

Tap potential of horticultural produce export

State minister urges entrepreneurs

STAR BUSINESS REPORT

State Minister for Agriculture Mirza Fakhru Islam Alamgir has called upon entrepreneurs to come forward in exploring the potential of horticultural produce export.

Although government has taken some initiatives, more private sector entrepreneurs should engage themselves in the development of this sub-sector to boost export, he told a seminar in Dhaka on Saturday.

Hortex Foundation and Agribusiness Development Organisation of Bangladesh (Adob) jointly organised the seminar titled 'Sanitary and Phyto-Sanitary Requirements for Fresh Produce Export under World Trade Organisation (WTO)'. Alamgir stressed the need for setting up of a separate agro-processing cell in the Agriculture Ministry for dealing with production and exports of fresh fruits, vegetables and other fresh agricultural products.

"Our entrepreneurs should be prepared to face the challenges ahead in the global market," the state minister said. "After September 11, 2001 we are in deep crisis and facing an uneven competition in the world market," he added.

Speaking at the seminar Adob President AFM Fakhru Islam Munshi demanded of the government to build strong infrastructure for the development of agro-based sector and provide adequate air cargo facilities to the exporters.

Md Saleh Ahmed, post harvest and marketing specialist of North-West Crop Diversification Project, Department of Agricultural Extension, in his keynote paper said Bangladesh's contribution to world food trade is relatively very insignificant.

"One of the major reasons is the quality and safety aspects of the products," he said.

Export earning from horticultural sub-sector has been growing in recent time proving it to be a highly potential source of foreign exchange, Ahmed said. "Exports in the sub-sector rose to 12,761 metric tons in 2001-02, from 9,503 tons in 2000-01 posting a 34 per cent growth."

The export value of horticulture

products rose by 12 per cent in FY 2001-2002 compared to the previous year when the overall export earnings of Bangladesh showed a downturn after September 11, 2001 incident, he said.

Ahmed also said inadequate production, irregular supply, lack of awareness of quality produce, lack of proper pest management, insufficient infrastructure, poor handling and packaging, insufficient transport system, absence of cooling facility and limited air space and high air freight charges are hindering the growth of horticultural products export.

Sanitary and phyto-sanitary (SPS) measures are defined as steps applied to protect human or animal life from any risks of addi-

tives, contaminants, toxins, diseases and pests.

WTO member countries applied more than 2,500 SPS measures during last eight and a half years, Ahmed mentioned.

Ahmed also said Bangladesh should attach priority to ensuring information standardisation, testing, inspection, certification and technical regulations to fulfil the SPS measures imposed by the major horticulture importers.

AM Farooque, vice-chancellor of Sher-e-Bangla Agricultural University, Dhaka, chaired the working session of the seminar while the inaugural function was presided over by Akmal Hossain, managing director (in-charge) of Hortex Foundation.



PHOTO: STAR

Taewon Hong, resident trade representative of Korea Trade Centre, Dhaka, speaks at a press conference at Sonargaon Hotel in Dhaka yesterday prior to a four-day Korean Product Show 2003 that opens today on the hotel premises.

4-day Korean product show kicks off today

STAR BUSINESS REPORT

South Korean manufacturers have come up with a vast array of products and services as a four-day Korean Product Show 2003 opens today at Sonargaon Hotel in Dhaka.

Commerce Minister Amir Khosru Mahmud Chowdhury will inaugurate the exposition organised by the Korea Trade-Investment Promotion Agency (KOTRA) to celebrate the 30th anniversary of the diplomatic ties between Bangladesh and South Korea.

"The show will help Bangladesh businesses to know about Korean products and services and technologies," said Taewon Hong, resident trade representative of Korea Trade Centre, Dhaka, at a press conference yesterday at Sonargaon Hotel.

Korea has been one of Bangladesh's most important investment and trading partners in the process of its industrialisation and socioeconomic development, he said and hope the exposition will further strengthen bilateral trade ties.

Hong said Korean investment in the manufacturing sector of Bangladesh is the highest, constituting almost 40 per cent of investment in all export processing zones. "The show will also encourage Koreans to invest more in Bangladesh," he said.

A total of 24 Korean companies and three local agents will exhibit various products including electronics, computer software, electrical appliances, auto parts, household appliances, dental materials, con-

struction interior materials, photo and arts frame mouldings, handy mixer, dry cell battery, industrial boiler and consumer products.

The products on display will include kitchen wares, water purifier, gas cooker, bottling and canning plant, Internet and network solution, automobiles, generator, GSM mobile phone set, noodle making machine, mosquito trap and Ginseng products.

The show will remain open to visitors everyday till Thursday from 10am to 7pm.

South Korea exported products worth \$350 million to Bangladesh in 2001-02 while Bangladesh exports to Korea amount to \$18.86 million in the same year.

Call money rate steady

BSS, Dhaka

The call money rate on Saturday remained steady as the demand for short-term money was low, fund managers said.

The rate touched to its intra-high high at 8.50 per cent and in most deals ranged between 5.00 per cent and 8.00 per cent, fund managers of leading commercial banks said.

Hotels Int'l declares 10pc bonus share

Hotels International Limited (HIL), owning company of Pan Pacific Sonargaon Hotel, has declared 10 per cent bonus share to its shareholders for the year 2002.

The declaration came at the 25th annual general meeting (AGM) of the company held on Thursday, says a press release.

Shafiqul Islam, secretary of Ministry of Civil Aviation and Tourism and also chairman of HIL, presided over the meeting.

The AGM was also told that HIL made a profit of Tk 17.50 crore during the same time.

The company paid an amount of Tk 45 crore to the government exchequer in the form of value added tax (VAT), income tax and other fiscal levies in 2002.

The HIL has also declared a Tk 100 crore plan to renovate the hotel.

New Parachute herbal hair oil launched

Parachute has launched new herbal hair oil in Bangladesh.

The oil, Parachute Herbal Kesh Tel, was formally launched at a ceremony in Dhaka on Thursday, says a press release.

Golam Mostafa, managing director of Kallol Group, distributor of Parachute hair oil in Bangladesh, was present at the launching as chief guest.

Samir Srivastav, country manager of Marico Bangladesh Ltd, the manufacturer of Parachute products, Naziba Afroz Chowdhury, brand manager (Activation), and Debashish Neogi, head of Finance and Accounts, were also present.

The new hair oil contains herbal ingredients like amla, neem, henna, lemon.

Japanese firms weaning themselves from banks

AFP, Tokyo

Major Japanese companies are weaning themselves from banks by reducing borrowings from financial institutions whose presence as major company shareholders is also waning, a press report said Sunday.

A survey of 1,638 firms, listed on major stock markets in Japan, showed that the balance of their borrowings from banks at parent level totaled 77.73 trillion yen (707 billion dollars) at the end of March, the Nihon Keizai Shimbun said.

Asia to rebound strongly from Sars shock: IMF

AFP, Singapore

Asia's economy is tipped to rebound firmly after being hit badly by the Sars epidemic, with growth projected to outpace the global economy, a top International Monetary Fund official said Sunday.

"Asia once again is a bright spot in the economic picture," the IMF's Deputy Managing Director Shigemitsu Sugisaki said at the World Economic Forum's (WEF) East Asia summit here.

"Asia is expected to grow at about five per cent this year and a little bit higher next year, making it the fastest growing region in the world," he said.

The growth forecast for the world economy this year is slightly above three per cent for the year and four per cent in 2004, Sugisaki said.

"Timely macroeconomic stimulus and decisive policy actions taken by governments across the region have helped minimise the economic impact from Sars and sustained the pace of economic activity," he said.

"Acceleration in US growth has resulted in renewed export growth across Asia, especially in the semiconductor and other IT (information technology) sectors."

Other business leaders at the three-day summit also voiced confidence the region had shrugged off the worst of the Severe Acute

Respiratory Syndrome (SARS) epidemic.

Earlier, WEF Asia Director Frank-Jürgen Richter said in his opening address that the region was set to move ahead after going through a tough period marked by SARS, the Iraq war, terror attacks and the failed trade talks in Cancun, Mexico.

"This idea of a dynamic renewal is very clear after a very difficult year," Richter said.

"But now everything is on the move and Asia is looking ahead with a lot of optimism," he said.

Dollar steady against taka

BSS, Dhaka

The US dollar was steady against the Bangladesh taka in thin inter-bank trading Saturday, but fell further against the Japanese currency and the European single currency, dealers said.

The dollar traded at Tk 58.4150 and Tk 58.4250 per unit on Saturday in line with its previous closing on Thursday, dealers of leading commercial banks said.

But the trading was depressed by thin foreign currency demand from importers due to weekend holiday in most overseas foreign exchange markets, dealers said.

"Today the demand for foreign currency was very thin and trading was depressed by holiday in most foreign exchange markets," a dealer of a leading commercial bank said on Saturday.

India's forex reserves fall on bond repayment

REUTERS, Bombay

India's foreign exchange reserves fell about 1.8 per cent in the week ended October 3, snapping eight weeks of rises, following redemption of foreign currency bonds during the week, central bank data showed Saturday.

Reserves stood at \$87.74 billion on October 3, down from a record high of \$89.33 billion a week earlier, the Reserve Bank of India (RBI) said.

The fall had been expected as about \$5.2 billion of Resurgent Indian Bonds fell due for payment on October 1.

These foreign currency bonds, which were targeted at expatriate Indians, were floated by the State Bank of India (SBI) SBI.BO in 1998 to beef up foreign exchange reserves after leading developed countries slapped economic sanctions on India for its nuclear tests.

Trade to dominate Apec summit in Bangkok

AFP, Bangkok

The collapse of world trade talks and global terrorism will dominate this month's Apec summit, which is to be held under unprecedentedly tight security after a year of deadly attacks in Asia.

Summit host Prime Minister Thaksin Shinawatra has admitted that despite a pressing agenda of economic issues, the terror threat will inevitably overshadow the October 20-21 Asia Pacific Economic Community (Apec) talks.

"The topic of terrorism is unavoidable. There is no way that developed countries can discuss trade but not security because the

economy and security go hand in hand," he said in a television interview to be aired Sunday.

"Terrorism destroys economic and human security, therefore we will talk on this issue and the United States will push for comprehensive cooperation in order that all countries realise terrorism is not only the US's problem."

Apec 2003 secretariat chief Tej Bunnag told AFP that the issue would take up to a third of the discussions between the 21 leaders attending the meeting including US President George W. Bush and Russia's Vladimir Putin.

"Southeast Asia is now very much aware that it is one of the fronts in the war against terrorism,"

he said, referring to last year's Bali nightclub bombing as well as revelations of attacks planned to disrupt the summit.

"These things will be discussed in the context of how they undermine secure trade because you cannot have stable international trade if it is always being undermined in a climate of fear of terrorism."

As the first major meeting of world leaders since the stunning collapse of World Trade Organisation (WTO) talks in Mexico last month, the Apec summit is also poised to be the arena for a new showdown on international trading rules.

Post-Cancun trade negotiation Delhi seeks Asian cover

ANN/ THE STATESMAN

The current flurry in Delhi's East Asian diplomacy, capped by security and trade agreements signed by Prime Minister Vajpayee at the India-Asean summit at Bali, and followed by a separate free trade agreement with Thailand, can be attributed to a number of recent developments.

First, there is the failure of the WTO summit at Cancun followed by the threat issued by the US, India's largest trading partner, of bypassing WTO for bilateral arrangements. The European Union is more diplomatic but may pursue a similar path; as a composite body it has an even larger share of India's trade.

Compounding this failure is the bogging down of the "war against terror", in which Delhi has an interest. The Taliban is resurgent in Afghanistan, Osama bin Laden remains at large, and Washington has picked a fight in the Gulf that may eventually lead to the creation of an Islamic Republic of Iraq. If Delhi had looked West after 9/11, it is now forced to consider whether it is worthwhile having some more

arrows to its bow. Second, there is the failure at the sub-continental level itself. Vajpayee's numerous peace initiatives have run aground, and Saarc remains a non-starter, thanks mainly to Islamabad's insistence on putting Kashmir before everything else. But even in a perfect world, were the Pakistani military to drop its unremitting hostility to India and/or become subject to civilian authority, it is doubtful whether partnership with economic pygmies like Pakistan, Nepal, Bangladesh and the Maldives would help India ride out a post-WTO world order where rampaging giants like Nafta and EU run roughshod over everybody else.

The only solution is to belong to a club that pulls its own weight in world economic affairs, and extended Asean (including its summit partners China, Japan and South Korea) seems the obvious candidate. Such considerations have caused Delhi's stolid bureaucracy to push for visionary plans like a Delhi-Hanoi railway, which normally would have been stymied by considerations like the

possibility of more drugs and arms flowing into the Northeast. If that is what Vajpayee meant when he said the old defensive and introverted Indian approach is being replaced by a more confident and outward-oriented one, it is to be welcomed.

The new thinking can in fact be traced back to 1991 and economic liberalisation, when the "Look East" policy was officially inaugurated by Prime Minister Narasimha Rao. In that sense Vajpayee is picking up where Rao left off. Prior to 1991 Delhi tended to view East and South-east Asia with disdain, as the region was aligned to the West while the Soviet Union. Living standards circa 1955 were about the same in India and, say, South Korea, but what Delhi's policy-making elite didn't notice was that while South Korea's economy grew at more than 10 per cent per annum through the sixties and seventies, India held to what was billed the "Hindu" but should more accurately be described as the Fabian socialist rate of growth, three per cent. That was almost nullified by India's rate of population growth, two per cent, the best explanation

for why, in an era of Asian tigers and Chinese dragons, India looked, for all intents and purposes, like a snail struck by torpor.

Fortunately, quite a few in Narasimha Rao's team had worked for international development institutions, for example, Manmohan Singh who had been general secretary of the South-South Commission in Geneva. They were knowledgeable about and impressed by the East Asian experience, and able to give Indian diplomacy, which had been previously focused on prestige and security issues, an economic leg. Hence the "look East" policy - India had to seek a foothold in the world's fastest growing region that happened to be in its neighbourhood. It dawned on Delhi that neither prestige nor security came without an economic price tag. Not only is the defence of a country with no cash reserves weakened, but one where people have no future and very little to aspire for cannot hope to have a stable polity.

REUTERS, Washington

The White House said that US officials would keep pressing China to loosen up its currency peg, which Washington sees as a barrier to fair trade.

"We are going to continue to emphasize the importance of free trade with a level playing field," White House press secretary Scott McClellan told a news briefing. "The President is concerned about our manufacturing sector, particularly, where there have been heavy job losses."

The United States' trade deficit with China hit a monthly record of \$11.7 billion in August, with imports from the Asian manufacturing giant climbing to an all-time high of \$13.7 billion, according to government

data on Friday.

US Treasury Secretary John Snow traveled to Beijing earlier this year, carrying a message from the United States about a fair playing field for currencies.

Manufacturers believe the currency peg makes it tough to compete with Chinese producers, who can offer their goods in the United States at lower prices.

President George W. Bush travels to Asia next week for the Asia Pacific Economic Cooperation summit. Analysts believe he will try to sway China on the currency issue. So far, the US efforts on that front have been to no avail.

Reflecting the view of many in Congress, Rep. Sherrod Brown, an Ohio Democrat, said it was urgent the Bush administration take action

to stop a flood of manufacturing jobs losses to China.

"Every day, factories across the US are being boarded up and new ones are opened in China... We simply cannot allow China to continue to drain away American jobs," Brown said.

The House of Representatives Ways and Means Committee is planning two days of hearing next Thursday and Friday on trade relations with China.

The panel will probe how well Beijing has honored its commitments since joining the World Trade Organisation in December 2001, as well as the effect China's fixed exchange rate is having on the US trade deficit.

W African leaders question EU sincerity in trade talks

AFP, Cotonou

Still reeling from last month's failed World Trade Organisation talks, west African leaders have begun questioning the sincerity of the WTO (World Trade Organisation) must also be held up as an example," he said.

After five days and nights of fruitless and sometimes bitter bargaining among trade ministers from the 142-member WTO in Cancun, Mexico, the talks fell apart on September 14.

Developing countries were adamantly opposed to proposed WTO negotiations on cross-border investment, competition policies, trade facilitation and government procurement, and the conference was also riven by divisions on agriculture, with developing countries clamoring for an end to trade-distorting subsidies offered to farmers in rich countries.

A chief stumbling block at the Cancun talks was subsidies paid by rich nations to cotton growers - a move deemed by west African nations as creating unfair competition for their own cotton farmers.

this meeting as 'negotiations'.

"It is in the interest of African states not to act in haste because we still have lots to put on the table. And the last ministerial conference of the WTO (World Trade Organisation) must also be held up as an example," he said.

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A statement here last week by EU Trade Minister Pascal Lamy that the EU would not eliminate market-distorting cotton subsidies, put west African negotiators on guard.

"The policy of the EU is sufficiently clear. We will not reduce to zero the subsidies to our cotton producers. What we will do is continue to modify our system of support to our producers," Lamy told a press conference.

Representatives from west African civic groups at the Cotonou talks urged governments to advance cautiously until the rules of the negotiations are clearly defined.

The talks took on even greater importance "in the current context of relations between the EU and African countries, marked by the EU's enlargement process, the reform of the common agricultural policy and the issue of agricultural subsidies, such as those paid to cotton growers," a group of west African non-governmental organisations said.