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# The Daily Star BUSINESS

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## 13,681.56 MT of frozen shrimp exported in 10 months

KHULNA, May 17: A total of 13,681.56 metric tons of frozen shrimp worth Tk 799.10 crore were exported to different countries including America through the Mongla port here during the last ten months of the current fiscal 1999-2000, according to official sources, reports BSS.

The shrimps were exported to America, United Kingdom, China, Japan, Canada, Germany, Thailand, Netherlands and Belgium.

Twenty-four frozen fish units are exporting frozen shrimp to different countries through Mongla port.

The sources said that 13,529.90 metric tons of frozen shrimp worth Tk 804.32 crore were also exported via this port during the last fiscal.

## Silk industry opts for duty reduction on yarn

Cheap smuggled goods marching on local fabrics

Star Business Report

Facing stiff competition from smuggled silk products, the country's silk industries have suggested duty reduction on imported yarn.

In its budget proposal submitted to National Board of Revenue (NBR), Bangladesh Resham Shilpa Malik Samity (BRSSMS) has said the import duty should be lowered to 20 per cent from the present 30 per

cent. The samity said that the existing high import duty on raw materials and easily available smuggled silk products have made it pretty difficult for the local entrepreneurs to remain in the competition with their products which are expensive if compared with the contraband goods.

BRSSMS also suggested that the locally-produced silk yarn should get tax benefits and there should not be any tax at sales level to make the domestic silk industry competitive.

The government-identified silk industries need to be immediately rehabilitated through BMRE and they should get necessary working capital and tax holiday benefits, the association said, adding that adequate funds should be allo-

cated for this purpose in the next budget.

The association also called for interest waiver of the private sector silk mills.

It also suggested adequate allocation in the next budget for the proposed Silk Estate at Rajshahi. It also advocated an increase in the budget allocation for the Silk Board to boost its activities.



A seminar on the functional operations of Central Depository System organised by Chartered Secretaries and Managers of Bangladesh (ICSMB) at BIAM in the city yesterday. — ICSMB photo

## Intel, Mitsubishi to jointly develop cell phone chips

TOKYO, May 17: Intel Corp and Japan's Mitsubishi Electric Corp. on Wednesday said they will jointly develop cellular chipsets for next-generation mobile phones that will give users access to the Internet, reports AP.

The companies said the chipsets, which include flash memory chips and microprocessors, offer high-speed data transmission without large increases in electricity consumption.

Mitsubishi phones incorporating the new chipset will go on sale in Japan in 2002 and eventually spread to Europe and other regions, said Michio Nakanishi, president of Mitsubishi Electric's communications systems group.

As part of the agreement, Intel will provide Mitsubishi Electric with semiconductor technology, while the Japanese company gives Intel access to its wireless communications know-how, the companies said.

Intel, the world's biggest semiconductor maker, is expanding into wireless communications technologies because of the fast-spreading use of mobile phones offering access to the Internet.

"Intel is committed to being a leading-edge wireless building block supplier," said Ron Smith, vice president and general manager of Intel's Wireless Communications and Computing Group.

Mitsubishi Electric expects to sell 25 million cellular phones worldwide in 2000 and over 60 million units in 2003, Nakanishi said.

The global cell phone market is expected to grow to 800 million to 900 million units in 2003 from an estimated 400 million in 2000, he added.

NTT DoCoMo, Japan's biggest mobile phone company, was the first company to begin offering Internet access via mobile phones. It has signed up more than 6 million subscribers since it began offering the service through its i-mode mobile phones in February.

The phones feature oversized liquid crystal screens to allow subscribers to play video games and view everything from movie listings to news headlines.

## \$400m IMF money

### Indonesia to sign reform pledges

JAKARTA, May 17: Indonesia said today it was set to sign a delayed letter of intent on reform pledges agreed with the International Monetary Fund, paving the way for the release of a \$400 million loan, reports Reuters.

The signing comes earlier than expected — one minister had said the signing would be in June — in what analysts said was almost certainly a co-ordinated effort by Indonesia and the IMF to help the beleaguered rupiah. The currency's recent weakness has threatened to unravel Indonesia's economic progress.

"I don't think there is any doubt about what's happened here. The IMF and Indonesia are trying to shore up confidence," said a Singapore-based currency analyst.

The move succeeded in giving the ailing currency a boost. The IMF has said its board would meet by early June to approve disbursing the stalled loan in time for a June 5 deadline set by the Paris Club of government creditors.

A Paris Club deal last month to reschedule \$5.8 billion of Indonesia's debt is only valid if the IMF approves disbursing the delayed tranche by that date.

Indonesia had been due to get the loan in early April, but it was put on hold because of IMF dissatisfaction about the pace of reform.

Market concerns about the government's cohesiveness and economic competence sent the rupiah and stocks sliding, and President Abdurrahman Wahid's sacking of two economic ministers last month only worsened investor worries.

## Local IT experts able enough to take on global jobs

'Country needs intermediary cos to develop links'

By Monjur Mahmud



Mohammad Anwarul Haque

Trained Bangladeshi IT professionals have ample scopes and potential for entering the global job market, but what the country needs now is intermediary firms to develop links with companies and professionals in the United States.

This was stated by Mohammad Anwarul Haque, one of the country's very few Microsoft certified trainers (MCT), who is now working with ExecuTrain as its Network Manager.

Elaborating his experience in the US, Haque mentioned that the US employers are now participating in job fairs to collect e-professionals and also spending a lot of money for this purpose.

If anyone is a Certified Internet Webmaster (CIW) or has any other certificate recognised by the International Webmaster Association of USA, he is sure

to get an immediate job, he added.

"Bangladeshi community in the US is quite big but the number of internationally recognised or certified IT profession-

als is very few," the expert stated.

Haque conducted a survey on "Why the number of Bangladeshi IT professionals in the US is very few." He also interviewed the employers to find the answer and the factors behind such poor figures.

The survey found that the Bangladeshi IT professionals in the United States do not have a good idea about H-1B visa, nor do have the IT experts in Bangladesh proper links with the US employers.

Citing examples, he said, there are many Indian firms in the US which work as media between the IT professionals in India and employers in the US.

These firms play the role of a third party. They provide services to the employers in USA and charge a fee for this job, added Haque, who is also a Microsoft Certified Systems Engi-

neer (MCSE), Certified Network Engineer (CNE) and Instructor Certification Programme (ICP) holder.

"The main job of these firms is to work out what type of professionals the US companies need. These companies collect professionals from India after the US employers' needs and make contacts with them."

There is no Bangladeshi firm doing this type of job, which is leading to a big gap between Bangladeshi IT professionals and the US employers. "I think the IT students in the country are not given proper guidelines," he felt.

Haque said most of the IT students in the country do not know about H-1B visa. An IT student can get this visa without being a diploma holder or graduate. "If a student has three years working experience, he is also eligible for this visa."

## Bonn woos Indian IT experts

Visa relaxations, easy work permits offered

BANGALORE, India, May 17: German Foreign Minister Joschka Fischer today wooed computer experts in India's software capital Bangalore with promises of visa relaxations and easy work permits, reports AFP.

Fischer told a conference here organised by the Indo-German Chamber of Commerce that Germany was keen to attract Indian software experts.

He dismissed fears that there was domestic opposition to the idea of Indians settling in Germany following its recently announced accelerated work visa programme.

"There is no resentment. The German opposition party raised the issue as an election ploy. We are living in a global era and a global economy. Indian engineers are welcome in Germany,"

he told a round-table conference.

Germany has said it wants to give visas to 20,000 foreign experts to boost its computer industry.

Labour unions in Germany opposed the idea, fearing they would relinquish their jobs to immigrant Indians.

India is noted for its software experts but out of nearly 1,800 requests for the special visa, only 264 have come from India, according to the federal German labour office.

"The government is finalising the green card initiative which will allow Indian IT experts to work in Germany," said Fischer, adding that they would now be granted work permits for a duration of five years. Currently, work visas are only issued for 18 months.

India's National Association of Software and Service Companies (Nasscom) said Indian software exports to Germany shot up from four billion rupees (92 million dollars) in the fiscal year March 1999 to 6.5 billion rupees in fiscal 1999-2000.

The United States is the biggest export destination for Indian software followed by Britain, Japan, Germany and Canada.

Later Wednesday, Fischer was to meet India's software tycoon Azim Premji, who is the chief of India's richest hardware and software firm Wipro.

On a visit to Bangalore's information technology park Fischer told reporters he was trying to "combine political talks with Delhi with getting a first-hand experience of the IT revolution underway in Bangalore."

He added that India's nuclear tests in May 1998 would be brought up openly during his visit.

"We are seriously concerned about nuclear issues. I will talk about it in Delhi Thursday with my Indian counterparts," Fischer told AFP.

"India is playing an important role in the (South Asian) region, United Nations... and we see India in the 21st century as a very important power," he added.

Fischer will also discuss with his Indian counterparts New Delhi's relations with arch-rival Pakistan and their conflict over Kashmir. But he has stated clearly that Germany has no intention of being a mediator in the dispute.



Managing Editor Jono Waters (L) and Martin Storm (R), Executive Director of Channel E Limited, share a joke at the launch of eScoop business news website in Sydney on Wednesday. eScoop, a joint venture between the AFX business wire service and the internet-based finance and news company Channel E, is tailor-made for the retail investor. — AFP photo

## Port infrastructure and economic growth of Bangladesh

By Saiful Islam Khan

The Asian Development Bank in its annual publication Asian Development Outlook 2000, has brought into relief Bangladesh's endemic economic features such as considerable fiscal deficit, weak balance of payments, inadequate foreign exchange reserves, sluggish revenue collection and deteriorating financial position of the state owned enterprises etc.

The publication has recommended, among other things, that the government should attempt to reach a political consensus on a national fiscal policy that will ensure increase in revenue collection, reduced expenditure on unproductive sectors and contain the fiscal deficit. Some similar concerns were expressed by the foremost economists of the country in a recent pre-budget meeting with the finance minister. Among other things, it was emphasised that the biggest stagnancy prevailed in investment. But curiously, with precarious economic indicators and in an investment-starved situation, certain activities of some vested interest groups or even individuals, are being allowed to go on unabated, which, if not halted will inevitably divert a huge amount of foreign investment to other countries of the region.

Even after about a quarter of a century of freedom we have to bear the brunt of being called one of the least developed countries. Key development indicators such as life expectancy (54.7 years), literacy rate (42.6%), and per capita income (\$386) underscore this grim reality.

Stemming from Bangladesh's low revenue productivity is the fact that the country does not have adequate funding for education, health, or other basic welfare services which the state owes to the people. As a result, Bangladesh relies heavily on the donor community for economic aid to sustain its development efforts and even to provide its people with their basic needs.

As the experiences of many of our neighbours teach us, the most effective way for a developing country to reduce its dependence on foreign aid and improve the quality of life of its citizens is through export-oriented growth strategy. While evaluating the state of our economy, the World Bank in a report released in late 1999 pointed out that lack of adequate port infrastructure is among the greatest obstacles to export-oriented trade and business activities in the country. The issue was also raised by the donor community in the last Paris meeting. The report recognises the fundamental role that a nation's port infrastructure can play as an engine of economic growth. It is patently clear that efficient ports, with modern facilities and equipment, allow for smooth, cost-effective, and rapid trade flows. Conversely, inefficient ports, hamstrung by congestion and geared to benefit a small group of vested interests, act as friction on trade flows, increase transaction costs, and ultimately create a bottle-neck that restricts growth.

At present, the only major seaport in Bangladesh is at Chittagong, located on the Karanali river in the southeast corner of the country. Over 90 per cent of the nation's seaborne trade is done through Chittagong Port, an ever-increasing amount of which moves in containers. The increase in container volumes is attributed not just to the general growth of the economy, but also to the conversion of some traditional bulk or break bulk commodities into containerised shipments. In fact, over the past decade, the number of containers handled by Chittagong Port has increased by approximately 20 per cent annually, a growth rate that will continue in the near future if adequate port infrastructure can be ensured to accommodate it. While the port handled over 350,000 TEUs (twenty foot equivalent units) in the 1998/99 fiscal year, the volume is forecast by Chittagong Port to double to over 700,000 TEUs by the 2006/07 fiscal.

In response to the steady increase in container volume at the Chittagong Port, the Chittagong Container Terminal (CCT), a container-dedicated facility, came into operation in 1996. While the designed capacity of CCT gives it the ability to handle about 170,000 TEUs annually, the facility is now operating at its maximum. The balance of the container volume, approximately another 170,000 TEUs, is being handled by the port's General Cargo Berths. As a result, general cargo ships that often carry vital cargoes such as food grains have to wait up to 30 days for berthing space at the port because container vessels are encroaching on the General Cargo Berths. Despite the priority given to container vessels, they still have to wait 10 days on an average in the Bay of Bengal for a berth at the port. With the long waiting time experienced by ocean-going vessels at Chittagong Port, demurrage costs have steadily increased. As demurrages have increased, the major shipping lines have been forced to impose a congestion surcharge on shippers from time to time. This surcharge has averaged about \$1000 per TEU, further hurting the competitiveness of exports from Bangladesh and increasing the internal prices of goods for the consumers.

At present, there is a great concern in the knowledgeable quarters that projected growth rates will not be achieved due to the inadequacies of the country's main seaport. Protracted labour problems and port congestion are the two most intractable problems facing Chittagong Port. It is important to understand how deeply rooted these two issues are in the prevailing culture at Chittagong Port. First, regarding the issue of labour problems, there are as many as 22 trade unions active in Chittagong Port, all of which are highly politicised groups that are used to advance the political or pecuniary interests of small vested groups irrespective of the party in power. Moreover, strikes by any one of the 22 trade unions are routinely supported by all the unions, resulting in frequent work stoppages that cripple port operations and increase port congestion. These wildcat strikes, often staged without prior notice, violate both the law of the land and the conventions of the International Labor Organisation. Moreover, hourly wage rates are negotiated almost daily at the "foot of the gangway" based upon supply and demand rather than any collectively bargained fixed amount negating the very reason for existence of the so called CBAs. Strikes shut the port down for a total of 17 days in 1999 alone.

Port congestion in Chittagong is a persistent problem stemming from a multitude of factors. Although labour strikes and harts add to port congestion, they are not the only cause of it. The primary source of port congestion is to be found in the existing physical realities of the port itself that result in extremely low levels of productivity. Chittagong Port does not have a single shore-side container crane (gantry crane). High-speed

gantry cranes are capable of loading or unloading over 30 containers per hour. At present, shipboard cranes (derrick cranes) are utilised at Chittagong Port, which average about 5-7 containers per hour. As a result of poor productivity, container vessels at Chittagong Port often spend more than 48 hours at berth, creating a major backlog of vessels waiting to get on berth. As mentioned above, these vessel waiting times are now running 10 days each on an average.

In addition to the lack of container cranes, Chittagong Port does not have adequate container-yard space or container-yard equipment to support cargo operations. As a result, the average amount of time that any given container spends in the port (also called dwell-time) averages between 15-20 days, whereas the industry standard is about 4-5 days. The dwell-time problem is compounded by highly bureaucratic customs and port procedures that require numerous signatures to clear a consignment. It is, however, to be mentioned that the National Board of revenue is tackling this problem head on, as they have embarked on an aggressive programme to modernise customs procedures. It is expected that implementation of an automated clearance system would be completed and put in operation in about two years' time. But that has to match with similar automated clearance system of the port dove-tailed with the customs system. The efficiency level of public sector autonomous bod-

ies are too well known to surmise that the present Chittagong port structure would be able to match the system in two years' time rendering the operation of the proposed automated customs clearance system an unrealised dream, causing wastage of the project money taken as loan from the World Bank, which has to be repaid by the people of this country.

Returning to the issue of demurrage costs, these can average as much as \$15,000 per day per ship for time spent waiting at anchor in the bay. At an average waiting time of 10 days each, this is a financial expense to vessel operators of \$150,000 per shipload of containers, which is in turn passed on to importers, exporters and the general consumers in the form of higher-than average ocean transportation charges. In fact, the throughput charges for a twenty-foot container at Chittagong Port are among the highest in the world. Higher-than-average transportation costs distort prices of imported goods on the domestic market, as the cost of port inefficiency is passed along to consumers. It is estimated that these inefficiencies alone at Chittagong Port cost the country a staggering 500-900 million dollars annually. The question is can we afford it? (To be continued)

The author is a former public servant, a poet and an essayist known under the pen-name Hayat Saif. He is also an ex-Member and Chairman of the National Board of Revenue.