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DHAKA, WEDNESDAY, DECEMBER 6, 2000

Nitol to launch first Bangladeshi brand motor bike

DHAKA, Dec 5: Bangladesh's Nitol group is to launch the country's first domestically branded motorcycle this week, company officials said Tuesday, says AFP.

The four-stroke 125 cc motorcycle, Nitol Rider, would be launched Wednesday, they said.

"The price of the motor cycle is very competitive and we are also going to announce a special credit scheme for speedy expansion of its market," Shafiqul Haque, assistant general manager of Nitol Motors Ltd., a subsidiary of the Nitol group, told AFP.

The company also planned to produce two other models, Nitol Glory and Nitol Smile, with the latter aimed at women.

The motor cycle plant in Gazipur district's Joydevpur area, near Dhaka, was set up in collaboration with China's Pian Jian Machinery Export Import Co. and has an annual production capacity of 50,000 motorcycles.

Lanka presents short-term budget

COLOMBO, Dec 5: The government on Tuesday presented a short-term budget in parliament to meet expenses for the first quarter of 2001 due to delays incurred over portfolio squabbles, says AP.

Sri Lanka's fiscal year runs from January to December. The annual budget is expected to be presented next year.

President Chandrika Kumaratunga, since cobbling together a coalition government after the Oct. 10 parliamentary election.

The crucial junior defence and finance portfolios, which were delayed by several weeks due to squabbling between government members had not given adequate time for budget formulation, local newspapers reported.

Chairman, vice chairman of Federal Ins

Following the 12th Annual General Meeting of the Federal Insurance Company Limited, Alhaj Rafiqul Anwar, MP, has unanimously been elected chairman while Alhaj Jashim Uddin and Md Abdus Salim Chowdhury vice chairman of the company.

The election was held at a meeting of the Board of Directors, says a press release.

Alhaj Md Abdul Khaleque, a sponsor director, has unanimously been elected chairman of the Executive Committee of the Board.

Alhaj Rafiqul Anwar is the founder of Nanupur Laila Kabir Degree College and Senate Member of Chittagong University. He is the founder, founder member and patron of most of the schools, colleges, social and sports organisations of the area. He is the chairman of Golden Inn Group of Companies.

Alhaj Md Abdul Khaleque is the managing director of Chittagong Agency Ltd., Chittagong. He attended many business conferences at home and abroad. He led a business delegation to Denmark. He visited most of the developed and developing countries of the world including USA and UK. He is associated with many academic and social institutions.

Alhaj Jashim Uddin is a renowned businessman. He is associated with various social bodies.

Industrialist Md Abdus Salim Chowdhury is the Managing Director of Jali Textile Mills Ltd., S H Enterprises Ltd and Proprietor of Premier Trading Company.

New Portal starts trial operation

Star Business Report

A complete portal -- www.bangladeshinfo.com -- with exclusive focus on Bangladesh started its trial operation yesterday.

"The portal aims at providing complete web solutions to local and foreign clients at the corporate and retail levels and is the first of its kind in the country. It will be officially launched in January next year," said Svad Farhad Ahmed, Chief Executive Officer of Bangladesh Info.com Limited (BIL) at a press briefing in the city yesterday.

The company is a 100 per cent subsidiary of Global Online Services Limited (GOSL), a joint venture private limited firm.

"The portal will specifically cater to the information needs of non-resident Bangladeshis, foreigners seeking Bangladesh-

Weekly tea sale Weak demand pulls down prices

Afghanistan and Pakistan buyers were less active this week, which resulted in a lower market for most grades, says UNB.

However, select lines of clean PF attracted strong competition from both Pakistan and Afghanistan resulting in higher prices for these types by Tk 1 to Tk 2 and occasionally more.

Blenders continued to lend good support especially for better liquoring types. Loose tea sale was also quite active. CIS accounted for large and both broken and a small quantity of medium broken.

CTC Leaf: 6,820 chests, 4,194 g/s, 560 p/s (10 c/s, 7 g/s of old season) on offer met with a strong demand.

Broken: All broken were a lower market by Tk 1 to Tk 3 with the exception of a few black, well made types, which



A Postal worker sits on a pile of letter bags and wait for a delivery postal van to distribute letters in different post offices in New Delhi yesterday. Postal services across India were paralyzed due to an indefinite strike by more than 600,000 workers demanding higher wages and more benefits. -- AFP photo

Bangladesh tea to be sold at Harrods

Bangladesh tea will be sold at the Harrods for the first time. Duncan Brothers, a leading producer of tea in Bangladesh, has exported teas for retail sale at Harrods of London, says a press release.

The company is producing tea 25 per cent of national production.

These teas will be sold with Harrods logo and the name of Siloah tea estate printed on tea caddy.

Harrods' quality control department tasted the tea and found it suitable to their requirements.

These teas will now attain a distinctive connoisseur's class which will only be available at the Harrods.

Motia off to Paris to attend WTO confce

Agriculture Minister Motia Chowdhury left here yesterday for Paris to attend the ministerial conference on "WTO negotiations: Agriculture and Developing countries" scheduled to be held today, says BSS.

The agriculture minister will lead a three-member Bangladesh delegation to the conference during her four-day official visit to France.

She will deliver a speech in the plenary session of the conference, highlighting the preferential access of Bangladeshi products to European Union markets, continuation of GSP facilities and reducing export subsidy for Bangladeshi products.

Motia will also hold talks with her French counterpart Jean Glavany and will discuss matters of bilateral and mutual interests. Regional and international issues will also come up for discussion in the meeting.

S'pore petroleum moves into ROK market

SINGAPORE, Dec 5: Singapore Petroleum Co. has bought a 40.2 per cent stake in Tiger Oil Corp, a South Korean oil company that runs gas stations and sells fuel, says AP.

Singapore Petroleum paid \$16.49 million for the stake through its wholly owned unit, Singapore Petroleum Venture Pte. Ltd, the company said in a statement Tuesday.

Dhaka to urge EU soon to implement free-access

The government has taken an all-out initiative to pursue the European Commission (EC) to keep its commitment for unrestricted market access to the European Union (EU) for all products except arms of the least developed countries (LDCs), says BSS.

Commerce Minister Abdul Jalil is expected to send letters to all EU trade ministers soon requesting them to keep their commitments on the EC's proposal "Everything But Arms (EBA)" awaiting endorsement by the 15-member EU Council of Ministers, officials told the agency.

Officials said the government took the persuasive initiative to neutralise the reported move by African, Caribbean and Pacific (ACP) countries to resist the endorsement of the EBA proposal that was forwarded on September 22 this year.

Bangladesh missions in Germany and Italy also informed the Commerce Ministry that these two countries are also against the proposal due to what they think the probable negative impact on their agriculture sector.

Meanwhile, the commerce minister has already written a letter to EC Commissioner Pascal Lamy last month requesting him to announce a decision on the "EBA" proposal well before the 3rd UN Conference on LDCs scheduled to take place in Brussels in May next year.

"We are confident that with your wise counsel, the EU will soon implement the proposal to provide unrestricted market access to all the 48 LDCs," the minister said in the letter.

The duty - and quota-free market access is fundamental to arresting the growing marginalisation of the LDCs in the world trade, and in assisting their development efforts, the minister said.

Although the implementation of the proposal may have a very marginal bearing on the total trade of the EU, it has the potential of creating immense opportunities for the LDCs in general, he added.

The minister said the early adoption of the policy by the EU



Women Entrepreneurs Association of Bangladesh organises a training programme on the role of women in marketing at Anchor Tower in the city on Monday. Photo shows (from left to right) Nurul Karim Nasim, Shahin Manwara Haque, MP, M Mosarraf Hossain of Rapport Bangladesh, guest speaker, and Nasreen Fatema Minto, president of the association. -- WEAB photo

Pakistan to slap tax on farm inputs to meet IMF conditionality

KARACHI, Dec 5: Pakistan has assured the International Monetary Fund (IMF) that it will slap a general sales tax (GST) on key agricultural inputs in a move likely to infuriate the powerful rural lobby, says AFP.

In its letter of intent to the IMF published Tuesday, the government spelled out a range of direct and indirect tax reforms designed to boost the government's badly depleted coffers and reel in the massive black economy.

The IMF last week approved a 10-month, \$96-million-dollar standby facility for Pakistan, designed to help it meet repayments on its \$8 billion dollars in foreign debt.

In exchange Pakistan has promised fiscal reforms including a "fundamental overhaul of income taxation," a widening of the tax base through new indirect taxes on previously exempt industries, and strict spending controls.

But rural lobbyists said the extension of the GST to agricultural inputs would smother growth in an industry which is the backbone of the Pakistani economy.

"We are already facing price hikes in all sectors and the imposition of the GST will deeply affect the major crops like cotton, wheat and rice," Sindh Farmers Association representative Syed Abdul Haq told AFP.

The letter to the IMF from Finance Minister Shaukat Aziz said GST on urea fertilizers and pesticides would be imposed by the end of March and on all other agriculture inputs by September 1 next year.

"While the agriculture sector has already been subjected to enhanced direct taxation from this year, the favourable performance of agricultural output over the past year should facilitate the extension of the GST," he wrote.

"The timing of the two phases has been chosen to coincide with the crop cycle, thereby minimising the effect on farmers' liquidity positions."

Analysts said the imposition of GST on all agriculture inputs would badly hit the rural sector which posted seven percent growth last financial year to March, the main contributor to Pakistan's 4.8 percent gross domestic product growth.

"The GST on agriculture inputs may reduce output and increase their prices. We should expect less agricultural growth and higher inflation," Invest Capital Securities research chief Mohammad Sohail said.

A bumper cotton crop last year had flow-on affects for the textile industry, another pillar of the Pakistani economy, and helped boost exports by 8.5 percent in US dollar terms, the letter to the IMF said.

But it said the capital account turned "sharply negative, driven mainly by a reversal in

public medium- and long-term capital flows."

The military government of General Pervez Musharraf, who seized power in a coup in October last year and has vowed to rebuild the economy, has already battled merchants who have been brought under the tax net for the first time.

It has also said the previously untaxed rural sector will be hit with controversial land and income taxes, while the GST has already been extended to retailers, petroleum, gas and electricity.

Concern is high that combined with a depreciation of the rupee, the new taxes could spark a sharp rise in inflation.

Markets fear messy compromise at Nice summit

Three-day meet begins tomorrow; focus on sensitive reforms

FRANKFURT, Dec 5: For financial markets scrutinising this week's European summit in Nice, the question is not what the 15 leaders agree but whether they agree anything other than a messy compromise, says Reuters.

The three-day meeting, which opens Thursday, will debate a package of highly sensitive reforms, many of which would involve countries ceding control over key areas of decision making.

The reforms are designed to pave the way for a dozen extra countries from central and eastern Europe and the Mediterranean area to join the EU over the next decade.

For markets, the preservation of an appearance of progress towards reform could prove as important as the distant benefits of enlargement, although few traders will hold their breaths.

Even European Commission President Romano Prodi only gives Nice a 50-50 chance of success.

No surprise then that many fear a messy compromise whose main achievement will be to define the limit of the region's political support for reform.

This will not help the euro, which has suffered from persistent capital outflows driven by investors who are uncertain about the region's ability to reform.

Bond yields and currencies in accession countries could also be at risk from a failure in Nice that was felt likely to delay enlargement beyond a timetable that could begin in 2003, although analysts think a more realistic date is 2005.

But the gloom that has settled across emerging markets since concerns recently surfaced over Turkey and Argentina, which are both seeking financial aid from the International Monetary Fund, is likely to overshadow events in Nice.

Business chiefs, whatever their private doubts about the chance of progress in Nice, are publicly urging governments to seize the opportunity to prove that the EU is capable of moving forward.

They want Nice to live up to the rhetoric of the Lisbon summit in March, which laid out an ambitious plan to secure the region's future prosperity. Failure to improve decision-making would dangerously deepen investor doubts.

In Nice, the leaders must decide how to divide up votes in the European Union's policy-making council, whether to limit the size of the executive European Commission and where to abandon national vetoes and take decisions by majority vote.

They will also seek a way to make it easier for groups of countries within the EU to move ahead with closer integration in certain areas where not all member states want to follow.

German Foreign Affairs Minister Joschka Fischer has warned that failure in Nice would sap the euro and Prodi has admitted that business is fed up with unnecessary red tape.

European bureaucracy is held responsible for adding to already hefty social charges for doing business in Europe, eroding the regional return on capital and encouraging investors to sink cash in the more profitable United States.

Business agrees and says that the fine words of European leaders are not matched by deeds that would make the region more business-friendly.

"The gap between the walk and the talk is read by the markets as a lack of commitment to change. We should stop acting surprised that this weakens the euro," said Dirk Hudig, secretary general of the European Employers Federation.

Foreign investors worry that deep national differences will hamper the ability of Europe's common monetary policy to foster the economic integration needed to help the region compete better with the US.

Failure for much of 2000 to match US growth has been blamed for a persistent flight of capital from the 11-nation eurozone, contributing to a steady decline in its dollar value since launch last year.

Europe might have closed the growth gap in the third quarter, but investors remain doubtful whether Europe can come close to the US economic performance year after year.

Hudig said European leaders mapped out a convincing programme for reform in Lisbon, but implementation was being blocked lower down the government chain-of-command.

"When you get to middle-management at the national level the brakes are being applied to protect traditional enclaves of power and this is intensely frustrating," he told Reuters.

Few businesses stand to gain as much from a more integrated Europe as an airline, and Air France chairman Jean-Cyril Spinetta made his views plain to Reuters Television last week.

"If ministers can wipe out obstacles to economic integration...and obstacles in all areas, it would be great for Europe and the airline business," he said.

Prodi, in a letter published in the Financial Times, urged that EU members surrender jealously guarded vetoes to allow a major simplification of Union tax rules that make a mockery of the region's ambitions to be an efficient single market.

He said this was bogging business down in insufferable administration that cost crucial regional competitiveness and was an offence against common sense.

Bangladesh Council of Scientific & Industrial Research (BCSIR)

সূত্র নং: Sectt/Trans/1-116/99 Dated: 26.11.2000

Re-Tender Notice

*Sealed tenders are hereby invited from bonafide transport owners for hiring minimum 32 (Thirty-two) seater staff bus to carry employees of BCSIR from their respective residences at Mirpur and Paikpara to the office by the side of Dr. Quadrat-e-Khuda Road (New Elephant Road), Dhaka Vice-versa.

Detailed information can be obtained from tender schedule which can be purchased from the Cashier, BCSIR, Sectt, Dhaka with cash payment of Tk. 400/- (Taka four hundred) only (Non-refundable) during office hours on or before 13-12-2000.

Any other information may be obtained from the concerned section.

DI/P-29/14-30/11 G-2/26 BCSIR, Dhaka

Bangladesh Agricultural Development Corporation

"Krishi Bhaban"

49-51, Dilkusha Commercial Area, Dhaka-1000 (Purchase Division)

Notice for Extension of Tender Submission Date

Sub : Extension of Tender Submission Date against BADC's Tender No. Pur/Fert/2F/159/2000-2001 dt. 30.10.2000 for Transportation, Re-cycling/ Destruction of about 3764 M/T of Toxic Zinc-Oxy Sulphate (ZOS).

Due to some unavoidable circumstances the tender submission date against the subject tender is hereby extended up to 19th December, 2000 at 12-00 Hours (BST) instead of 13.12.2000.

2. All other terms and conditions of the tender notice published in the local dailies earlier shall remain unchanged.

Abdul Gafur Khan
Manager (Purchase)-I
BADC, Dhaka.