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# The Daily Star BUSINESS

DHAKA, WEDNESDAY MAY 24, 2000

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## Japan concerned at pressure to introduce TU in EPZs

Japan is concerned over the pressure to introduce trade union in the EPZs of Bangladesh, says a press release.

This was disclosed by Shigeharu Maruyama, Charge D'Affaires of the Japanese Embassy in Bangladesh when he called on the Executive Chairman of the Bangladesh Export Processing Zones Authority, Brig MA B Siddique Talukder, in the city on Monday.

Shigeharu said, Japan is closely watching the situation of the EPZs of Bangladesh. He commented that trade unionism will frustrate the Japanese investors in the EPZs of Bangladesh and may also affect adversely the future FDIs in the EPZs.

The Executive Chairman of BEPZA assured the Japanese envoy that the authority would convey the concern of the Japanese Embassy to the government.

## Japanese team signs minutes on Kaptai power project

Japan has signed agreed minutes with Bangladesh on the possibility of inclusion of two additional units at Kaptai Hydropower station for boosting generation capacity of the country's lone hydro-power project, says BSS.

The agreed minutes were signed yesterday following a wrap-up meeting held between the visiting three-member Japan Bank for International Cooperation (JBIC) Mission at the Economic Relations Division (ERD) of the Ministry of Finance.

The Mission members discussed their findings with ERD. JBIC press release said.

The JBIC Mission is led by Ms Mayumi Endoh, Assistant Director, Development Assistance Department in charge of Bangladesh.

The Mission arrived in the city on May 15 to collect detailed information on Kaptai Hydropower Project (6 and 7 units) to be implemented by Bangladesh Power Development Board (BPDB).

The Mission members, besides visiting the project site during their week-long stay in Bangladesh, held intensive discussions with the Project Authority and other government departments and obtained detailed information on the project, the press release said.

The agreed minutes were signed with ERD and the implementing agency (BPDB).

The Mission, on returning to Tokyo, will report to the Japanese Government about the results of their findings for future consideration of extending possible assistance to this project.

A JBIC Appraisal Mission for three other projects recently concluded the appraisal of the projects and went back to Tokyo on May 18.

## Three more ONE Bank branches shortly

ONE Bank has decided to open three more branches in the country soon.

The decision to open the branches was taken at an emergency meeting of the Board of Directors of the bank held in the city on Sunday, says a press release.

The bank will open a branch at Agrabad in Chittagong in mid June, Gulshan branch in Dhaka in mid July and Khatunanj branch in Chittagong in August this year.

The decision followed discussions between the Bangladesh Bank governor and ONE Bank directors held in the city on Thursday.

## Aptech holds workshop on job opportunities

A career workshops on 'Job Opportunities in ISP Sector in Bangladesh' was held at old Dhaka centre of Aptech on Saturday, says a press release.

The workshop was organised by the Placement Division of Aptech.

Md. Emdadul Hoque, in-charge Customer Care, Greeneye CyberNet Ltd was the keynote speaker at the session.

M Mahfuzur Rashid, Regional Placement Head, Apteche Bangladesh Ltd., GM Delwar Hossain, Centre Head, and Mahub-bin-Siraz, Placement Executive of Old Dhaka centre, and Aptech old Dhaka students were present.

Speaking on the occasion, Hoque said the need of qualified IT professionals in the ISP sector is huge.

A group of senior students took part in the workshop.

Mahub-bin-Siraz, Placement Executive of the Old Dhaka centre, coordinated the workshop.

# NBR slashes revenue target

## Sluggish economic activities seen main reason

By Inam Ahmed

With the government's tax collection drive facing a setback, the National Board of Revenue (NBR) has revised its target for this year by cutting Tk 1674 crore from the import revenue target.

However, it has increased its target for revenue collection from domestic sources to Tk 4245 crore from the original Tk 4196 crore.

The government estimated that tax revenue of Tk 17500 crore would be available through the NBR, Tk 10274 crore from import activities

and Tk 4196 crore from domestic activities. However, sluggish economic activities forced it to adjust the targets.

According to sources, NBR's revenue collection fell short of the target by Tk 1920 crore till April. Tk 1643 crore in import level and Tk 192 crore in domestic level.

Under the adjusted targets, import duty has been slashed to Tk 4536 crore from the original Tk 5751 crore, import-level VAT reduced to Tk 3250 crore from the original Tk 3620 crore

and supplementary duty on import activities has been cut to Tk 814 crore from Tk 903 crore.

However, with more capital machinery and intermediary goods import, the government now feels that the manufacturing sector would show up yielding more taxes. Based on this estimate, the NBR has upped its target for excise duty to Tk 240 crore from Tk 227 crore and VAT on local activities to Tk 2155 crore from Tk 2058 crore.

The target for supplementary duty on local activities has

been reduced to Tk 1850 crore from the original Tk 1911 crore.

Regarding the revenue shortfall, economist Dr Wahiduddin Mahmud has said that the reason for large current shortfall in revenue earnings lies in slow manufacturing growth and weak import demand. There has been very little response to some recent measures that offered a once-for-all opportunity to legalise black money by paying taxes at highly concessional rates.

# Listed companies audit results with internal team to get tax benefits

## SEC budget proposal submitted to Finance Ministry

By Shahariar Karim

The Securities and Exchange Commission (SEC) has suggested that the listed companies conduct their audits through an internal audit team consisting of at least 60 per cent professionals from outside to get any sort of tax benefits.

In its budget proposal for the financial year 2000-2001 sent to the Finance Ministry, the share market watchdog also suggested that provisions be made to inject money into the capital market from pension

and provident funds and life insurance sector to boost the market.

On the otherhand, the Chittagong Stock Exchange (CSE) suggested that the government keep the income of the merchant banks, brokers and dealers outside the purview of income tax at least for five years for the revival of the country's capital market from the present recession.

CSE also called for allowing bank loans at preferential rate to

the merchant banks and brokers for portfolio management.

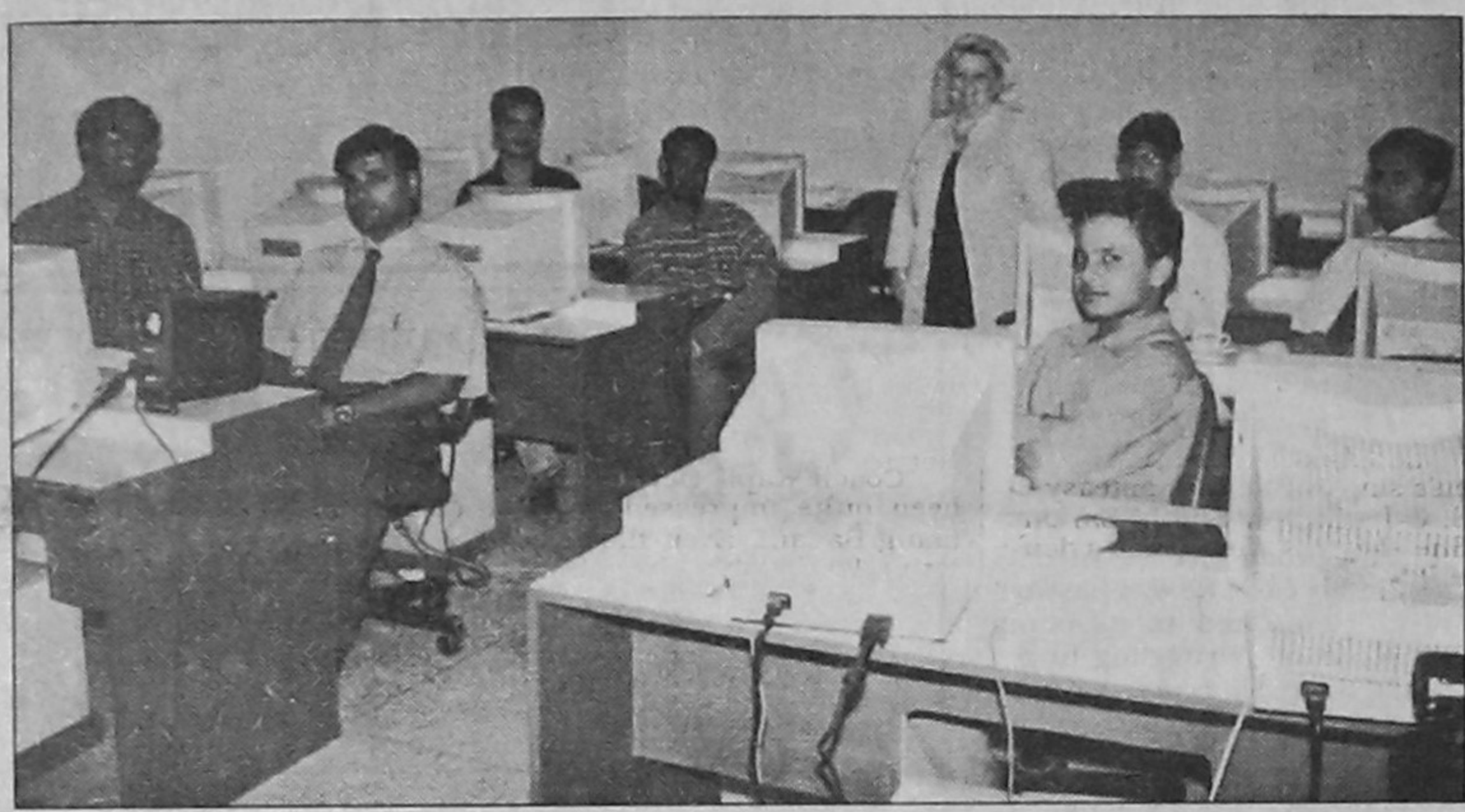
Both the SEC and CSE proposed to make at least 10 per cent the tax rate differentiation between listed and non-listed companies. Presently, the gap is only 5 per cent with listed companies paying 35 per cent tax while the non-listed ones 40 per cent.

SEC has also suggested that the listed companies, which pay 15 per cent or more dividend, get five per cent tax rebate. On

the other hand, the CSE has proposed that those listed companies declaring minimum 10 per cent dividend get this benefit.

SEC has also proposed that the minimum slab for imposing tax on income from dividend be raised to Tk 50,000 from the present level of Tk 30,000.

On the other hand, CSE has demanded concessional tax rate for the labour intensive industries and withdrawal of tax on bonus share.



Florence Wietbrock (Standing) from California imparts training to the instructors and sales executives of New Horizons of Dhaka. — New Horizons photo

## New Horizons passes quality ensuring test

New Horizons Computer Learning Centre of Dhaka has passed the international standard quality-ensuring test, which takes place every 3 months, says a press release.

Senior field operation specialist (Fos), Florence Wietbrock from New Horizons headquartered at California in USA, trained the instructors and sales people of new horizons Dhaka centre to ensure the best quality computer training.

She also spoke on better customer service by providing accurate solution possible for them.

At the end of the test, she declared that New Horizons Dhaka passed the international standard quality-ensuring test.

## Dhaka calls for Nepal's early WTO entry

GENEVA, May 23: Bangladesh has called for early entry of Nepal into the World Trade Organisation (WTO) in accordance with Kathmandu's application, reports BSS.

Dr Iftekhar Chowdhury, Ambassador and Permanent Representative of Bangladesh in Geneva, made this call at the first Working Party meeting on Nepal's accession held here yesterday.

The Nepalese delegation to the Working Party was led by Minister of Trade and Industry Ramkrishna Tamrakar.

The meeting was chaired by New Zealand Ambassador Roger Farrel, the chairman of the Working group.

"The intellectual and moral arguments in favour of Nepal's application are overwhelming," the Bangladesh ambassador said. "There is no logic for Nepal to be kept waiting at WTO's doors in the face of her expressed aspiration to enter."

Ambassador Chowdhury referred to Nepal's commitment to reforms and appropriate legislation to bring her laws into conformity with WTO provisions as evidence of Nepal's sincerity of purpose.

Lemierre, the bank's third French president, was voted in by acclamation on Monday. He was the sole candidate after the EU decided to back him, virtually guaranteeing his success as EU members together constitute the EBRD's biggest shareholders.

Lemierre, a top figure in international financial diplomacy, with one of the best minds in the French civil service according to EBRD insiders, said he would pursue the bank's strategy agreed in the aftermath of the Russian crisis.

"The bank has come to maturity. It's a very solid institution now and it's facing challenges today in every country," he told a new conference.

# Oil prices plunge by \$1 as supply worries ease

LONDON, May 23: World oil prices plunged more than \$1 yesterday as dealers gained confidence that OPEC would hike output if necessary to curb a renewed upswing worrying key consumer the United States, reports Reuters.

London July futures for benchmark Brent shed \$1.19 per barrel to finish at \$27.40, while June US light crude closed at \$28.35 — a loss of \$1.54.

Oil prices deflated as a Gulf source familiar with Saudi policy said the cartel was expected to up output automatically if a 20-day average for a basket of OPEC crudes exceeded \$28 a barrel. Saudi Arabia is the world's biggest producer and the most influential member of the Organisation of Petroleum Exporting Countries.

OPEC ministers have said they would raise or cut production if the average for OPEC's basket of seven crudes for the last 20 business days strays

outside a \$22-\$28 band, underlining OPEC's bid to tighten its grip on the volatile world oil market.

The daily basket stood at \$28.28 a barrel on Friday. If prices stay there or above, the 20-day average — currently at \$25.73 — will move out of the range shortly before OPEC meets on June 21 in Vienna to review output.

Oil prices were given another nudge down after OPEC President and Venezuelan Oil Minister Ali Rodriguez said on Monday an extraordinary meeting on oil prices at any time if warranted.

The United States, the world's biggest oil consumer, is concerned about prices that have risen by a third in a month thanks to perceptions of a tightening US market on the brink of America's high-demand summer driving season.

But some OPEC members still believe there is no need to raise output yet.

Indonesia, OPEC's only Asian member, said it saw no need for OPEC to change output at the next meeting in June because prices were firm, echoing earlier remarks made by other OPEC ministers.

"I think there is no need whatever for an adjustment, unless something dramatic happens in the next few weeks," Indonesian Mines and Energy Minister Susilo Bambang Yudhoyono said.

Recent assertions by OPEC ministers that market conditions do not warrant a further output increase in June, when the cartel next meets, had underpinned the recent gains. Heavy US pressure on OPEC resulted in an agreement by the group in March to raise output — an agreement that does not expire until September.

The US government has said it would not take a formal stand until the second week of June on whether or not OPEC needed to increase its oil production.

# Many E European nations on road to EU

## EBRD meeting takes positive outlook for region

RIGA, May 23: East European countries and the former Soviet Union are enjoying strong growth with many on the threshold of European Union membership, ministers and officials at the European Bank for Reconstruction and Development (EBRD) annual meeting said yesterday, reports Reuters.

But the move to prosperous market economies is uneven and incomplete and even those countries seeking EU membership said the EBRD, set up in 1991 to smooth Eastern Europe's free-market transition, would have a useful role to play for many years.

In contrast to last year's meeting, overshadowed by the impact of the 1998 crisis in Russia and war in Kosovo, this year's gathering was imbued by confidence about the economic outlook for the region and the bank's own performance. Governors praised EBRD

management for restoring the bank's profitability after the losses arising from the Russian crisis.

"The mood was more optimistic and brighter in a sense that there has been a remarkable economic recovery in the region and the EBRD has managed to turn around its finances," acting President Charles Frank told a news conference.

Russia itself is enjoying a strong recovery, helped by high oil prices and the impact of its rouble devaluation, although Western countries urged the new government of President Vladimir Putin to enact strategic reforms to make the recovery lasting.

This year, for the first time in the bank's history, every recipient member country is expected to achieve positive GDP growth," Timothy Geithner, Treasury official heading the

US delegation, told the meeting. "Nonetheless, the pace and depth of the recovery are uneven. The gaps in performance across the region are increasing and the scale of human deprivation in many countries remains unacceptable," he said.

Recent meetings of other international financial institutions such as the International Monetary Fund have attracted violent protests. But the only unplanned event at the EBRD was a small anti-nuclear demonstration.

About a dozen members of the environmental group Greenpeace, protesting at the EBRD role in funding new nuclear power stations in Ukraine, distributed solar-powered calculators to arriving delegates.

International financial institutions are under increased pressure to be more open and accountable. But the selection



A meeting between Amir Khosru Mahmood Chowdhury MP (C), President of Chittagong Stock Exchange and Chairman of South Asian Federation of Exchanges (SAFE), and Nihal Rodrigo (R), Secretary General of SAARC, was held at Pan Pacific Sonargaon Hotel yesterday. Mahmudul Haque, Director of CSE, is also seen. — CSE photo

# Tofail reiterates demand for duty-free market access

Industries Minister Tofail Ahmed has again appealed to the US government to allow duty-free market access, a long due commitment made by developed countries to compensate LDCs marginalised by trade liberalisation, reports UNB.

He referred to recent decision of US Congress awarding duty-free quota-free access to some sub-Saharan and Caribbean countries, and said Bangladesh, being an LDC, also deserves the same treatment.

In response, US Ambassador John C Holzman described the perspectives of giving duty-free market access to African and Caribbean countries. He said Bangladesh should bear in mind that those countries would have to fulfil conditions of GSP standards that include labour standards.

He, however, gave the assurance that he would advocate to his government in issue of Bangladesh's market access, but said Bangladesh has to make enough groundwork while its Ambassador in Washington will have to play a due role.

Holzman suggested exports be diversified and ports made competitive, and power and road infrastructures improved to bring in more investment.

The minister and the US envoy were speaking at the inauguration of a US catalog show at Dhaka Chamber auditorium in the city yesterday.

Dhaka Chamber of Commerce and Industry (DCCI) and US Embassy in Dhaka jointly organised the 'Infrastructure 2000—Made in USA Catalog Show' representing 90 US companies. DCCI president Aftab ul Islam chaired the session.

The industries minister gave a brief account of Bangladesh's leadership in winning duty-free market access for LDCs in the first WTO ministerial meeting in Singapore in 1996. Giving duty-free market access was also a

commitment of Uruguay Round Agreement, he reminded.

Tofail negated US Ambassador's contention that Bangladesh had so far taken no steps it committed regarding labour rights in EPZs and clarified Bangladesh's position. He said all parties, including the US Ambassador, agreed to a mid-level arrangement of forming Workers Welfare Association in EPZs.

He spoke of the government's pro-private sector and pro-investment policies, saying that the government, since its inception, has identified private sector as the engine of growth and investment as its top-most priority. Private sector people are extensively consulted and represented in all trade policy matters, including framing of five-year export-import policy and industrial policy, he added.

"Our policy is to liberalise, not to control trade. We want to make things simple," he said, admitting that some bureaucratic bottlenecks might still exist.

He cited Bangladesh's investment policy as the most liberal one in the region and said Bangladesh is one of the three countries in Asia that allows 100 per cent foreign equity.

Referring to Bangladesh-US business relations, Tofail said the present government, soon after assuming power in June 1996, allowed American Chamber to function here. The issue was pending for one or two years, he said. The present government also patronised the formation of US-Bangladesh Business Council in 1998, he added.

Sounding a high optimism about Bangladesh's bright future, Tofail said Bangladesh's per capita income will be US\$ 200 by the year 2020, counted on the basis of natural resources.

While commenting on US envoy's lobbying for gas exports, he hoped that Bangladesh would be in a position to export gas after fulfilling domestic re-

quirement.

US Ambassador John C Holzman said US investment in Bangladesh increased very satisfactorily, but trade hasn't grown in favour of America as US exports to Bangladesh remained stagnant, hovering between 250 and 300 million dollars for several years. In comparison, Bangladesh's exports to US rose to nearly 2 billion dollars last year, he added.

He suggested that Bangladesh diversify its exports, 80 per cent of which now depend on garments, and focus more on information technology that he felt will be "another garment industry" if policy supports are given and resources utilised properly.

Holzman asked how Bangladesh prepares to protect its competitive position in garment exports to USA beyond 2005 when multi-fibre arrangement will go and there will be no quota.

"You should look at backward linkage industry," but getting investment for it is hard not because of lack of liquidity, but lack of confidence about the future that involves question of infrastructures and stability.

The US Ambassador gave emphasis on having a competitive port to ensure smooth flow of raw materials in and finished products out, and to encourage investments.

Regarding power, he said two major power plants offer to sell power to PDB at less than 3 cents per kilowatt hour, which is among the cheapest in Asia. But at least one of them has been stuck, he regretted, seeking quick decision to get it move forward.

Bangladesh in 1992 said it would take certain steps in EPZs and those would be finished by 2000. "But no steps have been taken. In fact, Bangladesh has gone in the opposite direction," and created new EPZs with same restrictions towards labourers remaining in place, he noted.

## US ZDNet ties up with S'porean 2bSURE.com

SINGAPORE, May 23: US Internet company ZDNet, listed on the New York Stock Exchange, said Tuesday it has signed a deal with Singapore-based firm 2bSURE.com to start a combined telephone, e-mail and fax messaging service across Asia, says AP.

The free service, called 2bZD.com, will let computer users log on through a toll-free telephone number in various countries to receive voice, fax and e-mail messages.

The service will start in June, said Jean Leow, regional marketing manager for ZDNet's Asian arm.

## Int'l Clothing Machine Fair begins in Cologne May 30

International Clothing Machine Fair, the world's largest international trade fair for clothing, machinery and textile processing, will take place for the tenth time in Cologne from May 30 to June 3, this year, says a press release.

A German Embassy press release yesterday said over 700 companies from around 40 countries will show the global spectrum of machines, plant, logistics and manufacturing technology for the clothing industry and textile processing sector.

The product range at IMB-2000 includes sewing, cutting, product preparation, quality control and media. Also included will be machinery and technology for the production of technical textiles — a sector offering increasing business potential worldwide.

**Bangladesh Agricultural Development Corporation**

Office of the Project Director, Survey and Monitoring Project for Development of Minor Irrigation, Sech-Bhaban (5th floor), 22, Manik Mia Avenue, Dhaka-1207

**Re-Tender Notice**

Tender No: BADC/S&M/05 (R)/1999-2000 Dated: 14.05.2000

1	Name of work	Renovation and Repairing of Project Director's Office at 5th floor of Sech-Bhaban, 22, Manik Mia Avenue, Dhaka. TK 1,99,993.43 only.
2	Estimated expenditure	
3	Earnest money	Tk 5000.00 (five thousand) only through Pay Order/Bank Draft in favour of BADC, Dhaka from any scheduled bank of Bangladesh.
4	Time limit for completion of work	20 (twenty) days from the date of work order.
5	Eligibility of the tenderer	Enlisted contractors of BADC's Construction Division and other govt and semi-government organisations. The tenderers will have to submit copy of necessary documents regarding their enlistment and payment of renewal fees for the current year along with the tender.
6	Offices where tender schedule will be available	(a) Office of the Project Director, Survey and Monitoring Project, BADC, Sech Bhaban, 22, Manik Mia Avenue, Dhaka-1207. (b) Office of the Chief Engineer (Irrigation), BADC, Krishi-Bhaban (4th floor), 49-51, Dilkusha C/A, Dhaka.
7	Cost of tender schedule	Tk 250.00 (two hundred fifty) only, (non-refundable)
8	Offices where tender schedule will be received	Offices mentioned in SI No. 6.
9	Last date of selling tender schedule	30.05.2000 (during office hours)
10	Date and time of receiving the tenders	31.05.2000 up to 14.30 hrs.
11	Date and time of opening of tender	31.05.2000 at 14.45 hrs.
12	Place of opening of tenders	Offices mentioned in SI No. 6.

The authority reserves the right to accept any and reject any or all the tenders received without assigning any reason therefor.

ADC-1216  
DFP-12245-18/5  
G-974

**Md Nurul Islam**  
Project Director (Addl. CE)  
BADC, Dhaka