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Two high yielding paddy varieties innovated

MYMENSINGH, Dec 5: Bangladesh Institute of Nuclear Agriculture Research (BINA) has innovated two high yielding varieties of paddy and its seeds are expected to be marketed from next year, reports UNB.

BINADHAN-5 and BINADHAN-6 can produce 5-6 tons of rice per hectare and 5.5-6.5 tons per hectare respectively on an average.

The life of BINADHAN-5 is 155-5 and BINADHAN-6 160-5 days.

National seeds board approved the newly invented varieties on November 24, said a press release.

Scientist Dr Ali Azam, the inventor of the new varieties, said fine quality BINADHAN-5 can produce seven tons and BINADHAN-6 a record production of more than eight tons if special cares are taken.

Director General of BINA Dr M Idris Ali hoped that BINADHAN-5 and BINADHAN-6 will help reducing the food scarcity in the country.

Workshop on insurance risk mitigation on Dec 19

A day-long workshop on "Catastrophic risk mitigation through insurance and re-insurance" organised by Bangladesh Insurance Academy (BIA) will be held at a city hotel on December 19, says a press release.

Dr Jamilur Reza Chaudhuri of BUET, Harun-ur-Rashid, Executive Director of United Insurance Co Ltd and A R Bhuiyan, AMD of Green Delta Insurance Co Ltd, will present the keynote papers while A K A H Chaudhuri, ex-managing director of Sadharan Bima Corporation, Hashmat Ali, Managing Director of Central Insurance Co Ltd, K M Mortuza Ali, Director of Bangladesh Insurance Academy and Dr Mehedi Ahmed Ansari, Assistant professor of BUET, will take part in the panel discussion.

ICC workshop on millennium bug tomorrow

A day-long workshop on "Impact of the millennium bug on international business and commerce" will be held in the conference room of Metropolitan Chamber of Commerce and Industry on Monday, reports APB.

Senior executives of commercial banks, insurance companies, export and import houses and various other enterprises will take part in the workshop organised by the International Chamber of Commerce, Bangladesh.

The workshop is intended to create the millennium bug alert in different sectors like banking, insurance, trading and communications wherein the problem is presumably not sufficiently addressed as yet, said a press release issued yesterday.

Dr Jamilur Reza Chowdhury of BUET and Dr Abdus Sobhan of Bangladesh Computer Council, Science and Technology Secretary and National Advisory Committee on Y2K Problem chairman Fazlur Rahman and MCCI president Laila Rahman Kabir, among others, will participate in the discussion.

US, Canada reach agreement on farm trade

WASHINGTON, Dec 5: US and Canadian negotiators reached agreement Friday to ease tensions over farm trade through stepped-up monitoring of Canada's wheat sales and lower barriers on American grain and livestock moving northward, says AP.

The agreement stops short of meeting the demand by some farmers and ranchers that Canada limit what it ships to US markets.

But US Trade Representative Charlene Barshefsky said the agreement "will help solve many of the problems faced by grain growers, the cattle industry, and pork producers."

The United States will triple the information it collects on imported Canadian wheat to determine whether the grain is being sold below cost.

US farmers have long claimed that the grain is being dumped in American markets. Canada denies the charge but has refused to disclose how the wheat is priced or to limit the amount that is shipped.

Canada also will provide quarterly forecasts of its wheat shipments, end a quarantine requirement on US hogs and allow some American grain to be shipped on its railroads to Pacific ports or sold directly to Canadian elevators. Additionally, the two countries will speed the standardization of regulations for pesticides and animal drugs, and Canada also is relaxing barriers on imports of US cattle.

The talks started this fall after several governors in Northern states slowed border crossings by stepping up inspections of Canadian trucks.

Bangladesh's macroeconomic stability fragile, says top British official Defence budget raising burdens

A top official of UK who administers international development aid identified several inbuilt flaws of Bangladesh's economy and said economic reform need to be expedited despite political compulsions, reports UNB.

"We want faster role in reform and we are prepared to increase support to it," said John Vereker, Permanent Secretary of Britain's Department for International Development (DFID).

Addressing a press conference at the British High Commission here Friday, he said "... Economic stability is fragile with insufficient foreign exchange reserves, a narrow ex-

port base and weak revenue performance."

The DFID Secretary was also critical of the country's defence spendings, saying "military expenditure is a substantial and increasing burdens which ... appears disproportionate to needs."

John Vereker, who came here on a 3-day visit, signed on Thursday an agreement for financing three new projects worth 14.34 million pounds or Tk 114.72 crore in the country's development sector. ERD Secretary Dr Masihur Rahman initiated the deal on the home side.

He said the weakness of the financial sector, reeling under

political strains and poor governance, "threatens future stability, notwithstanding the limited direct impact of the regional economic crisis."

Vereker said Britain, the second-largest bilateral donor to bankroll Bangladesh's development needs, is providing 66 million pound sterling (Tk 528 crore) as development assistance in the current fiscal year.

The DFID Secretary said he came here with twin purposes to have discussion with the government and NGOs on how "we can help Bangladesh in tackling poverty" since his department deals with both promoting development and reduction of poverty.

And to hear about the plans of Reforms in Budget and Expenditure Control as well as programmes in health and population sector to improve the health service.

Replying a question Vereker said Britain has plans to raise its annual aid to Bangladesh providing 45 million pounds in 1998-99, 55 million in 1999-2000 and 65 million pounds in 2000-2001.

"This signals our vote of confidence" in Bangladesh, he told newsmen.

John Vereker told a questioner that although Bangladesh's economy remained stable with encouraging growth in garment sector, the country

is not still fully integrated with global economic competition.

He forewarned that the country must be prepared to cope with a situation that will be unfolding after 2005 when GSP facilities being provided by EU would be gone. The economy here needs to be transformed and diversified.

In reply to a question, the British executive admitted the fact that development in a Third World country like Bangladesh is "difficult" with fragile environment punctuated with frequent natural catastrophes like floods and typical political developments.

Referring to bureaucratic red tape, he said it would only delay

the projects and breed "corruption." Vereker also suggested a calm political scenario, saying that frequent strikes would scare away investors. He said credible financial system and developed infrastructure are required to induce people to invest.

The DFID Secretary however noted there had been impressive gains in some social indicators — fertility education, primary education and availability of drinking water.

To a question, Vereker said the percentage of people below poverty line had decreased.

British High Commissioner David Walker was present in the conference.



IT'S THE BRICK MAKING TIME: Workers are busy in preparing brick blocks. Later these are sold at varying rates according to their quality. — Star photo by A K M Mohsin

Filipinos considering jt venture proposals

Filipino businessmen are examining proposals for setting up a cement factory and a food processing plant in Bangladesh under joint venture, head of a visiting business delegation from the Philippines has said.

Talking to APB, Miguel Z Patolat, head of a 3-member delegation, said they got some proposals and ideas from Bangladeshi businessmen for setting up joint-venture plants.

"We are considering the proposals but it will take some time," Patolat said in an interview on Friday, a day before their departure for Manila. "A lot of interactions are needed to know each other," he said.

Filipino businessmen are interested in importing urea fertiliser from Bangladesh and exporting cement. "We used to sell cement to you some years back."

He said they are also interested in infrastructure development on the basis of Build

Own Transfer (BOT) as "the Philippines has a long experience in this field."

Examining investment atmosphere and finding out "comfortable" business partners here were the objectives of their first visit, said Patolat, head of the Countertrade Group of Makati city.

He said he was looking for a partner to set up a joint-venture trading centre in Dhaka to expand business to neighbouring countries.

Patolat, also vice-president of Philippines International Trading Corporation, stressed on frequent communication between businessmen of the two countries. "Business moves on personal contact," he said.

He said Filipino businessmen knew little about Bangladesh and the prevailing investment atmosphere here. Bangladesh is known as a country of natural calamities in the Philippines, he added.

World Banks sees challenge for Indian economy

NEW DELHI, Dec 5: The World Bank (WB) has made a depressing forecast for India, warning that failure to achieve its stipulated growth target of

over six per cent for the current year would represent one of the biggest challenges for the country's economy, reports Xinhua.

In its ninth annual report on the world economy, the World Bank says that "policy drift" and weak industrial performance have slowed India's economy. Besides, depressed export markets in East Asia and Japan are a blow, since they had come to account for a significant share of India's exports.

Competition from East Asia in other markets will slow the growth of exports, especially from India and Pakistan, it says.

The World Bank report complains about the lack of any "concrete proposal" in India's budget for 1998-99 for further substantial reductions in the public sector deficit.

"If growth targets of over six per cent do not materialise, the total public sector deficit could well persist at more than nine per cent of the GDP, representing one of the biggest challenges for the Indian economy," it warns.

Vietnam pushes for Cambodia's ASEAN entry

HANOI, Dec 5: Vietnam, host of the sixth ASEAN summit later this month, is pushing hard for Cambodia's admission into the nine-nation organization, says AP.

"Vietnam has been trying its best to reach consensus among ASEAN member countries on admission of Cambodia before or at the summit in Hanoi in the interests of peace, stability and development in the region," Prime Minister Phan Van Khai said in a statement.

The statement, issued Friday and published in the Nhan Dan newspaper Saturday, was in response to a letter Wednesday from Cambodia's King Norodom Ranariddh asking Association of South-east Asian Nations to consider its application.

Khai said Vietnam has always supported Cambodia's admission and that the conditions are ripe following the recent establishment of a legitimate government in its long-troubled neighbour.

"The implementation of ASEAN founders' dream of ASEAN-10 is of strategic importance and in accordance with the interests of ASEAN and Cambodia," Khai said.

Some ASEAN countries have cited political instability in Cambodia as the reason for withholding its membership.

Russia launches food, fuel delivery in crisis-hit areas

MOSCOW, Dec 5: Russia launched operations Friday to bring food and fuel to needy outposts in the far northeast, where the country's economic crisis has made a hard life even harder for many people, reports AP.

More than 30 tons of food were delivered to three places in the Chukotka Peninsula, including Wrangel Island, where three filmmakers were airlifted to safety earlier in the week after they ran out of food.

Villagers on the island have also been running low on supplies, and a helicopter brought one ton of vegetables to the village of Ushakovskiy as part of a larger relief effort, the ITAR-Tass news agency reported.

A fuel tanker left the southern port of Nakhodka with more than 15,000 tons of fuel that it was taking to two ports on the Chukotka Peninsula, one of many places in the northeast where fuel supplies have become critically low as a result of the economic crisis.

ITAR-Tass said the tanker Samotlor is expected to reach the ports of Evgenkinot and Providence in a week, but will have to wait for an icebreaker to lead it into port.

The entire sprawling Chukotka region, including the surrounding islands, has about 80,000 people.

Meanwhile, in the south-eastern territory of Primorsky, officials announced a programme to stockpile food reserves to protect people from the effects of potentially steep price increases. Inflation is expected to be over 70 per cent this year.

In other signs of tough economic times:

— Several hundred teachers in northern city of Arkhangelsk, who have been on strike since Nov 12, picketed the mayor's office and city administration, demanding wages that haven't been paid for up to five months, ITAR-Tass said.

Ambulance crews in the Ural Mountains city of Nizhny Tagil held a two-hour warning strike, during which they responded only to extreme emergencies. They are demanding wages that haven't been paid for four months.

Cos ignore SEC call for Y2K compliance

By M Shamsur Rahman

When the century comes to an end and the year 2000 gains its footing, it may spell disaster for the country's stock businesses. A company may end up with wrong calculations regarding its dividend pay-outs or a security firm may execute transactions never ordered by an investor.

These are not mere probabilities, but are very likely as listed companies and security firms have poorly responded to a Security and Exchange Commission (SEC) warning calling for Y2K compliance of their computer software.

The millennium bug can be so fatal that even if computers at a single workstation used by a broker is not updated to face the Y2K glitch, it can cause the total trading system to collapse, fears SEC.

But of the 230 letters issued

by SEC to the listed companies, only six have responded so far. In their replies, the companies assured the SEC that their machines were Y2K compliant.

The SEC will now send a second letter to the companies with a deadline, failing which they may face punitive actions.

Of the two bourses, the Chittagong Stock Exchange (CSE) on December 2 replied to SEC queries while the Dhaka Stock Exchange (DSE) kept mum.

But the SEC, like the regulatory bodies in other countries, is very much worried about the Y2K bug.

SEC officials said that the issue should not be taken lightly as it may cause serious problems in future.

Sources said that the DSE was not taking the issue seriously because its computer software was installed in Au-

gust this year and is supposed to be Y2K compliant.

The SEC officials, however, do not agree with the views because DSE has over 200 terminals connected to workstations of different brokers and if one single machine is not Y2K compliant, the whole system may start malfunctioning after midnight 2000.

Problems with listed cos

The share departments of the companies are using computers to keep records of its shareholders and to disburse dividends. If the computers are not Y2K compliant, then they may not be able to retrieve addresses of the shareholders and also not know how many of them were paid dividends and how many cases remained unsettled.

The SEC in August this year formed a five-member committee to review and monitor the compliance of the year 2000 by the stock exchanges, brokers, dealers, issuing companies, merchant banks and custodian banks.

"The year 2000 (Y2K) computer issue poses a serious challenge to the world's securities markets," said the SEC letter to the companies. The problems that are expected to arise out of non-compliance with the 2000 problem are:

• At midnight on January 1, 2000, the internal date will change from 31/12/99 to 01/01/00.

• All hardware and software that use the two-digit year convention will potentially start malfunctioning because the system will incorrectly read 2000 as 1900 or some other erroneous date.

• Hardware shutdown.

• Data corruption.

"These are not simply technological issues, but core business and regulatory concerns. Calendar dates are very important in the computerised registration of shares, dividend or bonus payment systems, which could turn into a disastrous scenario," the SEC said in its letter.

Considering the importance of the issues, we strongly urge your company to take appropriate and necessary measures to avoid millennium bug-related problems," SEC added.

CSE response to SEC

In its reply to SEC, the CSE said that it was well-aware of the Y2K issue. "CSE is careful in selecting and installing new systems. All the newly-adopted systems/sub-systems are

checked for such glitches and accepted only when tests show positive results."

The letter also said that every CSE software was tested before installation. But it, however, was not sure of some of the back-office software.

The back-office software developed during CSE's preparatory phase needs to be upgraded," the reply said.

It also said that the bourse had set a June, 1999, deadline for Y2K compliance.

SEC automation and Y2K compliance

The SEC officials said that the automation of the watchdog's Y2K-compliant local area network (LAN), funded by ADB, would be completed by next year. Some of the existing hardware are Y2K compliant and those which are not are being replaced or fixed up.

Shrimp processing plants meet EU standards

Where ensuring cleanliness means the most

By Rafiq Hasan, back from Khulna

A van loaded with shrimps is about to enter into a processing plant. Before that, it is washed thoroughly, including its wheels. Workers wearing gloves, gum boots and white aprons then take care of the shrimps, readying them for exports.

This was an unimaginable scene just a year ago when shrimps were badly handled and processed in filthy environment. But such unhygienic affairs invited a EU ban on shrimp exports last year.

Today's drastic change in shrimp processing is a direct result of that very ban.

Today, we can compete with any factory of the world on the hygiene ground," boasts Kazi Monirul Huq, owner of Sigma

Sea Food at Char Rupsha in Khulna.

The ban was withdrawn gradually as the processing plants started upgrading their factories to catch up with the EU requirements.

Seventeen processing plants have qualified till date to export shrimps to EU member states and all of them are now maintaining the highest possible levels of hygiene at the plants.

It became a do-or-die situation for the processing plants. They either had to improve their hygiene conditions or face closure. The government was also in a ditch since the ban threatened its export earnings.

In the end, both parties became wise and acted accordingly -- the plant owners installed automatic machines and renovated their factory premises while the government provided them with loans.

The government arranged Tk 40 lakh loans for each processing plant which were keen to improve their hygiene conditions.

While visiting some processing plants in Khulna, it was found that even the wheels of the shrimp-carrying vans were washed at the entrance of the plants before letting them go inside.

Inside the factories, the workers and employees were wearing aprons, gum boots, gloves and masks. A minus 20 degree Celsius temperature is maintained in the warehouses.

The government has also renovated three laboratories by installing modern testing equipment at Dhaka, Khulna and Chittagong at a cost of Tk 38 lakh.

These laboratories have so far cancelled 44 export lots because they did not comply with the EU quality regulations, according to officials of the local Fisheries Department.

These laboratories charge Tk 5,000 for quality control tests and Tk 1,000 for the quality certificate.

The officials said that the laboratories issue certificates within seven days of receiving the samples.

The exporters also spoke highly of the role played by the Fisheries Department in developing the hygiene conditions at the plants.

"They frequently came and visited our factories and advised us in this regard," said Kazi Shahnewaz of Shahnewaz Sea Foods Ltd.

The yield factor

Although, quality maintenance poses no challenge for Bangladesh anymore, increasing shrimp harvest is still a problem for her.

Shrimp harvest in Bangladesh is very low compared with that of some South East Asian countries.

According to the farmers, the harvesting rate here is only 250 kg per hectare against 1500 to 2500 kg in Thailand and Indonesia.

The lack of rainfall is expected to hit especially in the south and southeast. Out of the 3.1 million hectares in the Rio Grandedo Sol region, only 67

ports, due to lower production. Exporting countries from Latin America and the Caribbean met this week to discuss possible action to support prices, traders said.

On the London futures market, sugar for May delivery rose to 245.8 dollars a tonne from 241.80 dollars a tonne.

VEGETABLE OILS: Heating, US soy prices rose sharply this week on predictions of dry weather in Brazilian producing regions, slowing down development of crops.

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Quality BP1 tea had mixed fortunes, with some lots withdrawn from auction.

Mediums were little changed in price, but some lots lost between five and 15 cents a kilo.

P dust and dusts were irregular, the association said.

SUGAR: Sweet, white sugar prices rose slightly this week on stronger demand, especially from Middle Eastern countries and a smaller than expected amount allowed for exports this week from the European Union.

Iran bought 35,000 tonnes of sugar, while the EU licence allowed a maximum of 69,000 tonnes.

Analysts predicted a downward revision of Brazilian ex-

ports, due to lower production.

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"We cultivate shrimps by using the traditional method instead of intensive or semi-intensive culture strategies used by those countries," said Abdul Khalid Sarker of Oriental Fish Processing and Culture Ltd.

He said that although the traditional method produced low yields, it was not harmful to the environment.

Some East Asian countries are already facing bitter environmental problems due to the use of chemicals in intensive shrimp cultures. The environmental disaster because of shrimp cultivation has even forced Taiwan to ban shrimp culture ban.

But the traditional method does not call for use of any chemicals, farmers said.

The cotton outlook index rose to 55.95 cents a pound from 55.90 cents.

The international cotton advisory committee predicted that global exports in 1998/99 would fall to 24.5 million bales from 27.4 million in 1997/98.

Traders also noted that US oils had the upper hand over rival Argentine soya.

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