

SANYO
Japan
Dry Battery

Transfin Trading Ltd.
Tel: 815307-10, Fax: 813062

The Daily Star BUSINESS

DHAKA, SATURDAY, JULY 24, 1999

National Housing Finance & Investments Ltd.
Home Mortgage Loans available for:
Construction of houses
Purchase of houses or apartments
Renovation or extensions to existing properties
Purchase of housing plots in approved land developments
Telephone inquiries are welcome
Chamber Building (6th Fl.), 122-124 Motiheel, Dhaka-1000
Telephone: 955 9311-2, 955 3387, 955 3254 Fax: 956 8987

WB approves aid package for eco-friendly shrimp culture

As environmentalists and policy makers cast a stern eye at one of Bangladesh's major export earners, shrimp, the World Bank has approved a package of assistance for boosting 'environment-friendly' fish and shrimp production in the country, report BSS.

"Unplanned development of shrimp culture has had negative environmental impacts in terms of water quality, disease, mangrove deforestation, and the degradation of agricultural lands," a Bank statement in city yesterday said announcing the approval of the assistance for the country's Fourth Fisheries Project.

It said the assistance was aimed at redressing some of the environmental and social problems being faced by the rapidly-growing shrimp farming, which has been categorised in the 'yellow' group under Bangladesh's 1997 environment protection law. The Bank's lending affiliate IDA would provide 28 million dollars credit, while another five million dollars would come as grant under its Global Environment Facility Programme.

The government earlier this month announced that a shrimp policy was being formulated to control unplanned expansion of shrimp farming to protect agriculture and environment and ensure social peace in view of the growing concern and protests from scientists, social scientists and local people.

The contribution of shrimp culture, which has rapidly grown since the early 1980s in southern Bangladesh, is a major source of export earnings. Despite a little setback due to last year's devastating floods, shrimp earned Bangladesh about 200 million taka (four

million dollars) during the 1998-1999 fiscal year.

But Forest and Environment Minister Syeda Sajeda Chowdhury echoed the concern at a workshop earlier this month that the price Bangladesh was paying "for the indiscriminate shrimp culture, ignoring its adverse impact on nature, is affecting the profitability of the industry."

"Despite its contribution to the economy, shrimp farming was systematically harming public health, soil fertility, livestock, fresh water fisheries and the mangrove forests because of the increase in salinity," she told a workshop in Dhaka earlier this month.

Scientists say that leaching of salt, an essential ingredient for shrimp culture and indiscriminate use of chemicals for the farming was the major damaging factor which is causing reduced crop yields and the size of fresh water bodies and grazing areas and growth of trees and forests. They also allege that the salinity also affect ground water and pollute drinking water in vicinity.

Nearly 200 billion different fish fry are destroyed while gathering two billion shrimp fry from natural water bodies due to the crude method adopted, a fisheries department official said.

Prof. Aminul Islam of the Agriculture University said the loss of bio-diversity would ultimately cause harm to shrimp cultivation itself. He suggested selecting appropriate land for shrimp culture without affecting crop lands.

Dr M A Sattar of Bangladesh Institute of Nuclear Agriculture said 50 per cent of land, which is suitable for shrimp culture still remained unused, while

"we are allowing the destruction of fertile paddy lands which is nothing but exploitation in the name of earning foreign currency."

"Planned systems could promote both shrimp and paddy cultivation," he said.

Social scientists also blame the unplanned expansion of shrimp culture for social problems such as violent clashes between entrepreneurs and residents.

"Areas traditionally used by the community are turning to be private properties of the tycoons and thus the landless and marginal peasants, with their right on resources increasingly shrinking, face an unbearable life," said Mesbah Kamal, Professor of History Department, Dhaka University.

Researcher Dr M A Gaffar said: "Lured by the very attractive rate of return" some entrepreneurs from urban areas took lease on lands or forcibly occupied them from farmers and set up shrimp farms. In many cases, the lease money was not paid, resulting in violent conflicts between the entrepreneurs and local residents.

Achnita Biswas, a school teacher in Khulna, said many local farmers were forced to cultivate shrimp against their will because of the land degradation caused by its cultivation in neighbouring plots.

Union Parishad chairman Abdur Rashid alleged that "murders and rape are not uncommon phenomenon in the region" because of the resultant social conflicts. He also alleged that indiscriminate expansion of shrimp lands were silting up rivers and destroying several valuable fish species.

Renowned economist Prof. Anisur Rahman said some peo-

ple were making "abnormal profits" on shrimp culture due to "imperfect market."

"We must look at how the profit-making process is affecting the poorest there and they must be compensated for the sake of social justice," he said and suggested introduction of a "community tax" on the entrepreneurs for sharing "development benefits." The World Bank said that its programme under the government's Fourth Fisheries Policy would encourage adoption of alternative shrimp fry harvesting systems to reduce wastage and inadvertent impacts on non-target species.

"The project will undertake a full-feasibility study that will cover engineering, aquaculture, socio-economic and community organisational aspects, incorporate the results of consultations with local communities and examine environmental and economic feasibility of proposed interventions," the WB statement said.

Fisheries Minister A S M Abdur Rob admitted that shrimp farming had led to some social and environmental problems due to lack of planning and "aggressive attitude" of some entrepreneurs which have prompted the government to formulate a shrimp policy.

He said that the proposed policy was aimed at restoring social peace and saving croplands, prohibiting indiscriminate use of chemicals and introducing saline-resistant rice varieties.

"Neither can we threaten our future for our present happiness nor should we give up the current benefits for an unknown danger. We have to make a balance through efficient planning," he added.



A picture taken Thursday of Russian cigarettes "Prima-nostalgia", carrying the portraits of Lenin and Stalin on the boxes, which were introduced on the Ukrainian market on the day. The box of filter cigarettes, popular in the Soviet-era, costs 0.6 hryvnia (0.15 US dollars). —AFP photo

BGWF seminar calls for safety of working women

Speakers at a discussion in city have emphasised the formation of a national steering committee to look into the problems of the working women, reports UNB.

"The security and safety of working women in Bangladesh is at stake and is getting worse day by day," they said at a seminar on "Measures necessary for ensuring security and safety of working women in Bangladesh" at Jatiya Press Club in the city yesterday.

Bangladesh Garments Workers Federation (BGWF) organised the seminar while Secretary General of Rural Development and Welfare Society presented the keynote paper.

The speakers said among the working women the situation of those working in garments and other related factories are worse than those working in government offices and non-government organisations.

Jatiya Samik Party leader Shah Mohammad Abu Jafar, NCCI president Bazul Rahman, Chairman of Labour Standing Committee of BGMEA Md Giasuddin Khan, President of Karmajibi Nari Ms Shirin Akhter and BGWF president Khurshid Alam took part in the discussion.

NSU business creation course participants get certificates

State Minister for Youth and Sports Obaidul Quader gave away certificates Thursday among the participants of the New Business Creation course organised by Professional Development Programme (PDP) of North South University (NSU).

The course was offered in collaboration with German Technical Cooperation (GTZ), says a press release.

The state minister said that this programme would help develop and enhance personal and entrepreneurial competencies of the educated unemployed youths of the country.

"We don't want to give them a fish, rather we want to equip them with the techniques of how to catch a fish," he said.

The minister also declared Taka fifty thousand as grant for NSU Sports Club.

MA Kashem, Chairman, Board of Governors, North South University Foundation, said that proper education was a must to overcome the backwardness of the country's economy.

Professor M Shamsul Haque, Acting Treasurer, said that the NSU School of Business was committed to produce skilled managers as well as entrepreneurs with the knowledge and skills that 21st century demands.

Dr ANM Meshquut Uddin, Director, BBA Programme, gave vote of thanks while Quazi Mahmud Ahmed, Assistant Director of PDP, conducted the programme.

Iraq set to break through oil export ceiling: UN

UNITED NATIONS, July 23: Iraq is set for the first time to break through the six-monthly oil export ceiling fixed by the UN Security Council under a humanitarian programme, a senior UN official said yesterday, reports AFP.

Benon Sevan, who is in charge of implementing the oil-for-food programme, told the council that "thanks to the rise in oil prices, we may be able to achieve for the first time the revenue target ... and in fact go beyond the 5.2 billion dollars."

In the Security Council, France and Russia are pressing the United States to make good on a promise to ensure that the oil-for-food deal, which has been in force since December

1996, will continue uninterrupted if Iraq breaks through the ceiling.

The oil profits enable sanctions-hit Iraq to import badly needed food and medicine under the UN-supervised scheme. The current six-month phase of the oil-for-food programme began in May.

According to copies of his written remarks released here, Sevan told the council that the oil market "continues to be volatile" and that each change in price by 10 cents per barrel meant a fluctuation of about 25 million dollars in the oil-for-food programme revenues.

During the closed-door briefing, Sevan also expressed concern that suppliers were send-

ing defective equipment to Iraq.

He said that during a recent visit to Iraq, he wanted to find out why Iraq warehouses were stocked with medical and humanitarian goods that were not being distributed to the people.

"A major problem being faced by the government is regarding supplies and equipment which on arrival are found to be defective or do not meet quality control standards," he said.

He added that goods which required complementary equipment were not matched, and that some "essential complementary items" had been placed on hold by the UN sanctions committee.

US backs IMF gold sale but seeks new options

WASHINGTON, July 23: The United States backed a hotly contested plan to sell International Monetary Fund gold to pay for debt relief on Thursday, but promised to step up the search for a market-friendly alternative, reports Reuters.

A Treasury official, reacting to complaints from lawmakers opposed to the planned IMF gold sales, said Washington was "trying to find a way of using IMF gold without damaging prices or upsetting either other IMF member states or the US Congress, which has the power to block the sales."

"We are exploring whether there are alternative ways of mobilising IMF gold reserves

that would avoid any impact on the gold market and would be acceptable to the IMF's membership would command the support of the Congress and would mobilise adequate financing for the poorest countries," the officials told reporters.

"At this point however, the proposal to sell IMF gold is the only viable option that has broad international support."

The United States wants Congress to rubber-stamp a plan to sell some 10 million ounces of IMF gold to fund a programme of debt relief for poor countries with a strong track record on IMF sponsored economic reforms.

Fear of IMF sales, coupled with Britain's decision to sell a large part of its own reserves, has depressing the gold market, says prices recently tumbled to 20-year lows. Gold traded at \$256.70 per ounce in New York on Thursday.

The sale of IMF gold — to central banks or on a nervous open market — would raise some \$2.6 billion at current prices. The IMF would invest the money and use the interest to pay for debt relief.

But the proposal has prompted fierce opposition from lawmakers who fear IMF gold sales will depress the price and hurt the very countries it is designed to help.

IBBL training courses end

The closing ceremony of the two training courses on "Foreign Exchange and Foreign Trade" and "Foundation Course" for the officers of Islamic Bank Bangladesh Limited was held Thursday at the auditorium of Islamic Bank Training and Research Academy (IBTRA), says a press release.

Shah Abdul Hannan, Director of the bank, attended the function as the chief guest.

Earlier, the closing ceremony of the training course on "Islamic ideology, courtesy and customer service" for sub-staff of the bank was held.

Both the functions were presided over by ASM Fakhrul Ahsan, Director General of IBTRA.



State Minister for Youth and Sports Obaidul Quader gives away certificates among the participant's of the New Business Creation course of Professional Development Programme of North South University Thursday. — NSU photo.

Belgium hit by new food scare

BRUSSELS, July 23: Belgian farmers were today facing a new crisis following reports that toxins up to 50 times the permitted level had been found at big farms across the country, reports AFP.

High levels of polychlorinated biphenyls (PCBs), a known carcinogen, were found at 70 pig farms, according to a report published Friday by the daily De Morgen.

Belgian Health Minister Magda Alvoet dubbed the situation "very serious". She told the RTBF radio station that several of the farms had been barred from selling their products.

The source of the PCBs was not immediately clear. The farms had not bought contaminated animal feed from companies cited in an earlier dioxin-in-food scare, the report said.

Agriculture Minister Jaak Gabriels said several hundred pork farms could be added to the list of 800 where the sale of produce has been banned following the dioxin scare.

Eight companies are suspected of supplying feed contaminated with cancer-causing dioxin to Belgian farms in January this year.

Call for making headship an elective job Straits Times wants WTO to junk consensus style

SINGAPORE, July 23: The World Trade Organisation (WTO) should junk the consensus style of choosing a leader in favour of elections after a face-off between Thailand and New Zealand nearly paralysed the group, a Singapore daily said today, reports AFP.

"There is no reason whatsoever now to retain consensus for choosing the director-general. It is unwieldy and it has caused bad blood among members," said an editorial in the Straits Times, believed to reflect the government's views.

The headship should be made an elective job after Dr. Supachai completes the other half of the split term in 2005," it added.

A three-month stalemate ended Tuesday after the WTO appointed rival candidates to consecutive terms as its director-general.

Under a hard-fought compromise, the WTO's 134-member general council agreed that former New Zealand prime minister Mike Moore and Thai Vice Premier Supachai Panichpakdi would serve successive three-year terms.

"Neither man can feel like a winner," the daily said. "If these proceedings had been crude, shoddy and a bit shady, blame it on the system. Neither man can feel like a winner. The WTO's proudly advertised consensus principle... has been exposed as a myth."

The weakness very nearly paralysed it in only its fifth year of existence," it said. If elections are held in the future, there may still be blocs within the WTO supporting certain candidates, but no time would be lost in the WTO's work.

"Second, the WTO's interests and credibility would not be

sabotaged by a pliant chairman of the General Council," the daily said, referring to Ali Mchumo of Tanzania, who "adjudicated in a manner which gave impartiality a bad name" and had asked Supachai to step aside in favour of Moore.

It added Moore would face the tough task of proving "he is not beholden to the US and most of the European Union for having helped him to the job."

Moore's candidacy was backed by the US and the European Union, while Supachai was backed by the Southeast Asian nations and Japan.

The organisation's ability to act as a sort of court to settle trade disputes between nations is its most important function, especially as smaller states can take on bigger powers, such as the United States, on an equal footing.

US House okays massive tax cut despite Clinton's veto threat

WASHINGTON, July 23: The US House of Representatives narrowly passed a \$792 billion tax cut on yesterday, a win for Republicans who have staked their political future on a massive bill they know will never become law, reports Reuters.

The measure, which President Bill Clinton pledged to veto, would slash income and capital-gains tax rates for individuals and businesses over 10 years.

It was rolled out a week ago by the Republican leadership as the centrepiece of the party's legislative agenda and promises the most sweeping tax cut since 1981, when Ronald Reagan was president.

The House approved the bill by a vote of 223-to-208. Six Democrats joined the Republican majority to pass the bill. Four Republicans sided with Democrats against it. The Senate is expected to vote next week on a competing tax bill. The House and Senate must then work out the differences.

The House-approved plan would gradually reduce all five income tax rates by 10 per cent. A family with taxable income of \$55,700 would get a tax break of about \$1,000. A single person earning \$25,000 would get \$380 back.

Democratic leaders and the White House vehemently opposed the House bill. They ac-

cused Republicans of offering huge tax breaks to businesses and investors at the expense of the poor and middle class and said the bill was so costly it would put the US economy in jeopardy.

"Your bill is what we call in Harlem a trip to nowhere," said New York Representative Charles Rangel, the top Democrat on the House Ways and Means Committee. "What you want is a veto from President Clinton."

Strategists said Republicans could use a presidential veto to rally voters in 2000 against Vice President Al Gore, the Democratic front-runner. Some lawmakers saw the

bill as an opening gambit by Republicans, which would be scaled back to between \$400 billion and \$500 billion later this year as part of a compromise with the White House.

"We're going to come to some kind of a meeting; I'm not sure exactly what that number will be," House Speaker Dennis Hastert of Illinois said at a campaign-style victory rally.

The White House said Clinton was unwilling to accept any tax cut greater than \$300 billion over 10 years.

Uniting Republican factions behind the \$792 billion tax cut proved a monumental challenge for Hastert and other congressional leaders.

US posts \$53.57b budget surplus in June

WASHINGTON, July 23: The federal government recorded a budget surplus in June that partly reflects the flow of money into the US Treasury from quarterly corporate income tax payments, says AP.

The Treasury Department said Thursday that the budget surplus last month totalled \$53.57 billion, up slightly from the \$51.11 billion surplus recorded in June 1998.

Corporate tax payments totalled \$39.26 billion in June, and individual income tax receipts totalled \$92.99 billion.

For the first nine months of fiscal 1999, which began Oct 1, 1998, the government surplus totalled \$94.28 billion, up from \$67.07 billion for the same period last year.

APEC nations must help themselves: Japan

TOKYO, July 23: Asia-Pacific economies must try to help themselves, Japanese Foreign Minister Masahiko Komura said today, warning against over-reliance on the Asia-Pacific Economic Cooperation (APEC) organisation, reports AFP.

"It is not realistic to expect everything from APEC," Komura told an APEC forum here also attended by New Zealand Prime Minister Jenny Shipley.

APEC is not a panacea. For the prosperity of the region, each of us needs to propose various kinds of ideas," the foreign minister said.

And he raised questions over APEC's role in handling re-

gional economic crises. "It is still unknown whether APEC provided an effective prescription against the economic crisis," he said. "Full discussion will be needed about which crisis-precaution measures each country should take."

Shipley meanwhile said New Zealand — current chair of the 21-member APEC which holds its summit in Auckland from September 12 to 13 — would try to steer the group down the twin tracks of open trade and financial stability.

"One of New Zealand's goals this year, as chair of APEC, is to expand opportunities for people to do business in the region," Shipley told the APEC confer-

ence.

"This means, of course, opening markets and keeping them open, as well as reducing barriers to trade and investment within and between our economies," said the visiting premier, who arrived here Thursday for a two-day visit.

Shipley said Japan's support for a new round of multilateral trade talks at the World Trade Organisation — due to be launched late this year — was "crucial" to keeping global trade open and dynamic.

APEC ministers, who met in Auckland last month, had called for the launch of new broad-based talks to liberalise global trade.



A salesclerk of Kumazawa Brewery presents beer packed in watermelon-shaped cases at Takashimaya department store in Tokyo on Friday. The container made of styrene foam is a cold-retaining case that can be used repeatedly. The department store started sales of the beer for the hot summer after the Meteorological Agency announced rainy season was over in Tokyo area. —AFP photo