

Brokers ask SEC Cancel new licence renewal system

Star Business Report

Leaders of both the bourses yesterday demanded cancellation of the new renewal system of brokers' licences by the Security and Exchange Commission (SEC).

They also opposed a decision by the regulator barring the bourse members from becoming underwriters and issue managers from January 1, 1999.

These steps would deepen the crisis in the market, leaders of both the DSE and CSE observed in a meeting yesterday at the DSE board room, says a DSE press release.

They also discussed different problems of the country's capital market.

The meeting was attended by DSE Chairman Md Rakibur Rahman, Senior Vice-President of DSE Ahmed Iqbal Hasan, CSE President Amir Khasru Mahmud Chowdhury, CSE directors Syed Mahmudul Haque, Mostaqur Rahman and DSE Vice-Chairman Md Shaheek Khan, councillor Kazi Firoz Rashid, Dewan Sohel Ahmed, Abdul Haque, Ahsanul Haque, Khoshed Alam, chief executive officer GQ Chowdhury and Secretary Rezaul Rahman.

The meeting also decided to form a six-member committee representing three members from each bourse, to deal with the issue of forged scrips.

WFP to provide aid worth Tk 402cr

Bangladesh will receive food aid worth about Tk 402 crore from the World Food Programme under a deal signed here yesterday, reports UNB.

Officials said a Letter of Understanding (LOU) to this effect was signed by ERD Secretary Dr Masihur Rahman on behalf of the government and WFP Food Programme Adviser in Dhaka Ms Nicole Steyer for the UN agency.

Under the accord, WFP will provide 352,400 metric tonnes of wheat, 3500 MT of Soya Blend, 164 MT of biscuits and 1000 MT of dates to Bangladesh in response to its international appeal for emergency food aid in the wake of devastating flood.

The wheat will be channelled through the government Vulnerable Group Feeding (VGF) programme to 40 lakh households in the flood-stricken areas of the country.

A nutritious item, wheat-soya blend, will be provided to feed the malnourished children of the affected districts.

Gulf Air begins '99 with three new destinations

Gulf Air will fly to three new destinations in north Pakistan as part of the ambitious programmes, aimed at consolidating its global position into the new millennium, says a press release issued yesterday.

From January 1, 1999, the airline will operate two weekly flights from Al Ain to Peshawar, four weekly flights between Abu Dhabi and Lahore and three weekly flights connecting Abu Dhabi and Islamabad.

The services, covering various points in the Gulf, offer convenient connections to worldwide destinations served by Gulf Air and are in addition to the 18 weekly services currently being operated to Karachi.

"Gulf Air is delighted to be the New Year on a positive note. The addition of three new routes in North Pakistan is in line with Gulf Air's policy to expand its network and cater to the continuously evolving needs of its customers."

The time-table of the new flights has been carefully drawn to enable passengers avail of the best connections," Dr Shaikh Ahmed bin Saif Al Nehyan, President and Chief Executive of Gulf Air said in the statement.

The airline will operate Airbus A-320 and Boeing 767 aircraft on these routes.

Oil price fall costs Nigeria \$2.3b

LAGOS, Dec 29: Nigerian military ruler General Abdulsalam Abubakar said a fall in crude oil prices has cost the oil-rich West Africa country at least 200 billion naira (2.3 billion dollars) in 10 months, reports AFP.

Abubakar told the newspaper This Day in an interview published yesterday that falling crude oil prices from an average of around 22 dollars price per barrel when the budget was announced in January to 9.9 dollars by October has messed up the budget.

Nigeria had projected 424 billion naira (around five billion dollars) as total revenue for the fiscal year which began in January and ends in December 1998.

Of this figure, 257 billion naira was expected from the oil sector and 167 billion naira from non-oil revenue.

Farmers in Munshiganj incur huge losses Seed dearth may lead to poor potato output

By Monjur Mahmud

Potato farmers in Munshiganj district, one of the major potato growing areas in the country, went through a severe crisis period of quality seeds, which is expected to lead to lower production in the current season.

The farmers have already faced huge financial losses this season as their seeds rotted because of heavy moisture content in the soil.

"As flood lingered for long this year, the moisture content in the soil was evident till the end of November when farmers usually sow their potato seeds," said a researcher of Novartis who recently visited Munshiganj.

"As a result, the farmers had

to sow seeds for the second time in the first week of December when soil condition became suitable for potato farming. But most farmers did not have ample seed stocks and were facing serious crisis," he said.

Nearly 25,000 hectares of land has been brought under potato production in the current season and the district alone produces 45 per cent of the country's total potato yields. According to sources, some 75,000 farmers in Munshiganj are involved in potato growing.

There are 62 cold storages in and around Munshiganj, some of which had been affected by the recent deluge. The situation worsened further because of

power disruption during the flood. As a result, the cold storages could not maintain needed temperature, badly affecting the quality of potato seeds.

The Agricultural Extension Department (AED) had requested BADC to supply 8,500 tonnes of potato seeds. But it got only half of the requirements, sources said.

Besides, farmers in the district alleged that BADC-imported hybrid potato seeds were being sold in the open market at higher prices.

Grade A quality seeds were selling in the open market at Tk 25 per kg instead of its normal price of Tk 15 and grade B seeds were being sold at Tk 20 against its actual price of Tk 13.



A NEW BEGINNING: Potato farmers in Munshiganj, who were badly hit by this year's lengthy flood and a severe seed crisis, are seen sowing seeds with fresh vigour and enthusiasm. — Star photo by AKM Mohsin

BB committee report today Euro to have significant impact on Bangladesh

Bangladesh's economic players are hopeful of a strong and stable euro, the single European currency, which makes its debut in the world's financial market on Friday (January 1), reports UNB.

A 5-member Bangladesh Bank committee, headed by its deputy governor Dr Sohrab Uddin, yesterday discussed the probable guidelines and strategy to adjust Bangladesh currency with the Euro.

The committee comprising bankers and a top business leader will submit its report to the Bangladesh Bank Governor today, suggesting the exchange rate of taka with the euro which is likely to curtail the almost singular dominance of US dollar in the world market.

Business leaders here hope that the new currency will be very strong and stable. Since Europe as a region is the biggest trading partner of Bangladesh, the euro will have a significant impact on the Bangladesh economy and trade, they say.

President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) — the apex trade body — Abdul Awal Mintoo said the euro will be a very strong currency to compete and co-exist with the US dollar and the pound sterling.

A significant portion of Bangladesh's international trade will now be in euro, he said.

Foreign Investors' Chamber of Commerce and Industry (FICCI) president A K M Shamsuddin also feels that the euro will be a very stable currency.

Metropolitan Chamber of Commerce and Industry (MCCI) president Laila R Kabir said the single currency (Euro) will

make Bangladesh's trade easier with Europe — the major importer of Bangladesh's garments and frozen food.

Professor of Economics of the Dhaka University Dr Abu Ahmed said he hopes the euro to be a stable and powerful currency.

"I'm not saying whether the euro will be more powerful than

dollar or not. But I hope it won't be a volatile one," he said adding that the Frankfurt-based European Central Bank is determined to maintain the price stability of the euro.

While fixing the currency rate with euro, Bangladesh will have to look what other regional countries do, said the DU economics professor.

Vinegar promotes good health

TAIYUAN, Dec 29: Chinese medical experts recently completed a study proving the efficacy of vinegar for softening blood vessels, reducing swelling and fat levels in the blood, and enriching vital energy, reports Xinhua.

The analysis revealed that vinegar contains 18 kinds of free amino acids, including eight of which human organs are unable to synthesize. Septuagenarian Liu Zhengming, from north China's Shanxi province, worked in a vinegar distillery some 30 years ago and claims he has never suffered from influenza.

Workers at the Qingxu vinegar distillery, the largest of its kind in China, have been free of any form of cancer or heart disease for many decades.

Shanxi is famous throughout China for its long history of vinegar production, including the popular Laochencu brand.

Contemporary local resi-

dents consume vinegar as a beverage, rather than resorting to the past practice of using the product simply as a flavouring, famous brand vinegars contain a dozen nutritious ingredients, including honey, haw (hawthorn berries) and dates.

Drinking vinegar on regular basis helps lower blood pressure, invigorate the functions of both the spleen and stomach, and improves looks.

Shanxi residents began producing vinegar as early as the 12 century BC with most local families continuing the tradition even today.

Vinegar production has emerged as a pillar industry in recent years, with some 100-odd state and collective plants currently 50 product lines. Shanxi exports vinegar products to a number of countries and regions.

People from throughout the country trek to Shanxi to buy Laochencu.

India's external debt rises to \$94.4b

NEW DELHI, Dec 29: India's external debt increased to 94.4 billion dollars at the end of March 1998 from 93.4 billion dollars the previous fiscal year, the country's central bank said yesterday, reports AFP.

"The increase was muted by the appreciation of the American dollar compared to other international currencies during the period," the Reserve Bank of India (RBI) said in its latest financial report.

The World Bank has placed India as eight among developing nations in terms of external debt as compared to the sixth position it was allotted in an earlier rating, RBI said.

Lankan earnings from private remittances up

COLOMBO, Dec 29: Sri Lanka's earnings from private remittances have topped 710 million US dollars for the first nine months of this year, a 12.7 per cent growth over the same period last year, officials said yesterday, reports Xinhua.

Most of these earnings have come from the expatriate community," said a foreign employment bureau official, adding that there is an increasing demand for Sri Lankan skilled labour from many countries.

Private remittances have now become a major foreign exchange earning source for the Sri Lankan economy and the expatriate community contributes the lion's share of these earnings.

The Middle East countries are experiencing an influx of housemaids from Asian countries. The Foreign Employment Bureau is therefore encouraging Sri Lankan skilled workers to go for foreign employment.

US, Europe urged to help stabilise exchange rates

BERLIN, Dec 29: World Trade Organisation (WTO) Director General Renato Ruggiero yesterday urged Americans and Europeans to jointly reflect on how to stabilise exchange rates, reports AFP.

In an interview with Die Welt newspaper, Ruggiero stressed that following the adoption of the euro on January 1, "Europe will have more world responsibilities because world trade will primarily take place in euros, dollars and in yen."

"Europeans and Americans should meet up and think about what we can do to stabilise exchange rates."

Ruggiero argued that solving the financial crisis was a precursor to solving problems of trade, saying: "The real problem is the financial crisis... world trade is at risk of being the victim of the financial and monetary crisis."

Russian govt won't backtrack on reforms: Yeltsin

MOSCOW, Dec 29: President Boris Yeltsin pledged Tuesday that the government won't backtrack on democratic and market reforms even though Russia is mired in the worst economic crisis since the end of the Soviet era, reports AP.

"There is no other path for Russia, the toward democracy," Yeltsin said in a letter published in the business daily Kommersant.

Yeltsin has said little and done even less to address the economic crisis, leaving day-to-day management of the economy to Prime Minister Yevgeny Primakov.

Primakov has said that Russia should continue the market reforms, but put an end to "wild" capitalism by strengthening state regulation of the economy.

Critics say that the government, struggling to pay off domestic and foreign debts, is likely to print a huge amount of new cash, leading to the kind of high inflation that has plagued Russia in the past.

European share prices firmer

PARIS, Dec 29: Share prices in Europe were firm but bombs fell in trading yesterday morning when markets in London were closed for the Christmas and New Year holiday, reports AFP.

In Paris the CAC 40 stocks index showed a gain in early trading of 0.13 per cent to 3,877.50 points and in Frankfurt the X-ray index rose by 0.26 per cent to 4,991.37 points.

Prices in Italy rose by 1.71 per cent to 34,826 points on the MIB 30 index and in Madrid the IBEX-35 index gained 0.31 per cent to 9,897.6 points.

The market in Amsterdam rose by 0.29 per cent to 1,182.02 points in initial trading.

European bond markets fell in every volume.

At CDC Maghies in Paris, bond strategist Pascal Corret said: "Between Christmas and the New Year, and a few day before the switch to the euro, not much is happening on bond markets. Treasurers are dealing with final details of the change over to the euro and trading is low."

Action against sub-standard bottled water makers soon

Despite repeated instructions the suppliers of bottled water failed to reach the standard to the annoyance of the authorities which are contemplating taking punitive action against them, reports UNB.

Official of the Environment Directorate said they will start taking action shortly against the manufacturers of bottled water who are not following the rules of standard.

They said no company has Environment Directorate clearance to produce bottled water, which is a mandatory under the Environment Protection Act of 1995 and the Environment Preservation Policy, 1997.

"Review and examination of standard of the companies are in the final stage. Action to ensure standard will begin in the first week of January," said Director General of Environment Directorate, A R Khan.

He informed that many bottled water manufacturers followed defective process and marketing sub-standard water. Most of the companies are also not following the government orders.

The mineral water issue shock the government bodies concerned when Forest and Environment Minister Begum Sajeda Chowdhury herself found moss in a bottle of Duncan Water she bought from the market. Duncan, a foreign company, is a major bottled water manufacturer and supplier in the country.

Bangladesh Standard and Testing Institute carried a random survey and examined samples of bottled waters of 10 companies. The test revealed that there is no existence of the mineral compositions mentioned in the label of the bottles.

Besides, the examination found that the level of some

parameters were higher than that should be in pure drinking water. Most of the companies also don't mention the manufacturing and expiry dates.

The BSTI further observed that the Dhaka-based companies use WASA or ground water as source of their bottled water. The companies also don't use food grade plastic for preservation and sale of bottled water.

The test found satisfactory level of cauliform germ in water of all the 10 companies. But plate count level of "Duncan," "Himalaya," "Mountain" and "Fresh" waters was not satisfactory compared to the standard of FAO.

On the basis of the examination, the Environment Directorate commented that defective processing while filtration or chlorination or ozonation could cause abnormal level of plate count and algal growth.

However, Duncan Brothers (Bangladesh) has refuted the allegation that its water processing is defective saying it is the only company which is recognised internationally and members of the international organisations.

A senior official of Duncan, who didn't want to be identified, said no company in the country could maintain plate count level. "But it's not harmful to human bodies. Duncan maintains standard regarding harmful elements," he said.

Rejecting a report of the Environment Directorate, he said ozonation is not necessary to ensure proper standard of bottled water and their standard is maintained through appropriate filtration and ultra-violet lamp process.

Asked whether Duncan, as asked by the Environment Directorate, submitted report on its water bottling process, the official at first tried to evade but later replied in the affirmative.

About Environment Directorate clearance under the existing law, the official said the Duncan applied for it as they are respectful to the law of the land.

The Environment Directorate in the last week of September had asked all the 25 mineral water manufacturing companies to submit report about their water process within 30 days. So far, only eight companies submitted the report.

Official sources said that the directorate has also asked the companies to submit lists of machinery, disinfecting process and position of the factories along with the report on their water manufacturing process.

Besides, the Environment Directorate issued six executive orders to ensure proper standard of mineral water. Those were:

- * Using food-grade plastic or PET bottles for preserving and selling mineral water.
- * PVC plastic bottles can't be used in any way.

- * Non-transparent bottles can't be used and the non-transparent bottles will have to be transformed into transparent bottles.
- * Ensuring proper levels of the mineral compositions mentioned in the bottles during examination at any time.

- * Mentioning expiry date is a must.

Taking clearance certificates from the Environment Directorate is a must.

Meanwhile, Dhaka WASA has decided to market bottled water to ensure proper standard and at a competitive price. Its workers-employees association, responsible for billing and collection of bills in two zones, will manufacture the WASA bottled water, officials said.

Vietnam cutting Internet service charges

HANOI, Dec 29: Vietnam is lowering Internet charges to make the computer service more affordable, an official from the post and telecommunications regulatory agency said Tuesday, reports AP.

The decision, effective Jan 1, was signed Monday by Mai Liem Truc, general director of the Directorate General of Post and Telecom.

Internet installation fees will fall to 270,000 dong (\$20) from 450,000 (\$32), and on-line charges will be lowered to 290 dong (2 cents) per minute from 400 dong (3 cents), the official said.

"The move is aimed at bringing the charge in line with regional and international standards," he said, adding that the government has to subsidize the price.

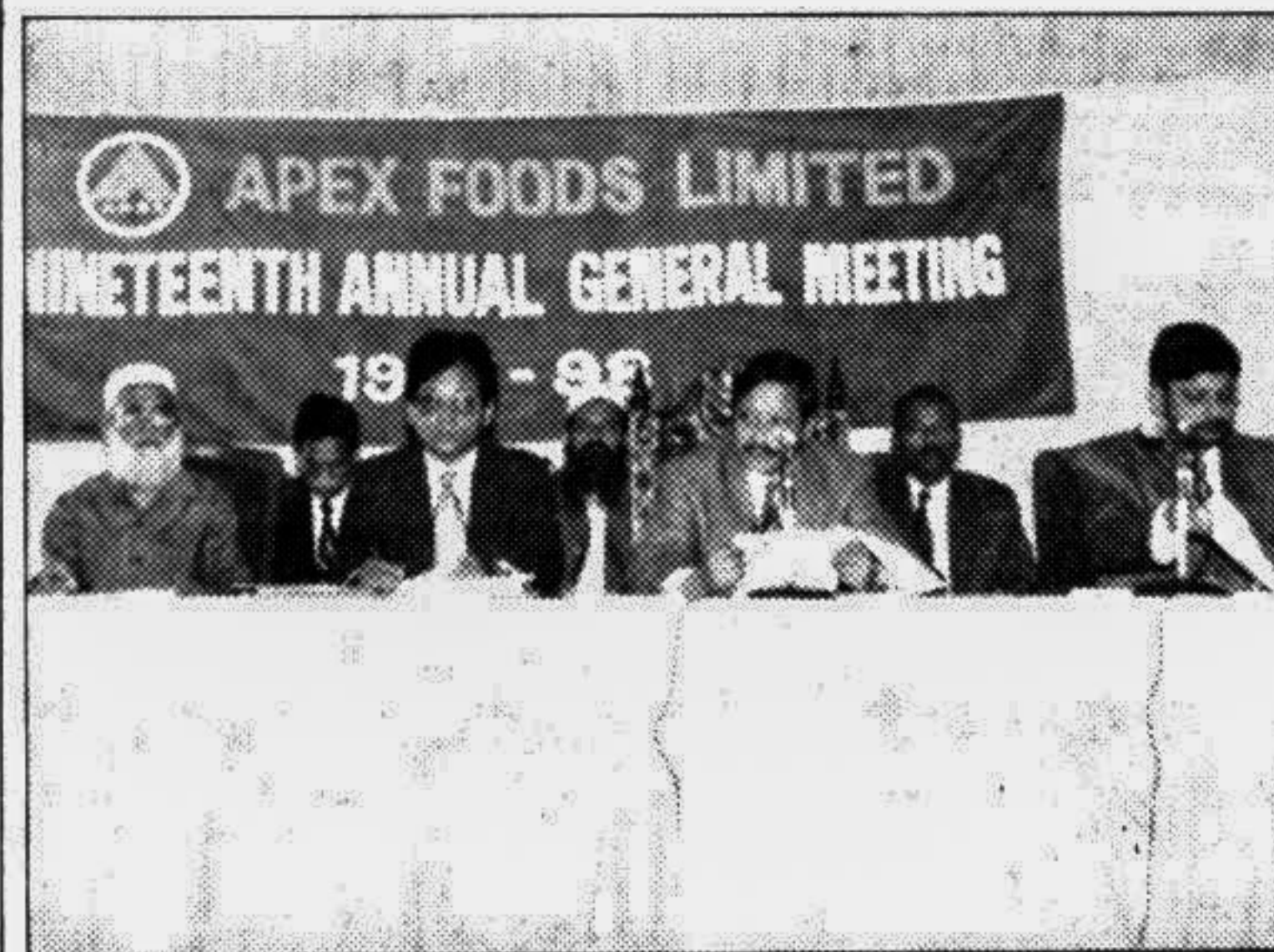
High TSP price hits IRRI-Boro farming in N dists

NATORE, Dec 29: The price of triple super phosphate (TSP) fertiliser has shot up in northern districts, including Natore, badly hampering soil preparation for the cultivation of IRRI-Boro paddy, reports UNB.

A 50-kg bag of TSP is being sold in the local markets at between Tk 700 and Tk 750 against the normal price of Tk 480.

Farmers in the region alleged that an artificial crisis had been created by a section of dishonest traders to earn a windfall profit.

The sudden price spiral of the essential agricultural inputs, specially seeds and seedlings of IRRI-Boro and other winter crops, have put the growers into a troublesome sit-



The 19th annual general meeting (AGM) of Apex Foods Limited was held at the National Shooting Complex at Gulshan-1 in Dhaka recently. Zafar Ahmed, Chairman of the Board of Directors, presided over the meeting. — Apex Foods photo

uation as the poor and marginal farmers have lost their buying capacity due to heavy crop loss caused by the recent devastating flood.

It is also feared that the production of various winter crops including wheat, potato, mustard and pulses will not be satisfactory.

A 20-kg bag of Kanchan seeds of wheat is being sold at between Tk 400 and Tk 420 at the BADC recognised dealer shops as against Tk 260 due to short supply.

Besides, a 20-kg bag of China hybrid seeds of paddy is selling at between Tk 210 and Tk 240 as against the normal rate of Tk 100 and Tk 110 in different markets.

A source of Natore Fertiliser

Traders' Association said that nearly half of the dealers in the region were forced to wind up their trade due to slump in business and lack of timely supply of fertilisers.

Another source said the dealers have received the allocation of 1000 to 200 MTs of TSP fertiliser which is quite inadequate to cater to the farmers' needs.

Besides, the flood-affected farmers have no ability to buy imported TSP at such a high rate owing to their financial constraints.

Local farmers urged the authorities to take immediate steps to reduce the prices of agricultural inputs, including TSP fertiliser, so that they can buy these at reasonable prices.