

### Report on Labour Force published

Bangladesh Bureau of Statistics had recently published 'Report on Labour Force Survey 1995-96', said an official announcement here yesterday, reports UNB.

The report presents information on different aspects including size and composition of labour force, broad industry, occupation and unemployment status.

Officials hoped that the report will particularly be useful to the researchers and policy makers associated with manpower planning in Bangladesh.

### Vietnam wants total talks with China on oil exploration

HANOI, Mar 24: Vietnam said today it wanted immediate and unconditional talks with China over an oil exploration dispute in the South China Sea, reports Reuters.

A foreign Minister spokesman said China's decision to position a drilling rig and accompanying vessels in an area off Vietnam's central coast earlier this month was not a matter for regular border talks sessions, but should be addressed at the earliest moment.

"We request an expert-level meeting at the soonest moment without preconditions to discuss the issue, the spokesman said, reading from a prepared statement."

Using this opportunity, we would like to add that the location (of the drilling rig) is not in the Tonkin Gulf area," he added, indicating that in Hanoi's view the matter fell outside existing channels for discussing routine border issues.

The dispute between Hanoi and Beijing erupted earlier this month when Vietnam announced it had protested to China over the positioning of the Kan Tan 111 exploration rig some 64.5 miles off the coast of central Vietnam.

### AGMs of GSP Finance Co held

The first and second annual general meetings AGMs, of the shareholders of GSP Finance Company (Bangladesh) Limited, a joint venture non-banking financial institution, were held at the company's registered office at Sena Kalyan Bhaban at Motijheel in the city recently, says a press release.

Both the meetings were chaired by Feroz U Haider, Chairman and Managing Director of the company.

Majority of the shareholders were present. Prominent among them were Wolf-Peter Berthold, Managing Director of Deutsche Investment Corporation (Asia) Ltd., Olivier P Mivelaz, Managing Director of BCV Investment Asia (S) Pte Ltd as well as BCV Investment Asia (HK) Ltd, RS Rajan of GSP International Bank Limited, Vanuatu.

All the items in the agenda of the AGM were adopted unanimously. Business performance of the company since initial commencement of operation on 17th April, 1996 was reviewed as well as business projection for the current year was also discussed.

The meeting showed satisfaction at the steady growth of business.

GSP which is very active in the leasing business invited overseas investors from Europe and Hong Kong on the occasion.

### Tokyo moves to scotch rumours of consumption tax hike

TOKYO, Mar 24: Japanese authorities moved today to scotch rumours of a higher-than-expected rise in the consumption tax after share prices slumped on reported comments by Finance Minister Hiroshi Mitsuoka, reports AFP.

Japan's consumption tax is to be raised from three per cent to five per cent on April 1. Japanese share prices tumbled with the Nikkei stock average on the Tokyo stock exchange losing 589.34 points or 3.2 per cent to close at 18,043.82 points. Brokers attributed the fall to the rumour.

"It is apparently because the remarks made in the Diet (parliament) by Finance Minister Mitsuoka and the chief of the finance ministry's tax bureau were taken to suggest a future rise in the consumption tax," chief cabinet secretary Seiuro Kajiyama told a news conference.

Kajiyama said the comments by Mitsuoka and other senior ministry officials simply pointed out that Japan's aging society cannot be supported by income tax payments alone.

Vice Minister of Finance Tadashi Ogawa told another news conference: "I understood that the finance minister did not say things as reported."

"Such an idea (to raise the consumption tax further) is not in the minister's (future) scope," Ogawa said.

## BJMA expresses concern over loadshedding Private jute mills losing 50pc of production

The BJMA has said the private sector jute mills are losing about 50 per cent of production due to widespread power-cuts and made six proposals to overcome the situation, reports UNB.

Bangladesh Jute Mills Association (BJMA), the organisation of private jute mills, came out with the proposals at a meeting on Saturday, expressing deep concern over the frequent power failures.

The BJMA members, in a news release, said that some 50-60 per cent of the working hours are lost due to power failure, but the mills have to pay the wages

for that period also. "If this situation continues, it will not be possible to service their debts and it is apprehended that the mills are heading for an imminent closure," said the BJMA release issued in the city yesterday.

To overcome the losses, the BJMA proposed that weekly holidays be changed from one single day throughout the country to different days on rotation for different parts of industrial zones like Dhaka, Chittagong and Khulna.

It also proposed that the "peak hour" and "mini-

mum demand charge" be withdrawn as the Power Development Board is unable to meet the demand.

Another proposal called for exemption of jute mills from payment of bank interest on their borrowed working capital for the amount of production lost due to non-supply of electricity.

The association suggested arrangement of a credit line for jute mills to import captive power generators and removal of VAT (value added tax) from power generated by a mill for its own consumption.



Finance Minister SAMS Kibria attended the launching ceremony of National Bank Ltd MasterCard as chief guest at a city hotel on Sunday. Bangladesh Bank Governor Lutfor Rahman Sarkar, NBL Chairman Abdul Awal Mintoo and Managing Director Kazi Abdul Mazid also seen in the picture.

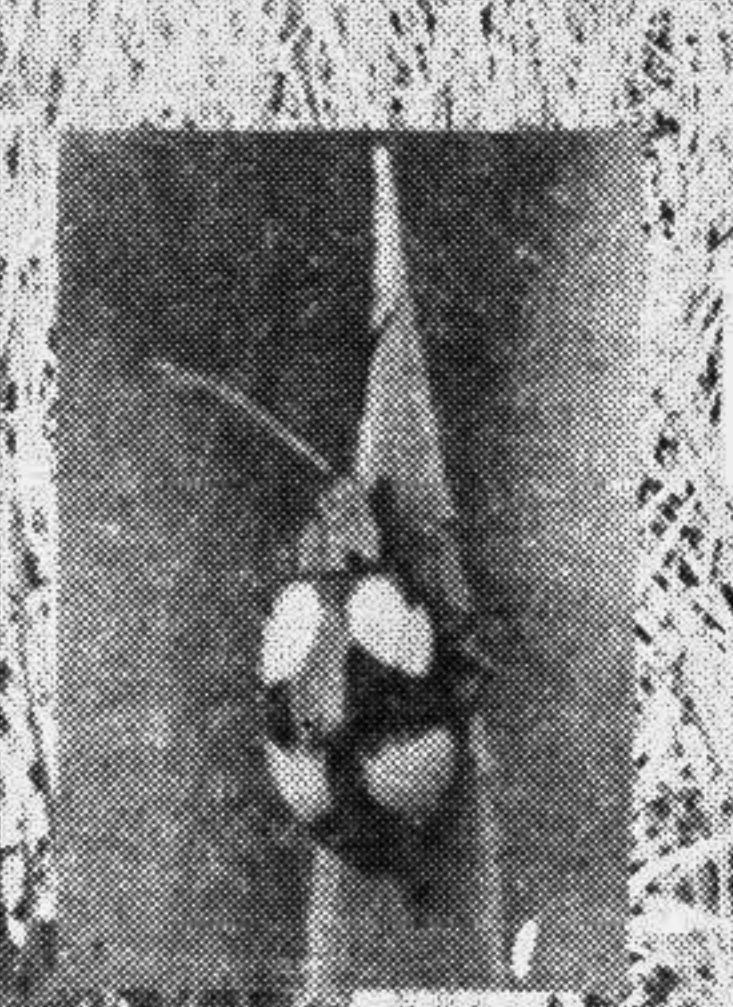
## New weed killer to help farmers cut labour cost

Sharshabazar, Jessore: It has been a routine for Shah Alam, 38, to inspect his rice field everyday ever since he had planted High Yielding Variety (HYV) early March and poured a new weed killer.

He only half believed that the killer would work, destroying the weeds, but leaving rice untouched.

And so, he scanned the field everyday for the results from setoff 20 WG, a new herbicide, he had applied to his 12 decimal plot as part of an internal field trial by his producer, Novartis, the Swiss multi-national.

But he is now convinced by the result. His plot flourishes a healthy growth of rice free from weeds.



A farmer showing his weed-free rice field after using Setoff. The picture in the inset taken from the same plot shows a crop-friendly beetle. - Star photo by AKM Mohsin

The herbicide put on the watered field between four and seven days after planting of rice keeps away the weeds, of all varieties, Dr Moimul Islam, Manager, Product Development of Crop Protection Sector, Novartis said.

It is awaiting final clearance from the National Pesticide Technical Advisory Committee for marketing.

Shah Alam said it would have cost him at least Tk 200 for weeding twice. May be more. He is scary about the broadleaf, which sustains itself from the nutrients that he has put on the field. It grows stronger sucking the life out of the rice, cutting down the yield.

But a consultation with the local Novartis dealer at the nearby bazar provided him the new technology to control weeds, when he was worrying about how to reduce additional cost of weeding.

He was chosen by Novartis to use the herbicide because he showed himself to be a keen customer of its products that qualified him for the few trial users.

As the Daily Star journalists visited his field last week he proudly showed the results. Only the lush green rice was growing among the water. But no weeds.

The situation at his cousin's field, adjacent to his, appeared to be dismal. Broadleaves have a flourishing growth, nearly choking life out of the rice plants desperately trying to emerge out of their clutch.

Already his cousin has spent Tk 200. He would need another weeding before harvest, adding further burden on the cost of production. Shah Alam also used Wokozin, another under trial nutrient and Dimecron, a pest killer. But the field appeared to have beetles, wasps, lady birds and spiders. A beetle prompted our Chief Photographer A K M Mohsin struggling a snap him as it reconnoitered a rice leaf, gently waving the breeze.

The field demonstrates that despite pesticide use the friendly insects are there. But the 'Majra' or stem borer, main enemy of rice, finds it difficult to attack the stem of the rice.

But other insects said to be friendly to the plant escape unhurt as they do not suck the juice of the rice stem. Novartis official M Saiful Hossain Khan, looking after crop protection sector of the company in the Jessore region claimed.

communications, is seen as the best entry point for developing countries into the IT industry. For example, compared with hardware production, software production has much lower entry barriers by the virtue of its being less capital intensive and more labour intensive. It also has a lower rate of obsolescence (at least for certain kinds of software) and far fewer economies of scale than the hardware of the electronics industry.

The software industry contributes directly to the GNP through increasing export earnings. It also contributes indirectly to GNP growth by value-adding to other domestic industries. Software export and its domestic usage in many developing countries like India, Singapore and Brazil have become a major contributor of GNP both directly and indirectly through their significant influence on other industries. Most of these countries have chosen to target the US market for software export. It is suggested that Bangladesh software developers and would be exporters target the United States market.

**Why the US market and why not the domestic market?**  
One of the biggest reasons is

that the US market is by far the world's largest software market, constituting around half of all software sales in the late 1980s and 1990s. This would provide the maximum opportunity for Bangladesh exporters.

It is also the most open market as compared to countries like Japan. One may argue that one should not concentrate on the US market because its size is slowly declining. However, it is clearly that US market will still remain number one for quite some time, even if it does decline, if Bangladesh manages to make a name for itself in the US market. Its reputation will be transmitted to the new emerging markets of Europe, Far and Middle East.

Another major reason for Bangladesh exporters to concentrate on the US market is that the largest number of educated Bangladesh expatriates live in the US. They can play a pivotal role in building up a warm client-developer relationship that is so important in the success of a software.

**Deficiencies**  
The promise of the software industry has been discussed in the parliament news confer-

ences and in the media many times. However the dream that they paint is a far cry from reality. Although some Bangladeshi software whizzes have managed to penetrate the foreign market with their sheet brilliance and persistence, software like Machine Dialog are an outlier and not the general trend. There are companies like Anirban, CSL, IBCS Primax who have developed and exported quality software to a limited extent. However their contribution to our GNP is insignificant. We have conducted interviews with CEOs of some top software houses to determine the reasons behind our failure to try to reach some consensus on future directions. Following is the summary of their concerns.

**Skilled personnel lacking**  
We lack skilled personnel with industry-specific knowledge. One of the CEOs we interviewed has said that a major Indian software company employs 400 programmers in two shifts. He claims that he will not find even 20 programmers at that cost in Bangladesh. It is evident from his statement that there is a serious shortage of

qualified personnel. We have at least 12 universities with a Bachelor of Science in Computer Science/Engineering program, and we have hundreds of diploma courses and training institutes that are teaching industry specific courses. Why then do we not have an adequate supply of skilled personnel?

**Appropriate government support wanting**  
Some of the CEOs have said the level of government support is adequate however others refuted this point. They point that there have been government initiatives in the IT industry only they have been inadequately planned and supervised. Planned and well-researched government initiatives are vital if Bangladesh is to make an entry into the international software market.

**Lack of credibility**  
Software is a high-risk business and it is not dependent on costs alone. Time is important and so is the quality. We need to convince the international market that we can de-

## China's foreign exchange reserve expands

BEIJING, Mar 24: A senior economic official was quoted yesterday as defending China's accumulation of massive foreign exchange reserves — subject to attack as an inflationary danger both at home and abroad, reports AFP.

"Weighing the advantages and disadvantages, the existing policy is the correct choice that tallies with the country's situation," the China Daily Business Weekly quoted an unnamed official at the state administration of foreign exchange.

The country's hard-currency reserves expanded a record 31.5 billion dollars last year to 105 billion dollars — a total second only to Japan.

The state daily quoted the official as dismissing "foreign media" arguments that reserves should be around 60 billion dol-

lars — equal to China's three-month import value.

"The economic development in China demands a relatively high reserve," he said.

All aspects of the economy must weigh into the decision, he said. "Monetary authorities do not only consider the ratio between foreign exchange reserves and import value."

The official cited Beijing's need to repay its foreign debt, which amounts to more than 116 billion dollars, as well as pay out investment yields on massive inflows of foreign investment.

Last year's 51 billion dollars in foreign investment, as well as the country's 12.24 billion dollar trade surplus, were key factors in the foreign reserve leap, he said.

## Course on stock market opens in Chittagong

Amir Khosru Mahmud Chowdhury, MP, President of Chittagong Stock Exchange (CSE), has inaugurated a course on 'Stock Market' jointly organised by CRISL and CSE at Bangladesh Petroleum Corporation auditorium in Chittagong on Saturday, says a press release.

In his inaugural speech Amir Khosru Mahmud Chowdhury said this type of training course is very essential at present, when a potential capital market is emerging in the country.

The function was attended, among others, by the Director, Syed Mahmud Huiq, CRISL's Managing Director, Muzaffar Ahmed and CEO of CSE, AGM Shamsul Kamal.

The course will conclude on April 2.

## HK share prices surge

HONG KONG, Mar 24: Prices on the Hong Kong Stock Exchange surged on bargain-hunting Monday, reports AP.

The Hang Seng Index, the market's key indicator of blue chips, rose 259.84 points, or 2.1 per cent, closing at 12,749.14. On Friday, the index had edged up 16 points after falling 6.3 per cent in the past two weeks.

Turnover amounted to 8,172 billion Hong Kong dollars (1.04 billion US dollars), down from Friday's 10.58 billion Hong Kong dollars (1.34 billion US dollars).

Brokers said investors were continuing to buy blue chip stocks following last week's sell-off.

"It's more a technical rebound than any fundamental change," said Sunny Chan, senior research manager at Seapower Securities Ltd.

## Hero Honda 'Splendor' launched

Atlas Bangladesh Limited is assembling new motorcycle Hero Honda 'Splendor' with the CKD parts imported from Hero Honda Motors Ltd, India, manufacturer of Hero Honda Motorcycles of different model under joint chemical collaboration with Honda Motor Co Ltd, Japan, says a press release.

The sales ceremony was launched by the Chairman of BSEC and ABL Company Board KAM Kamaluddin in presence of Honda Motorcycle dealers in ABL Factory premises yesterday.

The new model developed with latest technology has already earned a sweeping popularity in India and is expected to gain popularity in Bangladesh also, the press release added.



Standard Chartered Bank, Dhaka organised a workshop on "Export bills collection" for the local banks. Mario Varela, Vice President, Institutional Banking Group, SCB New York, was the main speaker at the workshop which was inaugurated by Geoff Williams, Chief Executive of SCB, Bangladesh. Picture shows the participants along with the main speaker. — Star photo

## Most Asian units fail to gain ground against dollar

HONG KONG, Mar 24: Most regional currencies failed to gain ground against the dollar, amid continuing speculation of a US interest rate rise, reports AFP.

**JAPANESE YEN:** The yen rose slightly against the dollar during the week, propped up by the Japanese government's announcement of plans to boost the property market, dealers said.

The Japanese unit was quoted at 123.33-36 to the dollar in late Friday trading compared with 123.63-65 a week earlier.

The yen opened the week with a weak tone, but turned up Tuesday on Finance Minister

Hiroshi Mitsuoka's announcement on mortgages to boost the moribund property market.

But the yen failed to gain substantial ground due to the prospect of an interest rate rise in the United States, dealers said.

**AUSTRALIAN DOLLAR:** Brokers Friday blamed speculative players from the United States for the Aussie dollar's sharp drop against the US currency over the week.

The local unit ended here Friday at 78.40 US cents, compared to 79.96 US cents a week ago. Citibank trader Chris Wray said the currency fell dramati-

cally when the US players entered the market and sold down the Aussie.

Wray said speculation of a worsening interest rate differential between Australia and the US, making local securities less attractive to global investors, was one reason for this week's weakening.

Financial markets around the world are waiting to see if the federal reserve increases of-ficial rates on March 25.

On the Reserve Bank of Australia's trade weighted index, which measures the local unit against a basket of major trading currencies, the currency closed at 60.4 points, from 61.5 points the previous week.

**NEW ZEALAND DOLLAR:** The New Zealand dollar closed Friday worth 69.10 US cents against 69.76 cents a week earlier.

Towards the end of the week the currency traded in the 69.10 cents to 69.26 cents range.

"And overnight (Friday) it is hard to see the Kiwi doing much, as there appears to be reasonable Asian buying support at around 69.10 cents," a dealer said.

**SINGAPORE DOLLAR:** The Singapore dollar fell to a 18-month low of 1.4470 against the US dollar from 1.4350 at the previous weekend. Bearish sentiment over the Singapore economy, fanned by February trade data revealing a worse-than-expected fall in exports, depressed the local unit while the greenback was also buoyed by expectations of a US interest rate hike.

**HONG KONG DOLLAR:** The Hong Kong dollar, pegged to the US unit, ended the week at 7.7474-7.7484 to the greenback, almost unchanged from the previous week's close of 7.7441-7.7451.

**INDONESIAN RUPIAH:** The Indonesian currency closed at 2,415 rupiah to the dollar, three rupiah weaker than at the close the previous week.

**MALAYSIAN RINGGIT:** The Malaysian ringgit ended the week lower at 2.4783 to the US dollar, from 2.4770 previously, on the back of commercial buying and short-covering activities.

Dealers said most players were adjusting their positions ahead of the issue of one billion ringgit (four million dollars) bills by central Bank Negara.

**PHILIPPINE PESO:** The Philippine peso closed unchanged from the previous week, at 26.331 pesos to the dollar.

**SOUTH KOREAN WON:** The won weakened from 877.80 to the dollar a week ago to 883.50 won Saturday.

**TAIWAN DOLLAR:** The Taiwan currency declined to close Friday at 27.537 dollars against the US dollar, down 2.6 Taiwan cents from the previous week's finish of 27.511.

Market dealers attributed the drop to robust performance of the greenback in overseas markets.

**THAI BAHT:** The Bank of Thailand Exchange Equalisation Fund fixed the mid-rate Friday at 25.97 baht to the dollar, unchanged from a week earlier, a central bank official said.

## Bangladesh's software entry into US market: Hype versus quality

In a recent seminar on the history of water management projects in Bangladesh, organised by the American Institute for Bangladesh Studies, Dr Salim Rashid, a Professor of Economics at University of Illinois in Urbana-Champaign, challenged the merit of food self-sufficiency as our prime development target. He argued that we may be better off investing our resources in producing something more valuable to the world and buy our food from the money we get from selling the valued product.

His specific question was "Why do we not sell our computers to Louisiana farmers and get them to grow our rice?" This article will partially address Dr Rashid's question. We would change the word "computer" to "software" and explore the promises, possibilities and obstacles to Bangladesh's becoming a top software producing nation.

The IT industry, generally accepted to consist of hardware, software, electronics and telecommunications, offers higher returns to investment than most other industries. For this reason, developing countries are now seeking to make inroads into this industry. Software production, rather than hardware, electronics or tele-

communications, is seen as the best entry point for developing countries into the IT industry. For example, compared with hardware production, software production has much lower entry barriers by the virtue of its being less capital intensive and more labour intensive. It also has a lower rate of obsolescence (at least for certain kinds of software) and far fewer economies of scale than the hardware of the electronics industry.

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liver quality software on time. Ensuring quality in the software industry demands development of a set of measures that capture the measurable aspects of quality in the software development process so that the software developers can evaluate themselves. ISO9000 and the Capability Maturity Model (CMM) developed by the Software Engineering Institute (SEI) at Carnegie Mellon university are examples of internationally accepted software quality measures.

**Lack of a mature industry culture**  
Software industry in Bangladesh can best be described as having an ego-based wild west culture. We have heroes who have ventured into the unfamiliar territories and succeeded we have villains who are ego driven and unethical, everyone knows that there is money to be made but every few are willing to take a calculated and well planned long-term move. The current approach to software development is not suitable for large scale software development and therefore results in the development of sub-optimal software.

(The authors are teaching at North-South University) (To be continued)