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Export earnings fall 9.24pc short of target in 7 months

Star Business Report

The country's exports fetched US \$2.98 billion in the first seven months of the current fiscal year, falling 9.24 per cent short of the target and shrinking by 0.92 per cent than the corresponding period of the 1997-98 fiscal.

In taka terms, export earnings during July-January period of this fiscal year were Tk 14.25 billion, which is 7.65 per cent less than the target but 5.9 per cent more than the corresponding period of the previous fiscal year, according to the Export Promotion Bureau (EPB).

Except for readymade garment (RMG) and tea, performances of the other major export sectors tumbled.

These include knitwear, frozen food, leather, raw jute and jute goods, agricultural products, petroleum by-pro-

ducts, chemical and engineering products, electronics and handicrafts.

After facing a serious setback due to the prolonged floods during August-November last year, the country's export earnings showed a significant increase in December and stood at \$522 million. But in January 1999, the average monthly export target of \$469 million could not be achieved.

Export in January this year was only \$420 million, which is \$49 million short of the average monthly target.

The RMG sector earned \$1719 million during July-January, 6.94 per cent higher than the \$1607 million target.

cent lower than the target. However, this was 9.52 per cent higher than the corresponding period of the last fiscal year.

Frozen food worth \$169.78 million was exported in the first seven months of fiscal 1998-99 against the target of \$204 million. This is 16.84 per cent less than the target and 16.48 per cent down from the corresponding period's earnings.

The US was the top importer of Bangladeshi products and imported goods worth \$1076.65 million during July to January of this fiscal. This accounts for 36.12 per cent of the country's total export earnings.

Earnings from jute goods in the first seven months was \$157.74 million against the target of \$182 million, falling 13.33 per cent short of the tar-

get. Export earnings from this very sector stood at \$165.39 million during the corresponding period of the previous fiscal.

Raw jute worth \$35.30 million was exported during the period against the target of \$77 million.

Finished and crust leather exports fetched \$89.33 million dollar, which is 31.94 per cent less than this year's target and 14.98 per cent less than the corresponding period of the last fiscal.

Tea worth \$29.35 million was exported against the target of \$24.5 million, 19.8 per cent higher than the target, but 13.8 per cent less than last fiscal's corresponding period.

Chemical fertiliser worth \$31.37 million was exported during the period against the target of \$57.17 million.



Sheikh Ahmed bin Saeed Al Maktoum (centre), Ahmed Al Tayer (R) and Noel Forgeard at the Emirates' first A330-200 aircraft arrival ceremony in Dubai. — Emirates photo

Airbus A330-200 joins Emirates fleet

Emirates has received the first Airbus A330-200 aircraft on March 11. The aircraft arrived in Dubai after successfully completing a non-stop flight of six hours and 30 minutes from Airbus Industrie's headquarters in Toulouse, France, says a press release issued yesterday.

Emirates is the first Middle East airline to operate the A330-200, the world's quietest and one of the most fuel-efficient jetliners.

On board the maiden flight to Emirates' first A330-200 was Sheikh Ahmed bin Saeed Al Maktoum, Emirates' Chairman who led a high-level delegation to Toulouse for the delivery ceremony on March 10.

On board the ferry flight with Sheikh Ahmed was Tim Clark, Emirates' Chief Director, Noel Forgeard, Airbus Industrie Chief Executive Officer, Habib Fekih, Airbus Vice-President Middle East and Gerry Sharp Airbus Area Sales Director and Ian Kinneer, Senior Vice-President Middle East, Africa and West Asia of Rolls Royce Plc. Also on board were journalists from the UAE and UK.

The delegation was greeted on arrival by Ahmed Al Tayer, UAE Minister of Communications, Abdulla Ahmed Looth, Under-Secretary, and Mohammed Yahya Al Sowaidi, Assistant Under-Secretary, UAE Ministry of Communications. They were accompanied by the Heads of Dubai government departments, leading officials and dignitaries.

The new aircraft, A6-EKQ, is the first of 17 orders placed by the airline, and the first of five to arrive this year. Deliveries will continue through the year 2002, which will result in a gradual replacement of Emirates' core fleet of A300-600R and A310-300s with A330-200s.

The twin-engine aircraft, powered by two Rolls-Royce Trent 700 engines, is configured in two classes of 34 Business Class and 251 Economy Class seats. Emirates also has on order the three-class A330-200, which will join the fleet later this year.

Emirates fleet now comprises one A330-200, nine Boeing 777-300ER, six A300-600R and nine A330-200s. Another four A330-200s and two Boeing 777-300ERs will join the fleet by the end of this year.

Tk 74.55cr JB loan for buying hides & skins

Janata Bank sanctioned Tk 74.55 crore this year for the tannery sector to buy hides and skins, says a press release.

Last year, the bank sanctioned Tk 85 crore loans for 22 borrowers in the tannery sector. The recovery of advances in this sector was 90 per cent in the 1998.

S&P, Moody's downgrade Japan's Nomura

TOKYO, Mar 24: Two major US credit agencies on Wednesday downgraded the ratings of Japanese brokerage giant Nomura Securities Co. citing a deteriorating profit growth outlook and exposure to potential losses, reports AP.

Moody's Investors Service cut Nomura's long-term debt rating to "Baa2" from "Baa1", just one step up from the lowest investment grade above junk status. It also placed the brokerage's short-term ratings on review for possible downgrade.

Standard and Poor's lowered Nomura's long-term credit rating to "BBB" from "A", also one notch away from the lowest investment grade above junk. It cut the securities company's short-term rating to "A-3" from "A-2".

Lower credit ratings signal increased risks for investors, which tends to increase a company's borrowing costs on capital markets.

Moody's attributed its move to insufficient restructuring at Nomura, heightened competition from rival firms and the impact of adverse market conditions.

"Its ratings actions resulted mainly from concerns over the growing pressure on Nomura's capital adequacy and from the deterioration in the firm's earnings prospects, both in the domestic markets and overseas," Moody's said in a statement.

Standard and Poor's noted Nomura's risk of exposure to losses stemming from a Japanese non-bank affiliate and its operations in the United States, along with greater competitive threats in its home market.

"Nomura will continue to be challenged by the stagnant domestic market and fierce competition. Standard and Poor's believes, however, that its existing favorable domestic franchise in both wholesale and retail markets... should enable the company to maintain its revised ratings," the ratings firm said in a statement.

Nomura, Japan's largest brokerage house, has announced restructuring plans to cut 2,000 jobs of its current 13,000-strong work force by 2001. The company reported 207.2 billion yen (\$1.76 billion) in losses for the first half of the fiscal year ending later this month.

Mechanical hitch Zia Fertiliser suspends output temporarily

Zia Fertiliser Company Ltd. under Bangladesh Chemical Industries Corporation (BCIC) has suspended its production temporarily due to some mechanical troubles Tuesday, reports BSS.

Necessary repair work has already been undertaken by the factory management, said a release adding that it is expected that the normal urea production will be restored from March 25.

The factory has a ready stock of 11,823 MT and supply of urea fertiliser to its command area is continuing.

At present, there is a combined stock of 1,49,232 MT urea in six urea fertiliser factories as well as their buffer godowns and there would be no shortfall in the supply of urea during the suspended period, added the release.

Bank holidays

Bangladesh Bank and all scheduled banks will remain closed on Friday on the occasion of Independence and National Day, reports UNB.

The banks will also remain closed on March 28-30 on the holy occasion of Eid-ul-Azha, said a Bangladesh Bank press release yesterday.

New Rangs sales centre opens in Rangpur

Rangs Electronics Ltd. opened its new Sales and Service Centre at Monsur Bhaban, Station Road, Rangpur, on March 22 under its expansion and better customer service programme.

Moazzem Hossain, Deputy Commissioner of Rangpur, inaugurated the Centre. Senior Officers of Rangs Electronics and the elite of Rangpur town were present at the opening ceremony, says a press release.

In his inaugural speech, the deputy commissioner thanked the Rangs management for opening a showroom in Rangpur. He expressed the hope that this would fulfill the needs of the people of Rangpur.

Rangs officers mentioned that the number of sales and service centres has been increased rapidly all over the country within a short span of time with a view to supply Sony products to the customers and serve them better.

The idea of opening more sales and service centres all over the country and advertising Rangs Electronics products more vigorously was aimed at creating awareness about Sony Rangs products so that customers can select and buy their desired items from the Rangs Sales and Service Centres or from nearby dealer shops.

Taiwan's offshore exploratory oil wells dry up

TAIPEI, Mar 24: Exploratory oil wells drilled offshore in the Taiwan Strait have so far come up dry, discouraging hopes of a petroleum windfall for resource-poor Taiwan, the state-owned Chinese Petroleum Corporation said Wednesday, reports AP.

Four wells drilled by US oil company Conoco Inc. under contract for CPC have failed to turn up signs of developable oil deposits since drilling began in December 1997, said a CPC spokesman, speaking with customary anonymity.

Though some trace amounts of oil were found, the reserves were not big enough to be exploited profitably, the spokesman said. Conoco's wells were spread over a wide area in the strait that is 400 kilometres (248 miles) long and separates Taiwan from the Chinese mainland. The strait varies from 130 kilometres (80 miles) to 220 kilometres (136 miles) in width.

Power dearth hampering irrigation Poor boro harvest fears grip northern dists

NATORE, Mar 24: Farmers of the northern region are apprehending poor harvest of boro crops during the current season as irrigation is being hampered seriously due to acute power crisis, reports UNB.

According to official sources, most of the irrigation machines, are lying inoperative due to erratic power supply and load shedding.

The AED has apprehended that the target of boro production will not be achieved during the current season.

The small and marginal farmers in the region are already in severe financial hardships as they incurred huge losses in the last man season for prolonged deluge.

In Natore, about 3,000 shallow tubewells and 186 deep tubewells have become inoperative creating obstacles to irrigation.

The demand for power during peak hour in the northern

region is about 200 mw, but only 80-90 mw is being supplied at present, a source in the Power Development Board said.

Official sources said one lakh hectares of land in the region are not getting proper irrigation. Moreover, eight lakh hectares of land in Rajshahi division have been brought under boro cultivation in the current season.

On the other hand, almost all the rivers, canals, beels and other water bodies of the region are drying up fast due to the prevailing drought like situation as well as the adverse effect of Farakka barrage.

Moreover, the ground water level has been falling abnormally.

About 26,000 hand tubewells in the 15 northern districts including 1,680 in Natore already went out of order following the abnormal fall of ground water causing acute scarcity of drink-

ing water in the region, PHE sources said.

Another report from Jessore adds, cultivation of boro paddy in the district are facing serious setback for want of irrigation facility.

A total of 1.5 lakh hectares of land in the district have been brought under boro cultivation in the current season.

But severe power crisis is hampering irrigation. Besides, in the lean season, rivers, canals and other water bodies have already dried up. As a result, the stranding crops are drying up.

Farmers said they cultivated boro paddy on most of their lands and took loans from banks and different NGOs.

But, they apprehended that if the situation remains unchanged, they could not harvest the minimum expected quantum of paddy to meet their own need.

Food autarky a must in changing world: Matia

Food and Agriculture Minister Begum Matia Chowdhury yesterday said a prime objective of the governments is to achieve self-sufficiency in food within the shortest possible time, reports BSS.

The food aid from abroad is decreasing gradually in the changing atmosphere of global strategies and perhaps the aid in food sector will close in the near future. So, time has come to attain self-sufficiency in food", she said while speaking as the chief guest at the inaugural session of a workshop here.

Ministry of Agriculture in collaboration with the UN Food and Agriculture Organisation (FAO) organised the workshop on "review of the findings and recommendations for strengthening support services in irrigated agriculture" at Bangladesh Agricultural Research Council (BARC) auditorium.

Chowdhury regretted that despite possessing good weather and fertile lands, the country has been facing food shortage of

around 20 lakh metric tonnes annually.

She said after the independence, Father of the Nation Bangabandhu Sheikh Mujibur Rahman had taken initiatives to attain self-sufficiency in food and also achieved some successes in this regard but after the killing of Bangabandhu, the successive governments made the problem difficult due to their negligence and lack of foresightedness in the sector.

She said if farmers are provided with modern equipment and proper training, the production of crops and foodgrains would go up rapidly.

Describing the farmers of the country as talented and hard working, the minister said, "They require only proper guidelines and encouragement to move toward this end."

Chowdhury underscored the need for food diversification along with the existing campaign for crop diversification.

"We have to change our food habits and grow alternative

foodgrains like maize", she said adding that maize can check the onslaught on the poultry sector of the country.

Terminating the workshop, she said it would also help meet the nutrient demand of the poor children in the rural areas at low cost.

Referring to the slum problem in the country, the minister said this problem cannot be solved by merely raising the standard of the slum areas. The solution lies in creating agro-based industries in the villages.

"People in rural areas would like to live in their own villages, if they get meal even once a day", she observed.

She said this was proved after the last devastating flood when the government provided only 20 kilograms of foodgrains to each family totalling two crore poor people through VGF cards.

Chowdhury was critical of the bureaucratic practices in taking big projects instead of small ones.

Huge gap in Y2K readiness between countries

SAN DIEGO, Mar 24: People who are worried about the Year 2000 computer bug can stop their stockpiling food, buying generators and preparing for Doomsday, reports AP.

Unless they live in Russia, China or less developed countries, where power outages, runs on the banking system and civil unrest are expected, according to a report released this week at a high-tech industry conference in San Diego.

"From a global perspective, this is very serious," said the report's author, Lou Marcoccio, the Year 2000 research director for the Gartner Group, a consulting firm based in Stamford, Connecticut. But domestically, I don't predict much of a problem."

They Y2K problem stems from the fact that most computers use two digits instead of four

to represent a year. Unless programmed for the change, computers can mistake the year 2000 as 1900 when internal clocks roll over Jan 1. The glitch could effect millions of computer microchips in machines across the globe.

Researchers found companies and governments in developed nations, including the United States, Canada and the United Kingdom, are close to resolving their Y2K problems, but many poorer nations have barely started working on the situation.

The best-prepared nations include Australia, Belgium, Bermuda, Denmark, Holland, Ireland, Israel, Sweden and Switzerland.

Problems have already occurred in some computer systems that run advanced forecasting programmes without any

great impact on the public, Marcoccio said. He expects the glitches will hit a peak around October, when the fiscal year begins for 2000, and will continue throughout next year.

The best prepared nations can expect minor and isolated failures in their power networks, disruptions in air transportation, food shortages because of stockpiling, banking problems and possibly some civil unrest. In less prepared countries, those problems could be widespread.

"These countries need to be developed contingency plans," Marcoccio said of nations such as Bahrain, India, Nigeria and South Africa.

The Gartner Group, which based its report in part on quarterly surveys of 15,000 companies in 87 countries, isn't the first to reach this conclusion.

Overwork kills newspaper employee

TOKYO, Mar 24: A Japanese court ruled Wednesday that a newspaper employee died from overwork and ordered the government to pay compensation, reports AP.

Deaths recognized as caused by overwork total about 70 a year in this nation dominated by an intense work ethic. In Japan, the spouse and children of those who die from work-related illnesses or injuries are eligible to receive government compensation.

Over the last decade, when deaths from overwork, known here as "karoshi," began to draw more attention, those receiving such compensation have grown to include families of people who died from overwork.

The Mito District Court ruling reversed the March 1990 decision by the government to turn down an application for compensation payments to the family of Yasuo Murakami, who died of a stroke Feb. 20, 1998 — a day after he returned from work and collapsed.

The ruling requires the government to pay the compensation, costs of the funeral and the legal expenses of the family. The authorities had contested the hours of overtime Murakami had allegedly put in and argued that his death was not work-related, said Labour Ministry official Norio Niwa. The government may appeal Wednesday's ruling, he said.

Bug to keep on bugging thru' next year: Experts

SINGAPORE, Mar 24: Ninety per cent of the system outages caused by the millennium computer bug will take only three days to fix, but hits will keep occurring through most of next year, international and Singapore experts told a managers seminar Wednesday, reports AP.

"At the end of the year there will probably be minor personal inconvenience to most people around the world," on Dec 31, said Chris Morris, Australian research director of Gartner Group Asia-Pacific.

"The good news is that only one in 100,000 faults will cause an outage and only 10 per cent of the application failures are going to last more than three days," he said.

But Morris told the seminar, called "Managing the Unexpected," that companies need to budget for the probability of continuing new faults to hit through the first three-quarters of next year.

"Take away one idea," he said. "The problem is going to be extended over a period of time, not just the end of the year."

Even if a company has checked and rechecked its computers to make sure they can tell the difference between the year 2000 and 1900, they need contingency plans in case their customers' systems crash. Also suppliers of components, packaging, telecommunications, power and transport for workers may not be ready.

He said the Gartner Group, based in Stamford, Connecticut, has rated Singapore's readiness at the level of Brazil, despite the high-tech city-state's emphasis on Y2K compliance.

"Singapore is more dependent on technology than other countries" and is particularly dependent on manufacturing plants in Malaysia and Indonesia, he said. "Also, key employees needed to help prepare for total readiness may have been lost during cutbacks from the economic crisis."

"You may be ready, but we don't operate in a vacuum," Alex Slow, president of Singapore's Information Technology Management Association, told the business leaders.

Slow advised contingency plans based on worst-case scenarios. At the same time, he said, "The myth and exaggerations about Y2K have overshadowed the reality."

Slow said it is prudent to set aside 10 per cent of a company's budget to deal with the problem. "Y2K consultants are now flat out stating that most embedded systems won't fail."

Morris said tests have already shown that 5-9 per cent of computer systems that had been tested and certified as "Y2K compliant," turn out to have hidden faults.

Record trade deficit another threat to Clinton: Senators

WASHINGTON, Mar 24: US senators have warned that growing unhappiness could hand President Bill Clinton further embarrassing political defeats as Congress responds to growing protectionist pressures, reports AP.

Commerce Secretary William Daley and US Trade Representative Charlene Barshefsky were told Tuesday that the administration was not taking seriously enough threats to steel and other manufacturing industries and the farm sector from America's record-high trade deficits.

They said that without a move vigorous response from the administration, the nation could end up adopting some of the protectionist measures being pushed that would represent a setback to the global trading system and America's overall prosperity.

"There's a tornado headed your way of protectionism," Sen Daniel Patrick Moynihan, a New York Democrat, told Daley and Barshefsky. "It could be devastating to us."

The warnings came as the Senate Finance Committee took up legislation that was passed by the House last week in a lopsided 289-141 vote — one short of the number needed to override a presidential veto — which would sharply limit steel imports to levels that existed before 1998.

Last year, the Asian financial crisis triggered a flood of cheap imported steel into the United States as falling world demand sent excess steel supplies pouring into the United States at low prices, forcing thousands of job layoffs at US mills.

The administration has threatened a veto if the legislation passes Congress, warning that the measure is inconsistent with global trading rules established by the World Trade Organisation.

While the administration's view had been expected to win a more favourable hearing in the Senate, various lawmakers warned the administration that it could be in for a shock unless Clinton takes more aggressive action to deal with the rising trade deficit.

Sen Jay Rockefeller, a West Virginia Democrat, one of those pushing for more protection for the steel industry in his state, told Daley and Barshefsky that they had been "dead wrong" about the prospects that the steel quota bill would even pass the House, much less by the lopsided margin, and he said forces could produce the same outcome in the Senate.

Both Daley and Barshefsky said the administration preferred a less radical proposal being offered by Reps Sander Levin, a Michigan Democrat, and Amo Houghton, a New York Republican, which would make

it easier for industries to petition the government for protection from import surges but in a way that would still be consistent with WTO obligations.

But the two administration officials said they did not favour two other alternatives that were put before the committee Tuesday by their sponsors, Sen Arlen Specter, a Pennsylvania Republican, and Sen Mike DeWine, an Ohio Republican.

Specter's bill would allow an industry threatened by import surges to seek relief in federal court while DeWine's measure would turn over any higher tariffs on imported products to the industry being affected.

But DeWine said the crisis in steel required a vigorous response. "Now that the House has acted all eyes are on us in the Senate," he told the Finance panel.

But Sen Phil Gramm, a Texas Republican, said he would vigorously oppose efforts to push the country toward more protectionism, saying it would be a dangerous turn for the United States to take at a time this country is enjoying overall prosperity despite widespread recessions overseas.

Daley said the Levin and Houghton proposal represented "a constructive approach" and would further a trend already under way of declining steel imports.



Moazzem Hossain, Deputy Commissioner of Rangpur, inaugurates the sales and service centre of Rangs Electronics Ltd at Station Road in Rangpur Monday. —Rangs Electronics photo