



EPZ exports post 13pc rise in 2004

Investment soars 12pc

STAR BUSINESS REPORT

Earnings from the export processing zones (EPZs) marked a healthy 12.83 percent rise and investment also saw a 12.1 percent increase in 2004 as foreign entrepreneurs showed increased interest in the exclusive industrial enclaves.

The six EPZs fetched \$135.91 million in the just-concluded calendar year against \$120.22 million in 2003. The export target for 2004 was \$125 million. The earning in 2004 is 17.80 percent of the total national export.

The investment in EPZs also increased in 2004 as these industrial enclaves have attracted investment amounting to \$115.05 million, up from \$102.63 million in 2003.

Meanwhile, Bangladesh Export Processing Zones Authority

(BEPZA) forecasts a huge investment flow in EPZs especially in Mongla and Ishwardi as scores of foreign companies have either signed agreements or are set to sign.

"The 2005 will be an investment boom for EPZs as more foreign companies expressed keen interest to set up units. We are developing more plots in new EPZs like Ishwardi, Comilla and others," a high official of BEPZA said.

In spite of uncertainties over trade union rights throughout 2004, investment kept pouring in the last year. BEPZA officials attributed the investment jump to government's recent announcement of 30 percent cash incentives for export of agro-products from EPZs.

The government offered the cash incentives for attracting investment

in agro-processing sector in EPZs especially in Ishwardi, declared as a special zone for agro-processing.

The government set up Utara EPZ in Nilphamari and Ishwardi EPZ in Pabna to tap potentials in agriculture enrichment in the northern districts as processing of agro-products can add more value to exports.

B & M (bd) Ltd., a unit of Colombo-based Edna Group, has expressed its eagerness to invest \$8.0 million for setting up agro-based units in Ishwardi. The Sri Lankan company has already completed formalities to set up four units for producing chocolate, confectionery items, liquid glucose and other allied agro-products.

Sources said BEPZA may also establish another EPZ beside the existing Chittagong EPZ as it is receiving increased demand from foreign and local investors for plots in Chittagong region.



Bangladesh Garments Manufacturers & Exporters Association (BGMEA) President Annisul Huq speaks at a press conference in Dhaka yesterday after the High Court stayed a government order on appointment of an administrator in BGMEA.

Tk 12cr IPDC equity investment for Westin Hotel in Dhaka

Industrial Promotion and Development Company will make a Tk 12 crore equity investment in the Unique Hotel and Resorts Limited to set up a 5-star hotel titled The Westin Hotel, Dhaka.

C M Alam, managing director of IPDC, and Noor Ali, managing director of The Westin Hotel, signed the subscription agreement recently.

Starwood Hotels and Resorts Worldwide Inc of USA is establishing the hotel in Dhaka jointly with Unique Group of Bangladesh, says a press release.

The joint venture project will involve a total investment of Tk 250 crore, which will be financed by 66 percent of equity and 34 percent of debt.

Unique Group, Starwood, Investment Corporation of Bangladesh and IPDC are the equity participants in the project which is expected to start operations by the end of this year.

Tk 1045cr schemes okayed by Ecne

UNB, Dhaka

The Executive Committee of National Economic Council in a meeting yesterday approved 14 development projects involving an outlay of Tk 1045 crore, including Tk 292 crore in project aid.

Prime Minister and Chairperson of the Ecne Kheda Zia chaired the meeting at the NEC auditorium at Sher-e-Banglaagar.

The projects include water supply and environmental sanitation, Bangladesh Water Supply Programme, district-town infrastructure development, and road renovation in different areas of the city under Local Government Department.

Among other schemes are development of Boidderbazar-Sonargaon-Mograpara-Kaikartek-Nabiganj, Arisha-Gheor-Daulatpur-Nagorpur-Tangail, Rahmatpur-Babuganj-Muladi-Hija road, devel-

oping and remodeling Akhaura station of Bangladesh Railway, located, signaling, including yards and interlocking system, under the communications ministry.

The meeting also took decision for setting up National Institute of Neuroscience under the Health and Family Welfare Ministry, constructing academic buildings of select private colleges and setting up BM University in Barisal under the education ministry.

Pumping 20 lakh gallons of underground water, purifying and supplying water in Chittagong EPZ daily under BEPZA Governing Board Secretariat, constructing Karnaphuli EPZ in Chittagong Steel Mill area-first phase, completing the incomplete works of BIAM Foundation head office under the establishment ministry and building the Bogra Centre of BIAM Foundation are also among the new projects.

New GM of Asiatic MindShare



Partha Pratim Ghosh joined Asiatic Mindshare Ltd as a general manager.

Ghosh started his career with Contract Advertising, an associate of JWT worldwide. Prior to his new assignment, he was vice-president of The Mediagide India of the WPP group and was stationed in Mumbai, says a press release.

Asiatic MindShare, a concern of WPP's media company Mindshare, was established in Bangladesh in 2001.

Ex-directors of Enron agree to \$168m settlement

REUTERS, New York

Some of Enron Corp's former directors have agreed to a \$168 million (89.7 million pounds) settlement of a shareholder lawsuit over the collapse of the energy trading company, the lead plaintiff in the case says.

The directors will pay more than \$13 million of their own money, while insurance proceeds will cover the remaining \$155 million, according to the University of California, the lead plaintiff said on Friday.

The settlement comes on the heels of an agreement announced Friday by investors in WorldCom, another company felled by an accounting scandal, in which 10 former directors agreed to pay \$18 million as part of a \$54 million settlement.

A lawyer for many of the former Enron directors did not return a call seeking comment.

Houston-based Enron was the nation's seventh-largest public company by revenue before it spiraled into what was then the largest bankruptcy in American corporate history in December 2001.

In a press release posted on its Web site, the University of California said it would seek preliminary court approval of the Enron directors' settlement next week. It said the deal, which was reached in October, exhausts all of Enron's directors and officers liability insurance.

No settlement has been reached with several former top Enron executives, including former chairman and chief executive Kenneth Lay, former chief executive Jeffrey Skilling, and former chief financial officer Andrew Fastow, the university said.

The directors' settlement was struck in October, but the parties spent the last three months negotiating a complex agreement to provide a framework for court approval, it added.

Other settlements in the case included \$222.5 million by Lehman Brothers Holdings, \$6 million by Bank of America and a \$40 million settlement that covered Andersen Worldwide, the non-U.S. arm of Arthur Andersen, the university said. Arthur Andersen's U.S. arm, which was Enron's auditor, is still a defendant.

Sugarcane dearth threatens sugar production target

STAR BUSINESS REPORT

Sugar production in 14 state-run mills is likely to miss target this season, which authorities attribute to supply dearth of sugarcane.

In a bid to encourage farmers to cultivate sugarcane and supply to mills, the government raised the cane procurement rate from Tk 41.5 to Tk 44 for mill gate purchase and from Tk 41 to Tk 43 for field purchase.

But the price hike seems to put little effect on farmers who often supply sugarcane to molasses producers for better price.

However, sources said inefficiency and system losses are the main causes for production shortfall in the government mills.

Bangladesh Sugar and Food Industries Corporation (BSFIC), which runs the public sugar mills, has set a 1.77,600 tonne production target for the current season that started this November and will continue until next March.

Besides, BSFIC set a crushing target of 22.77 lakh tonne sugarcane at a recovery rate of 7.8 percent for this year. So far, all the mills

together produced around 36,000 tonnes of sugar by crushing some 5.5 lakh tonnes of canes.

The target was 1.8 lakh tonne in the last crushing season but ended up with only 1.18 lakh tonne.

Sugar production in state-run mills continued to fall over the last few years following an inadequate supply of sugarcane for crushing triggered by illegal use of power crushers in mill zones.

"We provide farmers financial and technical support for growing sugarcane. But the molasses producers lure the farmers with high price. Although it is illegal to run power machines in mill area, the practice continues due to shortage of law enforcement personnel," said a high official of BSFIC.

Mills under BSFIC produced over 3 lakh tonnes of sugar in 1994-95 season by crushing 3.5 million tonnes of sugarcane. The output came down to around 1 lakh tonne in the recent past with the availability of 1.6 million tonnes of sugar-cane for the mills.

Against the backdrop of poor local output, dependency on imported sugar continued to rise

over the years. The country needs to import six to eight lakh tonnes of sugar every year to meet the internal demand.

To overcome the high import dependency, the government allowed 16 private companies to refine imported raw sugar. Sources said the buyers of Deshbandhu Sugar Mills plan to refine 1 lakh tonne and Kaliachapra 60,000 tonnes. Partex Group also has a plan to refine sugar.

People in the business say, once the private refineries go into full capacity operation, the consumers will get sugar at comparatively cheap rate as price of raw sugar in international market is low.

BSFIC also plans to start refinery operation during the non-crushing season to break out from long-standing losing streak. The corporation incurred a loss of Tk 135 crore in the year 2000-2001, Tk 118 crore in 2001-2002, Tk 98 crore in 2002-2003 and Tk 40 crore in 2003-2004.

Due to mounting loss, Deshbandhu Sugar Mills in Narsingdi, Kaliachapra Sugar Mills in Kishoreganj and Rangpur Sugar Mills in Gaibanda have been handed over to private sector.

According to BSFIC's refinery plan, Pabna Sugar Mills will refine 30,000 tonne sugar in the first phase and will expand the operation to other mills which can be connected to national gas line to run the boilers required to refine raw sugar.

Zeal Bangla Sugar Mills in Jamalpur can also be connected to gas line and may go for refinery operation depending on financial success of the new venture in Pabna Sugar Mills.

The state-run sugar mills never see profit. They are the perennial burden to the government which the corporation managers and experts blame for keeping the mills idle for over six to eight months a year during non-crushing season.

BSFIC mills are located in Panchagarh, Thakurgaon, Shataganj in Dinajpur, Shyampur in Rangpur, Jaypurhat, Rajshahi, Natore, North Bengal in Natore, Pabna, Kushtia, Chaudanga (Carew & Carew Company), Mubarakganj in Jhenaidah, Faridpur and Jamalpur (Zeal Bangla).

Asian tourism weathers tsunami disaster

AFP, Singapore

Thailand and Sri Lanka have been scared but tourism in Asia remains largely unhit by the tsunami disaster despite the massive devastation of coastal areas, industry experts and operators said.

Booking cancellations have had the most impact on coastal areas of southwest Thailand whose idyllic beaches were ravaged by quake-generated waves that left over 5,000 people dead, half of them western holidaymakers.

Since 2001, the region's travel sector has weathered the fallout from international extremist violence.

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However, plane seats were full elsewhere as travellers diverted their holiday plans to the Indonesian island of Bali, Malaysia or to Japan and South Korea.

"Tourism is surprisingly business as usual," said Don Birch, chief executive of Abacus, Asia's biggest air ticketing and reservations company.

"If you think about it, this is a humanitarian crisis, not an economic crisis. So in terms of travel, what we're seeing is that while business has obviously been affected in Thailand, overall travel is really not much changed."

Birch said bookings to Thailand fell 58 percent in the week ending

January 2, and plunged 78 percent for Sri Lanka.

However, plane seats were full elsewhere as travellers diverted their holiday plans to the Indonesian island of Bali, Malaysia or to Japan and South Korea.

"This is getting to be a very serious matter," said Thomas Donohue, the president of the US Chamber of Commerce, which has unveiled an "unprecedented" global initiative to combat the crime in 2005.

The problem, he said, had become so serious that in China one may not be able to differentiate between a car produced by the world's biggest automaker General Motors and its fake.

"I'm told that in China recently we had the piece de resistance," Donohue said, highlighting American concerns over illegitimate goods at a recent media briefing.

"And that is that some folks in China were building cars for General Motors who then found out that four towns away, they were building the very same car with the same brochures and who could tell the difference?"

According to experts, China produces 70 percent of the world's counterfeit goods.

But China, increasingly embarrassed by its reputation as a global center for pirated goods, has signalled it would get tough with counterfeiters.

Last month, for example, Beijing lowered the value of counterfeit goods that a person can be prosecuted for from 100,000 yuan (12,000 dollars) to 50,000 yuan (6,000 dollars).

World Bank head hunt begins

AFP, Washington

The selection of candidates for World Bank chief took an unexpected turn this week, after the favorite, US Trade Representative Robert Zoellick, was nominated to be number two in the State Department.

Zoellick, 51, was chosen by President George W. Bush as second to Condoleezza Rice at the head of US diplomacy, though his name had been suggested as potential successor to James Wolfensohn, who announced at the start of the year he would retire in 2005 after 10 years in the job.

Traditionally, the position of World Bank president goes to an American, and the Treasury Department succinctly noted that it had begun talks with World Bank

shareholders over the choice of a successor to Wolfensohn.

While reticent about a name, a Treasury Department spokesman said simply that Washington was looking for the best candidate for the job.

The relationship between

Wolfensohn, 71, and the Republican government of President George W. Bush has often been strained, and the World Bank boss' decision finally was to retire.

Last spring, when the Bank's sister organization, the International Monetary Fund, chose a new director general, certain emerging economies sought to challenge the 60-plus-years custom of putting an American at the helm of the one institution, while nominating a European to the other.

In the end, Spaniard Rodrigo Rato got the IMF job, with broad support

Government of the People's Republic of Bangladesh				
Local Govt Engineering Department Office of the Executive Engineer District: Chandpur				
Dated: 27-12-2004				
Invitation for Tender (IFT)				
Tender Notice Number 23/2004-05				
Sealed tenders are hereby invited from the eligible tenderers as defined in the tender documents for the undermentioned list of works as per terms and conditions stated below:				
Sl. No	Name of contract	Tender security (Tk)	Time for completion (days)	Price of tender documents (Tk)
1	2	3	4	5
Name of Project: Rural Infrastructure Project Greater Comilla District (Comilla, Chandpur & B'baria)				
01	Improvement of Durgapur Bazar-Durgapur UP Office Road via Annada Bazar Ghashirchar at Ch. 00-1.00 km) under Matlab (N) Upazila	60000.00	90	750.00
02	Construction of 3x4.00x3.30m RCC box culvert on Gazipur WDB Canal at Ch			