

## PM tells JS Govt plans new gas-based urea factory

The government has plan to set up a gas-based Urea Fertilizer Factory in Comilla/Chandpur in the greater Comilla district. Prime Minister Sheikh Hasina yesterday told the Jatiya Sangsad, reports BSS.

Replying to a question from Kazi Shah Mofazzal Hossain (Kaikobad) of Jatiya Party, Sheikh Hasina said Bangladesh Chemical Industries Corporation (BCIC) has formed a committee to make feasibility study to implement the project.

She said that in view of the mentionable reserve of gas in the country the government has plan to set up several fertilizer factories in various parts of the country.

## Dhaka to receive Tk 504.41cr DRG from Tokyo

Bangladesh will receive 12,629,235 million yen equivalent to Tk 504.41 crore from Japan as debt relief grant (DRG) assistance, reports UNB.

An exchange of notes to this effect was signed here yesterday between the two governments, officials said.

**Economic Relations** Division Secretary Dr Masihur Rahman and Japanese Ambassador Yoshikazu Kaneko signed the aid instrument on behalf of their respective governments.

This grant is a support towards meeting the balance of payments and will be utilized for import of various commodities in accordance with the Import Policy of the Bangladesh Government," said an official release.

The imports will include basic raw materials for industries, including chemicals, lubricants, machinery and spare parts, both in private and public sectors.

## Bank holiday on June 27

Bangladesh Bank and all scheduled banks will remain closed on June 27 on the occasion of holy Eid-e-Miladun-nabi, said a press release yesterday, reports UNB.

## Calcutta fair Special space for Bangladeshi product display

The leaders of visiting Bengal National Chamber of Commerce and Industry (BNCCI) Monday informed FBCCI that a special space will be allotted for displaying Bangladeshi products in the India Industrial Trade Fair in Calcutta later this year, says BSS.

They also offered to provide Bangladesh products with a permanent spot to display in Calcutta.

The offer was made when a 3-member BNCCI delegation led by its President Bhasker Sen called Mr Abdul Awal Minto, President, Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) at FBCCI office here.

The cost for maintaining the space is expected to be borne by Bangladesh private sector, a press release said.

Earlier on arrival Minto welcomed the delegation and said there were great possibilities for expansion of trade and investment between the two countries.

The visitors invited Mr. Minto to attend the 13th fair scheduled to begin on December 21.

BNCCI leaders further informed that during the fair a special day for Bangladesh will be arranged when discussion could be held for further promotion of trade and investment in the region.

## Lanka to promote tourist market in Germany

COLOMBO, June 22: Sri Lanka will launch a massive tourist promotion roadshow in Germany next month in a up-market drive to boost tourist arrivals, Tourist Board sources said today, says Xinhua.

The roadshow will be sponsored jointly by Sri Lanka's Tourist Board and the national carrier Air Lanka, the sources said.

Germany is Sri Lanka's largest tourist market with 1,126 arrivals during the first quarter of 1999. Last year tourist arrivals from Germany was 74,058.

The roadshow by boat titled "Sunny Island Ship" will sail through 25 German cities on a converted container ship.

The ship will set off from Berlin in early July and moor in Frankfurt in August in time for the famous "Museumsuferfest", a popular festival by the river. The journey will end on September 22 in Stuttgart.

# Kibria rules out cash subsidy for frozen food sector

Finance Minister Shah AMS Kibria said here yesterday that the government had no plan at present to provide cash incentive to the frozen food exporters.

Talking to BSS on the demand of the Bangladesh Frozen Food Exporters Association (BFFEA) for 15 per cent government cash subsidy on export earnings, the minister said "We have given a lot and it is not mandatory to arrange cash subsidy to all the sectors."

"I have gone out of my way and asked the Bangladesh Bank to arrange special bank facilities for the frozen foods sectors," he said and listed a number of incentives provided during

upgradation of frozen foods industries according to EU standard.

Responding to the finance minister's comment, BFFEA President Kazi Shahnewaz told BSS yesterday that the agro-based export oriented frozen food industries deserve cash subsidy as other sectors like RMG, jute, leather and agro-processing industries get it in the proposed budget.

Justifying their demands, Shahnewaz said the frozen foods industries make 100 per cent value addition. But the major portion of foreign exchange earnings by other sectors was going to other countries for import of raw materials.

"It is not like the other export sectors like garments in which real value addition is only around 10 per cent," BFFEA President said and demanded 15 per cent cash incentives on frozen foods export earnings from July 1997 to June this year to save this sector from ruin.

Frozen foods worth Tk 400 crore have remained stockpiled due to price fall by 30 to 35 per cent in international markets from the beginning of May, he pointed out. There was another setback for the sector in September-October last year when price fell by 40 per cent forcing exporters to stockpile a

huge quantity of frozen foods in Khulna and Chittagong regions. He said cash incentive would be of great help for the survival of the frozen foods industries that incurred huge losses due to price fall, last years' flood, currency devaluation in other exporting countries and EU ban on export.

Shahnewaz said Bangladesh has the potential to boost shrimp production to 1.5 lakh tons from the existing 30,000 tons and earn Tk 5,550 crore annually through intensive farming. The country is now earning foreign currency to the tune of Tk 1,500 crore exporting 30,000 tons of shrimp every year.

## Dioxin in dairy products

# EU accuses Belgium of violating consumer protection rules

BRUSSELS, June 22: Belgium was under attack on several fronts yesterday, as an agricultural protest followed the start of proceedings by the European Commission (EC) against Brussels over its dioxin-tainted food scare, says AFP.

The EC began proceeding against Belgium for violating EU rules on consumer protection and information, a spokesman said.

Commission spokesman Gerry Kieley said Belgian authorities had failed to immediately advise it and member states that traces of dioxin had been detected in human and animal foodstuffs.

Belgium had also failed to comply in full with the EC restrictions decided on June 11 on the sale and distribution of beef, pork and dairy products, he said.

Belgium, represented by the country's new public health minister, Luc van den Bossche, has publicly admitted it failed to inform the EC as soon as the first traces of dioxin were found in poultry and eggs.

But it has argued that the European Union's list of restrictions on Belgian products is too broad.

In Brussels, several thousand protesters from agricultural regions presented a petition with 18,000 signatures to a

representative of King Albert II. The farmers demanded rapid compensation, saying a total of 2.5 billion euros (2.6 billion dollars) had been lost due to bans on Belgian products, which also forced them to destroy huge stocks of food.

Belgian union leader Noel Devich asked the King to act as mediator in the conflict, and to ensure the farmers are reimbursed rapidly.

They blame the government for eroding international confidence in Belgian products.

Voters have already sanctioned the government, which resigned following poor results in the June 13 elections to the European parliament.

"We can't wait for a new government to be formed. We need a commitment for reimbursement before that," Devich said.

A government-appointed mediator, Fred Chaffart, held his first meeting Monday, with priority given to regaining access to export markets for Belgian producers.

He will also consider compensation programmes, for which special funds are being examined, but insists they must conform to European law.

On Tuesday, the EU's veterinary committee is to take up the question of lifting restrictions still in effect against Belgian food.

# Recovering Asian economies urged to embrace new technologies

SINGAPORE, June 22: Asian economies recovering from turmoil were urged today to embrace new technologies to reinforce their competitiveness, as the region's leading communications trade fair opened here, reports AFP.

"The challenge faced by Asian economies is to ensure a sustainable full recovery and to emerge stronger from the crisis," Singapore's Communication and Information Technology Minister Yeo Cheow Tong said.

In this regard, the conver-

gence of information, telecommunications, consumer electronics, broadcasting and multimedia technologies is of great relevance to the long-term growth of Asian economies.

"It opens up a whole new world of opportunities for us to innovate, and to create new products and processes, new applications and services, new markets and industry structures," Yeo told delegates to Commu Asia 99.

East Asian economies were rocked by financial turmoil which erupted in mid-1997 but

are now showing signs of recovery.

Yeo said information and communications technology (ICT) would be the key driver of the so-called "net economy" resulting from a liberalization of telecoms and broadcasting, globalization of trade, and expanding use of the Internet.

Policies and regulatory frameworks should be regularly reviewed to ensure they are relevant in developing industries related to ICT, Yeo added.

The Asia-Pacific Telecommunity, a body coordinating

regional telecom policies, is to meet on the sidelines of the trade fair to begin dialogue on the harmonization of telecom standards.

"With so many technologies and services available, the task of selecting the appropriate one presents challenges and opportunities to operators and regulators," said Jong-Soon Lee, executive director of the group.

Yeo announced the city-state was embarking on a master plan aimed at transforming Singapore into a "dynamic and vibrant global ICT capital," and wants to use ICT as "the key sector of growth in Singapore's economy."

Singapore now relies on manufacturing as the main driver of its economy.

Yeo noted that total revenues from Singapore's information technology industry grew four times from 1991 to 12 billion Singapore dollars (7.0 billion US) in 1998.

The ICT masterplan would encompass building capabilities in technology, innovation, mass customization, manpower and infrastructure development and entrepreneurship.

Singapore has implemented a series of telecom and IT liberalization policies and is setting up a nationwide broadband infrastructure for interactive multimedia applications in its bid to become a regional hub and an international player in these industries.

Yeo also announced Tuesday that Singapore was liberalizing licensing rules for Internet exchange services.

The move would boost Singapore's attractiveness as a portal for high-speed access to the global Internet backbone. Asian Internet service providers will have more means to interconnect via Singapore.

Internet exchanges are physical interconnection sites for service providers to access the Internet backbone.

# Dhaka Int'l Sea Food Fair begins Friday

A two-day Dhaka International Sea Food Fair '99, first of its kind in the country, begins on June 25 to expand the present Tk. 1500 crore annual sea food export market, says BSS.

Prime Minister Sheikh Hasina is expected to inaugurate the fair at hotel Sonargaon while Finance Minister Shah AMS Kibria, Commerce and Industries Minister Tofail Ahmed and Fisheries and Livestock Minister ASM Abdul Rob will attend as the special guests.

Commerce Secretary Sayed Alamgir Farouk Chowdhury, FBCCI President Abdul Awal Minto, Bangladesh Frozen Foods Exporters' Association

(BFFEA) President Kazi Shahnewaz and Vice Chairman of Export Promotion Bureau (EPB) AB Chowdhury will also address the inaugural session of the fair jointly organized by BFFEA and EPB.

Talking to BSS, BFFEA President said 35 firms including two from India and one from UK would set up stalls at hotel Sonargaon food fair venue. Around 20 buyers, especially from Japan, UK, USA, Germany and India are expected to participate in the fair.

Shahnewaz hoped that the sea food fair would draw attention of international buyers and acquainted them with the

standard and quality being maintained by Bangladeshi seafood processors.

The BFFEA President said Bangladesh has the potentials to boost the production of shrimps to 1.5 lakh tons from the existing 30,000 tons and can earn Tk. 550 crore annually through intensive farming.

"But we need government assistance and cooperation to boost production and export," the BFFEA President said and demanded 15 per cent cash incentive on the export earning from June 1997 to June this year to save the frozen food sector from the crises of price fall twice in the international market.



Investors crowd together as they monitor prices Tuesday at a securities firm in Kuala Lumpur. The Kuala Lumpur Composite Index hit a record high of 800.36 points since the recession affected Malaysia's economy in late 1997 but finished at 793.43 points.

— AFP photo

## Roundtable on FY 2000 budget

# Taxes on raw materials to weigh heavy on SMEs

Star Business Report

Speakers at a roundtable on Monday last observed that the proposed budget for the next fiscal had failed to give due importance to the country's small and medium enterprises (SMEs).

They said that imposition of the proposed new taxes on raw materials was likely to weigh heavily on the health of SMEs.

The roundtable, discussion on the 'Implication of the FY 2000 Budget on SMEs in Bangladesh' organised by JOBS was held at the CIRDP auditorium in city.

In a resolution, the speakers demanded that tax-free turnover ceiling be increased to Tk 30 lakh from the existing Tk 15 lakh.

Presided over by the president of JOBS Dr Zia U Ahmed, the discussion was addressed, among others by Abul Kalam Azad, a ruling party MP, Md Khalequzzaman, an Opposition MP, AKM Shamsuddoha, Presi-

dent of the National Association for Small and Cottage Industries of Bangladesh (NASCI), Forrest E Cookson, President of American Chamber of Commerce and Industries, ASM Kamal Uddin and Manzur Ahmed, Director of the Federation of Bangladesh Chamber of Commerce and Industries (FBCCI), Ainul Haq Chowdhury and Habbibur Rahman, former presidents of NASCI, Imtiaz Uddin, a teacher of Economics at Dhaka University and Aftab ul Islam, President of Bangladesh Computer Society (BCS).

AKM Shamsuddoha said that no steps were taken to boost small and cottage industries and urged the government to provide adequate bank loans for the survival of the SMEs.

FBCCI Director ASM Kamaluddin said that the new taxes on raw materials of plastic industries would increase prices of plastic products.

## Thai govt may relax foreign labour ban

BANGKOK, June 22: The Thai government may relax its policy on expelling foreign workers for industries facing a labour shortage, says AP.

Deputy Prime Minister Korn Dabbaransi, chairman of a sub-committee looking into the issue of expelling workers, said late Monday that the government will allow foreigners to take jobs that Thais don't want.

Korn said that provincial governors would have to report to the government which industries Thais really don't want to work for and would face a serious labour shortage without foreign workers.

The government will exempt those industries from a ban on employing foreign workers once the government establishes that no Thais want to work in those industries," Korn said.

## Rules posted for anti-tobacco ad campaign

NEW YORK, June 22: The foundation formed by the state attorneys general to oversee anti-tobacco advertising posted its rules today for advertising agencies seeking to bid for the work, which could be worth as much as \$250 million in the first year and \$300 million annually in ensuing years, reports Reuters.

The Master Settlement Agreement National Foundation put its request for bids on its Web site (http://www.anti-tobaccorfp.org) on the Internet.

In a requirement that would exclude smaller shops from bidding for the account on their own, it said ad agencies, and their partners handling media buying, must already have at least \$500 million in annual billings.

The requirement is expected to encourage smaller shops to align with partners in order to bid.

The foundation also said it would exclude any agencies that have done work that would represent a conflict of interest, such as ads for a tobacco company, since January 1, 1997.



A Thai couple walk past local clothes put on a sale display Tuesday in Bangkok street. Thailand's economy showed strong signs of export and manufacturing growth in May but still remains in the recovery phase, officials said. Provisional indicators for May showed manufacturing output grew six percent year-on-year, while export shot up 8.43 percent.

— AFP photo

# World is better prepared for Y2K glitch: US

NEW YORK, June 22: Venezuela is consulting with psychologists and psychiatrists on how to explain to the public what might happen with the Year 2000 computer bug.

The Philippines wants to bring the bug to the dinner table as a conversation topic. And countries in sub-Saharan Africa are worried about finding enough experts to get rid of the bug, says AP.

John Koskinen, head of president Bill Clinton's Council on Year 2000 Conversion, says he's delighted the world is finally focusing on Y2K problems and cooperating in trying to solve them.

Six months after the first global conference on the millennium bug, experts from over 170 countries will meet Tuesday

at the United Nations to assess progress in dealing with Year 2000 problems and preparations for coping with possible computer glitches.

"My sense is there has been a sea change in the preparedness of the world in the last six months since we pulled everyone together for the first time in December," Koskinen told reporters during a news press conference Monday.

"Nobody is saying this isn't a problem. So what we now have, I think, is a race to the finish line," he said.

The year 2000 problem — also called Y2K and the millennium bug — occurs because some computer programmes, especially older ones, might fail when the date changes to 2000. Because they were written to recognize only the last two

digits of a year, such programs could read the digits "00" as 1900 instead of 2000.

"Clearly, I think developing countries are going to have more problems than developed countries, but when the dust settles... it wouldn't surprise me to find that we have more failures in developed countries because we have far more systems," Koskinen said.

The United States is probably spending \$100 to \$150 billion to cope with the millennium bug, he said, but "percentage wise, even if we have a very infinitesimal number of failures, it's likely to be more failures than Gambia will have."

At Monday's press conference, Y2K coordinators from Europe, Asia, the Americas and Australia provided a glimpse of

some of the problems and challenges they face.

Mario Tagarinski said the 29 countries in East and Central Europe and Central Asia which he is responsible need independent assessments of their Y2K problems — and help to fix them. One country, Yugoslavia, hasn't even been heard from on the millennium bug issue, he said.

Asked whether media reports that there would be a variety of failures and meltdowns in the region were fair, Tagarinski replied to laughter: "Yeah maybe."

At the other end of the spectrum, Venezuela has invested \$200 million to ensure oil is delivered on time and the country's Y2K oil expert, Ivan Crespo, said all critical compo-

nents in the oil industry will be fixed by July 31.

But Venezuela's national coordinator, Hugo Castellanos, the government doesn't know how to communicate with the people about the Y2K problem.

"We don't know how to explain to the large population now what is going to happen, because we don't know what's going to happen really," he said. "We are talking to psychologists, psychiatrists in order to know how to reach the people in the right manner."

Amable Aguiluz of The Philippines, the East Asia and Pacific regional coordinator, said the media was crucial in raising awareness of the millennium bug.

"Our ultimate objective is to bring Y2K to the dinner table of

every Filipino," he said. "If the media would look at this as something that should be brought to the dinner table of everyone in the Asian region, that would be ... a great achievement."

But Aguiluz said he was concerned that some groups might take advantage of the computer problem.

Some religious groups have made announcements to their flocks that they will be willing to take care of people's money, Aguiluz said.

Baba Mustafa Marong, the Sub-Saharan Africa coordinator, said his region not only needs more computer experts but is concerned about small and medium enterprises, where you don't know the extent of their exposure to the Y2K bug.