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Tofail seeks 30 pc US quota hike for garments

Commerce and Industries Minister Tofail Ahmed has urged the US government to provide 30 per cent more quota facility for the country's garment exports, says UNB.

He made the plea as US ambassador John C Holzman called on him at his office here on Thursday.

Tofail requested the American envoy to convince his government for allowing the additional quota for Bangladesh's apparels to enter the US market.

They discussed matters relating to bilateral interest with emphasis on trade and investment.

Commerce Secretary Sayed Alamgir Farrouk Chowdhury was present during the meeting.

BFRG executive body formed

Star Business Report

An 11-member executive committee of the Bangladesh Fund Raising Group (BFRG) was elected at the 1st annual general meeting of the group held in the city recently.

Following are members of the committee: Chairperson: Mizanur Rahman, Executive Director, AISEDUP, Co-Chairperson: Quazi Shamsul Alam, Director, BUK, Co-Chairperson: Masuda Farouk Ratna, Director, GBSS, Treasurer: MA Zabbar, Executive Director, HDSS, Members: AKM Mostafizur Rahman, Executive Director, VOSD, Abdus Sattar, Executive Director VPKA, Shahida Begum, Director, BSKS, Shamsun Nahar Paran, Executive Director, GHASFUL, Alhaj Mohiuddin Ahmed, Executive Director, FHD, Roushan Ara Rekha, Chairman, Gharoni, and Akramul Hque, Director, ATMABISWAS.

BFRG started its activities with the formation of an eight-member convening committee on October 4, 1998. So far 107 NGOs have been enlisted as members, says a press release.

The Bangladesh Fund Raising Group has been founded in the backdrop of dwindling foreign support for development activities in Bangladesh through NGOs.

Rejoinder

The Asian Development Bank (ADB) has issued a rejoinder on a news item published in The Daily Star on August 10, 1999 under the title "ADB bureaucratic hassles prove too much — Titas Gas regulating, metering project hangs in balance." Following is the statement of the Bank:

We are concerned that the news item does not contain factual information, thus misleading the public about the causes of delay in implementing the Titas Gas project.

The concerned loan to Titas Gas, which covers this particular procurement, was approved by the Bank in 1993. Titas Gas took a long time in engaging the consultant and was able only in 1998 to float the tender after long 4 years. The delay in the engagement of consultant was due to an insistence by the Titas Gas to follow a consultant selection process which was different from that specified in the loan agreement. Based on Bank's procedures, the mode of selection of consultant is always specified in the loan agreement after due consultation with the executing agencies during project processing. Change in the selection criteria after signing of the loan agreement is not permissible without a valid reason.

It is a matter of fact that Titas Gas submitted the technical bid evaluation report to the Bank in February 1999 recommending to technically qualify 6 bidders by relaxing the qualification criteria specified in the bidding documents. In reviewing the evaluation report, the Bank noted a wide difference in the recommendations of Titas Gas's Project Implementation Committee and the Standing Tender Committee, and the decision taken by the Board of Directors of Titas Gas. It was also noted that Titas Gas had identified forged documents regarding eligible qualifications submitted by some of the bidders.

It should be noted that the Bank's procurement guidelines do not permit any relaxation of the qualification criteria set in the bidding documents after opening of the bids. As none of the bidders could meet the criteria, the Bank had no other choice than to decide for a limited retendering among the thirty firms who had purchased the bidding documents. This decision was communicated to Titas Gas in June 1999.

We wish to make it clear that there was no "bureaucratic hassle" in the Bank as reported in your newspaper. Furthermore, it is incorrectly reported in your news item that the documents were lost by ADB, necessitating Titas Gas to re-send the reports. The Bank has to strictly adhere to its procedures for review of evaluation reports and approval of contract awards to ensure that the proceeds of its loans are used economically and efficiently. The process of reviewing the evaluation report and reaching the decision for a limited retendering in the case of the Titas Gas project took a longer time than it normally does because of extenuating circumstances.

Aid pledges to Bangladesh in '98-99 hit all-time high

Aid commitments by the international donor community to Bangladesh stood at its record high at 2830 million US dollars in 1998-99 fiscal year, reports BSS.

It was the highest amount of total aid commitments to the country during the post-independence period.

The donors responded strongly to the request of the government for international assistance in the wake of the most devastating floods of the country in 1998.

The government, on its part, took strong measures through adjustment of its macro-economic management policies and reallocations of public resources to meet the emergency needs of the flood-affected economy for the purpose of relief, rehabilitation and reconstruction.

Aid commitments in 1998-99 fiscal was $420 million higher than the second highest level of such commitments at $2410 million made in 1993-94 financial year.

The donor's strong confidence in the post-flood economic management programme in 1998-99 fiscal was particularly remarkable against the backdrop of deteriorating global aid climate, exacerbated by thinning out of aggregate aid funds in view of the new claimants, particularly in the East European countries, to such resources for their economic restructuring in the post-Cold War era.

In the post-independence period, Bangladesh was hit by severe national disasters several times.

The coastal areas of the country were severely affected by a devastating cyclone in 1991-92 fiscal. A massive flood ravaged the country in 1988-1989 financial year.

But aid commitments by the donor community during those years did not match the one that was made in 1998-1999 fiscal.

In the cyclone-affected financial year 1991-92, such commitment totaled $1916 million and in the flood-affected 1988-89 fiscal the same aggregated $1872 million which were $914 million and $957 million lower respectively than that of $2830 million committed in 1998-1999 fiscal.

The government's strong and positive measures for the management of post-flood economy encouraged and facilitated the commitment of aid by the donor community at its record high level in 1998-99 financial year.

Under the management package, the government placed emphasis on the mobilisation of domestic resources by several cost-cutting measures to conserve resources for relief, rehabilitation and reconstruction purposes.

Effective institutional arrangements were also made to provide rehabilitation services. These gave positive signals to the donors about the government's priority, capability and efficiency for meeting the post-flood needs.

Along with increased efforts for mobilisation of internal resources for post-flood management, the government made adjustments of its sectoral resources allocation particularly under the Annual Development Programme (ADP), focusing on priorities.

The priorities were set for providing food under a vastly-expanded Vulnerable Group Feeding (VGF) programme and other related operations under public food distribution system, arranging healthcare facilities for the flood-affected people, extending house reconstruction support, particularly for low-cost housing for the most distressed people, and rehabilitation of social and physical infrastructure.

The government took special efforts to strengthen its disaster preparedness and early warning system, which largely helped alleviate the sufferings of the flood-affected people.

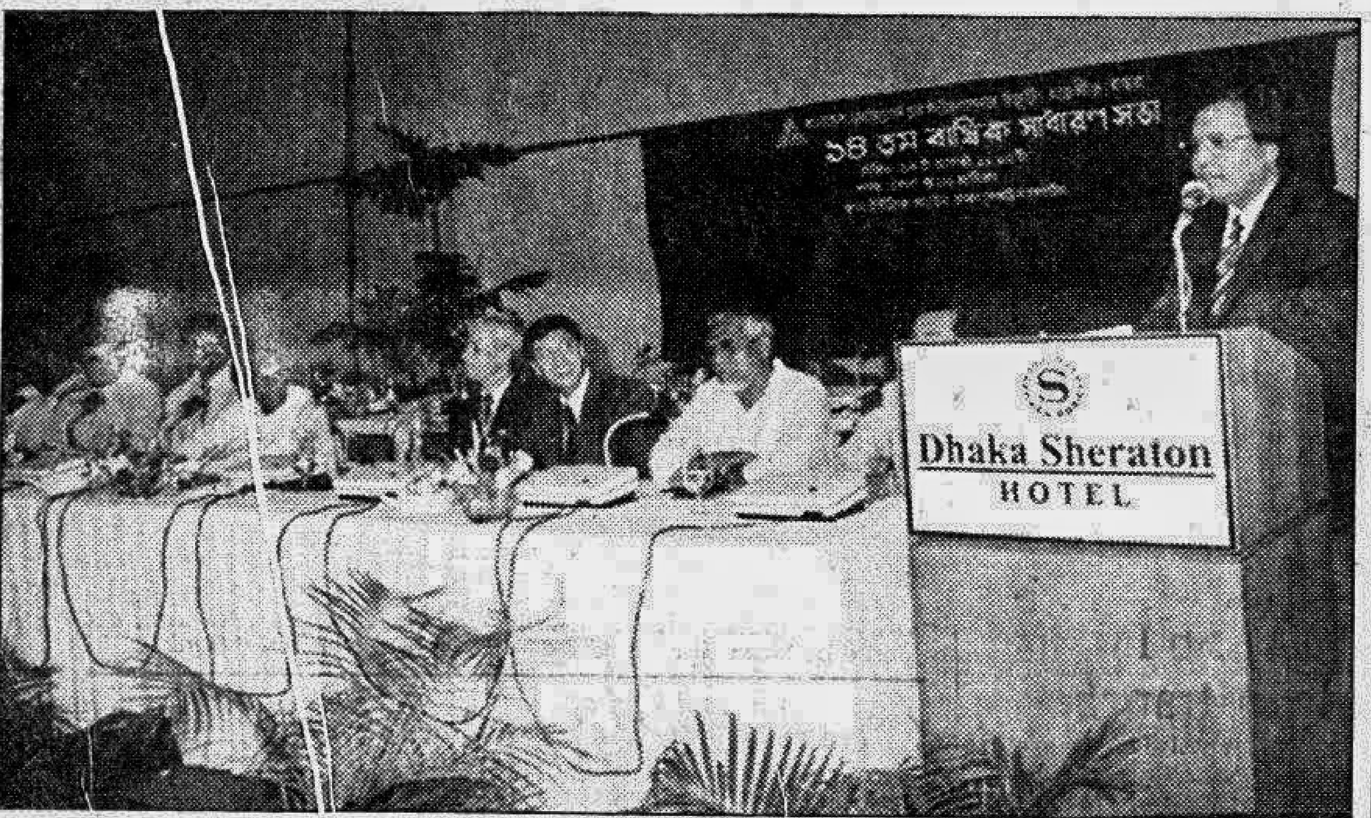
The rehabilitation responsibilities were assigned to different agencies of the government in accordance with the priorities that were drawn up on the basis of a code of disaster preparedness.

The post-flood relief, rehabilitation and reconstruction efforts by the government were monitored continuously at the highest executive level.

The members of the armed forces and the personnel of other relevant agencies were deployed in different parts of the country to expedite the implementation of the relief, rehabilitation and reconstruction operations.

Marilyn Monroe's famous "Happy Birthday Mr. President" dress was displayed om Thursday at the Christie's Auction House in Beverly Hills, California, as part of a preview of the former movie star's personal items that will be offered during an upcoming Christie's auction in New York, 27-28 October 1999. The rhinestone encrusted dress, worn by Monroe at a birthday tribute to President John F. Kennedy 19 May 1962 during which she sang her own version of "Happy Birthday" to him, is expected to bring an amount in the high six or low seven figures. Other Monroe personal items available at the auction include her photographs, earrings, cowboy boots, and two Golden Globe awards. Prior to the New York auction, the preview will also travel to Christie's London 18-22 September 1999, and to Christie's Paris 5-7 OCtober 1999.

—AFP photo



President of Bangladesh Association of International Recruiting Agencies (BAIRA) Mohammad Noor Ali speaks at the 14th annual general meeting of the organisation at Dhaka Sheraton Hotel on Tuesday. Labour and Employment Minister M A Mannan and BAIRA executive committee members and officials were present. — BAIRA photo

World's biggest cruise ship!

BUENOS AIRES, Aug 20: The Royal Caribbean cruise ships company will launch the world's biggest ship in November, the firm's vice president, Gary Bruton, said here Thursday, reports Xinhua.

Bruton told the press that the ship, built in Finland in one year at a cost of 600 million US dollars, has room for 5,000 people.

The 311-meter-long ship, named "Voyager of the Seas," weighs 142,000 tons, 42,000 tons more than the biggest US aircraft carrier. With a speed of 40 kilometers per hour, it can admit 3, 114 passengers and 1,881 crew members.

The cruiser has an ice skating rink, a mall, real size basketball courts, swimming pools and 100-meter streets for strolling on four decks, among other attractions for passengers, Bruton said.

The biggest ship of the world will make its maiden trip on November 21 to Jamaica, Grand Cayman, and Cozumel, in the Caribbean.

Tofail urges China to raise imports from Bangladesh

Commerce and Industries Minister Tofail Ahmed called upon the Chinese businessmen and the government to increase imports from Bangladesh to reduce huge trade deficit the country has long been suffering, reports UNB.

"We can offer many products, especially jute and jute goods, manufactured and frozen foods at competitive prices", he told a delegation from Chinese province of Hubei when they called on him in city Thursday.

The trade gap between the two countries is widening year-on-year. It rose sharply to US$ 582.13 million in 1997-98 from US$ 92.48 in 1990-91.

Led by vice-Governor of the province Zhou Jianwei, the 17-member delegation met him at his Commerce Ministry office and discussed trade-related matters.

Tofail said Bangladesh offers a conducive investment environment through which both the countries could be benefited.

Bangladesh would be benefited more if Chinese investors come forward with joint-venture projects in small and medium-scale industries," he said.

He pointed out that the government had taken measures to set up a diammonium Phosphate fertiliser plant in Chittagong with Chinese assistance. Besides, negotiations are going on to set up a paper mill.

"We have many areas to explore for the benefit of both sides."

During the meeting, the Chinese investors showed their keen interest to take up joint ventures in Bangladesh to manufacture agricultural equipment, machinery and fertiliser.

They are also interested in increasing investments in their already set-up projects in the textile sector located at Chittagong EPZ.

China has vast experience and effective technology for the development of agriculture sector, which they want to share with another agriculture-based country like Bangladesh, they said.

They said that joint venture projects would facilitate in reducing the huge trade gap between the two nations as China would get scopes to increase its imports in buy-back and other systems.

Chinese ambassador to Bangladesh Wang Chungui and Commerce Secretary Sayed Alamgir Farrouk Chowdhury were present in the meeting.

Response to SOE privatisation tenders seen lukewarm

Privatisation drive goes at a snail's pace as officials says response to the tenders floated to sell off the state-owned enterprises is lukewarm for various hurdles, reports UNB.

The Privatisation Board invited tenders to offload some 15 SOEs between November last year and August this year, but only two entered into the final stage-of transfer. The board, receiving no response, had to put some SOEs on re-tender.

Meanwhile, the Board has completed series of motivational campaigns involving labour bodies, political parties and other stakeholders. It took labour representatives to foreign trips to make them familiar with other nation's experience with denationalisation.

"Yet the privatisation goes slow. What can we do if entrepreneurs do not respond to tenders?" said a board official.

He said tender notices appeared on the front pages of six leading dailies. For attracting international parties, the notices are circulated abroad through eleven missions.

The Board floated tenders for four enterprises last November, but it could finalise the deal for only one of them.

In April this year, it put five SOEs on sale. Of them, Chittaranjan Cotton Mills is in early stages of selling while there is no response for four others. Bangladesh Textiles was put on tender for a second time as the first bid failed to woo any buyer.

The Board last month floated tender for a textile mill in Noakhali excluding long-term liabilities from the deal on experimental basis to win the bidders. Tenders will be open later this month. PB officials hoped the new offer would attract more applications.

Tenders were invited for five more enterprises on July 22.

Huge long-term and short-term liabilities, separation of land from factories procedural delays in handover, excessive manpower are among the decelerators for the much-needed sellout, business people said.

Besides, "the government lacks strong political decision for quickening the privatisation fearing labour unrest," said an executive of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

Superfluous manpower of the state undertakings frustrates prospective buyers as the government could not continue golden handshake due to fund constraints, he said, suggesting that there should be a decision about the fate of excess staffs before selling out and SOE.

He felt the government must separate all liabilities of a factory and make a transparent and detailed analysis on commercial operations showing an estimate of loss and profit.

"Why somebody will buy it if he doesn't find it viable?" argued the Chamber executive.

He also accused a section of government officials of unnecessarily holding back the process on the excuse of preventing loss of the exchequer.

"If they are much concerned about government's interest, they should at least try to close down SOEs to relieve the government of further losses, if not sell out," he said.

Privatisation in lenders' recipe and government's top priority to stop haemorrhage of national exchequer to the tune of Tk 2500 crore per year on account of the SOEs.

Major political parties apparently share a consensus over the need of privatisation as Jatiya Party government initiated the process and both BNP and Awami League government pursued it.

In spite of that, the Privatisation Board could finally hand over only 18 units so far in six years since it started work in 1993.

After a private-sector leader took over as Board chairman in 1997, 32 units were earmarked for sale. Only six were sold out, nine put on share market and some others are in various stages of offloading.

Business community feels the Privatisation Board, now put under the Prime Minister's Office, should be delegated more authority to directly sell out SOEs up to certain limits.

The Board needs government's approval at every stage to offload an SOE, whatever price it values.

The chief executive officer of China.com Corp, Peter Yip (L), is flanked by David Kim (R), chief financial officer, as he announces second quarter results at a press conference in Hong Kong Friday. The Hong Kong-based Internet firm posted second quarter revenues of 2.34 billion USD, up 174 per cent on the previous corresponding quarter, with net profit for the quarter at 1.9 million USD. China.com made a euphoric debut on the Nasdaq exchange in mid-July with share prices soaring 233 per cent within days of the IPO.

—AFP photo

Asian stocks end week up amid economic recovery signs

TOKYO, Aug 20: Most Asian stock markets ended the week higher Friday amid signs of economic recovery or of efforts to tackle the problems which plunged the region into crisis, reports AFP.

The announcement of a huge Japanese bank merger, and hopes of further reorganisation in the crisis-hit sector, pushed Tokyo stocks up 1.2 per cent despite weakness among export-led counters due to the strong yen.

Hong Kong also rose 1.2 per cent on a stong performance by China-related stocks and diminishing fears of a China-Taiwan clash. In Singapore, rosy export figures for July saw the index move up 0.8 per cent.

Sydney was down marginally with investors sidelined before next Tuesday's US Federal Open Market Commitee meeting. Kuala Lumpur moved up 0.7 per cent in lacklustre trade with most attention fixed on the possibility of a snap general election.

Bangkok recorded the day's highest per centage gain of 5.4 per cent after a new round of foreign buying on the back of the steadier baht sparked local investor interest. Seoul rose 0.83 per cent after better than expected growth figures, Taipei closed up 1.9 per cent on continued bullish sentiment and Manila rose 2.3 per cent.

Tokyo: Share prices in Tokyo closed 1.2 per cent higher as three top Japanese banks announced a major alliance to create the world's largest banking group, brokers said.

The Nikkei 225 index gained 218.37 points to finish at 18,098.11. The Topix of all issues in the first section on the Tokyo Stock Exchange rose 23.59 points to 1,498.94.

Trading was heavy with volume estimated at 783 million shares against 493.6 million shares the previous day.

"The market is heartened by the reorganisation of Japanese financial institutions," said Universal Securities Co. research director Tsutomu Ono. "Banks and securities attracted buyers."

Share prices were higher from the start of trading as buyers pounced on banks, securities houses and non-life insurers. In particular, banks were bought back after their recent declines.

"Expectations of further reorganisation in the banking sector grew strong," said a strategist at Deutsche Morgan Grenfell.

But the yen's advance against the dollar depressed high-tech blue chips and other export-oriented issues. They also remained under pressure following losses on the technology-heavy US Nasdaq index.

Hong Kong: Share prices rose 1.2 per cent on buying by local and overseas fund managers following Thursday's sharp gains and strong performances in China-related stocks, dealers said.

The key Hang Seng index gained 163.15 points to close at 13,566.74, its third consecutive daily gain, on turnover of 9.695 billion Hong Kong dollars (1.25 billion US).

Singapore: Stock prices ended 0.8 per cent higher after the island state reported a good trade performance, dealers said.

The benchmark Straits Times Index rose 17.40 points to end at 2,087.42 and the broader All-Singapore Index rose 8.41 points to 564.76.

Sydney: Share prices closed marginally lower as investors sat on their hands before a possible interest rate rise in the United States next week, brokers said.

The Australian Stock Exchange's key All Ordinaries index fell 1.7 points to 3,025.4. Turnover totalled 372.3 million shares worth 877.3 million dollars (570 million US).

Kuala Lumpur: Share prices closed 0.7 per cent higher Friday in lacklustre trade amid an absence of fresh leads, dealers said.

The Kuala Lumpur Stock Exchange composite index gained 4.94 points to close at 763.38 while the lesser second board index rose 1.16 points to 159.29.

Volume rose to 266.509 million shares worth 575.819 million ringgit (152 million ringgit) from 203.465 million shares worth 421.726 million ringgit Thursday.

Bangkok: Share prices surged 5.4 per cent after a new round of foreign buying on the back of the steadier baht sparked local investor interest, dealers said.

The Stock Exchange of Thailand (SET) main index finished 22.51 points up at 440.51, off a high of 443.53 and a low of 421.20. The SET 50 index of selected stocks closed 1.64 points higher at 30.81.

Volume on Friday was 8.67 million lots in heavy trade worth 14.34 billion baht (377.4 million dollars).

Jakarta: Share prices closed 0.9 per cent lower on profit-taking in blue chips triggered by a sell-off in state telephone monopoly Telkom amid further talk of a possible rights issue, dealers said.

Suhendra, an institutional dealer with Trimegah Sekurindo Lestari, said the market turned weaker in the late afternoon on the back of Telkom's weakness.

The Jakarta Stock Exchange composite index closed 5.579 points lower at 576.167. Turnover was 572 million shares valued at 791.3 billion rupiah (105.5 million dollars).

Manila: Share prices closed up 2.3 per cent as investors discounted the effect of two rival street marches being held in the capital, analysts said.

Although political jitters over the two rallies pulled the market down earlier in the week, Jose Ricardo Garcia of EVP Diversified Securities said that on Friday, "it seems that the market has discounted the rally."

The Philippine Stock Exchange composite index rose 50.27 points to close at 2,209.47. Volume fell to 995.6 million shares worth 2.896 billion pesos (72.4 million dollars) from 1.63 billion shares worth 2.46 billion pesos (64.73 million dollars) on Thursday.

Seoul: Share prices closed 0.83 per cent higher on the back of a strong yen and higher-than-expected second quarter GDP growth, dealers said.

The composite index closed up 7.21 points at 878.39, off a high of 879.18. Volume was 252.8 million shares worth 2.9 trillion won (2.4 billion dollars).

Taipei: Share prices closed 1.9 per cent higher on bargain-hunting to reclaim the benchmark level of 8,000, dealers said.

The Taiwan Stock Exchange weighted price index rallied 152.75 points to 8,117.42, following a 1.5-per cent decline in the previous two days.

Shanghai: B shares fell 0.5 per cent in response to the declines in the parallel market of locally traded A shares.

The Shanghai Stock Exchange's B-share index, which tracks shares nominally reserved for foreigners, lost 0.24 points to close at 47.58 points. The A-share index ended down 9.37 points, or 0.5 per cent, at 1,729.70 points.

Auckland: Stocks were down 0.2 per cent in what brokers called a good performance in the face of a weaker Wall Street and the bearish interest rate environment.