The Daily Star
BUSINESS

DHAKA, WEDNESDAY, DECEMBER 9, 1998

Govt will ask EU to allow fish export for indefinite period

By Rafiq Hasan

The government is going to request the European Union (EU) to allow exports by the fish-processing plants, which meets EU hygiene standards, for an indefinite period.

The government may also send a comprehensive list of fish processing plants to EU for its approval, sources said.

Seventeen plants now comply with the EU hygiene standards. The EU had allowed six of them to export till February, 1999, to examine whether they can maintain the standards. But for the rest 11 units, which were given permission at a second phase, the EU had not given any such validity of export approval.

The government last month asked the EU what should be the validity of export approval for the 11 plants. It also sent a fresh list of ten plants to get the EU approval for exports.

In reply, the EU advised the government to send a letter asking for approval for an indefinite period, which it would consider in its Standing Vetenenary Committee meeting consisting of all 15 member states and Commissions.

The European Union imposed a ban on fish exports from Bangladesh in October last year after it found that the hygienic conditions in fish processing by the plants and the quality control system of the Department of Fisheries did not conform to EU standards. The EU also insisted that these plants must fulfill its Hazard Analysis Critical Control Point (HACCAP) requirements.

Later, the EU withdrew its ban and initially allowed six plants to export for a limited period till February, 1999, after they complied with EU standards. Another 11 plants got the approval at a later stage. But, 25 plants are yet to pass the standard tests.

The government sent another list of ten companies last month for winning EC approval. The companies are: Meghna Sea Food Limited, Sirajul Islam Trawlers Limited, Anraj Fish Products Ltd, Chowdhury and Company Bangladesh Ltd, Sea Foods Corporation of Chandpur, Sadullah Enterprise of Sunamganj, Oriental Sea Foods, Zemini Sea Foods and Delta Sea Foods Industry.

The EC also sought an evaluation report from the government on the overall situation prevailing in the fish processing units since it withdrew the ban on 17 plants.

The EC also designated the Department of Fisheries as the competent authority to certify plants that are maintaining quality.

A five-member Fisheries Department team headed by its director of quality control will start visiting the processing plants from today to prepare the evaluation report, sources said.

The team will evaluate the plants on at least 265 grounds, including infrastructural facilities and hygiene situation of the units while preparing the evaluation report.

The report will be submitted to the Ministry of Fisheries within the next 15 days.

There are a total of 123 fish-processing plants in the country, but only 57 of them have valid operational licenses.

The 17 frozen food plants, which passed the EU ban, improved their hygiene conditions and the government offered Tk 40 lakh credit facilities for each of them to do so.

Revenue collection of two more trains to be privatised

PABNA, Dec 8: The Bangladesh Railway has decided to privatise revenue collection of two more trains to avoid mounting losses.

The trains are Khulna-Chapainawabganj-Mohananda Express and Khulna-Goalondo-Nokshikanta Express, Railway sources told APB recently. Tender will be invited for this after communications ministry's approval.

Privatisation of revenue collection from two local trains in the Santahar-Bonarpara route is also under process now, the sources said.

Revenue collection is being privatised as all efforts to increase Railway's earnings and improve services in the routes failed because of corruption by a section of railway employees who make underhand deals with passengers, the sources said.

They happily noted that after privatisation, revenue earnings from the Padmarag Express increased to Tk 19 lakh 46 thousand in August-September this year from only Tk 3 lakh 4 thousand in the corresponding period last year.

WB economist meets Kibria

Regional Chief Economist of the World Bank John Williamson yesterday met with Finance Minister Shah A M S Kibria and discussed with him the reform programmes in different sectors, reports UNB.

The Finance Minister briefed him on the progress of reform programmes in local government, financial and other sectors.

Steps have been taken to gear up the programmes, he said.

World Bank country director Fredric Temple was present.

Sony Singapore MD in city

K Nakai, Managing Director of Sony Singapore, arrived here yesterday on a two-day visit to Bangladesh, says a press release.

During his stay in the country he will visit Rangs Electronics' factory and the sales and service centres located at different parts of the city.

Sony is known worldwide for its breakthrough in digital audio-video products. Rangs Electronics Ltd is the official distributor and licensee of Sony Corporation, Japan, for assembling and marketing Sony products in Bangladesh.

The Sony MD is being accompanied by Takayoshi Hirota, Chief Advisor and Representative (South Asia) and Thomas Lor, Sr Manager, Sony International, Singapore.

New Sony product introduction seminar held

A day-long seminar on new Sony product introduction and Trinitron colour TV of PF-2 series organised by Rangs Electronics Ltd was held at Alliance Franchise in the city recently, says a press release.

Aktar Hussain, Managing Director of Rangs Electronics Ltd inaugurated the seminar. Sabur Ahmed, General Manager, Production Manager and other Managers and executives, sales personnel of Rangs Electronics sales and service centres were present.

Aktar Hussain in his speech explained their expansion and better customer service policy at the seminar. He opined that the new PF-2 series of Sony TV would provide a wide range of facilities and options to the customers.

The PF-2 series of three different models of Sony colour television is rich with lots of additional facilities, the release said.

A display of three new models of PF-2 series Sony Trinitron colour television was also held. Sabur Ahmed, General Manager, Moslehuddin, Production Manager, Manab Dey, Service Engineer, Siddique, Sr Sales Executive and Anup K Saha, Executive, explained the various features of the Sony products to the participants of the seminar, it added.

Global economy seen slowing down in '99

BASEL, Switzerland, Dec 8: The world economy is likely to slow down next year but will not fall into recession, the President of the Bundesbank, Hans Tietmeyer, said here yesterday, reports AFP.

Calm was returning to financial markets, he said here after a monthly meeting of governors from central banks of G10 industrialised countries at the offices of the Bank for International Settlements (BIS).

The outlook for growth in the world was not so bad as was sometimes presented, Tietmeyer, who chaired the meeting, said.

A slowdown would occur but the central bankers did not expect it to be marked, he said.

Thousands of teamsters from the Water Worker's Union march towards the governors' mansion Monday. The union began a 24-hour strike Monday to protest a breakdown in negotiations for a new labour contract. Gov. Pedro Rossello has called the strike an attempt to disrupt campaigns just before a Dec. 13 vote on Puerto Rico's future relationship with the United States. — AP/UNB photo

Holding co to run state-owned Indian domestic, int'l airlines

NEW DELHI, Dec 8: India's state-run international carrier and the domestic airline will be controlled by a common holding company, officials announced Monday, a step away from a possible merger to streamline management and plug huge losses, says AP.

The decision was taken by the boards of Air India and the domestic carrier Indian Airlines at a meeting in New Delhi, Press Trust of India reported. The news agency had earlier said the airlines were heading for a merger.

The two companies together employ 52,000 employees, the Air India Officials Union said. Spokesmen for the airlines were not immediately available for comment.

Air India last month asked for a 10-billion-rupee ($ 238 million) government bailout as well as official help in finding a private investor to pour in another 7.7 billion rupees ($ 183 billion).

The airline's managing director, Michael Mascarenhas, had then said this was only way out of the airline's resource crunch.

But the Air India union predicted a merger would mean the end of the road for the airlines. Indian Airlines is facing fierce competition from private airlines on domestic routes.

"If the holding company, the government and the boards decide to merge, it will sink like the Titanic," Shiv Kumar, vice-president of the union, told The Associated Press. "Both Air India and Indian Airlines are already in the red and are headed for a further nosedive."

But Kumar was confident there would be no large-scale workers' retrenchment till the government had a controlling stake in the airlines.

Air India's management has blamed the airline's losses, estimated at 1.47 billion rupees ($ 35 million) in the quarter ending in August, high wage bills and other "non-operating" costs.

The federal government said in September it planned to sell stock of the two loss-making airlines.

The government has announced it is likely to accept the recommendations of an official privatisation agency that it divest 60 per cent of the stock in Air-India to a private joint venture and to the public.

The government has announced plans to sell 51 per cent of Indian Airlines as well.

Aktar Hussain, Managing Director of Rangs Electronics Ltd, speaks at a seminar on new Sony product introduction in the city recently. — Sony photo

Compumedics Sleep wins DHL award

Compumedics Sleep, part of the Melbourne-based Compumedics group which specialises in development, design and manufacture of computer-based medical monitoring and diagnostic equipment, has won the 1998 DHL Australian Exporter Of The Year Award, says a press release.

The Deputy Prime Minister and Minister for Trade, Tim Fisher, made the announcement in Sydney last night.

The DHL Australian Exporter Of The Year Award was presented by DHL's Hong Kong-based Chief Operating Officer for Asia Pacific and Middle East, Graham Davey.

Davey said today that the DHL Australian Exporter Of The Year Award is seen as a badge of honour — identification of a firm at the leading edge of international trade.

Compumedics, established in 1987, was the first company to install computer-based sleep diagnostic centres in Australia, and now holds more than 70 per cent of the market.

Under an agreement reached in 1996 with the Japanese venture capital firm Nomura/JAFCO Investment, $two million was invested into Compumedics Sleep to scale up commercialisation and international business development.

EBL foundation course opens

Star Business Report

The foundation course for the third batch of probationary officers of Eastern Bank Limited (EBC) has begun at its Training Academy.

The Deputy Governor of Bangladesh Bank, Ibrahim Khaled, inaugurated the course as chief guest yesterday, says a press release.

Nurul Hussain Khan, Chairman of EBL, A M Shaukat Ali, Director, M Khairul Alam, Managing Director and Q G M Farooqi, Principal of EBL Training Academy also spoke on the occasion.

Speaking on the occasion, the Deputy Governor said resources constraint is not a big problem for Bangladesh but the real problem is lack of proper management and if we can discharge our duties properly Bangladesh will emerge as a self-reliant and prosperous country.

He said we can make our huge population a resourceful asset and not a liability by using it properly.

Stressing the need for training in career service, the Deputy Governor said training is a continuous process. There is no alternative of it.

He said banking has gone very far ahead, so every banker should update their knowledge, otherwise they will not be able to compete in the banking sector.

Minor Y2K bugs found in Windows 98

REDMOND, Washington, Dec 8: Several minor Year 2000 bugs have been found in Windows 98, one of the most heavily tested software products ever, Microsoft said Monday, reports AP.

None of the problems poses any risk of data loss or damage to computers, and they are so obscure that most users would be unlikely ever to spot them, said Don Jones, Microsoft product manager for Year 2000.

"If I were talking to my father, I would tell him not to worry about any of these issues whatsoever," Jones said.

Jones said the Y2k bugs were found during continuing company tests, and none were reported by customers.

Windows 98 already had been tested by tens of thousands of people and companies before its release in June.

Microsoft posted a software update Monday on its Web site to correct the problems. It previously issued corrections to Windows 98 to fix other bugs — or "issues," as Microsoft prefers to call them.

Windows is the operating system for nine out of 10 personal computers, and Microsoft has gone to great lengths to reassure customers that it and other products won't be affected by the date change at the end of the millennium.

Some programmes, especially older ones, may fail when the date changes to 2000 because they were written to recognise only the last two digits of a year. Such programme could read the digits "00" as 1900, instead of 2000.

Among the Y2K problems with Windows 98:

If a computer is started at the precise fraction of a second when the date changes, the computer's system clock could display the wrong time or date.

A particular technique for resetting a date to Feb. 29 for a leap year could result in Feb. 29 being displayed for other years. This is only a display problem, meaning it cannot be applied to stored data.

Global financial system still fragile: Mr. Yen

TOKYO, Dec 8: Japan's Vice Finance Minister Eisuke Sakakibara warned in an interview published yesterday the world's financial system was still fragile and exposed to the danger of further crises, reports AFP.

"I think there will be," Sakakibara, known as 'Mr. Yen' for his influence on currency market moves, told the Mainichi Shimbun when asked if he saw a possibility of further global currency crises.

"The crisis, which had erupted from Russia and then spread to the central and South America and the Wall Street, has subsided."

"But it was only in a temporary lull. and the critical situation in the global capitalism has yet to disappear," Sakakibara said.

"There is a political consensus in which we all agree on a need to form a stable, international financial system, but such debate has just begun."

Given the extremely fast speed in which global markets operate, Sakakibara warned the current international financial system could break down before nations put together a new, more stable financial system.

In the interview, Sakakibara criticised the International Monetary Fund for its handling of the economic crisis in Indonesia, saying the IMF lacked consideration for political and social impacts of its economic prescription.

Because of this, Indonesia lost its balance among politics, economy and society, Sakakibara said, "Without restoration of the social system, there will be no economic recovery."

Japan won't recover from recession in three yrs

TOKYO, Dec 8: Japan will not recover from its worst post-war recession for at least another three years and the world's second largest economy is expected to shrink until 2002, a survey said today, reports AFP.

Japan's real gross domestic product will contract 2.2 per cent in the current year to next March, the Japan Economic Research Centre said.

That is far worse than the official forecast of a 1.8 per cent contraction. Figures for the GDP growth in the three months to September will be released later today.

The survey predicted Japan's economy would shrink 0.4 per cent in the year to March 2000, slide 1.4 per cent in the year to March 2001, and contract another 1.2 per cent the following year.

Falling capital spending in the private sector and weak housing demand were behind the bleak forecast.

At the same time unemployment would surge, the research centre said with the jobless rate jumping to 6.7 per cent by 2003 unemployment now stands at 4.3 per cent in Japan, already the worst in the country's history.

Khondkar Ibrahim Khaled, Deputy Governor of Bangladesh Bank, speaks at the inaugural ceremony of a foundation course for probationary officers (3rd batch) of Eastern Bank Limited (EBL) at EBL Training Academy on Monday. — EBL photo

BIMST-EC Bazar begins in city today

An 11-day BIMST-EC bazar, featuring products and traditional foods from five BIMST-EC member countries, will take place for the first time in Bangladesh today, says BSS.

Commerce and Industries Minister Tofail Ahmed is likely to inaugurate the bazar on the fair ground of the Royal Thai Embassy at Baridhara here, a Thai Embassy press release said here yesterday.

Five member countries of the BIMST-EC — Bangladesh, India, Myanmar, Sri Lanka and Thailand — will participate in it with their products and traditional foods in the bazar, the press release added.

UK energy efficient water heater in Bangladesh

Star Business Report

A UK-based company has introduced an energy efficient water heater in the local market.

Fivestar Servicecare Group (FSG) in association with Vaillant of Germany - the world's leading manufacturer of gas water heating appliances - will market Mag gas water heater in Bangladesh.

Speaking at the product launching function at the city's Sonargaon Hotel Tuesday, Faisal Rahim of FSG said Mag water heaters can be operated with LP gas as well and it has very low surface temperature.

He said that the Vaillant's water heaters would be beneficial for users because these are energy efficient

FSG will also market its energy-saving light bulbs in the future, which will help users cut on electricity bills.

About these new bulbs, Faisal said these would consume 80 per cent less energy than the ordinary bulbs.

The energy-saving bulbs have a life span of over 10,000 hours or eight years while the life of ordinary bulb is only 1,000 hours, he said.

Exxon, Mobil sign merger agreement

Exxon and Mobil have signed a definitive agreement to merge the two companies, says a press release.

Under the terms of the agreement, signed on December 1, each share of Mobil will be converted into 1.32015 shares of Exxon. As a result of the merger, Mobil shareholders will own about 30 per cent of the company, while Exxon shareholders will own about 70 per cent.

Upon completion of the merger, the new company's name will be Exxon Mobil Corporation, with headquarters in Irving, Texas.

LR Raymond will be the Chairman, Chief Executive Officer and President of Exxon Mobil Corporation. LA Noto will join the Exxon Mobil Board of Directors as Vice Chairman.

FA Renna will join the Board as a Senior Vice President and Director. Four additional members of Mobil's Board will be invited to join the Exxon Mobil Board as non-employee Directors, bringing Board membership for the company to a total of 19 Directors.

Quddus reelected Rupali Ins Chairman

Mostafa Golam Quddus has been unanimously re-elected chairman of Rupali Insurance Company for the 1998-99 term, says a press release. The election was held at the 77th meeting of the company's Board of Directors at Rupali Bima Bhaban in the city on Monday.

Quddus is the head of Dragon Group of Companies and president of Bangladesh Garments Manufacturers and Exporters Association.

Euro to rival dollar as global reserve currency: Soros

LONDON, Dec 8: Billionaire speculator George Soros yesterday predicted that the euro would rival the dollar as a global reserve currency and suggested that the worst of the global economic crisis had past, reports AFP.

"The euro will certainly rival the dollar," Soros told reporters here.

"Euro will be treated as a reserve currency by the other countries," he said in a show of support for the fledgling currency that takes to the skies on January 1.

The market-mover, who famously laid siege to sterling in 1992, forcing the pound out of the European Exchange Rate Mechanism (ERM) currency grid, identified potential risks for Britain if it decides to adopt the euro.

"For Britain to join the euro has great risks because sterling dances to a different tune to the other European currencies," Soros said, nothing that the pound tracks movements in the dollar more closely than fluctuations in other European units.

"If the dollar and the euro are in closer correlation, then I think it is OK," Soros said.

Britain will not join the January launch party of Economic and Monetary Union (EMU), but London hopes to adopt the euro soon after British elections, that must be held by mid-2002, if Britain's economic cycle has by then become more closely attuned with Europe.

Soros voiced his new-found optimism that the world had seen the worst of the economic crisis.

"I think the shock is probably now behind us," he said.

However, he lent his weight to widely-held predictions of economic slowdown around the world.

"I think we are in a bear market because of deflationary pressures," he said, noting that "one third of the world is in recession and there is an oversupply of almost all commodities."

His assessment of the world economy had shifted in just two months. "What I predict is the imminent disintegration of the global capitalist system," Soros says in his latest book, written shortly before the latest recovery.

"The system is deeply flawed. As long as capitalism remains triumphant, the pursuit of money overrides all other social considerations," he writes.

Despite his renewed market optimism, underpinned by rapid monetary policy easing around the globe, Soros told journalists: "The global financial system is broken and it needs to be fixed."

He identified "market fundamentalism", the spread of "inherently unstable" financial markets, that risked undermining society.

He criticised the International Monetary Fund (IMF) as "part of the problem" by prescribing remedies in Asia and elsewhere that hurt emerging market countries to the benefit of lenders. "The IMF medicine has made the condition of the patient worse," Soros said.

Soros, reputed to have made a billion dollars in one day in 1992 when he attacked sterling, has been badly stung by the world's economic crisis. He lost two billion dollars in Russia's economic meltdown.

Another report adds: The billionaire financier George Soros yesterday softened his rhetoric against his 'friend', the Malaysian Prime Minister Mahathir Mohamad, complaining that he was a mere figment in the imagination of the Asian leader.

"I am a figment of his imagination. If I oblige him by attacking, I am serving his purposes," Soros told reporters here.

The comment followed the latest hostile reaction to reported comments by Soros calling for the removal of Mahathir.

A senior Malaysian politician earlier yesterday had likened Soros, a Hungarian-born Jew, to Adolf Hitler.

"What Soros did to the Asian economies was as cruel as what Adolf Hitler did in Europe," Sanusi Junid, Chief Minister of the Northern State of Kedah, was quoted as saying by The Star newspaper.

Mahathir has since July last year repeatedly accused Soros of engineering the economic crisis in Asia.

"I was invented by Mahathir," Soros said.

During a speech in Washington last week, Soros reportedly called for the removal of Mahathir and the release of ousted Deputy Premier Anwar Ibrahim, arrested in September and now on trial on corruption charges.

But a senior member of the opposition Parti Islam Semalaysia, Nik Abdul Aziz Nik Mat, was meanwhile quoted as saying that Soros should "keep his mouth shut" as his comments would backfire on the opposition.

In a show of humility by the financier, who lost two billion dollars in the wake of the Russian economic crisis, Soros said that he would indeed keep his mouth shut on possible solutions for Russia.

"The less I say the better," he said. Soros had earlier this year proposed that Moscow implement a currency board to try and save the embattled rouble.

"Frankly, right now, I don't know what could be done (in Russia)," Soros said.

Russia pumps 13.5b roubles into economy

MOSCOW, Dec 8: Russia pumped 13.5 billion roubles into the economy in October and November in so-called 'emission', a top central bank official said yesterday, reports AFP.

Bank Deputy Chairwoman Tayana Paramonova put emission levels at 3.5 billion roubles in October and 10 billion roubles in November, Russian news agencies reported.

The money, worth 660 million dollars at current rates, was advanced to the finance ministry in the form of loans, Paramonova told parliament's budget committee.

In addition, the bank has flushed an extra eight billion roubles through the teetering banking system since the August economic collapse, Paramonova said.

The bank has limited itself to emitting 25 billion roubles in the fourth quarter to try and keep inflationary pressures in check and prevent a further slump in the rouble.