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The Daily Star BUSINESS

DHAKA, FRIDAY, FEBRUARY 25, 2000

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DITF extended by ten days

The duration of Dhaka International Trade Fair-2000 has been extended up to 5 pm on March 10, reports UNB.

A meeting of the steering committee of the fair yesterday decided this in view of the request from visitors and participants, said a press release.

Bangladesh to get Tk 56.49 cr Swedish grant

Bangladesh will receive 94.01 million Swedish Kroner (equivalent to Tk 56.49 crore) as mixed credit from Sweden, says UNB.

The amount will be received under a credit agreement signed at the Economic Relations Division yesterday between the government and the Swedish commercial bank, Skandinaviska Enskilda Banken AB.

The mixed credit is the combination of 50 per cent Swedish grant and 50 per cent export credit facility.

The credit will be utilised to procure 50 Volvo double-decker buses from Sweden for Bangladesh Road Transport Corporation (BRTC) to facilitate passenger transportation in the Dhaka city.

BGMEA team leaves for Lanka today

A two-member team of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) will leave Dhaka for Colombo today, reports BSS.

Headed by Chairman of the Standing Committee on BGMEA Institute of Fashion and Technology (BIFT) Harun-ar-Rashid, the team will join a certificate-awarding ceremony of BIFT instructors at the invitation of Phoenix College of Clothing Technology there. The other member of the team is Tahmina Selim, a member of the same Standing Committee.

Glaxo Wellcome, BCDS settle dispute

The dispute between Glaxo Wellcome Bangladesh Limited and the Bangladesh Chemists and Druggists Society (BCDS) has been settled, says a press release.

The settlement was arrived at a meeting between the two sides on Tuesday.

Mediated by the ex-president of BCDS A N M Bahau Haque, the meeting was presided over by the BCDS president Sadequr Rahman.

Glaxo Wellcome's Managing Director Syed Fazlul Haque and Marketing Director Hasan Ferdousi and leaders of central and branch committees of BCDS participated in the meeting.

Both the parties discussed the issues under dispute and Glaxo Wellcome agreed to ensure 16 per cent retail commission on locally manufactured products.

Regarding the wholesaler commission issue, it was decided that it would be discussed between BCDS and the Bangladesh Aushadh Shilpa Samity. Meanwhile, Glaxo Wellcome Bangladesh Limited has agreed to continue 2 per cent discount for wholesalers.

As a result of these understandings, Glaxo Wellcome will resume its distribution operations across the country with immediate effect.

The meeting expressed confidence that the excellent relationship existing between Glaxo Wellcome Bangladesh Limited and the medicine traders of the country would continue in the future.

New GM-Marketing of Ericsson Bangladesh



Engineer Anwar Hossain has recently joined Ericsson Bangladesh as its new General Manager, Marketing, says a press release.

He will be primarily looking after the marketing activities of Ericsson consumer products for Bangladesh market which is part of Ericsson's commitment to develop market leadership in the country with their consumer products, mainly Mobile Phones, said Jan Campbell, Managing Director, Ericsson Bangladesh.

Prior to joining Ericsson, Anwar Hossain was the Divisional Manager of the Consumer Products Division of Siemens Bangladesh Limited.

AIMS First may invite public subscription next month

By M Shamsur Rahman

Years after the promulgation of the new Mutual Fund Regulation, the first-ever private mutual fund of the country - AIMS First Guaranteed Mutual Fund - is expected to begin public offering next month as the Securities and Exchange Commission (SEC) yesterday consented to the issuance of its prospectus.

The subscription will begin on March 5 and continue till March 16, said Asset & Investment Management Services of Bangladesh Ltd (AIMS) Managing Director Yawer Sayeed.

AIMS Bangladesh will act as the fund manager by raising and managing the fund.

The size of the mutual fund is Tk five crore. Of the total amount, Tk two crore has already been raised from the

sponsors, Tk two crore will be raised through private placement while the rest Tk one crore is expected to come from public offerings.

The fund, which is meant to enjoy a five-year tenure, will be liquidated on its maturity at the end of the fifth year. An annual general meeting (AGM) of the shareholders will decide the extension of the fund's life on the last year.

The fund will be a guaranteed one, i.e. an investor will be assured of getting his or her money back on its maturity or redemption, at least in the form of the face value.

The face value of each unit of the fund will be Tk one with 2,500 units making a lot.

Unlike the traditional mutual funds in Bangladesh, AIMS First Guaranteed Mutual Fund will be invested in both equity and fixed income securities.

The fund was launched on August 29 last year with the signing of a trust deed between the sponsors and its trustee, investment management agreement and capital guarantee agreement.

The fund's sponsors are: IPDC, Sandhani Life Insurance, Pangea Partners, IDLC, South-east Bank Ltd, Uttara Finance Limited, Sandhani Credit Co-operative Society Ltd and Bangladesh Industrial Finance Company Ltd. The trustee of the fund is Bangladesh General Insurance Company Ltd.

To encourage and make the first-ever mutual fund of the country profitable, the National Board of Revenue (NBR) had earlier offered tax waiver to the fund and the Law Ministry had waived the registration fee, which is expected to save it Tk 12.5 lakh.

Standard Chartered Bank will provide the custodian services to the fund.

AIMS of Bangladesh is coming up with the fund years after the promulgation of the Securities and Exchange Commission (SEC) Mutual Fund Regulation, 1997. Company officials say that a second mutual fund of Tk ten crore is at an advanced stage and is expected to be okayed by May.



Shomir Choudhuri (C), Chairman of the Business Information System Ltd (BiS), addresses a press conference on the publication of the company's telephone directory for two regions of the country. Habib Sattar (R), Managing Director of the company, and Vince Ho (L) of SingTel Yellow Pages were also present. —Star photo

Phone subscribers likely to get directory by early 2001

BTTB contracts out publishing job to 3 cos

Star Business Report

For the first time in the country, every telephone subscriber is expected to get a phone directory by early next year as BTTB has contracted out the job of its publishing to three private companies.

BTTB has divided the country into four regions and contracted the job out to three companies. Business Information Systems Ltd (BIS) has won the directory-publishing work with yellow pages for two telecom regions - Dhaka and Chittagong - which cover 80 per cent (3,40,000 subscribers) of the country's population having

telephones. Two other companies got the work for Rajshahi and Khulna regions.

BTTB's contract with private sector companies will run for five years. According to the terms, the Board will purchase the directories and distribute them. BIS officials said at a press briefing at the National Press Club yesterday.

The officials said that they had taken measures to print the telephone numbers of all the subscribers of the Dhaka and Chittagong regions, which they would update every year.

BIS has also entered into a

management agreement with SingTel Yellow Pages Pvt Ltd, a member of the Singapore Telecom Group, for managing the sales and marketing activities.

The two companies have also agreed to dig into the possibilities of a joint venture company to explore business opportunities in Bangladesh, the officials said.

Chairman of the company Shomir Roy Chowdhury, Managing Director Habib Sattar, Sales Training Manager of SingTel Yellow Pages Vince Ho and its Marketing and Sales Manager William Victor also spoke on the occasion.

Unplanned liberalisation takes toll Big reform plan for paper industry underway

As "unplanned liberalisation" seriously affected the country's paper industry depriving the government of crores of taka in revenue, a massive reform plan is underway for the sector.

"We are planning to restructure the public sector paper mills while revision of tariff barriers for the private sector is under consideration," Industries Minister Tofail Ahmed told UNB Wednesday.

Elaborating his ministry's plan, he said it would be aimed not only at meeting domestic consumption, but also for export.

Tofail blamed the previous BNP government for "pushing the paper and newsprint sector almost to ruin by adopting a wrong policy without giving any protection to local industries."

Khan Mohammad Iqbal, President of Bangladesh Paper and Board Mills Association (BPBMA), however, said the present government has also been continuing with the wrong policy of its predecessor.

Officials at the Industries Ministry said annual consumption of paper and newsprint in the country is 4.5 lakh tons while the production in both public and private sector is only two lakh tons.

Private sector entrepreneurs said they are unable to compete as tariff on raw materials is much higher than the imported finished paper or paper in the form of printed matter.

As the Sylhet Pulp and Paper Mills (SPPM) is now almost floated for its development, the tender will be opened on February 28, officials said.

They said development programme would also be undertaken for the Kamapuhli Paper Mills (production capacity 30,000 tons). Tender for the development programme opened on February 20 is under evaluation.

As the Sylhet Pulp and Paper Mills (SPPM) is now almost floated for its development, the tender will be opened on February 28, officials said.

They said the mills after the modernisation programme, approved by the ECNEC, would produce both pulp and paper. The SPPM can produce only 30,000 tons pulp per annum, but its production is suspended at present.

The North Bengal Paper Mills is also not in good shape.

It uses bagasse as raw material. The mill, with 15,000 tons capacity, can't produce more than 8,000 tons due to shortage of raw materials.

"We have also a plan to modernise this mill. We will look for alternative raw materials," Tofail said.

Apart from the four public sector paper mills, there are 26 others in the private sector. But most of the private mills are facing various problems due to "wrong policy of the government."

BPBMA President Khan M Iqbal said the local industries should be given priority by imposing more tariff on imported finished paper or paper in printed form.

Industries Minister Tofail Ahmed said his ministry would consider the matter. "I will take the proposal to the Finance Minister for his consideration."

While Iqbal said tariff on chemicals, both consumable and for maintenance, should be decreased, Tofail said the present government already waived duties on importing the chemicals used by the mills.

Blaming the BNP government for selling newspaper of the KMN at Tk 19,000 per ton instead of the original price of Tk 40,000 "to their partymen," the minister said this made the entire industry sick.

"We stopped all kinds of unfair means. We are taking pragmatic steps to protect domestic industries. The paper sector will also be protected for the sake of national economy," Tofail said.

Int'l Optical Fair begins in city

A three-day International Optical Fair began in the city yesterday putting on display local optical products, taking an aim to attract foreign buyers and add a new item to the country's export basket, reports UNB.

Inaugurating the exposition at a local hotel, Industries Minister Tofail Ahmed urged the entrepreneurs to go for joint venture projects with a view to infusing modern technology in grabbing foreign markets.

He asked the investors to produce quality products to compete with those in the international market and assured them of providing incentives for speedy development of the sector.

The organisers said some 50 companies are now producing various optical products meeting 85 per cent of the domestic demand of plastic and 35 per cent of metal frames.

Some companies are also exporting a few products, including lens on trial basis, they said.

Move to tackle revenue fall HK needs to introduce sales tax in budget

HONG KONG, Feb 24: Hong Kong Financial Secretary Donald Tsang must face up to the issue of declining government revenues, possibly by introducing a sales tax, when he unveils the government's 2000/01 budget on March 8, experts said, reports Reuters.

Most economists and accountants say the government has a structural deficit problem, primarily because of a very narrow tax base and over-dependence on property-related income.

Tsang last week reversed previous comments and said he did not see a balanced budget in 2001/02, which would mean the government running for a consecutive deficit budgets since 1998/99.

"It's a structural problem

because our economy has been undergoing a structural change from a property-based economy into a non-property based economy," said Shamus Mok, chief economist at Bank of East Asia.

He said new areas of productivity, such as hi-technology and e-business, would take time to generate growth, and the government could not rely on asset inflation to guarantee profit as it had when Hong Kong was a property-based economy.

Analysts said a comprehensive review of the tax system was long overdue. The last review was in 1976.

One solution which has generated much debate in the territory is the introduction of a broad-based indirect tax, such as a consumption or sales tax of two to three per cent.

EC vows support for continuation of IJO

The European Commission (EC), softening a recent EU stand, has assured strong backing for continuation of the International Jute Organisation (IJO).

Besides keeping the present aid and assistance flow to Bangladesh as it is, the EC is likely to allocate more funds for women empowerment activities here in future.

EC Commissioner for Development and Humanitarian Aid Poul Nielson, in an exclusive interview with BSS on Tuesday night said, "We will review our position and take a relaxed stand on the text of the present IJO agreement."

Minutes before his departure for home he told the news agency at the local EC mission that there should be no confusion on the continued support of the EC to IJO. At the same time, "the EC expects that the IJO in future would be a more service-oriented, policy-aiming and innovative organisation dedicated to the development of Jute," he added.

IJO, the lone Dhaka-based UN affiliate, will automatically cease to exist following the expiry of its current mandate on April 11, if a successor agreement is not finalised on schedule.

A special session of the International Jute Council (IJC), the governing body of IJO, in Dhaka early this month ended without finalising the draft successor agreement due to certain disagreement over it by the European Union, which has 15 members on the 24-nation body. A crucial meeting in Geneva, beginning on March 27, is expected to sort out the dis-

cord raised by the EU to give the body a new lease of life.

Commissioner Nielson, a member of the highest policy-making body of the European Union, said the EC is committed to continue its long-term partnership in Bangladesh's development efforts.

He said even after the global decline in aid flow, EC's commitment for not down-sizing the current assistance to Bangladesh, is a reflection of its keen interest in the country's continued development. He, however, indicated that women empowerment will be given highest priority in case the EC allocates more funds in future.

Nielson highly praised the wisdom of the government for signing of the Ganges Water Sharing Treaty, Chittagong Hill Tracts peace accord, transshipment initiative and trade pact with Myanmar.

About his remarkable impression during the three-day visit, Nielson said, "I very much liked the state-of-the-art women-oriented activities guided by modern strategy of poverty alleviation in Bangladesh."

In reply to a question, the EC Commissioner who had been to Dhaka twice before, said his organisation will examine the possibilities of taking part in the regional development under the SAARC framework.

During his stay, he called on Prime Minister Sheikh Hasina, Foreign Minister Abdus Samad Azad and Finance Minister Shah AMS Kibria. He along with his team, also visited the EC-funded development projects in Bangladesh.

GrameenPhone launches its Sylhet operation

GrameenPhone Limited, the largest mobile phone operator in the country, formally launched its operation in Sylhet yesterday.

Speaker of the Jatiya Sangsad, Humayun Rashid Chowdhury, inaugurated the operations by making the first phone call from Sylhet to the Chairman of GrameenPhone, Khalid Shams, in Dhaka.

GrameenPhone (GP) is the first digital cellular phone operator to start its operation in this important divisional headquarters. All preparations have already been completed for starting the services in Sylhet town and its adjacent areas.

Initially, GP will be selling connections in Sylhet town and its adjacent areas through its appointed sales points.

The service in other districts of the division will commence soon after points of sales are selected and appointed for those

areas, says a press release.

A joint venture company comprising Telenor - a state-owned telecommunications company from Norway, Grameen Telecom - a sister concern of Grameen Bank, Marubeni Corporation - a leading trading company from Japan, and Gonofone Development Corporation - an American investment firm, GrameenPhone uses the Global System for Mobile Communication (GSM), digital technology to provide services to more than 67,000 subscribers.

GSM digital cellular phone services are used by over 250 million people in more than 140 countries. This technology is by far the most popular worldwide.

GrameenPhone is one of the largest private sector ventures in the country with US\$ 85 million already invested in infrastructure development.

The Asian Development Bank, International Finance Corporation and the Commonwealth Development Corporation provided US\$ 55 million in loan and equity investments to GrameenPhone last year. These loan and equity investments have not only added prestige and recognition but have also strengthened the ability of GP to expand its network in new areas of the country.

GP is the leader in mobile phone industry with nearly 50 per cent of the market share.

over 200 base stations, coverage in over 21 districts in five divisions including Sylhet, Dhaka, Chittagong and Khulna divisions and partial coverage in Rajshahi division.

GP plans to expand its network in all six administrative divisions of the country by covering more than 40 districts within this year.

GrameenPhone has been a pioneer in introducing new and innovative products and services in the local market. In addition to its popular mobile-to-mobile (GP-GP) product, GP has introduced the EASY Pre-Paid service, a unique product that allows a subscriber to control the usage and avoid the hassles of bill payment.

GP is offering value-added services like the Voice Mail Service (VMS) and the Short Message Service (SMS). GrameenPhone also offers international roaming facilities. GP is also the only mobile telephone operator in the country with a 24-hour customer service, Hotline.

GP also provides services in the rural areas through its Village Phone Programme. Currently there are 1200 village phones in as many villages around the country. This programme gained global recognition recently at the GSM World Congress in Cannes, France where GP was given the "GSM in the Community Award."

Office of the Executive Engineer Feni PWD Division, Feni

Tender Notice

No. 17 of 1999-2000

Sealed tenders are invited in BD Form No. 2911 for the undermentioned work as per terms & conditions stated below:

- Name of work : Construction of Regional Duck Breeding Farm along with Hatchery at Sonagazi, Feni. (Sub-head: Construction of HBB Compound Road).
- Estimated cost : Tk 4,39,856/-
- Earnest money : Tk 8,800/-
- Time allowed for completion of the work from the date of issue of work order : 90 (ninety) days.
- Price of tender : Tk 425/- (Tk four hundred twenty-five) only (non-refundable).
- (a) Place of selling : All Executive Engineers under PWD Circle, Comilla & all Sub-Divisional Engineers under Feni PWD Division.
(b) Place of receiving and opening the tenders : Office of the undersigned and all Executive Engineers, office under PWD Circle, Comilla.
- Last date of selling tender : During office hours up to 05.03.2000.
- Eligibility of contractor/firm to compete in the tender : (a) Category applicable as per financial limit of authorised enlisted contractor of PWD. (b) The intending tenders must have VAT registration and TIN Certificate. (c) Attested copy of VAT registration & TIN Certificate is to be enclosed along with the tender. (d) Original money receipt of purchasing tender will have to be enclosed with the tender.
- Date of receiving & opening of tender : Up to 12:00 Noon of 06.03.2000 and will be opened on the same day at 12:15 PM.
- Lottery (applicable where necessary) : If more than one tenders are received having same rates & stand lowest, selection will be made by lottery to be held on 13.03.2000 at 12:30 PM in the Office of the Executive Engineer, Feni PWD Division, Feni in presence of intending tenderers who may like to be present.

The undersigned reserves the right to accept or reject any or all the tenders without assigning any reason.

Nasir Uddin Mahmud Chowdhury
Executive Engineer
Feni PWD Division, Feni

DFP-3613-16/2
G-320