

Freezers



Whirlpool
America's No. 1 Appliance Co.

TRANSCOM ELECTRONICS

Dhaka: 8110163, 9882192, 9896285, 9569613
Chittagong: 637669, 653758, Bogra: 66215
Khulna: 720304, 723695

Star BUSINESS

DHAKA WEDNESDAY JANUARY 19, 2005 E-mail: dsbusin@gononet.com

PAKISTANI LADIES SUITS & SAREES
MOST ATTRACTIVE UNCOMMON 3/4 PIECES PAKISTANI
Bareez'e LADIES SUITS & SAREES AVAILABLE AT:
The Bareez'e Fashions: 3rd Floor, Park West Building,
37-Main Suhrawardy Avenue, Baridhara, Beside K.C.
Memorial Clinic, Dhaka. Cell: 0173-018590 & 0173-018591
Joya Fashions: (Uttara Branch)
House # 15, Road # 16, Sector # 3, Uttara Model Town,
Dhaka. Cell: 0173-018590, 0173-018591 Phone: 02-8961669

LG South West Asia president arrives today



KR Kim, president and managing director of South West Asian headquarters of LG Electronics Inc, arrives today on a short visit to Dhaka.

During his daylong visit, he will visit LG Butterfly showrooms. Kim will leave for New Delhi tomorrow, says a press release.

Lafarge buys back stakes in Asian operations for \$141m

French group Lafarge, the world's leading supplier of construction materials, said Tuesday it had bought stakes held by the State of Wisconsin Investment Board in Lafarge's Asian operations for a total of 141 million dollars (108 million euros).

The deal is based on partnership accords reached five years ago, Lafarge said in a statement.

It is to retake a 20.3 percent stake in Lafarge Halla Cement in South Korea, bringing its total holding to 71.4 percent.

Oil prices soar towards \$50

World oil prices surged to six-week high points on Tuesday, approaching 50 dollars a barrel in New York amid freezing temperatures in the United States and an International Energy Agency (IEA) forecast for strong global demand in 2005.

New York's main oil contract, light sweet crude for delivery in February, rose to as high as 49.30 dollars a barrel in electronic deals, the highest level since November 30.

The contract stood at 49.27 dollars at about 1100 GMT, up 89 cents on Friday's closing level. New York markets were closed Monday for a public holiday.

The price of Brent North Sea crude oil for March jumped to as high as 46.09 dollars in electronic deals Tuesday, the highest level also for one-and-a-half months.

The contract stood at 45.98 dollars around 1100 GMT, up 95 cents from Monday's closing price.

"Most of the strength is due to the cold weather in the States. That's the main factor," Investec analyst Bruce Evers said.

"The weather is supposed to get very, very cold later in the week. That's obviously driving heating oil (prices higher) which is pulling the crude oil price up."

Infrastructure cos may be forced to go public

Move to bring depth in stock markets

REJAUL KARIM BYRON

An inter-ministerial meeting will take a decision on a Securities and Exchange Commission (SEC) proposal to make it mandatory for companies dealing with infrastructure projects such as telecommunications, power, gas and port to raise funds through stock markets.

This was decided at a meeting between SEC, Bangladesh Bank and the finance ministry in Dhaka yesterday.

The decision came in the wake of the recent topsy-turvy share price movements in the stock exchanges.

Listing with the capital market may be made mandatory for the public and private sector telecoms, power and other infrastructure companies.

In case of taking loans, the banks may impose conditions of public float to raise a certain portion of capital from the mar-

ket.

The high-level meeting at the finance ministry discussed these issues with Finance and Planning Minister M Saifur Rahman in the chair. Bangladesh Bank Governor Fakhruddin Ahmed and the SEC Chairman Mirza Azizul Islam, Finance Secretary Zakir Ahmed Khan and other top officials were present at the meeting.

Recent boom in the capital market and the present level of inflation were also discussed in the meeting.

There is no reason to be panicked by the recent surge in the stock market and the inflation rate is within tolerable limit, the meeting was told.

The meeting was following the recent set of proposals from the SEC urging the finance ministry to increase the number of securities in the capital market to meet the growing demand in the market.

The government is controlling most of the existing telecoms,

power, gas, and port projects and a portion of fund may be raised by floating shares through IPOs, meeting sources said.

Private telecoms and power projects may be asked to follow these public sector projects.

The finance minister agreed that decisions will be taken at an inter-ministerial meeting to be held after the Eid-ul-Azha.

The SEC has also sent a proposal to the central bank requesting it to take steps so that the companies are asked to raise a certain portion of fund from the capital market in case of taking long-term loans in future.

Saifur asked the central bank and the SEC to finalise a proposal in this regard.

Earlier, at another meeting with the Centre for Policy Dialogue (CPD), Saifur said new companies in future will be asked to raise at least 25 percent equity from the capital market when they will take loans from banks.

Siemens, Tele Barta sign deal

Tele Barta Ltd has signed an agreement with Siemens Bangladesh Ltd & Siemens Mobile Communications SpA recently in Dhaka.

Under the deal, Siemens will supply digital microwave system to Tele Barta.

Osvaldo Ammirati, resident manager of Siemens Mobile, Rudolf P Klink, managing director and CEO of Siemens Bangladesh, and ANM Golam Sarwar, managing director of Tele Barta, signed the deal on behalf of their companies. Other senior officials from both the organisations also attended the signing ceremony, says a press release.

S'pore courts Chinese, Indian multinationals

AFP, Singapore

Singapore urged Chinese and Indian companies Tuesday to use the city-state as a base for international expansion, just as US, Japanese and European firms have done.

"As Asian economies grow and mature, their domestic companies will increasingly seek to spread their wings and internationalise," Minister for Trade and Industry Lim Hng Kiang said at a business gathering.

"The recent acquisition of IBM's PC manufacturing business by Chinas Lenovo is an example of this growing appetite for international expansion," he said.

Singapore now hosts more than 7,000 multinational corporations (MNCs), with 4,000 of them basing their regional headquarters in the city-state, Lim said.

"We want companies making their maiden forays out of places like China and India to consider Singapore as their first base camp," Lim said.

"What we offer them is a conducive environment where they can test-bed new concepts, raise capital or seek a public listing, and establish partnerships for overseas ventures."

Tsunami may trim Indonesia growth: WB

AFP, Jakarta

The tsunami disaster could trim Indonesia's economic growth but the long-term outlook remains positive provided it makes good on reform pledges and strengthens infrastructure, the World Bank said Tuesday.

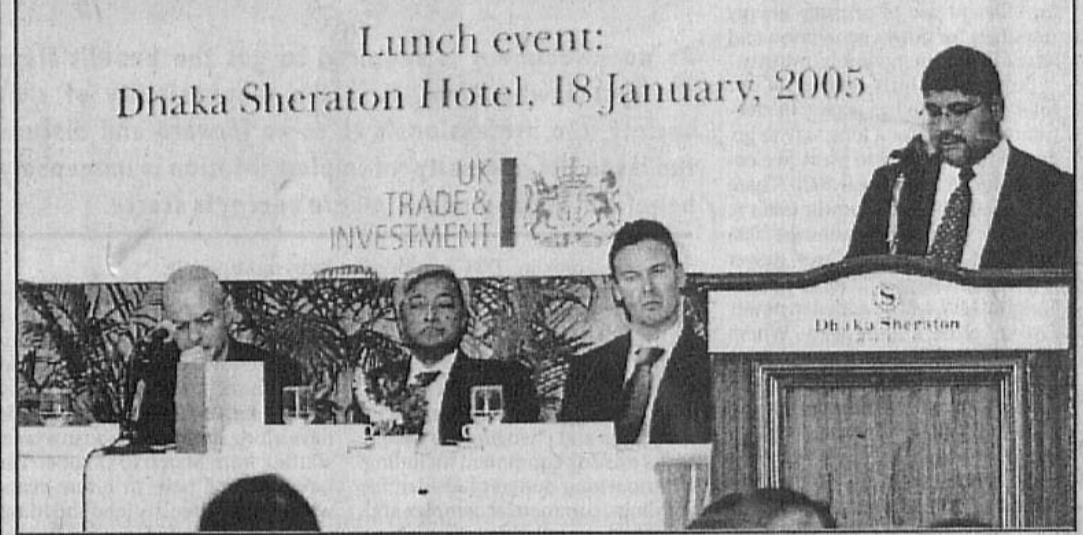
In its latest report on the country, the financial body said rebuilding costs after last month's catastrophe could range as high as 5.0 billion dollars, reducing gross domestic product growth by up to 0.4 per cent.

However, the bank, which last year revised its forecast for 2005 GDP growth to 5.4 percent from 5.0, said progress in stabilising Indonesia's economy, coupled with a successful election year that installed a business-friendly president, put it in good stead to cope.

"Had the disaster come a few years earlier, the economic consequences would have been considerably more serious," the World Bank said in its report.

British Business Group

British Companies Investing in Bangladesh



Asif Ahmad, director (Asia Pacific) of UK Trade and Investment, speaks at the lunch meet of British Business Group in Dhaka yesterday. (From left) Robert Gibson, acting British High Commissioner, Elias Ahmed, joint secretary at the Ministry of Commerce, and Clifford Bebb, head of Trade and Investment at British High Commission, are also seen in the picture.

UK investment official decries proposed rule

Regulation to stop phoney cos: BoI chief

STAR BUSINESS REPORT

A British investment regulatory body official yesterday criticised a proposed regulation for investment in Bangladesh while BoI chief rebutted that the regulation is meant for facilitating foreign investment in a disciplined way.

Mandatory requirements for foreign companies to transfer \$50,000 from their parent organisations within the first months of setting up office and imposition of foreign to local personnel ratios, are some of the regulations Bangladesh is planning to introduce for foreign investment.

"The new regulations may actually discourage British and other foreign investment, said Asif Ahmad, director (Asia Pacific) of UK Trade and Investment.

He was addressing a lunch meet of British Business Group, an informal alliance of British companies investing in Bangladesh, at Sheraton Hotel in Dhaka.

However, Executive Chairman of Board of Investment (BoI) Mahmudur Rahman said the proposed \$50,000 seed money is meant for stopping chaos and checking phoney companies. He referred to a company, which got registration in the Registrar of Joint Stock Companies with a paid-up capital of \$5.

"The amount of the seed money is very minimal," Rahman said regretting that foreign companies

mainly raised the negative issues and hardly appreciated positive moves by the government.

The government even exempted a UK company from a law which restricts equity transfer within eight years of investment so that it can sell its equity in Bangladesh to another company, he said.

The BoI chief, however, mentioned the contribution of British and other foreign investors for employment generation and national development. He said the Board has now investment proposals of over \$8 billion which may get implemented in the next five years whereas the country received \$3.5 billion FDI in the last 33 years.

Once the investment proposals are implemented, Bangladesh may see over seven percent GDP and a double-digit industrial growth, Rahman added.

Asif Ahmad said presently Bangladesh offers the most liberal FDI regime in South Asia. "But the execution of the new policy draws criticism."

Foreign investors complain that the poor quality of transport and communication infrastructure, erratic power supply, administrative red tape and non-transparency and lack of skilled people at various levels are the problems in Bangladesh, he said.

Hartals and congestion at seaports are the other major prob-

lems here, the Bangladesh-born British national added.

"UK companies are ready to invest in any market where the returns are commensurate with the risks," he said.

Ahmad, however, noted that UK and other donors are preparing a programme with the Bangladesh government to streamline the burden of regulations on business through introduction of e-governance, regulatory impact assessment, reform and capacity building of government.

Ahmad said the UK investment in Bangladesh exceeded \$1.6 billion in ten-year period to 2001 which is second largest after the investment of the US. UK is the third biggest market for Bangladeshi products accounting for 12 percent of total export. The UK imports from Bangladesh are seven times the amount it exports to Bangladesh market, he said.

Ahmed said around 2,80,000 people of Bangladesh origin now live in Britain who can also explore opportunities in Bangladesh.

Robert Gibson, acting British High Commissioner in Dhaka, Elias Ahmed, joint secretary at the Ministry of Commerce of Bangladesh, Clifford Bebb, head of Trade and Investment at British High Commission in Dhaka, and David JH Griffiths, CEO of HSBC in Bangladesh, were also present at the function.

EU at odds over euro reform rules

AFP, Brussels

Defenders of financial rigour in the European Union attacked Tuesday a German call for a radical overhaul of the eurozone's budget rules at a lively meeting of EU finance chiefs.

Finance ministers from all 25 EU member states continued talks launched late Monday by ministers from the 12 euro nations on how best to shake up the Stability and Growth Pact.

The ministers also discussed the economic fallout of the Asian tsunami and the related question of debt relief for the world's poorest countries.

They took a widely expected decision to drop disciplinary action against France and Germany after concluding that the eurozone's two biggest economies will meet an EU deficit target -- three percent of output -- this year.

But a demand by German Chancellor Gerhard Schroeder for a dramatic loosening of the euro rules drew criticism from fiscal hardliners at the eurozone talks, which stretched well into the early hours of Tuesday.

Karl-Heinz Grasser, Austrian finance minister and deputy euro group chairman, rejected Schroeder's plan for greater national sovereignty over economic policy and a diminished surveillance role for the European Commission.

"A strong stability pact is a precondition of a successful euro,"

hesaid.

Dutch Finance Minister Gerrit Zalm said: "It's always difficult to reach a compromise when government leaders interfere with the business of finance ministers."

German Finance Minister Hans Eichel said that his boss was not, contrary to appearances in an article in Monday's Financial Times newspaper, calling into question the three percent deficit ceiling that underpins the euro.

Other ministers said the talks had bridged differences on reform of the pact, which the EU's Luxembourg presidency wants to finalise before a March leaders' summit tasked with agreeing an overhaul of Europe's weak economy.

Spanish Finance Minister Pedro Solbes, who as the former EU economic affairs commissioner was the staunchest defender of the pact, said the discussion was "satisfying" and that agreement by March was possible.

In his Financial Times article, Schroeder argued in favour of substantial exemptions to the pact and called for the European Commission's oversight of EU nations' economic policies to be sharply curtailed.

"The stability pact will work better if intervention by European institutions in the budgetary sovereignty of national parliaments is only permitted under very limited conditions," he wrote.

The proposals put forward by

the German leader go much further than proposed by Brussels and budget disciplinarians in the EU, and are all the more ironic coming from the country that insisted on tough rules in the 1990s.

The Bundesbank, Germany's central bank, countered Schroeder by saying that any softening of the rules "must be rejected".

But there is broad consensus on the need to reform a pact that has been left weakened by the refusal of EU nations to bring France and Germany to heel for allowing their public deficits to surpass the deficit limit.

The finance ministers concluded in a statement that action taken by the French and German authorities, "is broadly consistent with a correction of the excessive deficit by 2005".

"The Council (of ministers) agrees with the commission conclusion that no further steps under the EDP (excessive deficit procedure) are necessary at this stage," it said.

Greece, on the other hand, will endure the next stage of the deficit procedure after revelations that its budget deficit has far exceeded the limit since 1997.

But the EU ministers did welcome pledges by Greece's conservative government to put its budgetary house in order. The government has blamed its Socialist predecessor for falsifying the sensitive deficit data in the past.

Directorate General Defence Purchase
Ministry of Defence
New Airport Road, Tejgaon, Dhaka-1215

Tender/Re-Tender Notice

1. Sealed tenders in local/foreign currency are invited from bonafide manufacturers/dealers/suppliers (for enlisted firm only) for supply of the following items for Bangladesh "Army".

Ser No.	Nomenclature	Date of selling		Date of opening	Currency	Tender No.
		From	To			
a.	Spare parts for 10 line Magneto Switch Board Type E1011 & 20 line Magneto Switch Board Type E2011. Quantity-08 line.	29-01-2005	17-02-2005	19-02-2005	Local	214/2029/P-2
b.	Global Positioning System (GPS) complete with accessories. Quantity-55 Nos	-do-	10-03-2005	12-03-2005	Foreign	214/1082/P-2

2. Tender schedule with detailed specifications/conditions will be available on payment as per I/T selling rate (non-refundable) during office hour between 0800 hours to 1300 hours. The tender can be dropped latest by 1000 hrs and opened at 1005 hours on the specified date of opening in presence of all tenderers (if present).

ISPR/Misc/05/29
DFP-920-11/01/05
G-55

Major
For Director General

Government of the People's Republic of Bangladesh
Office of the Executive Engineer
Directorate of Public Health Engineering
Meherpur Division, Meherpur

Amendment Notice

It is hereby notified for general information that Tender Notice No. 5/2004-2005 dt 29-12-04 was invited vide Memo No. 706(30) dt 29-12-04 of this office and the tender notice was sent vide this office memo No. 707 dt 29-12-2004 to the Ministry of Information for wide publicity.

Under unavoidable circumstances the tender notice is amended as the following:

- Eligibility of tenderers to purchase tender: It should be read as Directorate of Public Health Engineering's 2004-05 financial year renewed/registered A/D class contractors/firms & other office's/ Directorate/organisation's contractors/individual firms in place of 2004-05 financial years Directorate of Public Health Engineering enlisted/renewed A/D category firms.

Other terms & conditions of tender notice shall remain unchanged & the amendment notice shall be treated as a part of tender notice.

Executive Engineer
Public Health Engineering
Meherpur Division Meherpur

DFP-1049-12/1
G-75

BCIC Tender Notice

বিসিআইসি'র পণ্য শিল্পায়নে জাতীয় অগ্রগতির প্রতীক

Tenders under sealed cover are hereby invited by Managing Director, KPM Ltd, Chandraghona, Rangamati hill district from valid A-2 class contractors enlisted with BCIC for the undermentioned work:

Serial No	Name of work	Amount of earnest money	Price of tender document (non-refundable)
1.	Renovation & maintenance of Cell & Rectifier Building	Tk 27,100/=	Tk 500/=

Rate per item of the work stated in tender document should be quoted distinctly in figures & words. Incomplete or partial rate quoting shall not be acceptable. Tender document can be purchased at prescribed price from (1) General Manager (Accounts & Finance), KPM Ltd, Chandraghona, Rangamati hill district, (2) Senior General Manager, BCIC branch office, 6, Agrabad C/A, Chittagong & (3) BCIC Accounts Department, BCIC Bhaban, 30-31, Dilkusha C/A, Dhaka on production of enlistment certificate up to 2003-2004 financial year, on all working days from the date of publication in newspaper till 29-01-2005.

Tender shall be received in tender box kept at the office of Additional Chief Engineer (Construction), KPM Ltd, Chandraghona, Rangamati hill district up to 11-00am of 30-01-2005 and opened immediately afterwards in presence (if any) of the tenderers.

The KPM authorities reserve the right to accept or reject any tender without assigning any reason.

BCIC-467-1/1/05
DFP-785-10/1
G-79

Md. Nurul Islam
Additional Chief Engineer Civil
For Managing Director