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BUSINESS
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Japanese ODA loan consultation team arrives today

Star Business Report

A seven-member Japanese consultation mission on ODA loans arrives in Bangladesh today, says a press release issued in city yesterday.

The mission is headed by Tsuneshige Iiyama, Senior Assistant for Loan Aid, Economic Cooperation Bureau of the Japanese Ministry of Foreign Affairs (MOFA).

During its stay the delegation will hold consultations with Bangladeshi counterparts on October 27 and 28. Besides, the team is expected to visit the Rural Electrification Project.

Fodder crisis turns Jessore dairy farms' bane

JESSORE, Oct 24: A total of 80 dairy farms in the greater Jessore district are facing closure following the acute scarcity of fodder, reports UNB.

The dairy farm owners said that the market price of fodder had shot up abnormally due to its acute scarcity. One bag of 50 kg wheat husk is selling at Tk 400 as against Tk 250 a few months back and a bag of kheshari husk at Tk 300 as against Tk 200, they added.

The inadequate supply of fodder has adversely affected their market prices hampering milk production. Meanwhile, a number of dairy farms have already been closed down due to the crisis and milk production has come down to 50 per cent ... 2,800 ... in the district.

The local branch of Krishi Bank provided credit facilities for setting up dairy farms on private initiatives.

Farm owners said due to lack of government patronisation and acute fodder scarcity, dairy farm business is declining day by day in greater Jessore also.

Training course on customer service in city

Star Business Report

A day-long management training course on 'Understanding excellence in customer service' will be held today at Dhaka Club from 8:30 am to 5:30 pm, says a press releases issued in city yesterday.

Organised by Rapport Bangladesh Limited, the course will be conducted by an eminent trainer from Delhi, Nina Kocher.

The course will be inaugurated by M Mosharraf Hossain, Managing Director of Rapport Bangladesh Limited. 22 participants from Biman Bangladesh Airlines, Quality Express Limited, Gulf Air GSA, BOC Bangladesh Limited, Bashundhara Group of Companies, Unocal Bangladesh, International Office Equipment, Delta Brac Housing Finance Corporation Limited, Building Technology and Ideas Limited and Shinepukur Holdings Limited will attend the training course.

The certificate-awarding ceremony will be held at 7:30 pm. Zaglul A Chowdhury, president of the Overseas Correspondents Association of Bangladesh, who will be the chief guest in the ceremony, will distribute certificates among the participants.

Gulf Air starts daily flights to Paris

Gulf Air has announced that it will operate daily non-stop flights from the Gulf to Paris with the launch of its winter schedule effective October 25, 1998, in response to growing demand from passengers, says a press release.

"All flights from the Gulf to Paris will have a standard arrival time to facilitate greater convenience and comfort of its passengers. Flights will arrive in Paris at 0640 hrs seven days a week from the Gulf.

Passengers arriving at Charles De Gaulle international airport will have convenient connections to destinations in France, Europe, North America and Canada.

The early arrival time also ensures that our business passengers will arrive in time for the start of the business day in Europe. The flights will depart from Bahrain, Abu Dhabi, Doha and Muscat.

"Gulf Air currently operates five weekly flights from the Gulf to Paris and the increase in the frequency to daily services is in line with the airline's policy to cater to the demands of passengers," Salim S Salmi, Assistant Vice-President (Sales) of Gulf Air said in a statement.

Passengers will also experience the airline's luxurious Golden Falcon Service, which is renowned for its traditional Arab hospitality and personalised service by the airline's highly trained and attentive multinational crew.

Eastbound flight from Paris to the Gulf will have a standard departure time of 11:30 hrs, seven days a week from Charles De Gaulle international airport.

Fears about fiscal deficit unjustified: Finance minister

S&P downgrading may eat into foreign investment in India

BOMBAY, Oct 24 : India put a brave face yesterday on the downgrading of its foreign currency sovereign credit rating by Standard and Poor's, but analysts here warned that the move could adversely affect foreign investment, says AFP.

The US credit assessor downgraded the rating on Thursday from BB-Plus to BB, saying the country may not be able to sustain economic growth.

"There is no additional dimension to the fact and the markets have discounted this already," the government's chief economic advisor, Shankar Acharya, said of the decision.

"The downgrading was no wholly unexpected in the light of developments in the last few months and the prevailing global situation."

Finance Minister Yashwant Sinha said he was "somewhat disappointed by the news, and argued that the agency's fears about India's fiscal deficit were unjustified.

India's gross domestic product (GDP) growth fell to five per cent in the fiscal year to March 1998, after averaging 7.5 per cent for the previous three years.

Standard and Poor's predicted that the public deficit would remain around eight per cent of GDP over the next few years, while the public debt would rise to 70 per cent of GDP.

Subhra Subramaniam at foreign brokerage Warburg Dillon Read said the downgrade had been expected and warned that Indian businesses would find it "much more difficult" to source money overseas.

In the short term, Subramaniam argued that the downgrade would have little impact because of the current low demand for funds by business and industry amid India's economic slowdown.

"But over time, we are closing our doors to overseas private funds," he warned.

"The long-term impact on the rupee could also be negative. By March we expect the rupee to fall to 47 to a dollar, from the present level of around 42.32", he said.

Devesh Kumar, at foreign brokerage ABN Amroequities, said there were enough funds in the domestic banking system to soften the downgrade's immediate impact.

"But sentiment towards banks and bank stocks could get affected and new foreign investors could be put off," Kumar said.

Overseas money on the fringe may not come in, especially from institutions who are required to make decisions on the basis of these ratings".

Indians share prices rose 0.7 per cent Friday with traders saying sentiment was 'unaffected' by Standard and Poor's announcement.

"There was hardly any impact today of the downgrade," said broker Ajit Ambanihe.

Industrialist Anand Mahindra said the downgrade seemed harsh in the light of India's weathering of the Asian financial crisis and this year's favourable monsoons.

"It could drive down already weak business confidence," Mahindra said, while adding that one positive fall-out might be to galvanise the government into stepping up infrastructure investments and cutting down on expenditure.

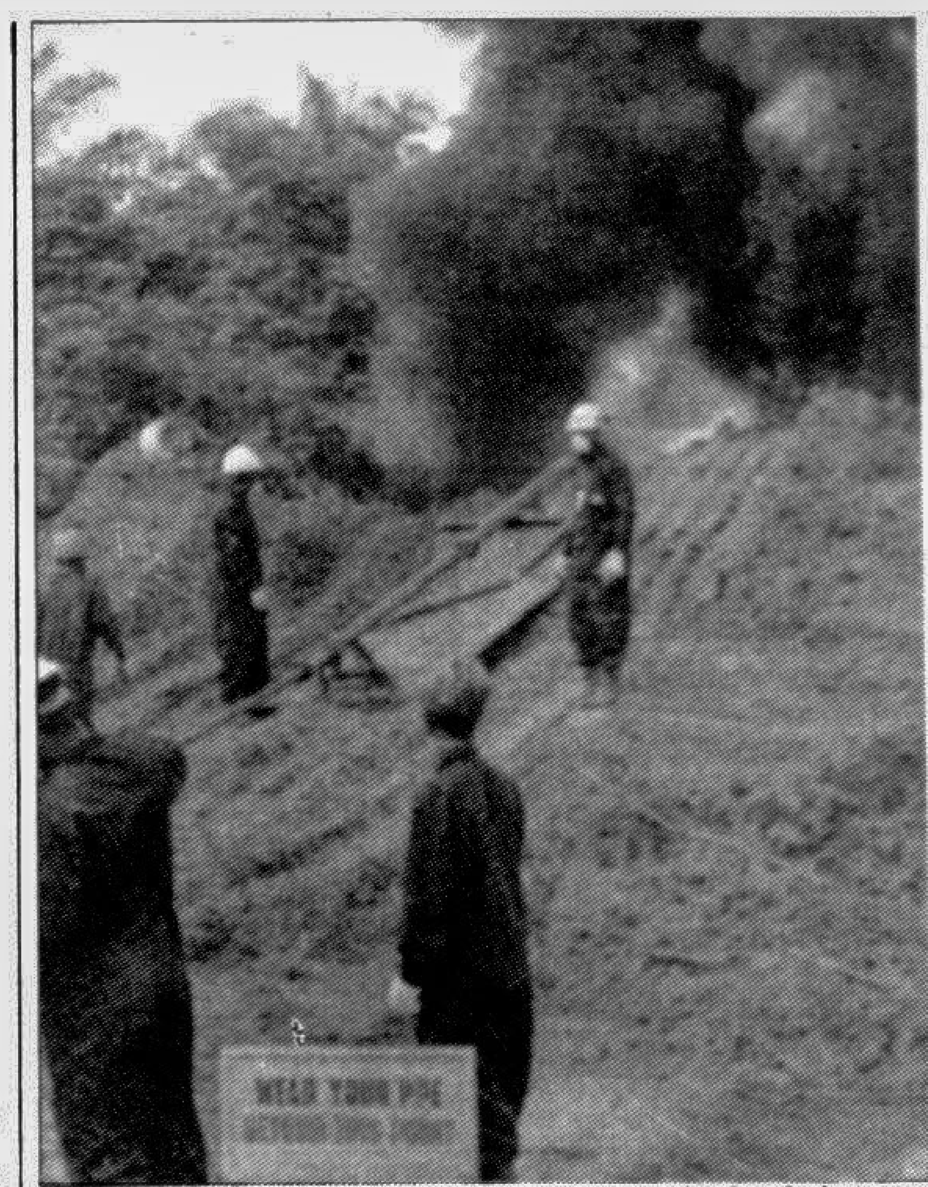
K Kannan, Chairman of the state-owned Bank of Baroda, said Standard and Poor's had issued a "warning to India to clean up her act.

"Several factors such as depressed business sentiment and poor industrial and agricultural performance have made them feel the economy does not seem to be recovering from its downswing," Kannan said.

The other main US-based ratings agency, Moody's Investor Services, downgraded India in June after US-led sanctions were imposed in the wake of the country's nuclear tests the previous month.

India's economic slowdown began in October 1996 about the time when political instability hit New Delhi, pulling down the centrist-leftist government of the day.

The current Hindu nationalist-led coalition has failed to provide promised stability, and analysts say that crucial economic decisions and public funding projects are being delayed as a result.



Technicians from the Houston-based firefighting company BJ Services spread foam early Friday to finally extinguish the seven day-old oil pipeline fire in Jesse, near Warri in Nigeria's oil rich Delta. The fire, which was put out after a ninety minutes operation, began last weekend and developed into an inferno, killing at least 700 people. — AP/UNB photo

Aman comes under pest attack in Kishoreganj

KISHOREGANJ, Oct 24: Transplanted Aman on about 12,000 acres of land have been attacked by pests in nine thanas of the district, says UNB.

According to local farmers, the insects are known as 'Leafruler', 'Majra', 'Pamri' and 'Goalfly'. The pests attack the roots of the plants first then its green leaves which grow yellowish and ultimately reduce to straws.

It is not possible for the farmers to combat the menace due to the financial constraints, shortage of pesticides and spray machines. Most of the machines in the local agriculture office remained out of order for a long time.

The preventive measures taken up by the authority concerned are not adequate. The affected farmers alleged that the insecticides available in the local markets are adulterated.

Besides, the agriculture experts said that the main cause of the attack was the bad weather condition. The badly affected thanas are Sadar, Katiadi, Bajitpur, Pakundia, Hosainpur and Karimganj.

The helpless farmers urged the authorities to take necessary steps to protect their crops from the pest attack without further delay.

Air-to-ground medical service of Emirates

Emirates passengers will have the assurance of round-the-clock, air-to-ground medical service from November 1, says a press release.

This is because Emirates has become the first airline in the Middle East to sign up with MedLink, an exclusive inflight medical advisory service which houses its emergency Telemedicine Centre within the emergency station of a Phoenix-based hospital (USA).

MedLink is a 24-hour, global medical emergency service available across land, sea and air. For airlines, MedLink provides flight deck and cabin crew with immediate access to expert medical advice at any time during a flight, from any part of the world.

When medical emergencies occur during a flight, the cabin and flight crew can phone in to the MedLink emergency centre via satellite communications lines that are available on every Emirates' aircraft.

The crew conveys important information such as the passenger's age, symptoms and vital signs.

The MedLink physician then conducts "remote assessment," keeping the crew advised on the appropriate emergency aid to administer.

Dependent on the MedLink physician's advice, the captain of the flight may decide to divert and land at the nearest airport, where MedLink's services will take over with the appropriate arrangements such as transportation to hospitals and the necessary medical care for the patient.

Dr Alasdair Beatton, Emirates Group Medical Officer, said: "Passengers' welfare is paramount to Emirates."

US threatens to retaliate EU over banana row

GENEVA, Oct 24: The United States yesterday stepped up threats of retaliation against the European Union over a banana row that has dragged on for more than 12 years, reports AFP.

Washington accuses the EU of failing to implement a series of WTO rulings obliging it by January 1 to reform its banana import regime involving produce from 71 African, Caribbean and Pacific group nations.

The WTO ruled the regime was discriminatory following a 1996 complaint lodged by the United States and four Latin American banana producers.

Brussels, furious at recent US congressional moves to prohibit some European imports in retaliation for EU quotas on so-called "dollar" bananas, has warned there will be an "explosion" if Washington pursues this path.

"For anyone to say we have failed to implement (the WTO verdicts) is, I would suggest, nonsense," Roderick Abbott, head of the EC trade delegation in Geneva told journalists.

Abbott said Brussels was well within its deadline for complying with required changes in its banana import regime and therefore could not be accused of non-cooperation.

In June, the EU Council of Agriculture Ministers decided to allow 2.55 million tonnes of bananas produced mostly by US firms in Latin America to be imported into the 15-nation block under customs duties of 75 European currency units (82.5 dollars) per tonne.

It stipulated, however, that 857,000 tonnes of Bananas from African and Caribbean countries could be imported duty-free. Washington argues both measures still violate WTO rules.

A US House of Representatives resolution introduced ten days ago would compel the US trade representative to prepare a list of European products that could be turned away because of Brussel's quotas on bananas and beef imports.

"We are exercising our rights under the WTO to withdraw concessions if the EC is not in compliance, which it clearly is not," Hayes told a meeting of the WTO's dispute settlement body (DSB) on Wednesday.

She declined to put a dollar figure on the value of EU trade that could be affected.

Washington and Brussels have periodically held closed door talks to try to resolve the dispute, which stretches back to the WTO's predecessor, the General Agreement on Tariffs and Trade, which formed two panels to hear the case.

Hayes said suspension of EU trade concessions was a "last resort."

The United States failed on Wednesday to request the formation of another WTO panel to judge the EU implementation on bananas as it had earlier threatened to do, apparently awaiting Brussels announcement on Banana quota licensing arrangements.

Without the granting of such licences, US firms have been unable to use the new Banana quotas.

Abbott said licensing arrangements would be decided next week and would take the "form of a regulation."

Convocation of another panel would be a first in WTO history, since the banana case has already been through two stages — an initial examination by a three-member panel and an appeals body.

The original plaintiffs — the United States, Ecuador, Guatemala, Honduras and Mexico — plus Panama, in a joint statement Wednesday called for the "EC to wipe its slate clean and talks to us on an urgent basis about implementing a truly WTO-consistent banana regime before 1 January, 1999."

Bangladesh mission in Japan, visiting FBCCI team talk increased co-op

Bangladesh Embassy in Tokyo and the visiting FBCCI delegation yesterday discussed ways and means to enhance cooperation and coordination between the mission and apex trade body for implementation of the country's economic diplomacy, reports UNB.

Ambassador Rashed Ahmed chaired the meeting represented by FBCCI Executive Committee Member Abdul Haque and 10 other members from Bangladesh's private sector, according to a message received in Dhaka yesterday.

According to the decision, the Tokyo Mission will seek technical assistance and expertise from relevant Japanese organisations to enhance efficiency and effectiveness of FBCCI based on Japanese experience.

Besides, the Tokyo mission will coordinate with FBCCI for holding a small and medium-scale enterprises (SMEs) seminar and setting up of an institute of SMEs in Dhaka.

It will also maintain close coordination for successful holding of Business Summit initiated by the Tokyo mission involving SMEs of Japan and Bangladesh scheduled for February/March, 1999.

10-12pc of fish catch wasted each yr

Development of fisheries sector 'not satisfactory'

Some 10-12 per cent of the annual fish catch are wasted because of lack of proper marketing system and transportation facilities, an expert yesterday said.

Fisheries Department Director Masudur Rahman told a workshop in Dhaka yesterday that development in the country's fisheries sector was not "satisfactory" due to some specific constraints, reports APB.

He identified the problems as institutional weaknesses of the sector, environmental degradation by flood control and drainage structures, use of pesticides and industrial pollution.

But Rahman pointed out that fish production had been increasing in the inland culture fisheries. Fish catch from the artisanal marine fishery has also been on the rise.

The total fish production in the country during 1997-98 fiscal year was estimated at 1.49 million tons, of which 1.19 million tons came from inland water bodies while only 0.3 million tons came from marine sources.

The annual domestic demand of fish is about 1.9 million tonnes.

The two-day national workshop on "precautionary approach to fisheries management and the code of conduct for responsible fisheries," was inaugurated by State Minister for Fisheries and Livestock Satish Chandra Roy.

Roy said due to several natural and man-made factors, fish production in inland open water bodies was declining.

According to him, flood control and drainage projects, over exploitation, social conflicts over land use, poor coordination among agencies involved in the fish sector and inadequate enforcement of the fisheries acts were behind the decline in fish production.

AED launches *boro* cultivation drive in 16 N dists

PABNA, Oct 24 : The Agricultural Extension Department (AED) has taken up a programme to cultivate *boro* paddy on some 10.18 lakh hectares of land in 16 northern districts, says APB.

The programme will cover Pabna, Sirajganj, Rajshahi, Naogaon, Natore, Chapainawabganj, Bogra, Joypurhat, Rangpur, Gaibandha, Kurigram, Lalmonirhat, Nilphamari, Dinajpur, Thakurgaon and Panchagarh districts.

M Khairul Alam, Managing Director of Eastern Bank Limited, addresses the officers of Chittagong-based branches of the bank at Agrabad Branch recently. — EBL photo

EBL officers' confce held in Chittagong

Officers' Conference of Chittagong-based branches of Eastern Bank Limited (EBL) was held at the conference room of Agrabad Branch in Chittagong recently, says a press release.

M Khairul Alam, Managing Director of the bank addressed the meeting as the chief guest.

Some managers and officers including M Hedayetul Islam, Executive Vice-President and Mohammed Monwar, Company Secretary also spoke on the occasion.

In his speech the managing director advised the bankers to try to procure more and more deposit to boost up the economy of the country. He advised all to be more sincere in their works.

Euro won't enter Germany with a 'big bang'

FRANKFURT, Oct 24: Germany's Finance Ministry, banks and businesses agreed Friday that Europe's future single currency, the euro, will be brought into circulation slowly over a two month period in 2000, rather than with a 'big bang' as earlier planned, says AP.

Fifteen groups representing banks, the retail industry and vending machine companies agreed with Germany's Finance Ministry that the German mark will be eased out of circulation between Jan 1-Feb 28, 2002.

The decision affects only Germany, and it was not immediately clear what impact it would have in the 10 other European nations launching the single currency Jan 1. As of that date, monetary policy, including a unified interest rate, will no longer be set by national central banks or by finance ministries, but by the European Central Bank located in Frankfurt. The euro will function as the official currency with a set exchange rate against the national currencies.

The actual introduction of bills and coins is the last phase of the union, officially set for New Year's Day 2002. The decision in Germany allows businesses to continue accepting marks for two months.

Flood badly hits Madaripur betel leaf growers

MADARIPUR, Oct 24: The worst deluge of the century has badly hit betel leaf growers of the district who are now handicapped for lack of working capital, reports APB.

Sources said, growers of the district have suffered a loss of about Tk 80 lakh during the flood.

The growers complained that they were beset with problems of scarcity of inputs, increased transportation costs and absence of credit facilities.

Prices of inputs like bamboo, straw, oil cake and coir have gone up sharply, the growers said, adding, one requires 45 maunds of oil cake to nourish betel leaves on one bigha of land.

With the abnormal rise in prices of bamboo, which is needed in large numbers for preparing Boroj, growers are finding it hard to prepare shady areas required for growing the leaf.

Besides, increased transportation costs have thrown the farmers in great difficulty in reaching their products to desired destinations.

Local people have urged the concerned authorities to take immediate steps to help the affected growers cope with the flood caused setback.

Honda rejects mergers

TOKYO, Oct 24: Honda Motor Co. has decided against any mergers with other automakers because it wants to stay small and quick, President Hiroyuki Yoshino said Friday, reports AP.

Yoshino, who became president and chief executive officer of Japan's No. 3 carmaker in June, said he was confident Honda will ride out Asia's economic turmoil by tailoring products to various nations tastes, yet staying small enough to respond quickly to changing trends.

Weekly Commodity

Glut in global supply pushes oil prices down

LONDON, Oct 24: Crude oil prices remained below 13 dollars per barrel amid thin trade this week after Venezuela warned that it would not carry through planned production cuts into the second half of next year, reports AFP.

Brent North Sea crude prices fell back to 12.58 dollars on the latest figures showing a glut in world supply.

The fall in prices followed a warning from Venezuelan Oil Minister Erwin Arrieta that his country would not sustain output restraints beyond June 1999, no matter what the OPEC cartel may publicly say.

While market sentiment was generally subdued this week, prices rallied midweek after publication of weekly US stock data which showed a smaller-than-expected rise in crude oil stocks.

The American Petroleum Institute said that crude oil stocks rose by 290,000 barrels to 327.9 million barrels in the week ended October 17, well below market forecasts.

A lethal explosion of a burst oil pipeline in Nigeria also buoyed prices early in the week.

Rubber: Strong. Rubber prices held firm amid extremely thin demand this week, as heavy rainfall in Thailand hampered production there and a bounce in the value of the Indonesian rupiah increased Asian buying power for the dollar-denominated contracts.

Traders braced for lower prices as the world's economic malaise is expected to intensify in the coming weeks.

Thailand decided to remain a member of the International Natural Rubber Organisation, but Malaysia withdrew as expected.

Cocoa: Tepid. March cocoa prices ended the week at 1,043 pounds a tonne, down three pounds, as the market digested the announcement by Ivory Coast, the world's biggest producer, that it expects this year's harvest to top the already substantial result last year.

However, until figures are released, the market will be dominated by short-term trades, analysts say.

Coffee: Cold. January robusta continued to chill this week, ending at 1,633 dollars a tonne, down nine dollars, but analysts said that supply and demand are currently fairly balanced.

Respected Brazilian agriculture expert Leon Yallouz estimated that production in Brazil for 1998-99 will reach 36.1 million sacks of coffee, up slightly on earlier market estimates, a comment that hit prices somewhat.

Tea: Hot. Tea prices warmed up at the Mombasa, Kenya, auctions after weeks of little activity, the tea broker's association in London said.

BP 1 high quality tea rose between four and 10 cents a kilo on average, while mediums lost up to four cents. Lower quality dust rose.

SUGAR: Sweet. Sugar prices increased slightly this week as expectations of an increase in Russian imports lifted the gloom of global overproduction.

The Russian union of sugar producers is to import an extra 325,000 tonnes, a surprise move given that the recent devaluation of the ruble has made purchasing dollar-listed commodities far more difficult.

However, the market did not react to Russia's announcement of a reduction on import duties from December, with traders sceptical that the move will have much effect on demand in a time of economic crisis.

Sugar prices had begun the week lower after the European union decided on a bigger than expected export tender of 130,000 tonnes not 70,000 to 100,000 tonnes as predicted.

Sugar for March closed at 226.5 dollars a tonne, up 60 cents from last week.

Vegetable oils: Hot US soya prices were firm thanks to a strong increase in Malaysian palm oil prices and signs of an improvement in world demand for vegetable oils, analysts said.

Soya prices also found support from stockpiling by US producers looking to delay their sales until prices improve.

On the Chicago Board of Trade (CBOT), Soya lost one cent to 555 dollars a bushel of 27.2 kilos for November.

Grains: Split. Grain prices were mixed this week, with a rise seen in US wheat prices after a freeze in European exports and large-scale purchases from Egypt, while maize (corn) and European prices fell.

Wheat prices on the Chicago market rose by two cents to 2.94 dollars a bushel (of 27.2 kg, for delivery in December).

Cotton: Shrink. Cotton prices continued to shrink under the weight of speculative selling in the United States and weak domestic demand there.

Cash prices covered by the cotton outlook index fell below 60 cents a pound to 59.90 cents from 62.10 last week.

US sales in the week to October 15 were 48,300 bales and exports fell by 39 per cent to 44,200 bales.

Wool: Muffled. Australian wool prices fell amid predictions that the global economic slowdown would undermine demand in the coming months.

The Australian Wool Exchange (AWEX) index fell by five cents to 46.5 Australian dollars per kg.

New Zealand producers braced for their worst season since 1991 because of extremely light demand from Southeast Asia and the strength of the NZ dollar.

On the British Market, the wooltops index rose by one pence to 280 pence per kg.