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The Daily Star BUSINESS

DHAKA, THURSDAY, JUNE 22, 2000

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ECNEC okays six projects

The Executive Committee of National Economic Council (ECNEC) at a meeting on Tuesday approved six projects worth Tk 1159.36 crore including a project assistance component of Tk 881.44 crore, an official press release said, reports BSS.

The meeting, held in the NEC conference room, was presided over by Finance Minister and alternate chairman of the ECNEC Shah A M S Kibria.

The approved projects are Matamuhuri irrigation project (Pilot Project), Char development and settlement Project-2 (CDS-2), National nutrition project-1 (NNP-1), Non-formal education project-1 (Amended), Infrastructure development and reconstruction in Nilkhet (Dhaka University) area and Fenchuganj gas-field development project.

The meeting was also apprised of the projects which were approved earlier by State Minister Dr Mohiuddin Khan Alamgir. The projects include expansion of shrimp cultivation process projects; Gopalganj Circuit House expansion, development and reconstruction project; and Improvement of Kendua Bil Water Management and Polder 36/1 expansion project.

Standard Insurance opens 4 branches in city

Standard Insurance Limited opened new branches at Dikusha, North-South Road, Elephant Road and Panthapath in the city recently, says a press release.

Chairman of Standard Insurance Limited Engr AKM Mosharrar Hussain and Chairman of Standard Group of Industries Engr Md Atiqur Rahman inaugurated the four branches. Managing Director of the Company M Ahsanullah was present on the occasion.

Standard Insurance Limited started general insurance business on the first day of the new millennium and launched two branches at Agrabad and New Jubilee Road in Chittagong.

Seminar on sewing, shoe machine needles held

The largest needle manufacturer of the world, Groz-Beckert KG, Germany in cooperation with its local agent Cosmotrade Associates organised a two-day seminar on sewing and shoe machine needles and its applications at BRAC Centre Inn in the city on June 19 & 20, says a press release.

The seminar lecture was given by Harry Vornholt, Consultant for Groz-Beckert, KG, Germany.

Engr Salim Hossain of Cosmotrade Associates delivered the introductory speech. The seminar, first of its kind in Bangladesh, discussed the ways to improve the product quality and productivity in garments, shoe and leather industry.

The seminar was largely attended by managers, engineers and technicians from the product development, production and maintenance sections. Critical analysis of the production process was made and the contribution of needles to improve productivity, cost control etc. were assessed.

Critical analysis of the Machine Down Time (MDT) showed the benefit of using best quality needles. The cost savings achieved are 10 times or more than the initial additional purchase expenses for the best quality needles.

SEAMARK takes part in European Food Exhibition

Star Business Report
Seafood Marketing International PLC (SEAMARK) successfully participated in the recently-held European Ethnic Food, Drink, Restaurant and Catering Exhibition 2000, says a press release.

The exhibition was organised at the National Exhibition Centre (NEC), Birmingham, from June 11-13 where people from all walks of life, especially wholesalers, retailers and caterers from the food industry paid visits to the SEAMARK stand in large numbers.

SEAMARK participated in the exhibition in the backdrop of its successes in seafood business in recent years. SEAMARK's seafood and poultry products, including its famous King Prawn of different types and brands were on display.

Fresh water fish from Bangladesh were also put on display, which drew special attraction. Besides traditional prawn products, this year SEAMARK has specially projected its high-quality chicken products, which proved to be a great marketing success in the UK and beyond.

The company's stand and products, which were located prominently in the exhibition, captured the eyes of traders and visitors alike. SEAMARK, under a special arrangement, also made cooking demonstrations of its chicken and prawn products.

Networking strain on operators taxing cell phone users

Outgoing GrameenPhone MD tells The Daily Star

Star Business Report

Restrictions on cellular phone operators to build isolated 'island network' and the condition on them to go for continuous networking, is turning cell infrastructure costly and taxing the country's phone-users, as they have to pay higher charges, says Trond Moe, the outgoing Managing Director of GrameenPhone (GP).

"Such conditions are quite unusual. This is just making the network costly without any justification," said Moe in an exclusive interview with The Daily Star. Ola Ree, who will replace Moe, was also present during the interview.

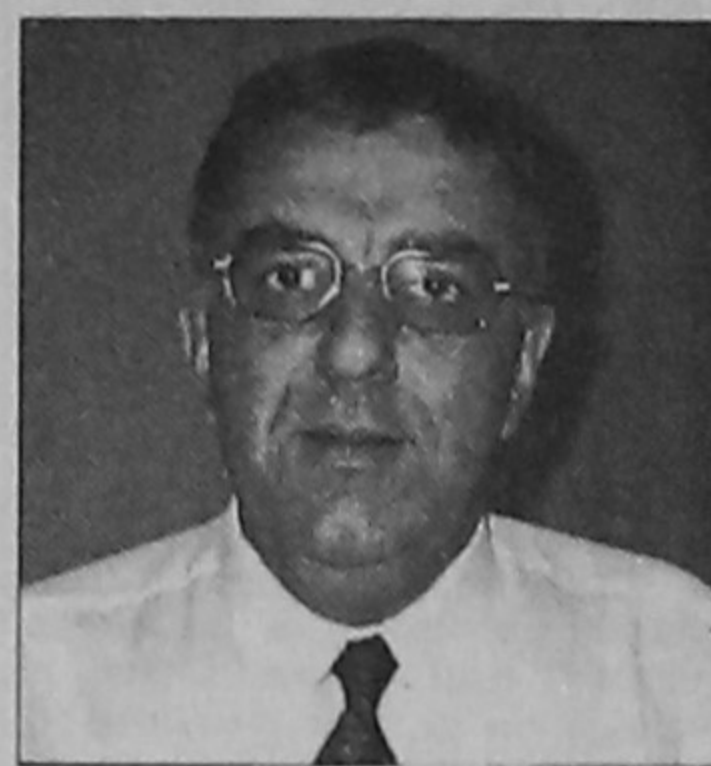
"The government has done a good job by allowing competition in the telecommunications sector and letting private operators play in the field, but a number of steps need to be taken to jack up the sector," said Moe.

In the short-term, the government can reduce high import duty on handsets, which now exceeds 60 per cent. "If it is withdrawn, sales would get a big boost, creating scopes for the government to make more money in air-time revenue. At the same time, the cell phone operators in the country would also increase their capacity," Moe said.

Trond Moe also said that the frequency spectrum given to such operators was pretty low, which at the same time limits their call capacity.



Trond Moe



Ola Ree

"This is also creating quality problem. We could utilise lots of unutilised GSM frequency in Bangladesh," said Moe.

Meanwhile, the cell phone operators are facing interconnection snarl-ups, and recently they got permissions for raising Bangladesh Telegraph and Telephone Board's (BTB) interconnection capacity.

"We (operators) have to agree whether they want increased interconnection capacity. It will take four to five months. This would solve some interconnection-related congestion hitches, but not that of BTB's own problems. BTB should side by side invest in its own network."

Ola Ree however suggested that the government should allow competition in land lines too. He felt that BTB needs to

be privatised in which a lot of foreign companies are interested.

Ree also said GrameenPhone's fibre optic cable taken from Bangladesh Railway still has a lot of unutilised capacity, which, he feels, could be sub-leased to other operators.

"But we have to get permission from the ministry for such sub-leasing, which is a very time-consuming process. If this system is simplified, many organisations will be able to use our cable for high-speed data transmission," said Ree.

Grameen has already leased this line to Airtel and Navy. But it still has a large waiting list.

Is GP also planning to go for land line operation?

Said Moe, "Well, we are basically a cellular phone operator. But if the government gives us licence, we can mull over it."

He said that for encouraging further competitiveness, Bangladesh should also open international gateways by hooking up to the submarine cable.

Both Moe and Ree identified Bangladesh as a prospective cellular phone market.

"I find the market here as a substantially big one. What is important about Bangladesh is the exceptionally low telephone access, and so, the opportunity there is fairly big," said Moe, adding "we should have more than a million subscribers to match India. The current number is 450,000 BTTB connections, 100,000 GrameenPhone, 40,000 City Cell, 30,000 Airtel and 15,000 Sheba lines. There are scopes to double the lines every year."

"GrameenPhone should exploit the opportunities," said Ree. "World wide, each cell phone connection adds US\$ 6,000 to the GNP of an economy."

Talking about the GP's new products, Moe said these have evoked a lot of good customer response. Prepaid service and full national and international roaming services are quite popular.

"When I became the GP managing director in 1997, we had only about 18,000 subscribers. But now the number has risen to around 100,000. We have grown from a merely small operator to a quality one as far as our services quality and market expansion is concerned," said Moe.

Regarding the introduction of new technologies like wireless application protocol (WAP), Moe and Ree said that Bangladesh should wait before these technologies are tested and proven abroad.

"Bangladesh should not be a test-bed for such advance technologies," Moe said. The third generation mobile system with unlimited speed is going to hit the Japanese and US markets within a year from now.

"Technology is moving fast. For Bangladesh to keep pace, it needs more satellite capacity for international gateway," said Ree.



An Ericsson mobile phone service point was opened at the Saheb Bazar showroom of Butterfly in Rajshahi recently. Ericsson Dhaka Branch Consumer Product General Manager Anwar Hossain opened the point. Also present on the occasion were Ericsson Mobile Phone Service Manager Khandaker Hafiz and Butterfly Saheb Bazar Branch Manager M Farooq Hossain.

— Adcomm photo

SEC approves operational framework for CDS

By M Shamsur Rahman

The Securities and Exchange Commission (SEC) has approved an operational framework for the much-needed central depository system (CDS) in the country.

In its board meeting last week, the capital market watchdog approved the Depository Act 1999, almost a year-old draft of the operational framework for a CDS, with a view to paving the way for scripless trading in the stock markets.

But while approving it, the SEC made a few changes. In the approved framework, the business commencement fee for the CDS has been brought down to Tk five lakh from the previously proposed amount of Tk 10 lakh.

The annual licence renewal fee for the CDS has been brought down to Tk 50,000 from the earlier figure of Tk two lakh.

Under the approved act, the SEC will give registration to a CDS company with a minimum paid-up capital Tk 25 crore.

The company will also have

to have at least two Commission officials in its board and get its Memorandum and Articles of Association approved by the SEC. The company will also require prior SEC approval in appointing or terminating its chief executive officer (CEO).

Financial institutions, banks, stock exchanges, any listed company or SEC-recognised international organisations will be eligible for becoming sponsors of the CDS company.

On receipt of any application fulfilling all the criteria, the SEC will approve it within 45 days and grant a registration certificate, or if required, may seek further information within 21 days from the receipt of the petition.

The proposed operational framework would be formalised following a gazette notification. The necessary by-laws would be framed by the depository with prior approval from the regulators.

Meanwhile, a company

styled Bangladesh National Securities Depository Limited has already been launched comprising the stock exchanges, banks and financial institutions.

Company sources say that the memorandum and articles of association of the company have already been formed.

A depository will eliminate the necessity of maintaining a full-fledged share division of the listed companies by facilitating share registration services. It would also ensure safe-keeping of valuable share certificates on behalf of the local and foreign investors. The CDS will operate in the form of book-keeping entry.

The bourses will send all transactions to CDS, which will record the transfers, and the shares will automatically change accounts. The shareholders will not have to go to the companies to transfer their scrips. Fees will be charged against every transaction and that will be the return for the company, he said.

Child labour abuses rampant in US farm industry

Human Rights Watch report says

WASHINGTON, June 21: Despite the Clinton administration's efforts to assert US leadership in fighting child labour overseas, hundreds of thousands of child farm labourers are working in abusive conditions in the United States, according to a new report released yesterday, says IPS.

Working as many as 18 hours a day during peak harvest period, the children, sometimes as young as 12 and 13, risk their health from pesticide poisoning, heat sickness and equipment injuries, according to the report. They also often miss school.

The report by New York-based Human Rights Watch (HRW), says the vast majority of children are Latino, as much as 99 per cent in some south-western states, although children of other minority groups are exploited, as well. Altogether, an estimated 85 per cent of migrant and seasonal farm workers consist of minorities.

Abuses persist because the laws governing minors working in agriculture are much less stringent than those for other economic sectors, according to the 104-page report. 'Fingers to the Bone: United States Failure to Protect Child Farm Workers.'

While the US Fair Labour Standards Act (FLSA), bans "oppressive child labour," it permits children working on farms to be employed at the age of 12, rather than 14 as in other industries. In some states, there is no minimum age for farm work, in others, it's as low as nine or 10.

Unlike for other sectors, the law also fails to limit the number of hours a child may work each day, nor does it require overtime pay. And while the FLSA sets the minimum age for engaging in "hazardous" work, such jobs can be assigned to children farm workers at 16.

NBL strikes taka remittance deal with Pacific Bank Berhad

A three-member delegation from The Pacific Bank Berhad, Malaysia headed by Ong Chau Oh, Senior Vice President, visited Bangladesh to sign a taka remittance agreement with National Bank Limited.

Under the Excel Remittance System introduced by the Pacific Bank Berhad, Bangladeshi wage earners in Malaysia can now send their hard-earned money easily to Bangladesh through an online computer network, which is a fast and secured remittance system, says a press release.

Rafiqul Islam Khan, Managing Director of National Bank Limited, Ong Chau Oh, Senior Vice President, Pacific Bank Berhad, signed the agreement on behalf of the respective organisations.

Other members of the delegation are Chee Ah Wong, Assistant Vice President, and Ng Chee Man, executive of the IT Department of Pacific Bank Berhad.

The Malaysian team expressed their satisfaction over the performance of NBL in respect of drawing arrangement with other banks and exchange houses of the world.

It may be mentioned that NBL has drawing arrangements with 18 exchange companies/banks and correspondent relationship with 365 banks of the world.

Dhaka to get additional Aussie grant

Bangladesh will receive an additional amount of AUD 1,948,053 from Australia through World Food Programme (WFP), reports UNB.

The amount that will come under Australia's Food Aid Programme 1999-2000, will be in addition to 50,000 MTs of bilateral food aid.

It will be utilised in the Chittagong Hill Tracts for implementing Bangladesh/WFP Rural Development and Vulnerable Group Development programmes under Expanded Food Assistance (EFA) programme.

An Exchange of Letter (EoL) to this effect was signed between the two governments in Dhaka yesterday.

Australian High Commissioner Robert Flynn and ERD Secretary Dr Maslur Rahman signed the EoL on behalf of their respective sides.

Peshawar businesses close to protest tax survey

PESHAWAR, June 21: Several businesses in northwestern Pakistan were closed Wednesday in the latest in a series of protests by businessmen against a government attempt to document the economy and collect more taxes, reports AP.

Elsewhere in Pakistan it was

pretty much business as usual, but in Peshawar, the capital of Pakistan's deeply conservative Northwest Frontier Province, many businesses were shut.

Peshawar businessmen have been among the fiercest opponents of the government's tax survey and Peshawar has been

the scene of violent protests.

Peshawar is also the centre of a massive smuggling business that successive governments have tried to curb. Smuggling a rampant practice in Pakistan, costs the national exchequer billions of dollars annually, say government officials.

Army ruler Gen. Pervez Musharraf previously called it "shameful" that only 1.2 million Pakistanis in a country of 140 million pay taxes.

But Peshawar businessmen are not moved. "We say not to the documentation," said Haji Halim Jan, president of Merchants' Alliance, a lobbying organisation. "The government wants to document our businesses, but we will not budge."

Since late last month tax officers, accompanied by soldiers, have been going door to door in 13 of the country's major cities distributing tax survey forms. With these forms the government hopes to document the country's wealth, both private and commercial, with an eye to widening the tax base and boosting revenue.

Strikes have been called on a near daily basis. The government has held meetings with merchants. Musharraf has warned that the government won't back down.



Keith Vaz MP (centre), Minister of State for Europe in the Foreign and Commonwealth office of the government of UK, is seen with Iqbal Ahmed (left), Chairman and Managing Director of Seafood Marketing International PLC (SEAMARK), during his visit to the SEAMARK stand at the recently held European Ethnic Food, Drink, Restaurant and Catering Exhibition-2000 held at the National Exhibition Centre (NEC), Birmingham, UK, from June 11-13. Bilal Ahmed (right of picture), Marketing Director of the company, is also seen.

—SEAMARK photo



National Bank Limited and The Pacific Bank Berhad, Malaysia, signed a taka remittance agreement under the Excel Remittance System introduced by the Pacific Bank Berhad. Picture shows Rafiqul Islam Khan, Managing Director of NBL, and Ong Chau Oh, Senior Vice President, Pacific Bank Berhad, exchanging the documents at a ceremony held at NBL Head Office. Anwar Imam, Deputy Managing Director, National Bank Limited, and senior officials of both the banks are also seen.

— NBL photo

Bangladesh Power Development Board

সময় মতো সঠিক বিদ্যুৎ বিল পরিশোধ করুন
সরকারকে ফাঁকি দেয়ার প্রবণতা বন্ধ করুন

BPDB's International Tender Notice

International sealed tenders are hereby invited by the Bangladesh Power Development Board (BPDB) from the renowned Manufacturers/Suppliers against the following tender enquiry for supply of different type of stores.

Sl No	Tender enquiry No & date	Name of stores	Value of T docts Taka	Submission of T docts Dt & time	Opening of T docts Dt & time
1	Pur-426/2000 dt 13-6-2000	Supply of spare parts for Bheramara Power Station, PDB, (Unit-1, 2 & 3), Bheramara, Kushtia	1,500/-	31-7-2000 11:00 AM	31-7-2000 11:30 AM

A complete set of tender documents including detailed specification, terms & conditions may be sold to the interested eligible bidders against a written application to the undersigned on payment of Taka (non-refundable) mentioned above against each tender in the shape of Bank Draft/Pay Order from any scheduled bank of Bangladesh favouring Director of Purchase, BPDB, Dhaka. The bidding documents will be available from 20-6-2000.

All bids must be accompanied with a Bid Bond in the prescribed Bid Format @ 2% of the total bid price from a schedule bank of Bangladesh in accordance with instructions to the Bidders. Tender will be received up to 11:00 AM & will be opened at 11:30 AM on opening date of each tender in presence of the Bidder or their representative if any.

No tender documents shall be sent by post nor sold on the opening date and no Telex/Fax Offer will be acceptable.

Biddyt/ Jana-2378(5)/99-2000
DFP-15411-18/6
G-1208

Director of Purchase
PDB, Dhaka.