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BUSINESS

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THE PAN PACIFIC SONARGAON, Dhaka

'Plants have standards similar to those in US'

Faulty shrimp handling costs Bangladesh Tk 200cr a yr

Star Business Report

Experts at a press conference yesterday recognised that Bangladeshi shrimp processing plants have standards similar to those in the USA, but the exporters here are not getting better prices because of the inappropriate handling and processing methods.

Bangladeshi shrimps are supposed to be qualitatively the best in the world, but the exporters here get prices lower by around 20 per cent than the other major exporting countries. The country's image problem also bring down shrimp prices in the international markets.

As a result, every year the country misses around Tk 150 to Tk 200 crore in foreign exchanges.

The press conference, held at the National Press Club, was organised by the Agro-based Industries and Technology Development Project (ATDP) of IFDC, a USAID-supported project of the Ministry of Agriculture, to award certificates of Hazard Analysis and Critical Control Points (HACCP) audit performance to 19 local shrimp factories.

Dr Ronald P. Black, ATDP Chief of Party, consultants Palmi Ingvarsson and James P. Ostergard, advisers Dr Mahmudul Karim and Irshadul Haq, owners and representatives of 19 shrimp factories and officials of the Department of Fisheries (DOF) and Export Promotion Bureau (EPB) attended the press conference.

Speaking at the function, Dr Ronald P. Black said shrimp production is one of the major potential sectors of Bangladesh and ATDP is playing an active role to boost its potentials.

James P. Ostergard, an internationally-reputed expert on FDA-HACCP, mentioned that the consumers were willing to pay extra money for quality products.

"Before coming here, I never brought any imported shrimp. But now I will not hesitate in buying shrimps imported from Bangladesh," he said.

Palmi Ingvarsson observed that shrimp processing is a very viable industry for Bangladesh, but the products are not properly handled during and post-harvest period. The fact that the

cultivators handle shrimps in the traditional method, may not always ensure good quality, he added.

Describing his field-level experience, he said: "Shrimps are not handled with care and if we neglect quality, consumers won't buy them."

Azizur Rahman, Joint Secretary of the Bangladesh Frozen Food Exporters Association (BFFEA) and Director of Bangladesh Seafood Industries Ltd, said the association plans to set up a company abroad to boost export of value-added shrimp products to USA and Europe.

"A consultant is due next month to provide training on value-added shrimp products in our processing plants," he said.

ATDP adviser Dr Mahmudul Karim said that Bangladesh could produce a huge quantity of shrimps through proper management of the water resources.

"The country exports shrimps as a raw material, but most other shrimp producing countries export the same after adding value to it, which fetches higher prices," he said, observ-

ing that the country lacked both expertise and facilities for value addition.

ATDP sponsored a 19-member BFFEA team's visit to USA, Canada, Japan, Singapore and Thailand. The visit helped them boost image of Bangladesh's shrimp products, acquire knowledge of new value-added products, establish direct contacts with potential buyers and expand export market, Karim said.

AKM Nizamul Alam, Director of EPB, said that the country could earn more foreign exchange if some pragmatic measures were taken relating to the development of the sector.

Though volume of shrimp export increased by around eight per cent in the last fiscal year, export earnings from the sector were little less than the target as prices in the global market declined significantly, he added.

"We have to apply a very integrated approach to develop the sector," he said, emphasising the production of more value-added products. "The quality of products needs to be upgraded."

Second Standard Bank branch opens in Ctg

CHITTAGONG, Aug 11: Labour and Employment Minister M A Mannan yesterday said the government has successfully identified the main national problems and taken effective steps to solve those, reports BSS.

Mannan said this while inaugurating the second branch of the Standard Bank as the chief guest at Khatunganj here.

Presided over by Managing Director of the bank, Farid Uddin Ahmed, the function was also addressed by Civil Aviation, Tourism and Works Minister Engineer Mosharraf Hossain and Chittagong City Corporation Mayor ABM Mahiuddin Chowdhury as special guests and chairman of the bank Kazi Akram Uddin Ahmed.

The Labour and Employment Minister said that the present government during its over three years of rule removed and cleared the debris that were accumulated in the 21 years by the post-1975 rulers.

Chairman of Asian Re-Insurance Corporation

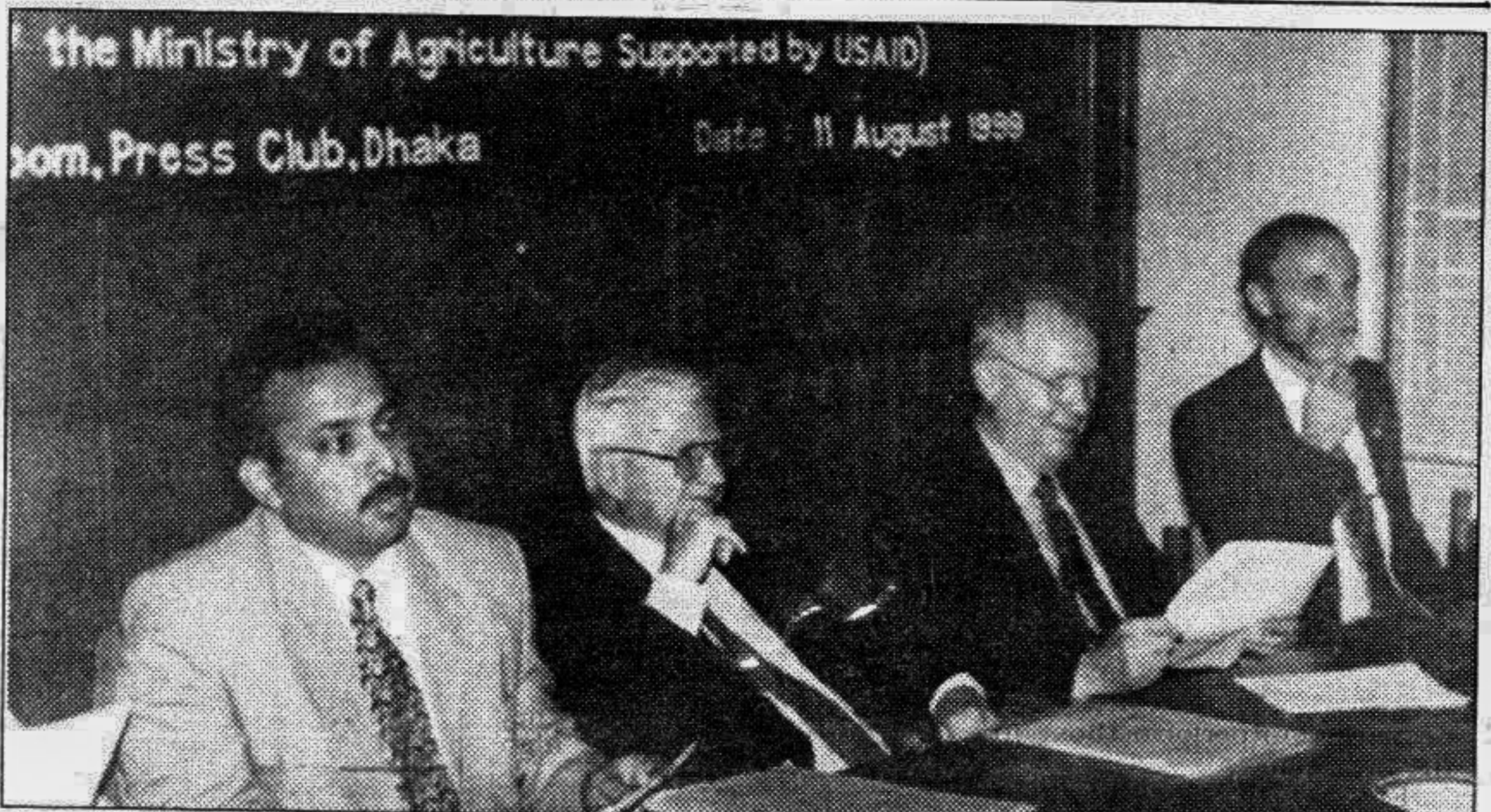


M. Lutfar Rahman, Managing Director of Sadharan Bima Corporation (SBC), has been elected Chairman of Asian Re-Insurance Corporation, says a press release.

The election was held at the 22nd council meeting of the Asian Re-Insurance Corporation in Bangkok on the 6th and 7th of August.

A Multinational re-insurance organisation, Asian Re-Insurance Corporation, was established on January 1, 1980 with its head office in Bangkok. On behalf of Bangladesh government, Sadharan Bima Corporation is one of the founder member of this organisation.

The other member countries are China, South Korea, India, Iran, Philippines, Sri Lanka, Thailand, Afghanistan and Bhutan.



Joint Secretary of the Bangladesh Frozen Food Exporters Association (BFFEA) Azizur Rahman and ATDP Chief of Party Dr Ronald P. Black, consultants Palmi Ingvarsson and James P. Ostergard at a press conference at the Jatiya Press Club yesterday. — Star photo

IT industry growth tumbles on orthodox telecom system

Contrary to the National Telecommunication Policy 1998, the country's telecom system still remains highly protected and regulated, hindering normal growth of the information technology (IT) industry, which has been declared by the government as thrust sector, reports UNB.

To identify the problems of the IT industry and take appropriate steps for creating a conducive environment for the sector to grow unhindered, the Telecommunication Ministry has arranged a meeting today (Thursday) with business leaders, including the IT industry's top brass.

According to ministry sources, the meeting would discuss various problems faced by the industry due to the regulatory role of the Bangladesh Telegraph & Telephone Board (BT&T).

The meeting will discuss the recommendations of the Bangladesh Computer Society and the Internet Providers Association (ISPA) regarding the problems they are facing because of the existing telecommunication system of the country.

The recommendations were earlier submitted to the telecommunication minister through the Federation of

Bangladesh Chambers of Commerce and Industry (FBCCI), the apex trade body of the country.

Acknowledging that BT&T's present role was against the spirit of the government, which declared the IT industry as a thrust sector, an official of the Telecommunication Ministry said BT&T's dual role as an operator and a regulator is making the situation worse.

"It is contradictory to the provisions of the National Telecommunications Policy 1998," he added.

In the present situation, internet service providers, value-added network providers, software developers and exporters are yet to be allowed to freely choose Internet connections from operators in the data communication industry. There are also restrictions on using necessary equipment.

At present, all VSAT connections are taken through BT&T who charge exorbitant rates.

A 64 KBPS VSAT link costs at over US\$8,000 per month through BT&T, whereas on a free competitive basis such links are available for less than US\$3,000 per month from any satellite operators of the world.

Purchase of VSAT terminal equipment is also controlled by

BT&T, causing enormous losses to VSAT-users.

The IT industry businessmen demanded opening up the satellite communications sector for the private sector, as it will not cause any loss to the state since BT&T does not have any investment in the satellite communications infrastructure except the earth stations built to carry international voice traffic.

As speed is essential for software companies to carry out their exports, they demand high-speed links (fractional/multiple T1/E1) to software companies and adequate telephone lines to ISPs immediately at non-discriminatory market prices on a priority basis.

Additionally, discriminatory charges and actions, such as high minimum monthly bills, irrespective of all outgoing usage, should not be implemented as the phone lines used by these businesses generate huge additional revenue for BT&T through incoming calls," they demanded.

Talking to UNB, a IT businessman said since Bangladesh lacks many of the facilities available in India, the foreign investors would naturally prefer Indian ISPs and the Indian markets.

Dhaka to receive \$40.2m debt relief grant from Tokyo

Bangladesh will receive debt relief grant assistance (DRGA) from Japan to the tune of US\$40.2 million, equivalent to Tk 198 crore, reports UNB.

Japan, the major donor country of Bangladesh, will provide the 4,823,606 DRGA yen under an exchange of note signed between the two governments in Dhaka yesterday.

The second tranche of the 22nd DRGA comes as a support towards meeting the balance of payments and would be utilised for import of various commodities in accordance with Bangladesh's import policy.

The commodities, particularly basic raw materials for industries like included chemicals, lubricants, machinery and spare parts, will be imported both in the private and public sectors. The source of procurement is unites.

Economic Relations Division Secretary Dr Mashur Rahman and Japanese Ambassador in Bangladesh Yoshiyuki Kaneko signed the exchange of notes on behalf of their respective sides.

Computer glitch WB keeps some workers waiting for wages

WASHINGTON, Aug 11: A computer glitch has put some of the World Bank's employees in the same position as millions of Russians — they have not been paid, reports Reuters.

In a parallel to the situation facing one of its biggest borrowers, Bank officials said on Tuesday some 200 short-term contract workers had not received paychecks this summer. But they said the problems, caused after the Bank switched accounting systems, would be resolved this week.

"Out of 22,000 payments that have been processed, there were delays to 200 of them," one official said. "Most of these 200 have been cleared up and the balance of them will be within the week."

Bank workers who had not been paid included summer interns and other contract staff. "It's the people who can least afford not to get paid," the official said.

Wage delays have long been a pressing economic problem for millions of workers and pensioners in Russia and other former Soviet republics. Workers receive their pay months late, if at all, and successions of governments have been unable to resolve the problem.

Global trade issues ICCB, Turkey for common D-8 strategy

The D-8 countries can work out a common strategy on various WTO issues of concern to the developing and Least Developed Countries (LDCs) before the Third Ministerial Conference of the global trade body due to take place in Seattle, USA later this year.

This was observed by Mahbubur Rahman, President of the International Chamber of Commerce (ICC)— Bangladesh, during a meeting with the Turkish Ambassador to Bangladesh Erdinc Ulumlu in the city yesterday, says a press release.

The ICC Bangladesh President mentioned that the problems faced by the developing countries as well as the LDCs including the D-8 economies with respect to their market access and differential treatment are in many cases similar and therefore, if a common strategy can be sketched by the D-8 member countries as that of SAARC, it can be highlighted from a common stand at the Seattle meeting.

Reciprocating the feeling, Turkish Ambassador Ulumlu said the D-8 forum could play an important role in seeking

rightful conditions for the developing nations in respect of global trade. He underscored the need for greater cooperation among the developing nations, particularly the D-8 countries, to chalk out any common approach in this regard.

Referring to the trade and economic relationship between Bangladesh and Turkey, both ICCB President and the Turkish Envoy agreed that this needs to be stimulated and strengthened further.

They agreed that though there were vast scope for enhancing volume of trade between the two countries, these have not been properly harnessed.

There should be more and more exchanges of Trade Missions as well as participation in trade fairs for augmenting bilateral trade and investment, they opined.

ICCB Bangladesh Executive Board member and newly-elected President of the Bangladesh Employers' Federation ASM Quasem also participated in the discussion. Secretary of ICCB Mohiuddin Babar was present.

Suzuki Alto taxicabs hit city roads

In an effort to facilitate the movement of city commuters, 20 non-AC Suzuki Alto taxicabs were yesterday pressed into service in the city under another private entrepreneur Cab Express, reports UNB.

Communications Minister Anwar Hossain inaugurated the service at a function at the IIB auditorium.

Akhter Uzman MP, MD of Meghna Automobiles Ltd, and Kazi Embad Hossain, Chairman of Uttara Finance and Investments Ltd, addressed the function chaired by GM Siraj, Chairman of the Cab Express.

Cab Express will also introduce 150 more 1000-CC taxicabs in the city by the year-end.

The fare of the four-seated cab has been fixed at 15 for the first two kms and Tk 6 for the next per km.

Lankan cellphone industry set to peak

COLOMBO, Aug 11: Sri Lanka's cellular phone industry which saw phenomenal growth in the past three years is set to peak soon despite a movement towards lower call charges, a top phone regulator said today, reports AFP.

The chairman of the Telecommunications Regulatory Commission, K C Logeswaran, said he expected the number of cellular phones to peak at around 250,000 from the current 200,000 users.



Erdinc Ulumlu, Ambassador of Turkey in Bangladesh called on ICCB President Mahbubur Rahman at the National Secretariat of ICC yesterday. A S M Quasem, President of Bangladesh Employers' Federation and also a Member of the ICCB Executive Board, and Mohiuddin Babar, Secretary of ICCB, are also seen in the picture. — ICCB photo

Y2K bug may spark global recession

WASHINGTON, Aug 11: Despite progress fixing the Y2K computer glitch, there is still a 70 per cent chance that it will spark a global recession, Edward Yardeni, a top US economic forecaster, said yesterday, reports Reuters.

"Indeed, Y2K could cause another energy crisis," Yardeni, chief economist at the investment bank Deutsche Morgan Grenfell in New York, said in an update of his famously gloomy Y2K predictions.

Yardeni said the other most likely cause of a Y2K-related recession were possible breakdowns in the global just-in-time manufacturing system because of weak links in the supply chain.

"I am truly amazed by the complacency about Y2K given the lack of good data," he added in a report posted on his Web site, www.yardeni.com.

he was alone among noted economists and Wall Street investment strategists to forecast a Y2K-related recession.

Two years ago, when he started to research the software problem's disruptive potential, Yardeni concluded that there was a 30 per cent chance of its causing a global downturn.

About a year ago, he raised the odds to 70 per cent, adding that he might scale back his forecast if developments warranted.

"I remain at 70 per cent," he said in the survey posted Tuesday. He said he was heartened by upbeat progress reports but concerned that most were not independently verified.

"Even more worrisome is the lack of any good information on preparations around the world," Yardeni said. "Like everyone else, I am hoping for the best. But I think it is a big mis-

take to plan for the best, rather than for plausible worst-case Y2K scenarios."

He said the most serious Y2K problems were likely to occur in industries that have long and complex global supply chains, lots of suppliers and are heavily dependent on information technology systems.

"This certainly describes the oil industry," said Yardeni, who has compared possible Y2K fallout to the recession that followed the 1973-1974 oil supply cutbacks by the Organisation of Petroleum Exporting Countries.

The so-called Y2K glitch could cause computers to misread the year 2000 and potentially cause wide-ranging systems failures.

Bruce McConnell, director of the United Nations-backed International Y2K Cooperation Centre, a kind of clearinghouse for Y2K data, urged govern-

ments Tuesday to disclose more about system readiness and about contingency plans for systems that have not yet been upgraded.

"In the absence of information, markets will assume the worst," he said in an interview with Reuters in his Washington office. "We don't know whether this is going to be a 1 on the Richter scale or a 7."

John Koskinen, chair of president Clinton's Council on Year 2000 Conversion, said Thursday that he was increasingly confident that basic US infrastructure — notably telephones, power and aviation — would handle the date change without significant disruptions.

But Koskinen, in the third of four scheduled quarterly reports, said it was still "difficult to gather reliable data about other countries' progress."

Chance for China's WTO entry deal diminishing: US

WASHINGTON, Aug 11: The chances for clinching a deal between Washington and Beijing for China to join the World Trade Organisation this year are diminishing, a senior US trade official said yesterday, reports Reuters.

Still, David Aaron, US undersecretary of commerce for international affairs, said his recent visit to Beijing showed China was ready to improve relations damaged by NATO's May bombing of its embassy in Belgrade.

"My trip there was an indication that they want to get our economic relationship back on track," Aaron told Reuters Television. "But they have yet to decide whether to renege us on the WTO and the window of opportunity is narrowing."

The United States and China were close to reaching agreement in April during Premier Zhu Rongji's visit to Washington on Beijing's bid to join the 134-member global trade body.

British economy shows clear signs of recovery

LONDON, Aug 11: The UK economy is showing clear signs of recovery, according to new figures released Tuesday, reports Xinhua.

Confidence in the manufacturing industry has improved for the first time in 18 months, and High Street and consumer spending rose for the second month in a row. However, both sectors say conditions are still tough, and warn that an increase in interest rates could have an adverse effect.

The survey of manufacturers for the Confederation of British Industry (CBI) shows an upbeat mood in all the UK's key regions.

For the first time since the start of 1998, more manufacturers were optimistic than pessimistic, though companies were still reporting falling output and orders.

"While many regions seem poised to emerge from the manufacturing recession, the rises in confidence in some regions should be treated with caution," BBC quoted Sudhir Junankar of the CBI as saying. "Manufacturers across the UK are facing a relentless squeeze on profit margins and are struggling to cope with a strong pound."

The CBI report came after the government's July survey of UK purchasing managers showed manufacturing growing at its fastest rate for 18 months. However, the fragility of the recovery is illustrated by the fact that the latest official figures showed factory output was falling.

And a study released this week predicted that 160,000 factory jobs could be lost over the next 18 months because of the

strong pound.

On High Street, shop sales grew by 0.8 per cent in July, fuelled by the effects of seasonal items, from ice-cream to garden furniture.

The figures, from the British Retail Consortium (BRC), followed June's even bigger growth of 1.8 per cent.

Andrew Higginson, chairman of the BRC's economic affairs committee, said: "There appears to be the beginnings of a recovery in sales, but we are far from the boom conditions that some people are suggesting, judged by the performance of the housing market."

These latest sets of figures come against the backdrop of a report by the Society of Business Economists (SBE) which saw the outlook for the UK economy brightening.