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### Agro-processors' pre-budget proposals to govt

# Bring down tariffs on capital machinery, raw materials

By Monjur Mahmud

The Association of Bangladesh Agribusiness Organisa-tions (ABAO) has proposed that the government reduce taxes on import of capital machinery and raw materials used in agrobased and packaging industries to further explore the potential of this thrust sector.

"Technology development of the agro-based and packaging industries is a prerequisite for improving the quality of their products and reducing tariffs on capital machinery and packaging material imports. This will help the industries make their items more competitive in the global market," said AFM Fakhrul Islam Munshi, Convenor of ABAO.

There should be some fiscal and monetary measures with specified steps for boosting investment in the sector, he

The government should provide cash incentives to encourage the exporters, Munshi said, adding "unless the entrepreneurs go for exports, they would not be able to help boost value addition for the country." Packaging, a backward linkage industry of agro-pro-

cessing, is an important factor in this sector and it must be improved, he said, stressing better product presentation to attract not only local consumers but also foreign buyers.

Emphasising the need for developing marketing network, he said: "It is important that the farmers are getting good re-turn on their products."

The ABAO leader said, if there is no industrial use of the produces farmers are producing, the marketing network would not develop and they won't get handsome money.

Ensuring good prices would be the best incentive for them and the marketing network would be developed when agrobased industries are there. Munshi observed.

According to the experts of Agro-based Industries and Technology Development Project (ATUP), nearly 40 per cent of the total fruits and vegetables produced in Bangladesh rot every year due to lack of transport and storage facilities and overproduction.

ATDP, being implemented by International Fertiliser Development Centre (IFDC), is a Ministry of Agriculture project supported by USAID.

The newly-formed ABAO recently held a meeting with the representatives of National Board of Revenue (NBR) and ATDP to discuss proposals for rationalisation of tariff rates on various commodities, equipment and inputs used in agribusiness.

The ATDP experts were of the view that tariff rates were not rational. As a result, agri business faces problems in Bangladesh even though the sector had enormous potential.

Sponsors of ABAO pointed out that the proposed tariff ra-tionalisation would create a favourable climate for agri business and entrepreneurship development.

ATDP also took up the issues with the NBR prompting it to make moves on some of the proposals.

Commenting on the proposals submitted by ABAO for rationalisation of tariff structure, KG Sarwar, Member (Customs). NBR, who attended the meeting said that the government had attached priority to promoting agri business which contributes

higher value addition, generates more employment and revenue and helps earn foreign exchange.

He said tariffs on some commodities were already rationalised on the basis of ATDP proposals.

"But the situation is not conducive yet. Different proposals need to be considered before the next budget," said a senior official of ATDP.

KG Sarwar, however, agreed that immediate actions might be made on some of the propos

ABAO represents 16 organi-

sations involved in agri business including Bangladesh Ayurved Parishad (BAP) Bangladesh Agroprocessors Association (BAPA), Bangladesh Fertiliser Association, Bangladesh Frozen Foods Exporters Association, Fruits and Vegetables and Allied Products Exporters Association, Bangladesh Oil Mills Association, Vegetable Oil Refiners and Vanaspati Manufacturers Association, National Agri-Machinery Manufacturers' Association, Packaging Industries Association.



FRANKFURT (Germany): A file photo dated 04 January 1996 of the headquarters of the Deutsche Telekom AG in Bonn, Germany. German Telekom AG and Telecom Italia were expected to present their planned industrial accord during a press conference in London, Tuesday. The planned merger of the two companies would create one of the largest telecommunications giants in the world. - AFP photo

#### Super-rice on its way as Asian demand rockets

ADELAIDE, Australia, Apr 20: Agricultural researchers said here today they were developing a type of super-rice to help feed Asia's booming population, says AFP.

Gurdev Khush, from the International Rice Research Institute in the Philippines, told the Australian Plant Breeding Conference that his team was working to produce a variety of rice that would give better yields.

"The population of rice consumers is increasing and it's estimated that we will have to produce 50 per cent more rice by

2025," Khush said. Khush said 40 to 45 per cent of the world's people depended on rice as a daily staple, with 49 per cent of the calories consumed by the world coming

from rice, wheat and maize. As more land around the world was being used for industrial purposes and more people moved from farms to cities, the challenge for producers was to grow more rice using less land, water and labour.

Khush said his team was working to improve grain quality and disease and insect resis-

"We are trying to modify the plant architecture to increase the yield potential from the present level of 10 tonnes per hectare to 12 tonnes per hectare," he said.

#### Intel eyes bigger market share in Bangladesh

Star Business Report



Intel, the giant micro-processor producer, is eyeing Bangladesh's computer market as home computer has in recent days become a centre of creativity, entertainment and educa-

This was stated by the Director of South Asia of Intel Corporation Atul Vijaykar while addressing a press conference prior to a seminar sponsored by the company at a city hotel yes-

He said, we have already appointed 50 dealers for the distribution of genuine Intel products in the country.

"Bangladesh is a huge market to do computer business and our company has a vision to expand its presence in developing countries where it sees a huge prospect," Vijaykar said.

He praised the role of the government in abolishing tax on import of computer and computer software. "This move will help Bangladesh do better in the field of information technology (IT), which is a catalyst for development," he added.

The company started its business in the country in July last year with two dealers. It has already won about 80 per cent of the country's total mar-

Meanwhile, an Intel organised three-day computer fair with its top ten genuine distributors begins in city tomorrow (Thursday).

## Fate of illegal Bangladeshis Lanka faces major crisis in US hangs in balance

NEW YORK, Apr 20: No one knows how many Bangladeshis now live in the US. Some believe they could be in tens of thousands, with a vast majority of them living illegal residents, reports UNB.

A group of concerned Bangladeshi Americans have been waging a lonely battle against official indifference and lack of political interest to obtain an amnesty for

grants from east Europe and central America were used to be granted such amnesty at regular intervals. But no such amnesty has ever been granted to Bangladeshi immigrants.

Golam Mehraj, who heads the Bangladesh America Friendship Society, has been seeking help from every quarters to get a bill on granting



New Resident Trade Representative of the Korean Trade Centre in Bangladesh Howon Chung called on President of Foreign Investors' Chamber of Commerce & Industry (FICCI) AKM Shamsuddin at the Chamber office yesterday and exchanged views on matters of mutual interest. FICCI Secretary Jahangir Bin Alam was also present.

Bangladeshi immigrants. amnesty to Bangladeshis placed In the past illegal immiin the US Congress.

After working behind the scene for almost two years, the Society has managed to have such a bill drafted. It will soon be up for discussion at the House of Representatives' Judiciary Sub-Committee. If approved by the Congress,

it will legalise all Bangladeshis who arrived in the US before "The sub-committee is just

the beginning," Mehraj told UNB. "We need to see the bill sail through the sub-committee and then on to the House," he The bill was drafted by a

Washington-based consulting firm at the behest of Congressman Benjamin Gillman, a Republican from New York. Gillman has been our best

advocate and we are grateful to him," Mehraj said. The news has created quite a stir among Bangladeshis in the US Bangla newspapers in New York have hyped it to such an

extent that many believe it is only a matter of time before the bill becomes a law. "The judiciary sub-committee has 11 members. None of

them has yet been approached. We just don't know how to approach them," Mehraj said. adding we believe that the Bangladesh government could stay a useful role in the matter.

# with falling tea prices

COLOMBO, Apr 20: Sri Lanka, the world's largest exporter of tea, faces a major crisis caused by slumping demand and falling prices for the commodity that drives its economy, says AFP.

Key rivals India and Kenya have announce sharp drops in their tea crops, but the news is of little cheer to Sri Lankan growers expecting to post a record output at the worst time possible.

Compounding the problem are regional trading arrangements which are set to give Kenya and India a massive ad-

Officials here noted that although Kenya's crop declined 37 per cent in the first two months of the year and India's was lower by up to 12 per cent in the same period, prices in the international market continued to fall.

"Theoretically, there should have been a dramatic increase in prices because the supply was down," said Sri Lanka's tea board director Hasitha de Al-

But it did not happen because of a significant carry forward of about 50 million kilos (110 million pounds) in those two coun-

"That is why there was no improvement in prices in the first quarter of 1999... In fact,

prices are still going down," he

Sri Lanka is set to lose a key

market in Egypt following that country's entry into the Common Market for Eastern and Southern Africa (Comesa), under which Kenyan tea will have a huge tariff advantage. Kenya's 60-per cent share of

the Egyptian tea market is set to rise sharply thanks to an 80per cent tariff concession for Comesa countries. De Alwis forecasts that Sri

Lanka's 10-to-15 million kilogram share of the Egyptian market will shrink this year to about four million kilos following Cairo's entry into Comesa in February.

The loss of the Egyptian market will be a double blow because Egypt absorbed virtually the entire production of dust grades of tea. The manufacturing process leaves five per cent of tea as dust and Sri Lanka will now have to find a new market to sell this grade.

The economic problems besetting another key Sri Lankan market, Russia, have also hit demand with an added complication presented by a special trading arrangement between India and Moscow.

Russian buyers have stopped their bulk buying at the weekly auction in the Sri Lankan capital Colombo, the world's largest

tea auction centre, because of the rouble crisis since August.

The falling international prices have seen the sale average at the Colombo auction dive by more than 30 per cent to drive prices below the cost of production, according to trade officials and tea brokers.

Sri Lanka's hopes of boosting tea exports through a firetrade agreement with India fell through when New Delhi unexpectedly pulled out at the last minute last month. India is the world's largest

grower of tea and also its largest consumer but to meet its export commitments, it is expected to have to import tea this year. Indian growers, however,

have resisted any tariff concessions to their Šri Lankan rivals.

In a bid to tackle the growing crisis, the Sri Lankan Tea Promotion Board has been trying to go upmarket by increasing exports of high-quality teas to the Japanese market.

"It is excellent if we can at least slowly cultivate the Japanese because they always buy at the top end of the market," said Lallith Ramanayake, director of tea-broking firm John Keells Limited.

But increased sales to Japan will merely paper over the cracks, industry observers say.

Tegas carrying 14,500 tons of sugar is expected to reach the port by April 25. These consignments of sugar arriving in the country are parts of the total import of 1,50,000 tons of sugar by BSFIC in 1999, the press release added.

12,250 tons of

sugar arrives

at Ctg port

The cargo ship MV Feng Tao carrying 12,250 tons of sugar

called at Chittagong port yes-

terday, according to a press re-

lease of Bangladesh Sugar and

Food Industries Corporation

Another vessel MV Alam

(BSFIC), reports BSS.

## SIBL seminar on Waqf schemes

today Social Investment Bank Ltd (SIBL) will hold a half-day seminar on its Cash Waqf Certificate and Mosque/Waqf property development schemes today, says a press release.

The seminar will be held from 10:00 am to 2:00 pm at the board room of the bank at Dilkusha, in the city. Prof Dr M A Mannan,

Founder Chairman of the Board of Directors of SIBL, will deliver the key speech at the sem-

Scholars, dignitaries, mutwallis of renowned Awqaf properties and senior bankers will take part in discussion, it

#### JS body on civil aviation meets A meeting of the Parlia-

mentary Standing Committee on the Ministry of Civil Aviation and Tourism was held at the Sangsad Bhaban in Dhaka yesterday, reports BSS. Chairman of the committee Bir Bahadur presided over the meeting, a Parliament Secretariat press release said.

The meeting discussed the issues relating to New York and Jeddah (Haj) flights of Bangladesh Biman. The meeting was informed that two DC 10-30 Biman flights which were pressed into

service for carrying "Ballotee Hajis" during the Haj period would resume its regular operation between Bangladesh and New York soon. The meeting advised the

concerned authorities to operate the Haj flights smoothly in future, the release said.

Committee members Minister for Civil Aviation and Tourism, Housing and Public Works Engineer Mosharraf Hossain, Shah Azizur Rahman, Md Abdus Satter, Md Atiur Rahman (Atiq), Husneara Wahid, Abdul Mannan and Kazi Shah Mofazzal Hossain (Kaikobad) attended the meet-

#### BARC workshop on research project review

tract research projects review" began at Bangladesh Agricultural Research Council (BARC) in city yesterday, reports UNB.

gramme of BARC is a mechanism for awarding grants to conduct specific research by the scientists of different agricultural research institutes on the projects which are identified by BARC.

cuses on areas of immediate concern to seek ways for boosting agricultural production in Bangladesh, said a press re-

## January-May lean season Rural Development Programme

- FICCI photo

## creates 4.50 lakh jobs: WFP Rural Development Pro-

gramme assisted with food aid by World Food Programme (WFP) generates employment opportunities for about 4.50 lakh rural poor, including 1.80 lakh women, in Bangladesh during January-May lean season, reports UNB.

A WFP press release said yesterday that the employment is generated for an average period of 45 days per person, which improves food security at the household level.

A total of 1.80 lakh tons of food assistance worth Tk 135 crore have been allocated for this programme. The assistance includes resources from EC, Australia, Canada and France. In addition, the government

of Bangladesh has also contributed an amount of Tk 56 crore to provide 30 per cent cash wages to the workers.

The Rural Development (RD) programme has four components, including water, road, fishery and forestry sectors. About 8.87 lakh tons of wheat and Tk 30 crore have allocated for water sector activi-

ties implemented by BWDB and

about 2 lakh poor people are being benefited by the water sector The activities include rehabilitation of 1,250 km flood control embankments and 700km drainage and irrigation canals to prevent flooding

along the major river banks.

A total of 250 potable water

tanks are also being constructed to improve drinking water facilities in the coastal areas where arsenic problem is acute.

Besides, about 30,000 tons of wheat and Tk 14.09 crore have been allocated for the road sector for improvement and maintenance of over 1,100-km Growth Centre Connecting Roads (GCCR) implemented by

In addition, Tk 2.7 crore have also been provided to construct 120 bridges or culverts for easy access to the rural ar-

In the forestry sector, 23,860 tons of wheat and Tk 5.95 crore have been allocated to implement 150 schemes in 1998-99.



The new Deputy British High Commissioner in Bangladesh, Stephen Turner, met Mahbub Jamil, president, and C K Hyder, secretary general of Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka, at the chamber Tuesday and discussed economic cooperation between Bangladesh and UK.

## MCCI photo Y2K bug seen proving a pesky pest for peasants

The Year 2000 (Y2K) problem threatens agricultural production and food supply systems worldwide, the UN Food and Agriculture Organisation (FAO)

warned on Monday. A statement released on the organization's Web-Site cautioned that "the millennium bug could prove one of the most dangerous pests threatening farmers, along with the locusts and brown planthoppers they have battled with throughout the centuries," a FAO press release issued in Dhaka yesterday

The Y2K problem is caused by using double-digit years, assuming the first two digit to be always 19. When 1 January 2000 arrives that assumption will no longer be correct and many computers and embedded chips will read 00 as 1900 instead of the year 2000. The

problem could throw computers around the world into chaos at the turn of the century.

Governments and industries in developed countries with highly integrated systems that are most at risk have been working for years to ferret out potential problems with com-

puters and all that they control. According to the Gartner Group, achieving Y2K compliance comes at an estimated total cost of \$600 billion and even if the problem is somewhat less critical in the developing countries, most of them just do not have the funds or the technical capability to take the same kind of precaution.

· According to FAO, the com-

puter-dependency of agriculture

and food supply systems has re-

ceived very little attention. "In

one way or another, Year 2000

computer problems threaten

almost all of the supplies and services essential for agricultural production," says FAO. Everything from seed supplies to distribution networks and market information systems is

vulnerable to the Y2K problem. "Even small farmers who till their fields with ox-drawn ploughs probably rely on supplies produced in high-tech factories and transported thousands of kilometers over computer-controlled transportation networks." On the production side, basic inputs like seeds and fertilizers may be vulnerable, including irrigation water and electricity. Harvested crops could also be hit by severe problems in processing, marketing and distribution systems that are crucial to food security. warns FAO.

Countries that depend heavily on exports of agricultural

of income and countries that rely on food imports and food aid to feed their people are especially threatened by Year 2000 problems, according to FAO. Farmers, traders and government ministries rely on telecommunications systems to deliver a steady flow of information on weather, prices and shipping, and in many countries, computerized telephone switching systems are considered among the most likely to The FAO statement says

commodities as a major source

"Farmers and governments in developing countries may not be able to remedy or avoid some Year 2000 problems, particularly those that may erupt in international financial, production and transportation systems. In many cases, their most realistic approach may be to

concentrate limited time and resources available on developing and implementing contingency plans to cope with failures that countries do not have the means to prevent." According to FAO: "Key elements in such plans may in-

clude, diversifying sources of supplies and services to reduce the impact of failure by any individual supplier. Other steps may include adopting procedures to ensure that failures are identified promptly and that alternative channels for delivery of essential. Farmers and governments

may decide to review the levels of their food security stocks and inventories of essential agricultural inputs. FAO urges governments,

agricultural industries and farmers to "focus priority on at-

The UN Agency recommends taking the following actions immediately:

on the problem.

· Inventory critical functions and evaluate risks of fail-· Identify suppliers and de-

tention and adequate resources

livery channels for all critical inputs, obtain information Y2K compliance and evaluate risks · Assess options, time required, and cost for: 1. Correcting problems: 2. Replacing equipment or

suppliers; or Preparing contingency plans and materials to cope with likely failures Adopt approaches that will

eliminate or minimize the impact of failures Assign clear responsibility and priority resources to implementing the agreed plans.

## begins A 5-day workshop on "con-The contract research pro-

The contract research folease.