

DHAKA SUNDAY OCTOBER 11, 2009

## Stocks

DGEN ▲ 4.35%  
3,259.03

CSCX ▲ 3.60%  
7,041.51

(Week-on-week)

## Asian Markets

MUMBAI ▼ 1.19%  
16,642.66

TOKYO ▲ 1.87%  
10,016.36

SINGAPORE ▲ 0.06%  
2,652.51

SHANGHAI ▲ 4.76%  
2,911.72

(Friday closings)

## Commodities

Gold ▼  
\$1,051.50  
(per ounce)

Oil ▲  
\$71.89  
(per barrel)

SOURCE AFP

(As of Friday)

## Probe detects irregularities in Sylhet chamber

IQBAL SIDDIQUEE, Sylhet

A committee formed in line with an instruction by the commerce ministry has detected irregularities in the Sylhet Chamber of Commerce and Industry (SCCI) in the run-up to its December elections.

The probe report found that the SCCI officials had enrolled an unusual number of voters in a bid to influence the elections.

The probe body, formed by Sylhet Deputy Commissioner Sajjadul Hasan and Additional DC (general) ATM Mamunur Rashid, filed the report on September 29.

An approval to 680 new members at the August 21 meeting seemed abnormal, the report says.

The committee also found financial irregularities over a recent trade fair. The trade body realised around Tk 12 lakh from the event manager of the fair against a Tk 22 lakh deal. Three cheques, given by event manager Bangladesh Benarsi Muslin and Zamdani Society, bounced, chamber officials claimed in their statements to the probe body.

On October 6, Rokhsana Quader, deputy secretary to the commerce ministry, served a notice on SCCI President Zunnun Mahmud Khan to explain in seven days why an administrator will not be appointed to the chamber to hold elections properly.

The probe committee interviewed the complainants -- Matiur Rahman Khan and SM Iqbal Hossain, former directors, and Md Ali Hossain, a member.

On the other hand, Khondaker Shipar Ahmed and Zobayer Ahmed Chowdhury, SCCI vice-presidents, defended their organisation.

Former SCCI president Faruque Ahmed Misbah along with SCCI Secretary Siraj ud Doula had also appeared before the probe body.

The report mentioned that there might be an audit into the chamber accounts.

"We are yet to get any show-cause notice from the ministry," said Zobayer.

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## Bidding terms worry bulb makers

### STAR BUSINESS REPORT

Controversy looms large over the government initiative of replacing traditional incandescent bulbs by offering 10.5 million energy saving lights free of cost, as local manufacturers say some bid clauses may keep them out of the bidding to supply such bulbs.

The manufacturers alleged that at least nine contradictory conditions put in the bid paper will prevent them from taking part in the bidding process for supplying the energy saving compact fluorescent lights (CFLs).

They sought the prime minister's intervention in the bidding process to make it suitable for the local companies.

Rural Electrification Board floated tender for supplying 10.5 million CFLs on September 14, and the bid closing date is October 27.

The World Bank (WB) funds the project. The estimated cost for 10.5 million CFLs is \$15 million, according to the WB.

The government initiated the programme to save electricity as Bangladesh is producing only 4,300MW against 5,200MW demand in peak hours. It is estimated that 10 million CFLs would save 312 gigawatt power and \$1.5 million a year.

The mega project for distributing CFLs has become lucrative both to national and international energy saving light makers.

As per the tender document, a prospective bidder will have to show experience certificate of supplying 20-33 lakh CFLs at a time. The local manufacturers alleged that the clause was included to prevent them from participating in the bidding.

"At present, no local company has such experience as the energy saving light market is just flourishing in Bangladesh," said Kazi Mahbubur Rahman, president of Bangladesh Efficient Lighting Manufacturers' Association, at a press conference in

Dhaka yesterday.

He said local manufacturers can supply 40 percent energy saving lights of the project's 10.5 million bulbs. There was discussion between the government and the local manufacturers earlier, when the government assured them of collecting at least 30 percent bulbs

locally.

Along with the market leaders -- Bangladesh Lamps Ltd, Energypac Electronics Ltd and Macro Fabricators Ltd -- around 10 local companies are

now producing nine lakh energy saving lamps per month.

Rahman demanded that the supply amount should be reduced to 3.5 lakh at a time to ensure participation of the local manufacturers in the bidding.

The bid did not tag any after-sales service requirement. Foreign companies, if accepted for the project, will be able to withdraw all the money against whatever they will supply by keeping only 2 percent as security

money.

Vice President of the association Nurul Aktar said such provision may harm the government initiative as no one will take responsibility of quality of the products.

He said in case of electric product supply, a company must provide one year after-sales service according to Public Procurement Policy. In line with the policy, the company must keep 10 percent of its total supply cost as security money.

He also said the existing bidding process will not ensure the products' quality.

The present process does not allow the government to check the technical specification first before scrutinising financial proposal, Aktar said.

"If the government fails to ensure technical specification, there remains a chance to supply substandard bulbs by non-brand importers," he said.

## Distribution of energy savers starts today

BSS, Dhaka

Dhaka Power Distribution Company (DPDC) starts the much-awaited free distribution of 15 lakh compact fluorescent lights (CFLs) to consumers in the city today.

"It's a pilot project. In the first phase, we will distribute 22,500 lights among consumers along with 23,000 electronic blasts," Ataul Masud, managing director of DPDC, told the news agency yesterday.

"However, after evaluating its efficiency, we will take a massive programme."

Garment aid agency GTZ has provided one lakh euros for purchasing the bulbs from a local manufacturer.

As part of its primary plan to increase energy efficiency, the government had earlier announced that it would give three crore compact fluorescent lights for free in February 2010. The World Bank will provide \$50 million for the project.

DPDC said it has engaged Buet in evaluating the efficiency of the system.

"To help reduce consumption of electricity, we will distribute the bulbs among the consumers who use incandescent bulbs. The consumers will give us two incandescent bulbs and will get two CFLs in return," Masud said.

State Minister for Energy and Power Enamul Haque will inaugurate the programme where top officials of the Power Division will attend.

According to a REB study, a CFL uses a fifth of power required by a conventional bulb with the same illumination capacity. It said the number of incandescent bulbs and tube lights is around 1.11 crore.

The study also revealed that CFLs could save 350MW of electricity a day.



A worker sorts finished ready-made garment products for packaging at a RMG factory. Bangladesh paid \$576 million in duty against its nearly \$3 billion exports to the US in 2008.

## Dhaka looks to WTO meet to win African LDCs' support

REFAYET ULLAH MIRDHA

Bangladesh is now in talks, both bilateral and multilateral, with the African least developed countries (LDCs) to drum up support from them in winning a zero tariff facility for its major exportable items in the US market.

Officials said it targets the WTO mini-ministerial meeting in Tanzania on October 14-16 to unite all 49 LDCs to mount pressure for such duty-free access.

The Tanzanian meet will be, in fact, a ground work for the Bangladesh team joining there to have positive responses from the Africans to the country in the upcoming WTO Summit.

The summit is due in Geneva on November 30-December 2.

"The US duty-free access is on top of our agenda in the Tanzania meet for which we have finalised the drafts to be put up there," said Amitava Chakraborty, director general of the WTO Cell at the commerce ministry.

Progress in MODE-4 or free movement of natural persons to facilitate human resource exports to devel-

oped countries is another topic Bangladesh wants to put forward in the talks, Chakraborty pointed out.

Tariff Commission Chairman Dr Mujibur Rahman points his fingers at Bangladesh's advantageous position in the negotiation table that major products it exports are different from those exported by African LDCs, which enjoy US preferences.

The Tanzanian meet opportunity might be available to make the Africans understand that erosion of the preferences they enjoy in the US is unlikely as Bangladesh's products are not similar," Rahman said.

"If a common declaration comes out from Tanzania meet, it will help Bangladesh get a duty-free benefit from the US," he maintained.

Moreover, India, a neighbouring developing country, recently offered Bangladesh and other LDCs a greater cooperation in the WTO Geneva Summit, he said.

Such Indian step will help raise voice in favour of Bangladesh in the WTO Summit as Sri Lanka and Pakistan -- two other developing countries -- now also lobby for tariff

cut on exports to US, Bangladesh's tariff body chief said.

Although Bangladesh is an LDC, it will seek the benefits, as it fears to lose out competitiveness to Sri Lanka and Pakistan. These two developing countries enjoy US privileges because of their embattled political situation, Dr Rahman said.

Parleys are on to bring down tariffs at five percent for five selected Lankan and Pakistani garment items within five years. At present, Bangladesh, Sri Lanka and Pakistan are paying 15 percent duty on apparel exports to US market.

A senior official of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) said the country paid \$576 million as duty against its nearly \$3 billion exports in 2008.

Bangladesh mainly exported woven and knitwear to the market during the year, the official said.

He said France, being an advanced economy, also paid the same amount of duty although it exported 15 times higher than Bangladesh to the US during the period.

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## NBR think tank in the offing

UNB, Dhaka

The National Board of Revenue (NBR) is going to set up a 'Tax Information Management and Research Centre'.

On August 16, the NBR formed a committee with the director general of the Central Intelligence Cell as its head to work out the activities and jurisdiction of this centre, as proposed by the finance minister in his budget speech.

The committee was actually given two weeks' time for submitting its report by August 30. But in its first meeting on August 23, the committee members sought three months more to submit the report.

According to a member of the committee, the 'Tax Information Management and Research Centre' will act as the think tank of the NBR.

Once set up, the centre will be able to provide more appropriate information to the NBR regarding any government decision on revenue matters.

"In every developed country of the world, there are such centres which help the government take decisions about revenue matters," he said.

He said the centre will evaluate the tax measures, particularly the facilities given to the taxpayers or industries.

NBR sources said the government decided to enhance the tax-GDP ratio, which is very poor in the country -- around 8, the lowest in the subcontinent.

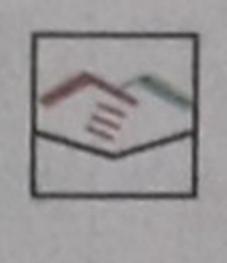
"But this initiative will not make sense if CNG prices are not cut."

He said large vehicles find CNG to be cost-effective despite CNG prices doubling to Tk 16.75 a cubic metre last year, as diesel was priced at Tk 55 a litre.

But vehicle owners find it less cost effective to use CNG after two downward adjustments left diesel prices standing at Tk 44 a litre.

Shafiq Azam, managing director of RPGCL, said CNG stations in some places have become saturated, putting squeeze on business.

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