not go into full swing operation until recently. The RPGCL managing director said now that the plant has gone into full swing operation, LPG is being marketed across the country including the energy-hungry northern Bangladesh.

With 130 officials and employees, the income-expendi-

ture ratio of RPGCL is currently only 10 per cent. "Only two years ago, to earn 100 taka, RPGCL spent 1845 taka," said Fazole Elahi.

Recently, the RPGCL floated a tender for setting up the Ashuganj Gas Fractionation Plant. About a dozen foreign companies submitted proposals for the bid, which aims at producing gas by-products like motor oil.



A BOOMING PITHA BUSINESS: At the advent of winter, some roadside shops are making hefty business by selling cakes (pitha) to working people in the capital. These delicious pithas sell at Tk 2 per piece with people relishing them. — Star photo by AKM Mohsin

Row over fixation of import price Customs claims Tk2cr extra tax from Volvo car importer

By M Shamsur Rahman

A sharp discord has ensued between the Dhaka customs authority and a motor car importer over the fixation of duty on the import of 15 luxury cars.

The customs department has served a demand note for Tk 2.09 crore to A-1 Trade Centre as additional duty on 15 Volvo cars imported for the Ministry of Foreign Affairs.

The customs authority claims that the importer has quoted lesser prices for the cars imported from Sweden.

The importer, however, denied the charge and said the customs authority is inflating the prices on the basis of wrong information.

A-1 Trade Centre, the sole distributor for Volvo cars, imported S-40 models of 2000cc cars after winning a tender of Ministry.

In the course of clearance, the importer submitted a printed 'manufacturing price list' which was rejected by the customs department. The importer later sought support from the Bangladesh Embassy in Sweden, which reportedly authenticated the price at \$8200 per car.

The customs department later referred the matter to its Valuation Department, which

added a \$500 freight charge on each car and a 17 per cent 'load' to the price given by the Embassy. The Valuation Department later issued a provisional value slip and the cars were cleared at a price of US\$ 10,100.

Sources said customs Commissioner Fakrul Abedin was not satisfied with the 'value slip' given by the Valuation Department.

He later searched on the internet and found prices of Volvo cars to be much higher than the price declared by the company.

He found that the price of a 2000cc Volvo was \$22,396. The commissioner later calculated a differential duty amount of around Tk 2.10 crore. He served a demand note on the company on November 3 asking for the additional duty.

In the demand note, Fakrul Abedin said "Since we did not get the printed manufacturing price list of the cars, we had to get it from other sources. After calculations, the duty comes to \$22,386 for each car excluding dealer's price."

When asked, General Manager of the company ATM Mominur Rahman said that as per the customs rules none could claim the amount until a final value slip was issued by

the Valuation Department.

"We cleared the shipment based on the provisional value slip and none including us can claim any amount until the final value slip is issued by the Department," Rahman told this correspondent yesterday.

He also said that a printed price list was given to the customs on May 19 and claimed to have a certified copy.

"The price downloaded by the commissioner is likely to be higher than the price quoted by us. This will be so because the manufacturing company sends its cars to the distributors who mark up their profit. Cars are then sent to wholesalers and finally to retailers who again add their profits at each step," said Rahman.

"Moreover, when a car is shipped to the United States, the price becomes higher due to high import duty and VAT. It, therefore, does not reflect the true price."

"Beside, the customs authority had no need to surf on the internet. If they had any doubt about our price, they could easily write to the manufacturing company and ask for the real price," the general manager said.

Dhaka to get Tk 474cr UK aid for poverty alleviation

Britain under formal exchanges of letters will provide 59 million pounds sterling equivalent to Taka 474 crore for elimination of poverty in Bangladesh, reports BSS.

Secretary of External Relations Division (ERD), Dr A K M Mashur Rahman, and British High Commissioner to Bangladesh, David Walker, signed the exchanges of letter on behalf of their respective sides.

The first project, 'Strengthening Health And Population for Less Advantaged (SHAPLA)' will contribute 55 million pounds sterling equivalent to

Taka 440 crore to the government of Bangladesh's new five-year Health and Population Sector Programme (HPS). This programme is strongly focussed on improving essential health and family welfare services, especially for the poor.

Through Shapla, the British government's Department For International Development (DFID) will finance specific activities which will strengthen the management and delivery of health services and improve access for the poor.

It will also contribute 25 million pounds sterling to overall HPS running costs,

through a multi-donor trust fund.

The second grant will contribute 4.3 million pounds sterling equivalent to Taka 34 crore to the government of Bangladesh primary and mass education division's project for providing basic education for hard to reach urban children.

The overall project will provide non-formal basic education to over 351,000 poor urban children, aged between 8 to 14, who have not had access to basic schooling and who are engaged in hazardous or exploitative child labour.

UK trade fair in city on Dec 2

The three-day second UK Trade Fair will begin at Dhaka Sheraton Hotel from December 2, says APB.

Encouraged by the success of the first exposition, held in March 1997 here, the organisers decided to hold the fair annually in Bangladesh.

The fair, which includes a British Education Exhibition, will display an extensive range of world class British goods and services that are available in Bangladesh.

Products on display will include generators, vehicles, tractors, security equipment and foodstuffs. Petroleum, chemicals, electrical products, households and consumer goods will also be exhibited.

The British Council, in the form of a British Education Exhibition, is primarily designed to showcase a broad selection of British institutions at university and college levels.

British visible exports to Bangladesh in the first nine months of this year totalled about Tk 473 crore (59.1 million pounds sterling) while Bangladesh's Export to the country over Tk 1,434 crore (179.3 million pounds sterling), said a press release.

Flood damages 178 kms rly tracks in W Zone

ISWARDI, Nov 16: Some 178 kilometres of railway tracks of the Western Zone of Bangladesh Railway have suffered damages in the devastating floods, reports APB.

The damages have been estimated at Tk 37 crore by the authorities, the railway sources said.

Some 21 railway bridges and culverts along the various routes of the zone have also suffered damages.

As a result, the sources said, the Western Zone is being deprived of a substantial amount of revenue every month.

The damaged railway tracks include 135 kms of broad gauge lines and 43 kms of metre gauge lines.

In the broad gauge section, 30 kms have suffered damages on Iswardi-Sirajganj route, 10 kms along Natore-Santahar, five kms along Amnura-Chapainawabganj and 10 kms along the Rajbari-Goalundo railway.

While the damaged of metre gauge lines include 10 kms on the Trimohini-Balasighat route, the sources said.

The officials said the concerned authorities have been approached for sanctioning the fund needed for repair and rehabilitation of the lines.

Tofail urges local experts Help reap maximum benefits from SAPTA accord

Commerce and Industries Minister Tofail Ahmed has urged the country's experts on trade-related issues to come up with an effective, action-oriented and forward looking strategy to reap maximum benefits from SAPTA agreement, reports APB.

He was addressing an inter-ministerial review meeting on the findings of the study group for SAARC Preferential Trading Arrangement (SAPTA) agreement at the conference room of Commerce Ministry yesterday.

Eminent economist Dr Monwar Hossain is leading the study group. Dr Wahiduddin Mahmood, Former Commerce Secretaries M Mokammel Haq and Mohammad Asafuddin, Dr Md Osman Gani of MARC, M Ismail Hossain of Jahangir Nagar University are the members of the study group. Representatives of the ministries of Home, Textiles, Finance, Agriculture, Planning, Foreign Affairs, Establishment and Industry are assisting the study group which will submit its final report by June 1999.

The study is being done to boost the country's external trade with SAARC countries. The whole gamut of bilateral, regional and sub-regional trad-

ing opportunities will come up in the study report.

The minister pointed out that Bangladesh had already drastically reduced its import tariff in early 1990s, but the move is yet to be reciprocated by other countries in the region.

He further said that the SAPTA agreement, signed in 1993 and effective since 1995, was not properly evaluated at that time. The rules of origin contained in SAPTA agreement for getting preferential market access were not compatible for Bangladesh as they needed 40 per cent local value addition of the exportables.

Bangladesh will follow its own strategy in the on-going second round of SARRC Inter-Governmental Group (IGG) and ensuing third rounds of IGG for expanding exports to SAARC countries, the Minister said.

In this context, he reminded that the country will have to face new dimensions of WTO charters and subsequent developments in SAPTA negotiations to earn maximum benefits. He sought specific advice from the experts about the strategy of Bangladesh in entering into South Asian Free Trade Area (SAFTA) after SAPTA.

Pointing out the existing tariff and non-tariff barriers im-

posed by the neighbouring countries on their imports, the minister said local products could not get easy access to the neighbouring markets but those had high demands in the Pacific and Atlantic rim countries.

He said new issues like item-wise and sector-wise tariff preferences and process-changed criteria were being discussed in the SAPTA negotiations. "We want to face all issues purposefully to uphold our interest."

Tofail said that economic implications of bilateral or multilateral agreement should get priority to political implications in the arena of globalization.

Speaking on the progress of the study, Dr Monwar pointed out that Bangladesh's trade imbalance with its neighbours continued and widened for a long time.

He said that joint-ventures, road transit and ports facilities were the inputs to reduce the trade gap.

Other experts present at the meeting suggested measures like setting up trade development institute and enhancement of interaction among private sector, academicians and experts to improve the situation.

'Banking sector faces D-day' Russian moratorium on loan repayment expires

MOSCOW, Nov 16: Central bank Chairman Viktor Gerashchenko told Russia's banking sector faced "D-day" when a government-imposed 90-day moratorium on repayment of all commercial loans expires Monday, reports APB.

"This is D-day," Gerashchenko told Ort television late Saturday. "It will show which (western) banks are with us and which ones are against us."

Russia's nearly-bankrupt government on August 17 imposed a 90-day moratorium on repayment of an estimated 30 billion dollars in debt.

At the same time Moscow announced a de facto rouble devaluation and internal rouble-denominated debt default.

sacked days later when its moves drew outrage from both the Russia public, stung by a collapsing rouble, and western creditors, stuck with frozen debt.

Effective Monday, western financial houses hurt by the moratorium may take Russian banks to court and begin action against foreign accounts of those that do not follow through on loan obligations.

Several banks here, already on the verge of collapse, have entered into negotiations with their western creditors about the terms of an eventual loan repayment.

Gerashchenko said the government is too broken to help the Russian bankers meet their foreign debt obligations. "We must keep only the

skeleton of a banking system," Gerashchenko told Ort, adding the government must pin-point specific Moscow and regional banks that are worth balling out in order to avert a complete collapse of the money transfer system in Russia.

The central bank has already assisted some banks to the tune of 14 billion roubles (850 million dollars), but a senior bank official last week predicted that about half of Russia's commercial banks may fold in the coming months.

Critics of both the bank and the government's seemingly-casual approach to the drafting of a coherent economic revitalisation package predicted that the moratorium expiration may spell disaster for Prime Minister Yevgeny Primakov.

Cambodia hopes for ASEAN entry in Dec

PHNOM PENH, Nov 16: Eager for a resumption of foreign aid and entry into the Association of Southeast Asian Nations, Cambodia's outgoing finance minister said Monday he hoped a new government would be rapidly approved by parliament, says AP.

Speaking outside a conference on ASEAN relations, Keat Chhon said it was still possible for Cambodia to gain entry into ASEAN next month.

Foundation course for Dhaka Bank officers begins

Star Business Report

An 11-day foundation training course on banking for the officers of Dhaka Bank Limited has begun.

The course was inaugurated by the Executive Director of Bangladesh Bank, A Raqib, as chief guest in the city on Saturday, says a press release.

In his speech, he advised the fresh officers of the bank to be more attentive in building career through increasing efficiency.

Ashfaq U Chowdhury, Managing Director of Dhaka Bank Limited, reminded the trainees about different objectives of the bank.

Md Mokhlesur Rahman, Deputy Managing Director, also spoke on the occasion.

Asian Highway under threat Plying of overloaded vehicles develops cracks

PABNA, Nov 16: The 438-km Nagbari to Dinajpur section of the Asian Highway is under threat as many a portion of it has developed cracks and potholes mainly due to plying of overloaded vehicles, reports APB.

The government has now been spending substantial amount of money for repairing the highway, constructed with the financial assistance of the World Bank, concerned sources said.

In the first phase of the project, the Ullapara (Sirajganj) to Pirganj (Rangpur) section was constructed while Ullapara to Nagbari section and Pirganj

to Dinajpur section was completed in the second phase.

Concerned sources said, the highway is threatened for lack of waybridges to curb the overloading of trucks.

Although there was provision for installation of waybridges in the plan, it could not be materialised for lack of initiative on the part of the authorities, they said.

The Roads and Highways authorities, when contacted, said they had not received any order for construction of the waybridges.

Transports carrying more than 10 tonnes of goods are not supposed to use the highway,

but many trucks loaded with 15 to 21 tonnes of materials have been plying along this artery with impunity.

As a result, sources informed, the highway has developed cracks and potholes in different places at Dashmile, Sherpur, Noymile, Ghoghbaridge, Chandaikona and Mahashian in Bogra district.

Moreover, the rate of road mishaps has increased alarmingly along the highway.

The Roads and Highways in Bogra is doing some patch work along these sections. So far, Tk 42 lakh has been spent for these repair works, the R&H sources said.

India slams US for barring exports

NEW DELHI, Nov 16: India has slammed the United States for barring exports to a host of companies, saying such "coercive" action would impede the normalisation of ties following New Delhi's May nuclear tests, reports APB.

News reports here said the foreign ministry had strongly criticised Washington's publication of an "entities list" pro-

hibiting US companies from trading with 40 Indian firms, including nuclear and space units.

The US also put 46 Pakistani companies and about 100 subsidiaries on the ban list for Islamabad's rival nuclear explosions.

"This decision reflects the continuation of a coercive approach that is entirely mis-

placed and counterproductive," the foreign ministry said in a statement Saturday.

"Such steps are unhelpful for meaningful discussions towards an improvement in bilateral relations," it said, articulating a sentiment echoed by leading Indian trade forums.

"These restrictions interfere with the free flow of trade, technology and finance and have an impact on mutually beneficial business interaction."

The blacklisted firms include India's state-run atomic energy commission, the national space agency, the defence research wing and several technology institutes.

Under the provisions of the list, US companies will need special licences to trade with the concerned Indian and Pakistani firms.

India last week vowed to tighten export controls following two days of talks with US officials in New Delhi on nuclear technology transfers.

"We have agreed to make our export control systems more stringent where necessary," a foreign ministry official said, adding the talks had helped towards "the normalisation of the relationship."

The two sides also agreed to meet again in six to eight weeks. The New Delhi talks came after US President Bill Clinton's decision to lift some of the sanctions against India and Pakistan following their rival nuclear tests in May. Pakistan has been given access to multilateral funding — a benefit denied to India.



A Raqib, Executive Director of Bangladesh Bank, inaugurates the foundation training course for officers of Dhaka Bank in the city on Saturday. —Dhaka Bank photo