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# The Daily Star BUSINESS

DHAKA, SUNDAY, MARCH 5, 2000

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## PDB subsidiary company starts functioning

The newly established Bangladesh Renewable Energy Development Company Limited (BREDC), a subsidiary company of Bangladesh Power Development Board (PDB) has started functioning, a BPDB source told BSS yesterday.

It said PDB had floated BREDC with a view to streamlining, strengthening, popularising and expanding renewable energy technologies throughout Bangladesh.

BREDC, which has started functioning with a seed money from PDB, will generate its own fund through participating in competitive commercial ventures and by earning profit.

The company is expected to have a very good impact in meeting the challenges of providing power to the vast population living in the remote areas.

The BREDC will mainly function to disseminate, manufacture, assemble, finance, supply or install different renewable energy technologies.

It will provide consultancy and other expert and specialised services on a commercial basis in all the fields of new and renewable energy technologies.

## Caterpillar in power equipment deal with United Summit

Star Business Report  
Caterpillar International Power Systems Asia-Pacific will supply power generation equipment to handle the rural power needs of Bangladesh.

A contract to this effect has been signed between Caterpillar and United Summit Power Co Ltd in the city recently, says a press release.

Under the contract, three power plants will be constructed, each using three G3616 and one G3516 Caterpillar genset and auxiliary equipment to be manufactured at the Cat facility in Lafayette, Indiana.

Each plant is scheduled to go into commercial operation in December this year and will initially generate 11 MW, providing rural electric power to about 100,000 people.

Through additional phases of the programme, to be completed within the next 16 months, further power generation capacity will be added with potential expansion of each power plant up to 33 MW.

When completed, these will be the largest Cat-powered natural gas engine plants in the world.

United Summit Power Co Ltd will supply power to the Bangladesh electric grid through the country's Rural Electrification Board for 15 years.

## Banks need to shoulder risks for collateral-free loans

Kibria says at MIDAS Financing Ltd inauguration

Star Business Report

Finance Minister SAMS Kibria yesterday said that the bankers have to shoulder the calculative risk for giving collateral-free loans, which need strict monitoring.

"In banking terms, collateral-free loan is obviously risky. But we have to take this risk for industrial development," he said, adding that the bankers also have to change their mindset and play the role of a friend of their clients.

The finance minister was speaking as chief guest at the inaugural ceremony of MIDAS Financing Ltd (MFL), a non-bank financing window of Micro Industries Development Assistance and Services (MIDAS), at its premises in the city.

To check the default culture and encourage collateral-free loan, the finance minister urged the bankers to judge the

person and his character while going through any loan proposal. Collateral should not be the main criteria of judging their eligibility for loans, he observed.

"It is the person who will get the loan, not the property he will provide as collateral," he said, adding that it had happened in the past that people in collusion with dishonest bank officials inflated the price of land offered as collateral. This trend has given rise to the default culture.

To check this practice, the bankers have to strictly monitor the utilisation of the money taken as loans, Kibria said.

Mentioning the government's efforts to curb default culture, the finance minister said that the recovery of agricultural loans given after 1998 flood, was showing positive signs.

He focused on the future need of collateral-free venture capital for the development of Information Technology (IT), especially software export, which is expected to grow with the deregulation of V-SAT and withdrawal of duties on computers and accessories.

Mentioning inherited discipline and lack of diversification in the country's financial sector, Kibria said the government has taken initiatives to allow more bank and non-bank financial institutions to meet the diversified requirements of the society.

In this connection, he said MFL is one of them with the objective to sanction collateral-free loans up to a certain limit.

MFL has been set up as a spin-off of MIDAS with the aim of taking over the enterprise-financing role on a larger scale.

With a paid-up capital of Tk 55.4 million, MFL has set its target to finance up to 70 per cent of the small and micro enterprises at 15 per cent annual service charge. For small enterprises, loans would be available up to Tk 10 crore with maximum 10 years repayment period. For micro enterprises, credits would vary from Tk 50,000 to Tk 500,000, with repayment to be made in monthly or bimonthly instalments over a period of three years.

MFL will provide collateral-free loans up to Tk 300,000.

The programme was also addressed, among others, by State Minister for Information and Publicity, Chairman of the MIDAS Board Samson H Chowdhury, Chairman of MFL Amirul Islam and MFL Managing Director Abdul Karim.

## South Asia Insurance Co Ltd launched

## Call for setting up re-insurance corp'n

Star Business Report

A re-insurance corporation should be immediately established in the country to help earn and save foreign currency

by providing reinsurance services to other nations.

The observation was made by Ghulam Akbar Chowdhury,

Chairman of South Asia Insurance Company Ltd, at the company's inaugural ceremony at Sonargaon Hotel in the city yesterday.

He suggested that the Directorate of Insurance (DOI) should be properly equipped for monitoring the activities of the existing 60 insurance companies. "It is not possible for DOI to oversee the activities of these insurance companies properly with its current capacity."

Commerce Minister Abdul Jalil attended the function as the chief guest while Bangladesh Bank Governor Dr Mohammad Farashuddin and Commerce Secretary Ghulam Rahman were present as special guests.

Chaired by Ghulam Akbar Chowdhury, chairman of the new company, the function was addressed by Syed Tanveer Hossain, Chief Controller of Insurance, and Mohamed Nasiruddin, Director of South Asia Insurance Co. Ltd.

Calling for product diversification, BB Governor Dr Mohammed Farashuddin said there is no insurance product for the agriculture sector in Bangladesh, which is still the main contributor to the economy.

If needed, the government will provide subsidy to agriculture, Farashuddin said, stressing fair competition in the sector.

The commerce secretary was very critical of the insurance companies, saying that some of them were engaged in illegal business.

"There's an unholy alliance between a number of insurance companies and banks, which allows them to open fake letters of credit (L/Cs). We have to prevent this illegal practice," Ghulam Rahman said.

The insurance companies are spending excess money for their administrative purpose, he said, adding that "the Directorate of Insurance (DOI) should monitor the issue."

Moreover, people always face harassment for realising their insurance claims, the commerce secretary mentioned. To ensure fair competition in the sector, the government has approved 19 general insurance and 11 life insurance companies, he said.

South Asia Insurance Company Ltd's paid-up capital is Tk 15 crore. Of this, Tk 6 crore has already been subscribed by the sponsors while the rest will be raised through public subscription within three years.



Larry E Wallden, President of Caterpillar Asia (right), Hasan Mahmud Raja, Managing Director, Summit Power Company (middle), and GATCO Managing Director Aminul Haq (extreme left) sign a contract for supply of gas generator on Thursday. Also seen in the picture (standing) General Manager of GATCO Nazmul Huq (left), US Ambassador John C Holzman, Chairman of REB Brig (rd) M A Malek, Executive Chairman of BOI M Mokammel Huq and Chairman of United Summit Co. Mohammad Aziz Khan.

## Govt mulls over free trade arrangement with US

Issue may be raised during Clinton's visit

Finance Minister Shah A M S Kibria yesterday said the government is actively considering to raise the issue of a bilateral free-trade arrangement between Bangladesh and the USA during President Clinton's upcoming visit reports BSS.

"I personally think that the proposal of free trade arrangement is worthy and I shall talk to concerned ministries to raise the issue officially for the greater benefit of the two countries, especially Bangladesh," the minister said in an interview with the news agency when asked about the possibility of raising the issue.

The minister said free-trade arrangement would help the country's export-oriented industries grow as its main export destinations are the US and Europe.

The volume of export would increase significantly if the free trade arrangement takes place, he observed.

Referring to the increasing competitive market worldwide, especially after 2005, the minister said the future of the country's economic development would depend on the export-base. The free trade arrangement would help in boosting our exports, he added.

The minister said that Bangladesh would gain from higher foreign investment from such free trade arrangements. Investors from the US would be interested in taking advantage of lower labour cost in Bangladesh to produce for the US market, he added. Advance technology would enter our market through technical

know-how and machinery, he said, observing that such cooperation can be of common benefit without involving any assistance on the part of the richer countries.

In another interview, noted economist Dr. Wahidul Jin Mahmud, who launched the idea of free trade arrangement, told BSS that offering such a facility to Bangladesh — the most important among the least developed countries — could be of great symbolic value in raising her international goodwill and image.

Dr. Mahmud, President of Bangladesh Economic Association said it would be more beneficial if we enter into a trade arrangement with US on absolutely equal terms.

## SEC dilly-dally delayed AIMS First floatation

Fund MD says at press conference

Star Business Report

Despite professional approach by the asset manager, government high-ups had to intervene in the floatation of the country's first private mutual fund.

Managing Director of AIMS of Bangladesh Yawer Sayeed, the Asset management company for the AIMS First Guaranteed Mutual Fund, said this at a press conference to introduce the member of the Fund's trustee committee.

"We feel that the attitude of the regulators was intended at nipping the mutual fund in the bud," Sayeed said. He said bureaucracy, unnecessary delay and wrong interpretation of laws were the main hindrances which delayed the Fund's floatation.

"Due to this simple administrative delay, we suffered huge losses as it kept a huge amount of our funds idle, for which we are not responsible. Will we be compensated for the loss due to this delay?" Sayeed posed the question.

Sayeed said that most of the government departments but the Securities and Exchange Commission (SEC) were co-operative.

"Lack of transparency, efficiency and baseless suspicion by the SEC officials delayed opening of the subscription," Sayeed said. He said AIMS first filed an application for floating the mutual fund on September 12 last year, but it hinged on

SEC delay.

He said the SEC suggestion for keeping AIMS out of the trust deed undermined its role even though the sponsors had agreed to invest their money knowing that the asset management company would play an important role in the Fund's management.

"This was the first major setback for us. Finally after two months, the SEC approved the trust deed on November 16," Sayeed said.

He said we faced another problem regarding the fixation of the trust deed registration fee under Trust Act, 1882. "But with the cooperation of the Law Ministry, we managed to get registered by getting full fee waiver."

"Subsequently, SEC gave registration to the fund on January 27. In the meantime, AIMS also received the Commission approval as an asset management company. But SEC kept on delaying approval for the mutual fund prospectus in the name of getting legal opinion."

"The matter which could have been settled a year back, raised the question of whether AIMS could underwrite the fund. So we agreed to underwrite the fund without any fee. We are probably the only company in the world to have agreed to underwrite the fund without any commission," he said.

The SEC also objected to financial projection of the fund,

he said. But for the sake of transparency and accountability, we decided to publish the prospectus.

But, we finally decided to back out when the SEC said that it would approve the prospectus with the condition of lock-in on the sponsors' stake.

"We even drafted a letter to withdraw our application, but somehow the DSE Chairman Rakibur Rahman and CSE Chairman Amir Khosru Mahmud Chowdhury came to know about the grievances and took the matter before the Parliamentary Standing Committee on the Finance Ministry."

The prospectus of the Fund was finally approved on February 24 following the standing committee intervention.

Sayeed later appealed to the SEC for removing the loopholes in the laws and paving the way for the much-needed mutual fund in the interest of the depressed capital market.

Sayeed later introduced the member of the trustee board. The subscription of the fund begins today and will continue till March 26. Standard Chartered Bank will provide the custodial services while BGIC has consented to be the trustee.

The conference was also addressed by MA Samad, BGIC Chairman, Anisuzzaman, member of the trustee committee, and Arshadul Islam of Pangea Partners.



## Directorate General Defence Purchase

Ministry of Defence

New Airport Road, Tejgaon, Dhaka-1215

## Tender Notice

1. Sealed tenders in foreign currency are invited from bonafide manufacturers/dealers/suppliers/indentors (enlisted firms in DGDP) for supply of following items for Bangladesh Navy:

S No	Name of items & qty	Selling date	Opening date	Tender No	Tender value
a.	Night observation sight (Binocular) Qty—03 in Nos	12-3-2000 to 20-4-2000	23-4-2000	6413/NP-4	Tk. 100/00
b.	Marine generating sets Qty—02 sets	20-4-2000	23-4-2000	6414/NP-4	Tk. 1,500/00

2. Tender schedule with detailed specifications/conditions will be available on payment as per I/T selling rate (not refundable) during office hours between 0800 hrs to 1300 hrs. The tender can be dropped latest by 1000 hrs and opened at 1005 hrs on the specified date of opening in the presence of tenderers (if any).

ISPR/Misc/2000/193  
DFP-4757-29/2  
G-402

Lt Cdr BN  
For Director General

## JOBS workshop on bank SME client training held in Rajshahi

A three-day training workshop on "Bank SME Client Training in Strengthening Business and Marketing Development" ended at the Agrani Bank's Zonal Office in Rajshahi recently, says a press release.

The seminar was organised and sponsored by the USAID-funded JOBS Programme in collaboration with Micro Enterprise Development Unit (MEDU) of Agrani Bank.

The training was conducted by the Centre for Human Excellence (CHCE).

The General Manager of Agrani Bank, Rajshahi Circle, Akhter Ayesha Khanam, distributed certificates among the participants as chief guest.



Photograph shows (From L-R) M Raihanul Islam, DGM, Rajshahi Zonal Office of Agrani Bank, Hasan Imam Khan, Asstt. Manager of JOBS, and Khatib Nazul Islam, DGM, Rajshahi Zonal Office, Akhter Ayesha Khanam, GM, Rajshahi Circle, Mufazzal Hussain, Project Coordinator, MEDU of Agrani Bank, attending the closing and certificate-awarding ceremony of a JOBS-sponsored training workshop on "Bank SME client training in Strengthening business and marketing development" held in Rajshahi recently.

— JOBS photo

## Government of the People's Republic of Bangladesh

Office of the Executive Engineer

Local Govt. Engineering Department  
Hospital Road, Majidpur Court  
Noakhali-3800

Noakhali Rural Infrastructure Development and Maintenance Project (RDP-22)

Memo. No. LGED/XEN/Noa/RDP-22/Tender/2000/538

Dated: 22-02-2000

## Notice Inviting Tender

Tender No: 23/99-2000 (NRIDMP-11)

- Sealed tenders are hereby invited from bonafide (Renewed for FY-1999-2000) pre-qualified contractors of "Noakhali Rural Infrastructure Development and Maintenance Project (RDP-22)" as eligible category for execution of 2 (Two) groups of works as mentioned below.
- The Local Government Engineering Department (LGED), Government of the People's Republic of Bangladesh, as represented by the Executive Engineer, LGED, Noakhali District, invites sealed tenders from pre-qualified contractors of RDP-22, for furnishing the necessary labour, materials, equipment and services for the construction and completion of reinstatement and repair of road damaged due to floods and construction of structures.
- Interested abovementioned contractors may obtain further information from, and inspect the tender documents at the Office of the Executive Engineer, LGED, Noakhali District, at Hospital Road, Noakhali or at the Office of the Project Director, RDP-22 Project, LGED Bhaban, Agargaon, Sher-e-Bangla Nagar, Dhaka-1207.
- A complete set of the tender documents may be purchased by any interested pre-qualified contractors on the submission of a written application to one of the above and upon payment of a non-refundable fee as mentioned in the group list. Additional sets of documents may be purchased each at the same price. The tender documents will be available during office hours up to 13-03-2000.
- No tender will be sold on the date of submission of tender.
- All tenders must be accompanied by the tenderer to requisite amount of tender security in the form of Bank Draft, Pay Order in taka in favour of the Executive Engineer, LGED, Noakhali District from any scheduled bank of Bangladesh.
- All tenders must be dropped in the tender box kept in the Office of the Executive Engineer, LGED, Noakhali District, or in the Office of the Project Director, RDP-22, on or before 2:00 PM on 14-03-2000.
- Tenderers may also submit tender by Registered Mail with acknowledgment due, which must reach to the concerned XEN and PD Office (s) before the deadline of receipt of tender. Late received tender will not be accepted.
- Tenders will be opened at 2:30 PM on 14-03-2000 in the presence of the tenderers or their representatives (if any) at the Office of the Executive Engineer, LGED, Noakhali District and at the Office of the Project Director RDP-22.
- The authority reserves the right to accept or reject any or all tenders without assigning any reason.
- Successful bidding may not assure issuance of work order. Rather it shall be subject to availability of requisite fund.
- The particulars of the tender are stated below:

Gr. No	Name of the works	Tender security (Tk)	Price of schedule	Time allowed for completion	Eligible contractor
1	2	3	4	5	6
38/99-2000	Maintenance work for Sonapur-Aktermarhat Road (Ch.00-4000m) under Sadar, Noakhali	5% of tender sum	2000/=	90 days	Pre-qualified contractors for "Road works" of RDP-22
39/99-2000	Improvement of Joyag Pitamborpur-Karihati Road at (Ch.00m-480m) with WBM+25mm Carpeting under Begumgonj, Noakhali.	10% of tender sum	750/=	60 days	Do

DFP-4720-29/2  
G-404

Bashir Uddin Ahmed  
Executive Engineer



## Biman Flight Catering Centre বিমান ফ্লাইট ক্যাটারিং সেন্টার

ZIA INTERNATIONAL AIRPORT, KURMITOLA, DHAKA, BANGLADESH. PHONES: 894700-4, CABLE: AIRBANGLA, TEL: 642649 DABG BJ, FAX: 880-02-893006

Ref: BFCC/HS/TENDER/44/2000/17

Dated: 27-02-2000

## Tender Notice

No 07/2000

Biman Flight Catering Centre (BFCC) invites sealed tender from the experience and bonafide supplier/contractor for the following jobs:

Sl No	Name of items	Date for sale of tender	Earnest money taka	Cost of schedule (Non-refundable)	Time & date of dropping tender	Time & date of opening tender
01.	Supply of Power From Cable & Circuit Breaker (Re-Tender)	27-02-2000 to 13-03-2000	5,000/-	100/-	From 10.00 hrs to 14.30 hrs on 14-03-2000	At 14.30 hrs on 14-03-2000

Schedule of tender along with other terms and conditions may be obtained on request in the official Letter Head Pad during office hours on payment of cost of schedule from office of the Manager Finance, BFCC, Zia International Airport, Dhaka. Any eligible bidder may participate in the tender.

BFCC management reserves the right to accept/reject any or all tender/tenders and also to change the opening date of the tender without assigning any reason whatsoever. If tender opening day happens to be holiday, the tender will be opened on the next working day at the same schedule time.

DFP-4773-29/2  
G-403

BFCC/AUTHORITY