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DHAKA TUESDAY, AUGUST 5, 1997

Bureaucrats slept as ban on Bangladeshi shrimps was in offing

By Shehab Ahmed

A faulty decision by government will keep the ban on entry of Bangladesh's shrimp into the EU countries at least a month longer than the deadline to reach required standards, according to sources.

The sources said the EU set November 15 as the deadline for Bangladeshi factories processing shrimps for export to EU complying with its stiff health and sanitary regulations.

But Bangladesh said it would need until December 15 to streamline the situation in 58 factories processing the shrimp, a major foreign export item bringing nearly 300 million US dollars.

Meanwhile, ships which left before July 31 for EU destinations, carrying the shrimp have been given a reprieve to unload their cargo until August 15, the sources said.

The EU will review the situation after its deadline, and decide whether to permit the Bangladeshi shrimps to enter its member-nations.

It will be considered only when Bangladesh government sends an updated list of shrimp processing plants meeting the EU food regulations.

It is upto the Bangladeshi authorities to quicken the process to lift the restrictions as soon as possible, an EU source in Dhaka said.

The beleaguered shrimp industry is facing its worst trouble because of pressure from powerful shrimp farmers and a lethargic bureaucracy failing to respond to the situation in time, according to shrimp industry sources.

In February 1995, an inspection team from the EU arrived in Bangladesh seeking an updated list of the status of the shrimp processing plants.

According to a report from the Bangladesh Embassy in Brussels the mission wanted Dhaka to provide a provisional deadline to meet the EU deadline complying strictly with EU food laws meeting basic hygiene, use of sterilised water and ice and personal hygiene of workers.

It wanted a final list of qualifying plants after the deadline. But trouble began when the authorities forwarded a list without a deadline, making the situation vulnerable.

Another mission from EU arrived in the country in November 1995 to follow-up the first visit. They submitted their findings to the EU headquarters in July 1996.

Their findings contained micro biological tests of water and ice used in the shrimp processing plants and non-compliance about a quality control.

Another mission followed last month and observed that nothing had been done according to their recommendations.

It also questioned the government's list of 58 plants from the 43 factories in 1996.

At a meeting in Brussels in March this year with a visiting Bangladeshi delegation led by the Commerce Secretary, the EU wanted the list downsized. But the authorities failed to respond because of the pressure from the shrimp lobby.

Eventually the EU, a major buyer, slapped the ban on Bangladeshi shrimps.

Farmers are beginning to bear the brunt

By Cameron Kennedy in Dhaka and Quazi Amanullah in Khulna

Factories are dumping shrimp locally to pay the bills as the European Union's temporary import ban on Bangladeshi shrimp freezes the frozen food industry.

The price of raw shrimp has dropped by about Tk 40,000 per maund since the EU imposed its ban on July 31. A tiger shrimp, normally exported to the EU for about Tk 2,000 a kilogram, sells for only Tk 600 a kilogram in local markets. A sharp drop for an industry that raked in over Tk 1,218 crore in exports last year.

Owners of processing plants in Khulna are cutting their losses under pressure from banks demanding prompt loan payments. And while plant owners are the first to feel the squeeze, officials say all Bangladeshis will suffer if the ban continues long.

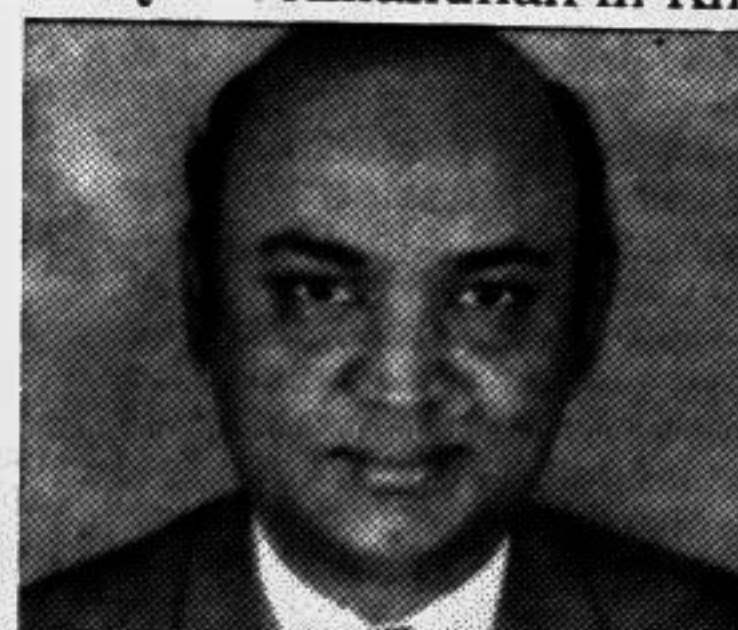
"It's not just a few exporters who are getting hurt," says Sayed Mahmoodul Huq, past president

of the Bangladesh Frozen Food Exporters Association. "It also hurts rural farmers, the backbone of the Bangladesh economy."

Virtually all Bangladeshi shrimp are raised on about 50,000 rural farms, and each farm producing an average of 200 kg/ha/year. A small amount, compared to the 5000 kg/ha/year on a private farm in a shrimp giant like Thailand.

But with very high poverty rates in rural areas, most farmers don't have source of income to fall back on. Those surviving hand-to-mouth on shrimp sales will suffer when the local market dries up and they can't make enough money to feed their children, Huq says.

He warns a long ban might also force some exporters into bankruptcy, increasing public debt. Bangladesh encourages exporters by financing up to 90 per cent of the letter of credit



Mahmoodul Huq

issued on orders and contracts. If exporters close down, the banks get stuck with the bill.

Yet frozen food exporters in Khulna insist their facilities and laboratories are hygienic and meet international standards.

"It's simply a move to tarnish the name and fame of this trade," says a renowned exporter, who requested anonymity. "The processing plants aren't so un-

hygienic that it warrants a total ban, especially since the EU didn't serve the industry with some sort of warning letter before hand," he says.

A sentiment Huq supports. "Bangladesh frozen food is not a threat to the consumer from a safety standpoint."

The EU's ban is unfair, he says, because 98 per cent of the frozen food the country exports is "block frozen", which must be thawed and cooked before eaten.

If the product thaws and smells, just throw it out, he says, unlike a ready-to-eat product like breaded shrimp.

Though Huq agrees the industry can always improve the quality of its frozen food exports, he says he doesn't understand why the EU imposed a ban all of a sudden.

"If you look at the statistics, the rate of rejection is very low, around 2 per cent," Huq says.

Corruption is the barrier, says Biman MD

Biman authorities yesterday vowed to boost its passenger service by stamping out corruption and anomalies to compete with the fast-moving, competitive world aviation market, reports UNB.

"Our steps are designed to improve the corporate image of Biman, Bangladesh Airlines, and increase passenger service at all levels," Biman Managing Director Air Commodore Rafiqul Islam told newsmen.

Development of Biman is related to improvement of service provided to the passengers, the backbone of the institution, he said exchanging views with

newsmen at Balaka, central Biman office near the Zia International Airport.

The newly appointed MD, during his first meet with the press, admitted corruption and irregularities at different levels of the service-oriented institution and harassment of passengers during booking ticket, luggage and other services.

"We are determined to take strong administrative action against any lapses in duty, corruption and nepotism," Islam told a questioner.

Admitting corruption in ticketing and reservation system, he said he also got com-

plaints about it from other sources but could not take any decision yet to check it.

As an immediate remedy, the Biman official said he had set a computer monitor in his office room to remain updated about the ticketing and accommodation situation of the flights.

Replying to a question the new MD of Biman, who took over on June 12 this year, said Biman has plans to expand its routes and informed that there is a possibility of introducing three more new routes in next few months.

About the success of state-

run service-oriented commercial institute. Commodore Islam said in last three years, it had earned profit with its limited resources.

In the year 1996-97, he said, Biman carried some 13,53,117 passengers by its 13,549 domestic and international flights and earned Tk 1,030.84 crore. In the previous year, the earnings were Tk 1,030.84 crore.

About the punctuality of Biman flights, he said in last three months, it was 76 per cent. Biman is trying hard to maintain the timing despite its limitations, including scarcity of aircraft and other problems.

Finance Minister tells BGMEA leaders

LC in 2 days, review of VAT on high-priced exports if required

Finance Minister Shah AMS Kibria directed the authorities concerned to ensure issuance of LC (letter of credit) within two days, reports BSS.

The Finance Minister was talking to a delegation of Bangladesh Garments Manufacturers and Exporters Association (BGMEA), which called on him at his office yesterday.

The BGMEA delegation was led by its President Mostafa Ghulam Quddus, a PID handout

Emphasising the diversification of the garments industry to boost export earnings, the finance minister said there is a great potential for value addition to high-priced garments like readymade suit, woolen clothes and leather jacket.

He urged the manufacturers to take necessary initiative to enter the fashion market with high value-added commodities. If necessary, the government will review the VAT applicable

to the high-priced exportable goods, he added.

The delegation informed the minister of the difficulties like stocklot, delay in issuing LC and bank acceptance charge being faced by the garments sector.

Kibria said the government has in principle decided to assist the exportable industries and accordingly it is extending necessary support. He said the banks would provide possible support to those, who are facing

difficulties due to accumulation of stocklot and asked the victims of stocklot to contact their respective banks.

Referring to variation of charges by banks, the minister said the nationalised banks have already withdrawn acceptance charge.

The private banks can also do the same to their clients, he said.

Banking Secretary Syed Amir ul Mulik was present.

Nepal fixes minimum wages for employees

KATMANDU, Aug 4: The Nepal government has fixed the minimum wages and dearness allowance for the employees of industry, transport, tourism and other departments except the tea estates, local press reported today, says Xinhua.

The government stipulated that unskilled employees should get a minimum monthly salary of 1,300 rupees (about 23 dollars), semi-skilled should get 1,350 rupees (24 dollars), skilled 1,460 rupees (26 dollars), highly-skilled 1,650 rupees (29 dollars) and employees in the 14-16 age group 1,025 rupees (18 dollars).

Likewise, all the employees will get a dearness allowance of 500 rupees (8.8 dollars), up 50 rupees (90 US cents) over what they get now.

Employees in the 14-16 age group will get 275 rupees (6.6 dollars) every month, the report said.

Those working on a daily wage basis will be given 63 rupees (1.1 dollars) a day, while workers in the 14-16 age group will be given 50 rupees (90 cents) a day.

The working hour for workers in this age group has been fixed at six hours a day, the report said.

Lanka to award telecom stake to Japanese firm

COLOMBO, Aug 4: The Sri Lankan government will sell 35 per cent of the state telecommunications company to Nippon Telegraph and Telephone Corp. of Japan, a senior executive said Monday, reports AP.

The Japanese firm, better known by its acronym NTT, was among six international companies that bid for a stake and management of Sri Lanka Telecom in September 1996.

NTT will pay 225 million dollars for the stake in Sri Lanka Telecom, beating its nearest rival France Telecom, said Fernando.

Unemployment in Chinese cities at 7.5 pc

BEIJING, Aug 4: The real rate of unemployment in Chinese cities was 7.5 per cent in the first three months of the year, more than twice the "official" rate reported earlier, state media reported Monday, says AP.

According to the Ministry of Labour, China's registered unemployment rate in the first quarter was 3.1 per cent, a 0.2 percentage increase over the same period last year.

But that figure excludes laid off workers classified as "waiting for work" or those who aren't qualified to register as unemployed because they lack a city's residence permit, the monthly magazine "Outlook" reported.



Mustafa Kamal, MP, of CMC-Kamal Textiles Mills Limited, presented his company's profile at a city hotel yesterday to capital market operators in his bid to raise Tk 8.60 crore in initial public offerings.

Botswana keen to recruit skilled manpower from Bangladesh

Education Minister A S H K Sadique Sunday said Bangladesh and Botswana would strengthen bilateral ties in the spirit of meaningful South-South cooperation, reports BSS.

He said Bangladesh has many qualified doctors, engineers and architects who will be happy to offer their services if the government of Botswana needs those.

Sadique said these during his meetings with some ministers of Botswana, according to a message received in the city from Pretoria.

Minister for Works Daniel Kwalagobe said Botswana seriously needs skilled personnel like doctors, engineers and architects to implement his country's 8th national development programme within the fixed time frame.

He said a team recently visited India for the purpose of manpower recruitment. He re-

sponded positively to Sadique's proposal for a general agreement with Bangladesh in this field and for sending a team to the country to select suitable candidates.

Minister for Agriculture Roy W Blackbeard said Botswana would share Bangladesh's experience in the field of agricultural research and cooperate in the arena of human resource development.

Education Minister G K T Chiepe said education is a way through which the two countries could develop a closer understanding of life style, culture and history.

She accepted Sadique's invitation to visit Bangladesh and agreed to expand the bilateral ties through student exchange programmes.

Earlier, Sadique had another meeting with Education Minister of South Africa Professor S M E Bengu.

Organon markets new fertility drug

Organon (Bangladesh) Limited has introduced a new drug. It is an effective fertility medicine marketed on Sunday, says a press release.

The brand name of the drug is puregon. It is a new human recombinant fertility drug which considerably increases the likelihood of higher pregnancy rates in infertile women treated by IVF and other assisted conception techniques.

Puregon contains bio-technically produced recombinant follicle stimulating hormone (FSH). It is the culmination of a 12 year research and development programme by Dutch health care company NV Organon.

Puregon was developed by Organon to provide a modern preparation able to meet a worldwide growing demand for fertility drugs. Manufacture of FSH by genetically modified cells guarantees a pure hormone preparation with greater potency than conventional hormones derived from urine.

Survey says

Pakistanis are most corrupt

BERLIN, Aug 4: Pakistan is the most corrupt Asian nation for the second year running and Singapore the most honest, according to a survey released here, says AFP.

But Pakistan made the most effort to improve its record, and actually jumped several places in the corruption league table of 52 countries, 13 of them Asians.

Researchers claim striking success for their league tables they say the 1996 version partly contributed to the fall of Benazir Bhutto's government in Pakistan and directly prompted a government drive in Malaysia to stamp out corruption.

Nigeria was judged overall to be the most corrupt country in the world, again for the second year running, followed by Bolivia, Colombia and Russia.

Denmark was the best overall.

The third annual study by Transparency International (TI), a non-governmental organisation based in Berlin, draws on surveys of business chiefs and politicians to com-

pile its data. The researchers stressed that they only included countries on which they could get enough information. Their table gives countries scores out of 10.

Pakistan was the second worst country overall for corruption last year. This year, although it only rose three places, its score out of 10 more than doubled.

The report said last year's table sparked a fierce reaction in Pakistan and embassy officials and opposition leaders visited the TI headquarters in Berlin to get more details.

When the organisation held a seminar in Karachi, "several participants said the table had contributed to the fall of the Bhutto administration, which was noted for its corruption," the report noted.

In Malaysia meanwhile, an initially hostile reaction from the government swiftly turned to cooperation as a delegation from the anti-corruption agency visited the TI in Berlin.

After Singapore, in ninth place overall, Hong Kong was the most honest place (18) followed by Japan (21), Taiwan (31), Malaysia (32) and South Korea (34).

Asia provides seven of the worst 14 nations, after Pakistan in 48th place is, from the bottom up, Indonesia (46), India (45), Vietnam a new entry at 43, China (41), the Philippines (40) and Thailand (39).

Much of the corruption is a direct consequence of multinational firms based in industrialised countries who do not hesitate to hand out generous bribes to obtain contracts in developing nations, he said.

FBCCI team meets Kibria

Finance Minister SAMS Kibria Sunday held discussions on different aspects of the economy with a delegation of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), reports BSS.

Tofael to head advisory body on trade and industry

The government has formed a 15-member advisory committee on commerce and industrial affairs as a step to boost trade and industry removing the existing bottlenecks, says UNB.

An official announcement said yesterday that Commerce and Industries Minister Tofael Ahmed will head the committee comprising public and private-sector representatives.

The committee will advise the government on raising the volume of trade and rapid industrialisation, it added.

The committee, in regular meetings, will weigh pros and cons of the hurdles hindering growth in trade and industry and suggest to the government possible measures to overcome the difficulties.

"Most of the developed and developing countries have such advisory committee to ensure rapid growth in trade and industrial sector," the announcement said.

Other members of the committee are: Privatisation Board Chairman Kazi Zafrullah, commerce and industries secretaries, and president of the Federation of Bangladesh Chambers of Commerce and Industry, Metropolitan Chamber of Commerce and Industry, Dhaka Chamber of Commerce and Industry, Bangladesh Chamber of Industries, Bankers Association, Bangladesh Employers Association, Bangladesh Garment Manufacturers and Exporters Association, Bangladesh Textile Mills Association, Bangladesh Finished Leather and Leather Goods Exporters Association, Bangladesh Jute Mills Association and Bangladesh Frozen Foods Exporters Association.

Traders act tough to protest VAT

Traders of seven items, including electronics, shut their business establishments yesterday protesting the imposition of VAT on them at wholesale and retail levels in "double-taxation" in this year's budget, reports UNB.

Bangladeshi Babsayee Sangathan Samannaya Parishad, an alliance of the traders, claimed that at least 10,000 traders affected by the imposition of value added tax took part in the day-long strike.

Three other traders' associations also extended their support to the strike. Amir Hossain Khan, convener of the alliance, told a news conference halfway the strike at noon.

He said traders involved in the electrical and electronics, sanitary-ware, mosaic, aircondition and refrigeration products, engineering industry, polythene and PVC pipe business joined the protest.

They have been demanding since the presentation of the national budget in June last the withdrawal of VAT, but to no avail so far, he told newsmen.

He said they are already scheduled to bring out processions and hold a rally in the Dhaka Stadium compound on August 10 and observe another half-day strike someday later this month.

"If necessary, we would launch tougher programme to realise our demand... but in no case, we would pay VAT," said the leader of the alliance which represents a total of 30 traders' organisations.

Replying to a question, he said the government estimated that it would collect Tk 70 lakh by imposing VAT on the wholesale and retail levels on the seven items. He added that they were willing to pay that

amount, but not in the VAT form.

"We do not want to pay VAT because of its complex procedures. There are possibilities of hassles by the tax officials. Also most of the traders, who are small in nature, do not have proper book-keeping practice," he said.

Khan said if the government went ahead with its decision to impose VAT on them, it would not even realise Tk 70 lakh in revenue from these tradings.

The traders would love to pay the additional amount in the form of supplementary tax or some other tax at the import level to avoid possible harassment by the tax officials, he said.

Leaders of the alliance, including Khoka Sikdar, Jalal Uddin, Akhteruzzaman Monju, Siddique Rahman, Nurul Islam, A Khaleque Sikdar, MN Haq, Iqbal Jamal and Abul Hashem were present at the press conference at the National Press Club.

New rouble in Russia

MOSCOW, Aug 4: Russian President Boris Yeltsin announced today the creation of a new rouble starting on January 1, Interfax reported, says AFP.

The rouble will lose three zeros, meaning 1,000 roubles (about 17 US cents) will change to a single rouble, he said.

"From January 1, you will have to pay one rouble for goods costing 1,000," he said.

"We intend to avoid any stress and troubles," he said.

"During all 1998 the circulation of both old and new bills will be authorised."



Rangs Electronics Ltd, the sole authorised distributor of Sony audio video, AIWA audio video, SHARP home appliances and Rangs products in Bangladesh, is observing Sony days 1997 here. The picture shows the inaugural ceremony.

Billionaire philanthropist plans to spend money

BALTIMORE, Aug 4: George Soros, the currency speculator whose international charity foundation reaches all corners of the globe, plans to spend at least 25 million dollars here for social programmes and economic development, reports AP.

Next month, the billionaire philanthropist will establish a Baltimore branch office of his Open Society Institute, spurred by Mayor Kurt L. Schmoke's advocacy of drug treatment on demand. The money will be spent over the next five years.

The Open Society Institute is, among other things, the largest donor for needle-exchange programme in the country. Its US headquarters is in New York.

Three years ago, Soros established the Lindesmith Center, which conducts research on drug policy at its New York office and promotes strategies to minimise the damage caused by drug use.

Schmoke maintains that drug addiction must be treated as a health problem.

If the Baltimore office is successful, similar programmes might be established in other cities across the country, said Gara LaMarche, director of US programmes for the Open Society Institute.

Exchange Rates

The following are the Sonali Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on Aug 4th.

Buying	TT & OD		OD Export Bills	OD Transfer
	TT	OD		
US Dir	43.9700	43.8050	43.7085	
GB Pound	1.2909	71.0233	70.8669	
D Mark	23.4522	23.3642	23.3128	
F Franc	6.9595	6.9314	6.9161	
JP Yen	31.6869	31.5680	31.4985	
C Dir	28.5706	28.4634	28.4007	
S Franc	0.3673	0.3659	0.3651	

Name of Currency	Selling		B.C.
	T.T. & O.D.	B.C.	
US Dollar	44.2610	44.3010	
GB Pound	72.3258	72.3912	
D Mark	23.8575	23.8791	
F Franc	7.0762	7.0826	
JP Yen	32.2289	32.2580	
C Dollar	29.0677	29.0940	
S Franc	0.3775	0.3778	

A) TT (DOC) US Dollar Spot Buying Tk 43.8875			
B) Usance Rate			
30 Days	60 Days	90 Days	120 Days
43.5181	43.1517	42.7853	42.4188
C) US Dollar sight export bill 3 months forward purchase. Same as OD sight export Bill buying rate.			

Indicative Rate		
	Selling	Buying
Saudi Riyal	11.8061	11.6494
UAE Dh	12.0586	11.8983
KUW DI	145.3563	143.4947
D Gulder	21.4121	21.1142
S Krona	5.5734	5.4986
Malay Ringgit	16.9064	16.6699
Sing Dollar		