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Canadian trade team due today

Canadian Secretary of State on the Asia-Pacific Affairs Raymond Chan Arrives in Dhaka today on a two-day official visit to Bangladesh, says UNB.

He is leading a trade delegation comprising representatives from oil, gas, power, transport and paper and engineering sectors of his country.

During his stay here, the minister meet Prime Minister Sheikh Hasina, Finance Minister SAMS Kibria, Foreign Minister Abdus Samad Azad, Commerce Minister Tofail Ahmed, and other senior government ministers and officials.

He will visit an education scheme run by the financial assistance of Canadian International Development Agency (CIDA).

He will be present at the signing ceremony of a Memorandum of Understanding for a Canadian \$24 million reform project on Bangladesh's Health and Population sector and another exchange of letter signing function on Rural Maintenance Project worth 14.50 million Canadian dollar.

Rob calls for boosting fish output

Fisheries and Livestock Minister ASM Abdur Rob has called for creating a social movement to boost fish production raise export earnings reduce poverty and add zest to economic development, reports BSS.

The minister was addressing a seminar on "Role of Fisheries in the Socio-economic Context and its Development Perspective" organised by Bangladesh Civil Service (Fisheries) Cadre Association at Matshiya Bhaban in Dhaka yesterday.

Presided over by Director General, Department of Fisheries, MA Matin the seminar was addressed, among others, by joint Secretary of the Fisheries Ministry DK Chowdhury, former Chief Whip of the Opposition and JSD leader Nure Alam Ziku, Association President Nasrudin Ahmed, General Secretary Intiaz Ahmed, and former Director General of the Department of Fisheries Ataur Rahman.

ANZ Grindlays PCs for Bishwa Shahitya Kendra

ANZ Grindlays Bank has donated three personal computers to Bishwa Shahitya Kendra. The donation was made at a simple ceremony held at the head office of the bank recently, says a press release.

Muhammad A Ali, General Manager and Country head of ANZ Grindlays handed over the computers to Prof Abdullah Abu Sayeed, Chairman of Bishwa Shahitya Kendra.

In addition to the computers, ANZ Grindlays also pledged to contribute Tk 300,000 to Bishwa Shahitya Kendra to purchase 3,000 books to give away as prizes to school students of different schools in Dhaka, Chittagong, Sylhet and Khulna.

Prof Abdullah Abu Sayeed thanked the bank for the generous contribution and his hope that the bank would continue to support Bishwa Shahitya Kendra in the future as well.

M S A Sarwar, Regional Credit Executive, A E A Muhaimen, Chief Operating Officer, Shafiqul Alam, Head of Finance Administration and N Shafkat Choudhury, Senior Manager Marketing from ANZ Grindlays and Monir Hossain, Manager and Khairul Alam Shauj of Bishwa Shahitya Kendra were also present on the occasion.

SCB to launch Premium Service Banking today

Standard Chartered Bank is going to introduce Cash management solutions to the local business community and launch Premium Service Banking a comprehensive business banking service, at a seminar at Sonargaon Hotel today, says a press release issued in city yesterday.

Companies all over the world are looking for ways to refocus their resources on revenue-related activities. At present, they are spending valuable time, money and energy on staffing, training and the retention of support function to conduct their daily banking and payment activities.

Premium Service Banking is the bank's latest initiative to help business and financial institutions cope with that problem and increase efficiencies by saving both time and cost spent on daily banking and payment disbursements.

At the seminar, the bank will also launch Electronic Banking Services for Windows (EBSW), its state-of-the-art electronic banking platform. EBSW features include a fully-automated event scheduler, user-friendly templates, comprehensive authorised signatory matrices and the ability to receive and initiate trade and payment transactions using industry-secure standards.

Leaders to meet PM to seek help

Textile, RMG sectors call for spl fiscal measures

By Rafiq Hasan

Leaders of five textile and readymade garments (RMG) associations are expected to meet Prime Minister Sheikh Hasina next Wednesday to discuss the problems facing the sectors and seek fiscal incentives from the government for their development.

The associations have already demanded a Tk 5,000 crore fund for developing backward linkage industries.

According to sources, the leaders recently met three ministers -- Finance Minister SAMS Kibria, Commerce and Industries Minister Tofail Ahmed and State Minister for textile AKM Jahangir -- and discussed with them the problems and prospects of the textile and RMG industries.

During their meeting with the ministers, the association

leaders handed over an 11-point memorandum demanding waiver of duties, taxes and charges from the sectors.

The ministers assured the leaders that all necessary steps would be taken to boost the sectors.

The association leaders represented Bangladesh Garments Manufacturers and Exporters Associations (BGMEA), Bangladesh Textile Mills Associations (BTMA), Bangladesh Knitwear Manufacturers and Exporters Associations (BKMEA), Bangladesh Terry Towel Manufacturers and Exporters Associations (BTTEA) and Bangladesh Specialised Textile Mills Associations (BSTMA).

Referring to the projections of an annual GDP growth rate of

7 per cent and 25 per cent employment generation in the industrial sector in the recently-declared industrial policy, the leaders observed that the textile and RMG sectors can help achieve these goals.

For saving the RMG sector, which is reeling under the effect of massive devaluations in the neighbouring countries, the leaders proposed a cash incentive equivalent to five per cent of FOB values of garments exports.

The leaders also demanded a Tk 5,000 crore textile development fund immediately for providing term-loans to the backward linkage industries.

The fund can be formed in line with the Indian experience, they said. They informed the government that India took an

initiative to provide Rs 25,000 crore for the development of its textile sector.

The associations also demanded establishment of textile parks at suitable locations which would provide all facilities at one point.

The textile leaders also demanded waiver and reduction of customs duty from a number of items and amendment to the existing electricity tariff structure.

They said that imports of raw cotton, dyes and chemical raw materials for making yarn for sweaters and all textile raw materials and building ingredients used for the construction of export-oriented industries should be made duty-free.

They pointed out that import of the above items were duty-free in India and Sri Lanka.

Study on environmental costs of shrimp culture

Gains are handsome, yet future impact can't be ignored

Star Business Report

A study on the environmental impact of shrimp culture in Bangladesh says that although economic gains from the activities outweigh environmental costs, conclusions have to be made carefully since environmental tolls always have some far-reaching impacts.

"Some of the environmental impacts such as bio-diversity losses are irreversible and the damages can be avoided and the adoption of the right type of measures," the study said.

Conducted by Dr Debapriya Bhattacharya, Dr Mustafizur Rahman and Dr Fahmida Akter Khatoon, it tried to quantify the costs caused by environmental degradation.

The costs have been counted by calculating production loss due to land degradation, land restoration expenditures, loss of livestock and the mangrove forests and impact on health

and social costs.

Export earnings from shrimp is Tk 11,889 million, which is 1.1 per cent of the country's total GDP and 3.39 per cent of the total GDP of the districts where shrimp is cultivated.

The total cost of shrimp cultivation varied from 0.23 to 0.33 per cent of the GDP in 1994, the study said. This gives a cost-benefit ratio of 0.21 (production loss basis) and 0.30 (restoration cost basis). In other words, the cost is 21 per cent (production cost) and 30 per cent (restoration cost) of the benefit derived from shrimp cultivation.

A moderate degree of land degradation, which results in a production loss of 45 per cent, is estimated to cause a loss of 146.160 MT of rice in physical terms and Tk 1237.6 million in monetary terms. This is 0.35 per cent of the agriculture GDP

and 0.11 per cent of the total GDP of the country at current prices in 1994, said the study titled "Environmental impact of structural adjustment policies: The case of export-oriented shrimp culture in Bangladesh".

Reclamation cost for the degraded lands in shrimp cultivating areas would be Tk 2331.6 million, which is about 0.22 per cent of the country's total GDP.

Taking Tk 4000 as the average market value of the local variety cattle of different types, the loss of income due to cattle reduction as a result of shrimp cultivation is estimated to be Tk 91.2 million. This is equivalent to 0.01 per cent of the total GDP and 0.03 per cent of the GDP of the seven districts.

Polluted water due to shrimp cultivation causes premature deaths and increases the occurrence and incidence of diseases.

The study found mortality costs to be around Tk 925.6

million. This is 0.09 per cent of the total GDP of the country and 0.26 per cent of the districts concerned.

The contribution of forestry sector was Tk 42,626 million at current prices in 1994. So, the amount of income loss from the mangrove is Tk 196.1 million. This is 0.02 per cent of the total GDP of Bangladesh in 1994, the study estimated.

Taking a net benefit of \$15 per hectare from mangrove medicinal plants, the total value of the Chokoria mangrove is estimated at Tk 5.3 million. Apart from the economic costs, various social costs are associated with shrimp cultivation, which cannot be measured in monetary terms.

Incidentally, shrimp culture in Bangladesh received crucial support from the World Bank when it extended a credit amounting to SDR 20.6 million to the country for its "Shrimp Culture Project" in 1985.

In the project document, it was mentioned that the project would not have any detrimental effect on the environment. But shrimp culture later led to manifold ecological problems evoking criticisms from environmentalists.

Within the overall policy framework of export-led growth, such provisions as zero-tariff access of imports, fiscal incentives for direct and deemed exports, income tax rebates, subsidised credit, leasing of lands -- both private and khas under favourable terms, and various institutional support for setting up downstream factories created a policy environment which stimulated private investments in shrimp culture, shrimp processing and its exports.

Bangladesh accounted for 4.1 per cent of global production of commercial shrimps in the mid-90s. Total shrimp area of Bangladesh under coastal aquaculture covers about 130 thousand hectares, which is 12.7 per cent of the total global area under shrimp culture.

The study said that various market-based instruments including imposition of land use tax, effluent charge on water pollutants and soil conservation fund could be imposed on shrimp cultivation for a long-term environmental management of shrimp beds.



Passengers of Biman's Dubai-Sylhet first international flight BG-052, disembark from the aircraft at Sylhet Osmani International Airport yesterday morning. Managing Director of Biman Air Commodore M. Rafiqul Islam and Director, Marketing and Sales, Waliul Haq Khondoker, were present at the airport to welcome the passengers.

— Biman photo

Trade negotiations at WTO

ASEAN warns against using child labour as leverage

YANGON, May 15: ASEAN labour ministers today avoided condemning child labour and warned developed countries not to use such issues as leverage in trade negotiations at the World Trade Organisation (WTO), says AFP.

The Association of South-east Asian Nations (ASEAN) said it did not condone child labour but emphasised that condemning such practices would be counterproductive. "The ministers reiterated their position that ASEAN does not condone child labour," said a statement released at the end of a landmark ministerial conference here.

"Condemning child labour in any particular country or instituting sanctions-based measures would not solve the problem at its roots but would aggravate the situation instead."

The meeting is the first top-level ASEAN conference to be held in Myanmar since the military state became a full member of the bloc in 1997 in

the face of strong international objections, especially from the United States and Europe.

Myanmar has been repeatedly accused of using forced labour involving gross human rights abuses such as rape. The United States and the European Union enforce sanctions including trade and visa bans against the junta here.

ASEAN Secretary-General Rodolfo Severino said the broad issue of forced labour had not been raised at Friday's meeting, while Myanmar Labour Minister Major-General Tin Ngwe told a press conference that "voluntary" labour was a tradition in Myanmar.

"ASEAN does not operate by methods of censure and preaching and standing on pulpits to take members to task," Severino said.

"They (the ministers) expressed their opposition to child labour but also recognised that because child labour is engrained in some of the traditional economic processes in

many developing countries then it is a matter of education and poverty eradication."

Myanmar is a member of the International Labour Organisation (ILO) but has paid scant attention to its declarations on workers' rights, some of which were discussed at Friday's meeting.

The ILO last year released a report saying forced labour was rife throughout Myanmar and the International Confederation of Free Trade Unions earlier this month called on ASEAN ministers to boycott the labour conference in Myanmar.

Severino said ASEAN had received assurances from the ILO that the United Nations body's declaration on the fundamental rights of workers was voluntary and would not place any obligations on members.

"There is a reason for emphasising this because often labour issues have been used as leverage in trade negotiations," he said.



A man plays the new "Unjammer Lammy" by Sony on a giant screen Friday at the Electronic Entertainment Expo (E3) at the Los Angeles Convention Center. More than 1900 PC and video games are being introduced to the public in thirteen genres including action, adventure, children, puzzle, family, creativity, driving, racing, education, simulation, sports and strategy.

—AFP photo

Commodity: Weekly Roundup

Oil dribbles on downward correction, rise in US stocks

LONDON, May 15: Crude oil prices fell back on the International Petroleum Exchange in a downward correction after recent gains, a rise in US stocks and falling demand from industry, reports AFP.

Brent North Sea crude for June delivery fell to 16.10 dollars a barrel from 16.42 dollars last week.

On the New York Mercantile Exchange (NYMEX), light sweet crude for June delivery fell to 18.03 dollars a barrel from 18.32 dollars.

Brent had fallen below 16 dollars a barrel mid-week. Analysts said that the fall was a normal correction after the crude price surged above 17 dollars during the previous week.

An oil analyst at Credit Lyonnais trading house, Anthony Oxley, said that "prices went 'too high' last week. We are due for a downward correction."

Prices initially rose after the International Energy Agency said in a monthly report that OPEC cartel members were 85 per cent compliant with pledged cutbacks of 1.7 million barrels

of oil a day made in March.

Prices later suffered from a rise in US gasoline stocks, which rose by 3.655 million barrels, according to the American Petroleum Institute.

Rubber: Bounce. Rubber prices bounced back on the Kuala Lumpur and London markets after the Malaysian government bought up contracts in its first direct bid to inflate prices in 20 years.

The RSS1 index in Kuala Lumpur finished the week at 2.3 ringgits per kilo from 2.23 ringgits a week ago.

The London rubber index rose to 460 pounds per tonne for May delivery and 465 pounds for June from 422.50 and 427.75 pounds respectively.

The Malaysian government has begun buying rubber from 400,000 small growers in a bid to counter its withdrawal from the International Natural Rubber Organisation, a grouping designed to buoy prices.

The country is the world's third-biggest producer of natural rubber.

investors stayed away from market because of public holidays in mainland Europe.

May contracts on the London market fell by nine pounds to 691 pounds per tonne.

Dealers were reminded that Cote d'Ivoire, the world's leading producer country, was likely to reap a record harvest this year.

Coffee: Warm. Coffee prices rose slightly on technical trades and in anticipation of frost in South America.

Arabica prices on the New York market rose by 50 cents to 103.65 cents a pound.

Dealers welcomed a slowdown of sales from producers, but some analysts noted that growers were likely to increase sales again soon.

Brazilian authorities estimated that total exports from the country would be 21 million sacks in the 1998/99 season (from July to June), which would be six million sacks more than a national quota set by the Association of Coffee Producing Countries.

Robusta prices on the London market, meanwhile, fell to 1,402 dollars a tonne (for May

delivery) from 1,408 dollars last week.

Prices were hit by reports that Vietnam has already amassed 100,000 tonnes of its Robusta harvest for export.

Tea: Strong. Demand in Kenya's Mombasa auction houses was again strong this week, the London Tea Brokers Association said.

Broken teas were most strongly favoured and gained up to 11 cents a kilo, while powdered Dust teas rose by up to 10 cents per kilo.

In contrast, high-grade PF1 leaves fell by up to 25 cents a kilo.

Sugar: Lower. White sugar prices fell slightly amid persistent fears of a large supply surplus, in spite of strong demand from the Middle East, notably Iran, and Syria.

August contracts on the London market fell by 20 cents to 176.50 dollars a tonne.

Czarnikow trading house predicted a supply surplus of 6.23 million tonnes in 1998/99. This was 1.85 million tonnes higher than its previous estimate.

Analysts predicted that in-

dia may clamp down on sugar import levels.

In contrast, the market was awash with rumours that Russian authorities are planning to increase the volume of imports this year from the current 3.4 million tonnes.

Vegetable Oils: Slide. US soy oil prices slid to a two-month low after the US authorities dashed market hopes of a hefty fall in the South American crop with predictions that output would fall only modestly this year.

Soya for May delivery on the Chicago Board of Trade (CBOT) fell to 4.62 dollars a bushel from 4.75 dollars.

The US agriculture department predicted that the Argentinian harvest would come in at 18.5 million tonnes in 1998/99, compared with 18.7 million tonnes last year. Dealers had been hoping for a reduction of about 500,000 tonnes to lift prices.

On the Rotterdam market, palm oil for May delivery fell by 30 dollars to 490 dollars a tonne.

Groundnut for June was trading at 755 dollars a tonne.

Rapeseed oil was being traded at 400 euros a tonne.

There was no price available for sunflower oil at the time of writing.

Grains: Growth. US wheat prices rose after rainfall on the central US Great Plains delayed sowing of spring wheat.

The market also warmed to official US predictions that the national harvest of winter wheat would total 1.615 billion bushels, which would be well below earlier market forecasts for a crop of 1.646 billion bushels.

Maize rose on the wings of wheat and a similarly subdued assessment of the forthcoming crop.

On the Chicago market, wheat prices rose by 10 cents to 2.63 dollars a bushel (of 27.2 kg. for May delivery).

Maize gained five cents to 2.21 dollars a bushel (of 25.4 kg. for May).

On the London market, wheat prices fell by 50 pence to 77 pounds a tonne (for May delivery).

Cotton: Shrink. Cotton prices fell after a prediction by US authorities that national

stock piles were likely to increase sharply this year.

The US agriculture department predicted that US stocks would rise to their highest level for 10 years at 5.5 million bales by the end of next season.

The authorities also predicted that US production would rise by 4.1 million bales to 18 million bales in 1999/2000.

In addition, the US Senate voted to withdraw export aid to national cotton growers.

Cash prices covered by the Cotton Outlook index fell to 59.80 cents a pound from 59.90 cents.

Wool: Chilled. Australian wool prices fell sharply amid extremely low demand.

Just 77.5 per cent of lots on offer in the Sydney and Melbourne auction houses found buyers.

The Eastern index fell by 20 cents to 5.27 Australian dollars a kilo.

In Britain, the Wooltops index closed unchanged at 308 pence a kg.