



DHAKA, THURSDAY, JULY 1, 1999

Sonali Trade and Finance starts its operation in UK today

The Sonali Trade and Finance (UK) limited starts functioning in London from today following reconstitution of Sonali Bank branches in the United Kingdom, official sources told BSS in city yesterday.

The financial institution with sole ownership of Sonali Bank will begin its journey with a capital of 85,000 pound sterling at the head office of the abolished Sonali Bank at Osborn Street in London. Four booths will also function under the institution in Luton, Birmingham, Bradford and Manchester, sources said.

A three-member Board of Directors has already been formed with Chairman of Sonali Bank Board of Directors Dr Al Aminul Islam as its head. Dr Siddiqur Rahman Osmani, professor of Ulster University and the chief executive of Sonali Bank UK Operations, have been nominated as the director and member secretary.

Chairman of Sonali Bank Dr Aminul Islam will reach London this morning to attend the inaugural function. Bangladeshi Ambassador to UK Mahmud Ali and concerned officials will also attend the function.

The business jurisdiction of the institution will be limited within international trade, sending remittances of Bangladeshi nationals to the country and transaction of different Bangladeshi Treasury bonds with the approval of legal authorities.

Sonali bank sources said that efforts were under way to open a new bank in London side by side the new financial institution.

The Sonali Bank had started its function in London in 1973. The Bank of England advised reorganisation of the activities of Sonali Bank in London due to heavy losses and lack of administrative efficiency in 1995.

### Myanmar oil output drops

YANGON, June 30: Myanmar produced 547,000 barrels of crude oil in the first two months of this year, down 34,000 barrels from the same period of last year, according to the latest Economic Indicators published by the country's Central Statistical Organisation, reports Xinhua.

The indicators also show that the output of natural gas was 274 million cubic meters during the two-month period, a drop of 20 million cubic meters as compared with the corresponding period of last year.

In 1998, Myanmar produced 3,423 million barrels of crude oil, a reduction of 239,500 barrels from 1997, while the output of natural gas was 1,749 billion cubic meters, a drop of 35 million cubic meters compared with 1997.

To develop the crude oil and natural gas industry, Myanmar has since late 1988 been absorbing foreign investments for undertaking both offshore and onshore oil and gas exploration and production projects.

By the end of 1998, foreign investment in the oil and gas sector from Australia, Britain, France, Indonesia, Japan, Thailand and the United States reached 2.3 billion US dollars in 46 projects. The total foreign investment stood at 7.1 billion dollars.

Of the oil and gas fields being developed, Yadanaba in Myanmar's gulf of Mottama and the Yetagun field off the Tanintharyi coast are the two outstanding ones.

### Small producers lead Cyprus wine revolution

AYIOS AMVROSIOS (Cyprus), June 30: George and Ioanna Yiallourou took up wine making to escape city life. Ioanna and Iannis Ioannides are in it because they love making wine, reports AP.

Both couples are part of an explosion of small wineries in Cyprus' grape-growing region on the southern and southwestern slopes of the Troodos mountain chain.

Most of the small wineries, nearly 40 in all, have sprung up in the past 10 years on this sunny island at the eastern end of the Mediterranean.

The newcomers have given depth to the industry by introducing new labels and making high-quality wines and are becoming a source of worry to larger, older wineries as well as wine importers.

Making wine was the only way to earn a living in this part of Cyprus," said Ioanna Yiallourou, who together with her husband, George, left the capital, Nicosia, in 1988 for the tiny village of Ayios Amvrosios in the heart of the grape-growing region of Cyprus. They now own a winery that produces 120,000 bottles a year.

A short drive across the hills is the village of Kilani, where Ioanna and Iannis Ioannides produces 50,000 to 60,000 bottles a year.

"We certainly don't need more money," said Ioanna, 60, whose physician husband has a practice in the coastal city of Limassol.

### PARC study on BOI, BEPZA says Need for many a permission makes investment difficult

By Monjur Mahmud

The requirement of too many permissions and licences to set up industrial ventures have stood in the way of expediting private investment even after the introduction of the Board of Investment's (BOI) one-stop service.

The 'one-stop service' was established in 1997 with a view to strengthening BOI and to assist investors in obtaining different services under a umbrella within a prescribed time limit.

On the other hand, Bangladesh Export Processing Zone Authority (BEPZA), like BOI is also dependent on other government agencies, which often create pre-investment delays.

Different Acts and documents of the BOI and BEPZA validate the view that the bureaucrats in Bangladesh appear to be accountable to none," said a study carried out by Public Administration Reforms Commission (PARC).

In fact, no specific mechanism is in force to hold the BOI

and BEPZA administrations and other facilitating organisations accountable for what they do for attracting private entrepreneurs, it said.

Coordination of activities and support services rendered by BOI and BEPZA and correlation between these two organisations and other supplementary bodies such as the Ministry of Industries, financial institutions, banks, National Board of Revenue (NBR), and BSCIC is considered unsatisfactory.

There is also an absence of interface between the government's policy pledge (reflected in the industrial policy) and the actual level of support and facilitation provided."

A major problem with BOI is that it is dependent on various government agencies, which often results in pre-investment delays, the study said, stating that the first problem encountered by entrepreneurs was a requirement clearance from the Department of Environment, a precondition for new investment registration. The regis-

tration of projects with the BOI means very little because realisation of the projects is a major hurdle, it said.

BOI is dependent on the cooperation and assistance of nine agencies, which again create many operating problems. Citing examples, the study said it is easier for BOI to arrange electricity for a private investor only if the demand is very little (less than 50 KW). In case of gas, the BOI is no position to assist the new investor if there is no gas lines within two kilometers of the project site.

Coordination between BOI and BEPZA and other supplementary organisations including the Ministry of Industries has to be strengthened. In the name of coordination, ministerial control on agencies has sometimes proved excessive. The merger of BOI and BEPZA can also be considered as a strategic option in future."

The monitoring system of BOI and BEPZA needs improvement. New monitoring techniques, data-base, software and information technology require to be used. On the other hand, periodic evaluation of the impact of institutional interventions has to be made, the PARC study recommended.

study suggested. Institutional autonomy has to be given to these two agencies for enabling them to make quick decisions to facilitate investments, the study said, adding that BEPZA has to be given specific budget and the mandate to work flexibly and cases like the Chittagong EPZ has to be taken care of in future.

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### State minister for energy tells JS Countrywide demand for gas 311 bcf, fuel 2.6 m tonnes

State Minister for Energy Prof Rafiqul Islam told the Jatiya Sangsad yesterday that the demand for gas in the country has been estimated at 311 billion cubic feet in the current fiscal (1998-99), while the demand for petrol, diesel and kerosene is about 26,37,000 tonnes, reports BSS.

Replying to a question from M Fazlul Azim (BNP-Noakhali), he said that the demand for petrol was about 2,35,000 tonnes, for diesel 18,000 tonnes and for kerosene 6,02,000 tonnes.

He said both technical and non-technical measures are being taken under the revised time-bound action programme (RTAP) to reduce the system loss.

The measures for reducing technical losses include regular joint calibration every month of the metres at the gas purchasing points; investigation of RMS metering system including calibration of power plants, fertiliser factories, big industries and commercial customers;

immediate leakage repair of network and service lines; maintenance of accounts used in purging and testing of new lines, he said.

The steps for reducing non-technical losses, he said, include metre sealing to check illegal tampering of metres, change of metres and realisation of fines by visiting the premises of the customers to check the use of gas illegally.

installation of additional metres on an experimental basis at the premises of the customers to determine the actual use of gas for reducing tariff-related losses, measure to conduct survey on the number of gas customers in Dhaka metropolitan city area to determine the actual use of gas, formation of task force for disconnecting illegal gas lines with the help of police, filing of cases for realisation of fine and quick disposal of cases on which injunction have been imposed by courts.

Women entrepreneurs from the developed world at a recent conference in Chicago, USA, pledged to work for the empowerment of their counterparts in the developing countries by offering training and other assistance.

The pledge was made at a conference on "Women Mean business: A Global Lessons without Borders," says a press release.

In her message, US First Lady Hillary Rodham Clinton said, "What works in Bangladesh or Brazil can be used in places like Chicago and California. Americans have a lot to teach the world, but we have much to learn as well."

Queen Rania Al-Abdullah of Jordan, founder-president of the Jordan River Foundation (JRF) promised to extend help to business people.

Other noted speakers were Senator Richard Durbin, US Ambassador to USAID Ambassador Harriet C. Babbitt, Director of Public Liaison of USAID Karen Anderson.

Alida Perez of Artesanias Unidas of Guatemala, Pilar Ramirez, co-founder of FIE FFF, a pioneering micro-credit programme in Bolivia, and others shared their success stories and experiences with over 350 participants.

The business persons, including Bangladeshi entrepreneurs, also displayed their products and services at a Global Showcase arranged on the occasion.

Maleka Khan, owner of Joya, Gazi Shamima Hussain of Shiamima's Boutique, Hafiza Montaz Hashi of Expressions Boutique, Syeda Sharifa Akber of Dahlia's Tuktu Talukder of Green Hill, Rangamati, and Kamrun Nahar of Palli Mangal Karmasuchi, non-government organization, participated in the conference and showcase.

The programme is being implemented by the IRIS centre of the University of Maryland, USA. In partnership with the government of Bangladesh Proshika and Development Alternatives Inc.

medium and smaller brokers were a much lower market declining quality. There was fairly heavy withdrawals in this category.

Fannings were also a much lower market falling by Tk 5 to Tk 7. There were also withdrawals in this category.

Blenders lent fairly good support to few liquor types and loose tea traders were more selective.

Bold brokens were neglected and sold at rates up to Tk 45 per kg. Large brokens met with a fair demand and were generally absorbed at lower rates ranging between Tk 55 and Tk 58.

There were 9,504 chests and 9,123 gunny sacks of tea on offer.

### \$46m export diversification project soon: Tofail

Minister for Commerce and Industries Tofail Ahmed yesterday said an Export Diversification Project (EDP) at a cost of 46 million US dollars will begin soon for giving technical and financial support to the private entrepreneurs, reports BSS.

He said that the present government had liberalised its industrial policy to accelerate economic growth through large-scale industrialisation to integrate the national economy into the world economic order with the government's initiative to reduce taxes on various importable raw materials and custom-duty, provide cash incentives on different exportable items and introduce zero level tariff to set up export oriented joint venture industries in the energy and power sectors.

He was speaking at a monthly luncheon meeting of the Foreign Investors' Chamber of Commerce and Industry (FICCI) at a city hotel.

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President of the FICCI Shamsuddin raised various problems including lack of adequate infrastructure facilities like electricity, telecommunication and high speed data

transmission, high rate of corporate income tax and disturbing law and order situation which continue to be disincentives for FDI.

The minister gave patient hearing to their problems and assured that he would talk to his cabinet colleagues on those issues.

President of FICCI AKM Shamsuddin presided over the function while a number of entrepreneurs, industrialist and representative of foreign and local business organisation participated.

UNB adds: Non-availability of proper investment-related data and the practice of policy changes through issuance of Statutory Regulatory Orders (SROs) also discourage FDI. Shamsuddin noted.

Representatives of the FICCI member-organisations also took up with the minister various problems they are facing doing business in Bangladesh.

Tofail assured all possible help from his part to solve the problems within his jurisdiction and to move for those beyond.

"Anything you can bring to my notice," he told the foreign traders and investors and requested them to bring any problem relating to trade, business and investment personally or through the FICCI so that he can at least give a nudge to the budding sector.

The FICCI chief appreciated the incentive package offered for investment as, by far, the best available in the region.

But the policy seeks to impose restrictions on RMG, Bank, Insurance and other financial sectors, he said, "we feel it's a deviation from the avowed government policy of pursuing a free market economy."

The FICCI president also felt that the Board of Investment should have an Executive Committee headed by the Minister of Industries to closely monitor its activities.

CHITTAGONG, June 30: The weekly tea sale held here yesterday was marked by selective demand for almost all categories of teas, heavy withdrawals and lower prices, market sources said, reports BSS.

Pakistani buyers were absent again, while Russia, the CIS countries and Poland bought less quantities.

Blenders lent fairly good support to few liquor types and loose tea traders were more selective.

Bold brokens were neglected and sold at rates up to Tk 45 per kg. Large brokens met with a fair demand and were generally absorbed at lower rates ranging between Tk 55 and Tk 58.

Earlier this month, France banned production at the Coca-Cola's largest plant in Europe.

The Japanese side insisted this guarantee would be made in yen only.

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style growth, together with the birth of the euro have made Tokyo take note of the growing risk that the yen will be marginalised on the regional and international stage.

Takatoshi Ito, professor at Hitotsubashi University who leads the finance ministry's yen internationalisation committee, noted that Japan's most recent "Miyazawa initiatives" — Asian aid packages named after Japan's finance minister — were denominated in yen and not dollars.

The change of mentality indicated by this is very significant," Ito said.

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