

# Tofael assures chamber of long-term, effective policies

Commerce and Industries Minister Tofael Ahmed has said the government is formulating policies for expanding trade and industry in consultation with business leaders with a view to improving the effectiveness and durability of the policies, reports UNB.

He was addressing the newly elected president and directors of the Dhaka Chamber of Commerce and Industry here yesterday.

The minister said, the preparation of industrial and export-import policies, aiming at simplifying the procedure for export, import and industrialisation, is at the final stage.

Besides, a permanent advi-

sory committee, comprising members from public and private sectors, has been formed to advise the government in regular basis to achieve the goal.

Appreciating the traditional role of DCCI in improving trade and investment in the country, the Industries Minister said, the government is maintaining export growth rate at 21 per cent and expecting total annual export to about 6 billion US dollar.

He sought cooperation and advice of DCCI leaders for fulfilling the dreams of the people for economic emancipation.

Explaining the government's strategies about privatisation and refinancing of the sick in-

dustry, Tofael said the government is planning to maximise the utilisation of unoccupied land of the listed state-owned enterprises (SOEs) through attracting foreign investment.

He said, a committee has been working to identify the viable sick industries for refinancing. The Minister said, all entrepreneurs are not deliberate defaulters. Complicated and lengthy procedure are also responsible for becoming defaulters, he said.

He said, the government is taking steps to improve the overall condition of some SOEs through implementing joint-venture initiatives, including handing over the management of the SOEs.

DCCI president R Maksud Khan, who led the delegation, appreciated the role of government, specially the efforts of the commerce and industries ministries, for private sector development. He said the proposed industrial policy will help accelerate the pace of industrialisation and investment.

The DCCI president also put some suggestions to restore the interest of the local industries. He stressed the need for new entrepreneurship development programmes, and venture capital for attracting new generation in trade and investment.

There have been no cases of bird flu in humans in Australia, but the ban is believed to stem from an outbreak of a chicken influenza virus late last year.

Australian authorities said the outbreak was of a different strain to the one blamed for four deaths in Hong Kong and

## Bird flu: UAE bans import of poultry from HK, China, Australia

CANBERRA, Australia, Jan 5: The United Arab Emirates has included Australia in a ban on imported poultry in the wake of the Hong Kong bird flu scare, even though it imports no birds from Australia, officials said Monday, says AP.

Australian diplomats in Dubai confirmed the United Arab Emirates had imposed a ban on all chicken and bird meat from China, Hong Kong and Australia, a spokesman for Primary Industries Minister John Anderson said.

We'll be providing them with the technical information necessary to convince them we have a safe product.

The ban would not affect Australia's exports because there was never any record of poultry exports to the United Arab Emirates, he said.

### China denies any cases of flu

BEIJING, Jan 5: China said Monday it remains free of the bird flu that has forced Hong Kong to slaughter its chicken flocks, despite unconfirmed re-

ports of poultry die-offs and at least one human death, says AP.

A new round of tests of chicken blood samples from farms in southern Guangdong province that are the main source of Hong Kong's fresh fowl

showed no signs of the disease, the newspaper China Daily reported.

Some experts have said they

believe that like most strains of influenza, the bird flu originated in southern China. Until

China halted exports on Dec.

23, its poultry farms supplied some 75,000 chickens a day to

Hong Kong.

Millions of Hong Kong resi-

dents are expected to return to

their Chinese hometowns for

the lunar new year later this

month. This has raised con-

cerns that the disease might

spread in either direction al-

though experts say there is no

evidence humans can give the

disease to each other.

Because the disease appears

to be spread mainly through

contact with contaminated

poultry, Hong Kong has at-

tempted to destroy its entire

chicken population to prevent a

possible epidemic.

The China Daily report said

new tests were conducted on a

collection of 1,087 samples

gathered in December at farms

and markets in Guangdong,

which borders Hong Kong.

The bird flu has killed four

people in Hong Kong. Of the 16

people who are known to have

fallen ill with the disease, seven

have recovered. Five others also

are suspected of having the flu.

## What's up there in the rice market?

A big question. An agricultural scientist says growers haven't got their prices, now hitting abnormal highs. He looks at the options for the policymakers.

By Ramendra Choudhury

Should the recent tilting in the price of rice be overlooked and left to be resolved by the existing market forces? As a matter of fact, Bangladesh's agri-commodity market is quite weakly organised. Traditionally, it operates against the interest of the producers and at times even against the consumers. The recent price hike was abnormal by any consideration. It may be taken as a test-case to prove how easy it is to manipulate the market.

The price of rice marked an increasing trend during the third week of December 1997. It was abnormal both in time and magnitude. During the same time last year, the price was Tk 130-150 only per maund (37.32 kg). About the same price range had prevailed in the past years. But this year the price shot up to as high as Tk 250-275 per maund. Apprehension was there that it might go up further. Did the rising price bring smiles in the faces of the millions of rice growers? No, there was no sign of that. It just caused pains to the consumers. Only the traders must have made a bigger fortune.

Production below anticipation, increase in transportation cost, delay in completion of harvesting and processing by a large number of big farmers and such other factors are cited to have created the situation. But how far these factors individually or collectively stand to be acceptable in this regard?

A report from North Bengal stated that last year the average production was 42 maunds per hectare. This year it came down to 39 maunds per hectare. The area under *aman* rice cultivation, on the other hand, was increased to 19 lakh hectares from last year's 16.13 lakh hectares. This spoke of about seven per cent decrease in productivity against 18 per cent increase in area, the net result being nine per cent more production as compared to last year's production. Should the situation be altogether different in other regions?

Another report, quoting DAE sources, said that the yield of broadcast *aman* in low-lying *bul* areas suffered much reduction. There was not any significant reduction in the yield of transplanted HYV *aman* — the largest rice crop of the country. This report estimated that if 50 per cent of broadcast *aman* and five per cent of the HYV *T Aman* yield reduction occurs then even the total yield loss would not go beyond 10 lakh tonnes. This loss would in no way amount to more than four per cent of the national food grain requirement for the year. But the primary market price of new paddy was increased by 100 per cent or more. Was not the situation seemingly abnormal?

Crop loss or yield reduction is not a new experience in Bangladesh. It occurs in different magnitudes in different years due to causes like scarcity

of inputs or calamities of nature. But in absence of any well-built crop-forecasting system, there is no authentic means for acceptable pre-assessment. This year the big farmers have not yet started to market their production. Moreover, there were a bumper production of foodgrains last year. A sizable quantity thereof has yet been lying with the big farmers and stockists. The procurement drive by the government is yet to start. As such, who could at this time of the year be certain to say about food grain scarcity in the country?

Moreover, the government has a plan to import 58 lakh tons of foodgrains to meet any eventualty in the domestic food market. Licences are being issued and some of the traders have already started importing. All inclusive, the imported rice costs Tk 10.50-11.00 per kg. The market price shooting up to Tk 14-17 per kg created an opportunity for the importers to dispose of, at a big margin, the rice they had already imported. This also gave them a prospective chance to use the LSCs already opened by them for importing rice.

The very timing of the price hike should not miss attention. The small farmers had already disposed of their production even at a price of Tk 80-100 per maund to repay preconditioned loans to the private money lenders. The big farmers were yet to bring their produce to the

market. As such no benefit of the soaring price would be achievable to the growers in general. Moreover, the holy month of Ramadan was knocking at the door. So the traders would be welcome to bring down the market by import or any other means.

A brief point needs to be stated here. Traffic jam at ferry ghats and consequent delay in transportation are also said to have created the price hike. But if there were genuine reasons, what could be the cause of price rise in the surplus areas of North Bengal?

Setting things in right order quickly may be too much to expect. It is, however, expected of the government to strengthen the market monitoring system so that it does not remain a playing ground for the traders alone. Moreover, the government would be required to launch a vigorous food grain procurement drive. Otherwise under import saturated rice supply the growers at home may find themselves in a very dull market. A well-planned procurement drive now may also provide the government to face with strength the probable price-hike or crisis just before the next *boro* paddy comes in the market. Food supply situation constitutes a very delicate issue in Bangladesh. Preparedness is of utmost importance to take the bull by the horns at any time.

The peso fell four per cent to a new record low in the first 90 minutes of trading Monday, before recovering slightly to 6.150, from last week's close of 6.050.

The Malaysian ringgit breached the psychological 4.0 to the US dollar level, registering an all-time low of 4.02 from last week's 3.9525.

The Philippine peso fell to a record low of 42.24 to the greenback from its close last week of 41.05 while the Thai baht offshore slid to 49.90 from the previous close of 48.05.

This is not a good start. You would consider this as the first real trading day because last Friday was not an indicative session," said Andy Tan, manager of Standard and Poor's MMS in Singapore.

Other Asian currencies that slid in early trade were the Singapore dollar, posting 1.7050 to

the US dollar in early trade from 1.6955, and the Taiwan dollar at 33.125, from 32.64.

The South Korean won

firmly to 1,720 to the US dollar from last week's 1,750. The Japanese yen was steady at 132.3 to the greenback.

Asian currencies were being sold down on lingering fears that more turbulence lies ahead for Asia before recovery from the regional financial turmoil since July last year sets in.

The Indonesian rupiah fell in the first few minutes to a record 6,310 to the US dollar, before recovering slightly to 6,150, from last week's close of 6,050.

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