

Shrimp production lowest in the world

Frozen food sector faces crisis

Star Economic Report

Frozen food sector that witnessed a substantial expansion in capacity and a sizeable growth in export receipts in the eighties is in serious troubles now.

Most units have closed down, and those which managed to maintain their operations somehow are running at very poor levels of their capacity.

Trade and industry circles said, presently only 40 units, out of a total 90, are in production. Lack of cash credit facilities has forced the closure of other units. Liquidity position of the units has not improved. The units suffered huge losses over export sales in 1989-90. The capacity utilisation of the units which are in production has now come down to as low as 14 per cent, according to a business sources.

The Gulf crisis has seriously affected the exports of frozen food. Between January and February 1991, only one consignment could be shipped to the Middle East.

At the beginning of fiscal 1990-91, the unit price for frozen food showed some improvement. However the price went down after the Gulf war

started.

In first half of 1990-91, exports in volume terms increased by 22 per cent. But this growth started declining in the following months because of disruption of exports, especially in the Middle Eastern countries.

Export receipts in frozen food sector (excluding frog legs) between July and December 1990 valued 91.99 million US Dollars compared with 71.65 million Dollars in corresponding period in 1989-90.

Export Promotion Bureau (EPB) figures showed that 33.13 million lbs. of frozen food were exported in the first half of the current fiscal year. The quantity in the corresponding period last year was 27.13 million lbs.

The frozen food sector has been limping since 1989-90. The shrimp prices in international market fell sharply. High cost of production, marketing overhead, and imbalance between global supplies and demand aggravated the problems. The government allowed some cash subsidies on ad-hoc basis to the exporters of frozen food in 1989-90. But the same was

withdrawn in 1990-91 while Export Performance Benefit (XPB) rates were raised. But, the effectiveness of XPB in general is largely eroded now because of the lower spread between the exchange rates in the secondary market and official one.

The industry suggested a number of measures to salvage it from a critical situation. The measures included: availability of bank credits at reduced rates of interest, segregation of at least sixty per cent of outstanding credits in black accounts with easy repayment facilities, allowing borrowings from the banks at 10 per cent margin, extension of period for effecting exports from 180 days to 270 days, lowering of power tariff, reduction of fuel cost, renewal of bank loans at a higher proportion of turnover on 1.50 basis, and allotment of khas lands in the coastal areas for scientific shrimp production.

These suggestions were placed before the government in the early part of current fiscal year. But no action has yet been taken to help remedy the worsening situation in the sector, the sources said.

The official sources admitted that the situation in the shrimp industry deteriorated in recent years. The reasons, according to the same sources, are: too many production units, paucity of raw materials, inadequate development of shrimp culture, erratic nature of international price behaviour in respect of fresh water prawns versus cultured varieties of sea water shrimps, and inadequate arrangement for transfer of up-to-date technology.

Enhanced productivity and greater use of ponds and other fresh water areas should be the means to attain higher volume of production and export in the sector, the sources observed.

Shrimp production, the major frozen food item exported by the country, has not improved much over the years. Acreage of production, however, increased from 51,834 in 1983-84 to 100,000 acres in 1989-90. The low productivity has been because of problems in technology, feed, finance, management practices and marketing. Per hectare annual production of cultured shrimp in Bangladesh is one of the lowest in the world. It is 200 kg compared with 2000 kg in some other Asian countries.

In the marine fishery sector, the production rose to 232,000 tonnes catch in 1988-89 from 85,000 tonnes catch in 1972-73. Over 500 mechanised boats and 65 deep sea fishing trawlers were in operations in 1989-90.

Unplanned development of shrimp industries is one major cause for the present crisis in the industry is the knowledgeable sources said. There are 93

producing plants in the country with a total annual freezing capacity of over 156,000 tonnes against the availability of around 22,000 tonnes of exportable shrimps. This is why the capacity utilisation of the industry went down below 13 per cent, showing a dismal situation.

The shrimp industry after its initial success in the early eighties is passing now a critical phase. Though shrimp is the fourth largest export item, the achievement of shrimp culture remains therefore unsatisfactory.

The export target for frozen food was Taka 5540 million in 1989-90, but actual exports stood at Taka 4800 crore.

The country has otherwise some natural advantages for development of frozen food sector. The most important one is the huge coastal belt along the north and north east parts of the bay of Bengal.

The present crisis in frozen

food sector calls for effective long-term and short-term measures to rejuvenate the sector, the concerned circles stressed. About 1.20 million people, both men and women, are directly or indirectly involved in fish farming, fish-catching and processing technology.

Some suggested that there should be an independent shrimp farming or frozen food sector development policy. The formation of a separate authority will also help expedite efforts for proper development of the sector, they observed.

Meanwhile, the major international markets for Bangladesh frozen food are Japan, the USA and the EEC, besides the Middle East. Once Japan used to import nearly half of Bangladesh's shrimps but in the face of stiff competition from high-yielding South East Asian countries, exports to Japan declined substantially in recent years.

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Snippets

40 states lose 1pc GNP for Gulf war

LONDON, Mar 10: At least 40 low and lower middle-income countries lost over one per cent of the Gross National Product (GNP) from the impact of the recent war in the Persian Gulf, reports NAN-Pool.

Appealing to the international community to compensate to these countries, six leading British aid bodies, quoting a study, said fourteen of the affected are low-income Sub-Saharan African countries which were already struggling before the Gulf crisis.

The study, commissioned by the Overseas Development Institute (ODI), said Sudan, Ethiopia, Liberia and Mozambique were already on the brink of disaster due to famine and war.

Greater Western voice in Mideast policy

MINA ABDULLAH OIL REFINERY (Kuwait), Mar 10: Kuwait's invasion by Iraq and liberation by the US-led coalition will translate into a greater western voice in Middle East oil policy, the Kuwait Oil Minister said here yesterday, reports AFP.

The United States, Britain, France and the other nations have done a great deal in contributing to the liberation of Kuwait, said Doctor Rasheed al-Amiri.

Japan's donation to Peru

LIMA, Mar 10: Japan donated 27 million dollars to Peru as a part of its help to Third World countries that undertake drastic steps to stabilise their economies, government officials said on Saturday, reports Reuters.

Masaki Seo, Japan's Ambassador to Peru, and Peruvian Prime Minister Carlos Torres signed the deal in a ceremony at the Foreign Ministry. Torres also holds the post of Foreign Minister.

Lack of grain storage facilities in China

BEIJING, Mar 10: A lack of grain storage facilities could ruin a big portion of China's 1990 record harvest that has been kept in the open air, the People's Daily reported Saturday, reports AFP.

"If we don't take firm and efficient measures immediately, it is very probable that a large amount of grain will be destroyed by mold and insects," a senior official responsible for grain conservation was quoted as saying.

The official, State Councilor Chen Junsheng, said the amount of grain stored outside this year had nearly doubled from the same 1990 period and that damage by insects and mold had risen.

IFAD loan accord with Turkey

ROME, Mar 10: Turkey's central poverty of Yozgat, one of the poverty-stricken and densely populated areas of the country, now has a new instrument to make a real change in the lives of its poorest communities and play a key role in the revival of the country's economy, reports SPAO.

The President of the International Fund for Agricultural Development (IFAD), Idriss Jazairi, has signed a loan agreement with Lutfullah Kayalar, Minister for Agriculture, Forestry and Rural Affairs of Turkey, providing a loan of 16.4 million dollars for the launching of the Yozgat rural development project.

Search for gas, oil reserves in Cambodia

PHNOM PENH, Mar 10: Several of the world's top oil companies are interested in searching for Cambodia's on-shore and off-shore gas and oil reserves, a Commerce Ministry official said Saturday, reports AFP.

The Government is expected to take bids from international oil companies in June this year and has prepared, with the help of Soviet experts, and extensive survey of reserves that is available from the industry Ministry.

New gold reserves in Ghana

ACCRA, Mar 10: Ghana's biggest gold mine, Ashanti Gold-fields Corp. (AGC) has discovered new reserves estimated at more than eight million ounces, according to the AGC annual report for 1990 issued here yesterday, reports AFP.

The report said plans for a further increase in gold production based on these additional resources are now being made and are expected to be completed by September. AGC, situated at Obuasi, has a 160 square km concession. It is said to be Africa's richest gold mine.

Pan Am may shut down next week

NEW YORK, Mar 10: Pan American world airways, the pioneer international airline, could shut down next week if U.S. and British negotiators cannot reach an agreement allowing it to transfer its London routes, advisers to the company told the New York Times, reports Reuters.

If talks break down, the carrier that helped bring in the jet age, pioneered service over the Pacific and became the standard bearer of U.S. air services would be forced to close and be liquidated.

Alternately, if an agreement is reached in meetings that continued in Washington on Friday, Pan Am could complete the sale of its London routes to United Airlines (UAL) and receive payment of 290 million dollars, the newspaper said.

UAL is trying to complete a 400-million-dollar purchase of the airline's core Transatlantic routes and other assets, giving Pan Am much needed cash.



Professional blood donors are waiting for clients at Dhaka Medical College Hospital. The donors at time charge higher rates from patients requiring emergency blood supply during odd hours. Screening of the donors is hardly carried out. —Star Photo.

Tk 100 cr Ctg Steel Mill's project flops

Over a 100-crore taka project for balancing, modernisation and replacement (BMR) of Chittagong Steel Mills has bogged down in official dilemma, reports UNB.

The project, hurriedly approved by ECNEC in June, 1989, apparently aimed at making the mills, products competitive through a 12 per cent reduction in production cost by improving efficiency of man and machinery.

But, Industries Ministry sources said, Bangladesh Steel and Engineering Corporation (BSEC) later proposed a 50 per cent increase over the project cost of Tk. 124.49 crore approved by the ECNEC.

The offer for implementation of the BMR project by a foreign firm expired in September, 1990.

BSEC and the Ministry of Industries submitted project summary for the approval of the Council Committee of purchase headed by former President Ershad without taking prior approval of the ECNEC on the changes in cost estimates and there parameters of the original project proposal. BSEC even prepared

video films on the Chittagong Steel Mills to justify the exorbitant negotiated cost estimate submitted by the firm to show it to the Council Committee of purchase.

The firm submitted a fresh proposal of Taka 225 crore, Taka 100 crore more than the ECNEC approved cost. With this increase in investment, cost per ton of steel will be 3/4 times higher than the standard international price.

According to the MIS (Management Information System) of the BSEC, the Chittagong Steel Mills incurred a loss of Tk. 14.29 crore during the first six months of the current fiscal (1990-91). By year-end, the loss is likely to exceed Tk 30 crore.

In 1989-90, the Chittagong Steel Mills suffered a loss of Tk 25 crore.

Some experts say if the BMR project is taken up without international tender, the cost of the mills' products will go beyond the reach of consumers and further increase the loss of the mill.

Asian currencies fall against US Dollar

HONG KONG, Mar 10: All major Asian currencies fell against the US Dollar as demand for the US unit grew during the week, reports AFP.

The Australian, Hong Kong, New Zealand, Taiwan and Singaporean Dollars were all down, along with the Japanese Yen, South Korean Won and the Indonesian Rupiah.

The Thai Baht was the only Asian currency to gain against the Greenback, while the Philippine Peso remained unchanged.

Japanese yen: The Yen lost ground to close the week 2.05 Yen lower than the previous week's 134.25 Yen finish at 136.30 Yen to the Dollar.

Australian Dollar: The Australian Dollar fell more than two US cents during the week, closing at 0.765 US Dollars, its lowest since December 14. The Dollar was down from 78.70 US cents the previous week.

Hong Kong Dollar: The Hong Kong Dollar was weaker at 7.7945-7.7995 to the US Dollar compared to 7.7930-7.7940 the previous week.

Indonesian Rupiah: The Indonesian currency fell to an all time low of 1,925 Rupiah to

the Dollar on Friday from 1,920 Rupiah the previous week and rumours, denied by the government, that the unit will be devalued.

Malaysian Ringgit: The Malaysian Ringgit Friday closed weaker at 2.7310 against the US Dollar compared with 2.7240 the previous week.

OPEC talks today

GENEVA, Mar 10: Oil ministers who arrived in Geneva on Saturday for OPEC talks starting tomorrow made reassuring noises for an oil market buoyed by hopes of production cuts to forestall impending oversupply, reports Reuters.

The reintroduction of oil output quotas suspended in the wake of Iraq's invasion of fellow OPEC member Kuwait last August are expected to be the top priority at the talks.

OPEC President Sadek Boussena, the Algerian Oil Minister, asked on arrival whether the 13 country group should cut output, said-enough to reinstate the 21 dollars (a barrel) as the minimum reference price.

Uptrend in share prices halts

Star Economic Report

Dhaka Stock Exchange (DSE) witnessed Sunday a declining trend in its trading activities. The uptrend in share prices was halted and the market came under a downswing.

DSE All Share Price Index lost 3.66 points to 354.7562 from Saturday's 358.4161. The index is the broad indicator of price movements of all the listed stocks with the exchange. Trading was up in value terms but was down in volume.

In all 13,012 shares and debentures changed hands compared with Saturday's 18,183. Traded issues valued Taka 10,64,295.00. It was Taka 9,90,413.00 on the previous day. Decliners dominated trading.

Thirty-four stocks were traded. Of them nineteen lost, thirteen advanced and two remained unchanged at their previous quoted prices.

Among the decliners Chittagong Cement got the major slash. It lost Taka 23.00 to Taka 142.00.

Bengal Food declined Taka 9.34 to Taka 215.66. Eastern Cables, Tallu Spinning and Oxygen lost Taka 4.85, Taka 4.76 and Taka 4.11 to Taka 100.04, Taka 116.19 and Taka 59.33 respectively.

Quoted Prices of Traded Stocks

March 10

	*FV/ML	Closing (Tkak)	Changes (Tkak)	Apex Food	100/5	340.00	(+5.00)
				Bengal Food <th>100/5</th> <th>215.66</th> <th>(-1.94)</th>	100/5	215.66	(-1.94)
				Ctg Vegetable <th>100/10</th> <th>112.00</th> <th>(+2.00)</th>	100/10	112.00	(+2.00)
				Froglegs Export <th>10/50</th> <th>6.00</th> <th>(+0.61)</th>	10/50	6.00	(+0.61)
				N T C <th>100/5</th> <th>270.00</th> <th>(+10.00)</th>	100/5	270.00	(+10.00)
Food & Power							
				Oxygen <th>10/50</th> <th>59.33</th> <th>(-1.11)</th>	10/50	59.33	(-1.11)
Pharma & Chem							
				Bestmans Pharma <th>100/5180.00</th> <th></th> <th>Unchanged</th>	100/5180.00		Unchanged
				Kohinoor Chemical <th>100/5</th> <th>86.63</th> <th>(-2.69)</th>	100/5	86.63	(-2.69)
				Therapeutics <th>100/5</th> <th>40.00</th> <th>(+5.00)</th>	100/5	40.00	(+5.00)
Textile							
				Quasem Silk <th>10/100</th> <th>7.50</th> <th>(-0.45)</th>	10/100	7.50	(-0.45)
				Quasem Textile <th>10/50</th> <th>9.00</th> <th>(-0.25)</th>	10/50	9.00	(-0.25)
				Tallu Spinning <th>100/10</th> <th>86.00</th> <th>(+1.00)</th>	100/10	86.00	(+1.00)
				Tallu Spinning <th>100/10</th> <th>116.19</th> <th>(-4.76)</th>	100/10	116.19	(-4.76)
Miscellaneous							
				Apex Tannery <th>100/5</th> <th>146.00</th> <th>(-4.00)</th>	100/5	146.00	(-4.00)
				Beta Shoe <th>10/100</th> <th>42.00</th> <th>(-4.00)</th>	10/100	42.00	(-4.00)
				Chittagong Cement <th>100/5</th> <th>142.00</th> <th>(-23.00)</th>	100/5	142.00	(-23.00)
** FV = Face Value; ML = Market Lot							
** Changes: Plus signs mean gain and (-) signs losses.							

Dhaka Stock Exchange

Market Profile

March - 10

134 Listed stocks

13 Gains 19 Losers 102 Unchanged

102 unchanged stocks include two traded on the day at the previous day's quoted prices.
DSE All Share Price Index = 354.7562
Issued Capital: Taka 4,620,377,190.00
Market Capitalisation = Taka 10,137,250,661.00
Turnover = Taka 106,429.00 (Value) 13012 (Volume).

Exchange Rates

March - 10

SELLING AND BUYING RATES, offered by Commercial Banks, for Bank Cheques, (B/Cs) and Overseas Drafts (O/Ds)

One Unit of Foreign Currencies (FCs) for Taka

FCs Selling Buying

US Dollar 35.9226 35.4432

UK Pound Sterling 66.9242 66.1373

German Deutsche 22.9981 22.5782

Mark 6.7164 6.6243

French Franc 9.6101 9.4819

Dutch Guilders 20.3125 20.0301

Pakistan Rupee 6.087 1.5935

(AMU*)

Singapore Dollar 20.6238 20.3486

UAE Dirham 9.8141 9.6831

Kuwait Dinar Not available

Indian Rupee

AMU 1.8775 1.8608

S. Kroner 6.2016 6.1135

*AMU-Asian Monetary Unit

SECONDARY EXCHANGE MARKET

Wage Earners Fund/ Export

Performance Benefit (XPB) Fund

Buying Selling

US Dollar 36.48 36.53

UK Pound 68.00 68.05

Sterling Not available

* The rates of Pound Sterling are decided every day, based on the cross-rates of New York market

Source: Sonali Bank

Green Week test market for 3rd world states

The exhibitors from the Third World countries described the International Green Week Berlin 1991 as the pre-eminent test market, according to recent AMK Berlin release.

Held at the Berlin exhibition grounds and ICC Berlin from January 25 to February 3, the Green Weeks, first after German reunification, revealed that German fruit imports from the Third World rose by more than 300,000 tonnes during the first eight months of last year.

This world renowned exhibition of the food industry, agriculture and horticulture attracted 580,218 visitors including 105,000 from the trade circle. About 1,800 journalists from 66 countries attended the International Green Week Berlin 1991.

The importers from Eastern Europe were able to

establish direct contacts with the exhibiting countries and the wholesale trade was busy placing orders for food products and for luxury foods and beverages.

There was also a good response to the agricultural equipment on show, and breeders were able to sell almost all their stock.

The exchange of views and experiences between experts from North and South, East and West proved to be highly effective in the exhibition.

A poll conducted by a market research institute revealed that 82 per cent of the exhibitors achieved good to satisfactory commercial results, and half of them anticipated follow-up business.

Beside business magnets, agriculturists and industrialists some of the world politicians also gathered at the exhibition

Gold & Silver

March - 10

(Taka for 11.66 grams)

Gold Tejab 6,000.00

Guinea 6,300.00

Silver 300.00

Source: Department of Agricultural Marketing

Hides & Skin

(Wet/Salted)

March - 10

(Taka per 100 pieces)

Cow 12,000.00 - 15,000.00

Cal 25,000.00 - 30,000.00

Medium 35,000.00 - 40,000.00

Heavy 50,000.00 - 60,000.00

Very heavy 65,000.00 - 70,000.00

Rejected 25,000.00 - 30,000.00

Big & heavy 12,000.00 - 12,500.00

Light & Medium 7,000.00 - 7,500.00

Rejected 3,000.00 - 3,500.00

Sheep 9,000.00 - 10,000.00

BUFFALO 85,000.00 - 57,000.00

Source: Department of Agricultural Marketing

Price Barometer Essentials

March - 10

RICE (Taka per Kg)

Amam (Very fine) 17.00-17.50