

Sugar production target cut

Unfavourable weather hits sugarcane quality

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Authorities have lowered the sugar production target in sugar mills during the current crushing season, thanks to unfavourable weather in the middle of the year.

The total production target has been downgraded at 2.05 lakh tonnes fearing that untimely and excessive rains have affected the quality of sugarcane, the main raw material of sugar.

Initially, the production target for the 15 sugar mills under the Bangladesh Sugar and Food

Industries Corporation (BSFC) was fixed at 2.5 lakh tonnes following the outstanding production performance of the mills during 2001-2002.

The state-run mills produced more than two lakh tonnes of sugar against the target of 1.83 lakh tonnes in the last crushing season.

"The initial target was fixed keeping sugar recovery rate, amount of sugar produced from per 100 tonnes of sugarcane, at 7.75 per cent in mind," said a BSFC official.

In the absence of quality sugarcane it might be difficult to have sugar recovery rate of 7.75 per cent, said the official.

The target was downgraded before mid October when the sugar crushing season for 2002-2003 started. With Joypurhat Sugar Mill, the biggest mills among the 15, went into production yesterday, all the fifteen mills are in production now.

The normal duration of sugar crushing season is around four months, depending on the avail-

ability of sugarcane supply. The total annual production capacity of the mills is nearly 210 tonnes.

In the face of sugarcane supply dearth, the BSFC mills failed to achieve production target for five consecutive years till crushing season of 2000-2001.

According to official estimate, the countrywide demand for sugar is around four lakh tonnes a year. Unofficial estimate, however, puts the figure at more than six lakh tonnes.



Fruit vendors wait for customers in a city market. Apart from other fruits, imported dates have arrived in huge quantities. Dates are in great demand during the month of Ramadan.

US House votes for affordable terrorism insurance

AFP, Washington

The House of Representatives voted Thursday in favor of a bill that seeks to limit market disruptions, encourage economic stabilization, and move toward a viable private market for terrorism insurance.

The Terrorism Risk Insurance Act, to establish a three-year risk-spreading program to back up the private insurance market in the event of a terror strike, was passed in the House on a voice vote.

The bill seeks to provide pay-back protection for US taxpayers by guaranteeing that the first 10-15 billion dollars in losses are paid by the insurance industry in the event of a major terrorist attack.

Insurers would have to pay a deductible, amounting to 7-15 per cent of the annual premiums collected from policy holders, before they would be eligible for federal aid in the event of such an attack.

Under the bill, the federal government would provide for 90 per cent of losses above the amount of the deductible, while the insurers would be responsible for the remaining 10 per cent.

WTO reaches drugs deal, fails to remove farm trade barriers

AFP, Sydney

Trade ministers from 25 nations said they had reached a breakthrough agreement Friday on giving the world's poorest nations access to affordable medicines, but failed to settle differences on removing agricultural trade barriers.

Protestors who had vowed to disrupt the informal meeting of the World Trade Organisation (WTO) failed to turn out in force and were repelled by more than three kilometres of barricades and a heavy police presence outside the conference venue at Sydney's Olympic Park.

The meeting was convened by Australia in hopes of breathing life into the so-called Doha Round of world trade liberalisation talks ahead of the next full conference of the 145-nation body in Mexico next year.

Indian Minister for Disinvestment (Privatisation) Arun Shourie said the meeting got off to a "flying start" with virtually unanimous support for making generic medicines more readily available to developing nations battling health

crises such as HIV/AIDS, malaria and tuberculosis.

"There has been a breakthrough. On this there was the least disagreement of all the topics," he told reporters.

Mpho Meli Malie, trade minister for Lesotho where 31 per cent of the population has HIV/AIDS, said much progress had been made.

But aid groups Oxfam and Medecins Sans Frontiers described the agreement as a "political fudge" which would put numerous bureaucratic hurdles in the way of developing nations in dire need of cheaper medicines.

The WTO agreed a year ago at a summit in Doha, Qatar, to let developing nations override patents held by pharmaceutical companies in order to produce cheaper generic drugs used to treat catastrophic diseases.

But it barred those countries from exporting the generic drugs, forcing the poorest states with no pharmaceutical manufacturing capacity to import expensive drugs from the West.

The ministers agreed Friday to

ask the full WTO to back a proposal by a year-end deadline that would allow more advanced developing nations to export generic drugs to the poorest states, with safeguards to ensure they did not flood Western markets.

"This is not an economic issue, this is a moral obligation that needs to be undertaken by the developed world," Australian Trade Minister Mark Vaile said.

But Friday's meeting failed to make significant progress on another key obstacle in the Doha negotiations due to conclude in 2005 -- cutting farm subsidies in major agricultural producers like the EU, Japan and South Korea.

European Union trade commissioner Pascal Lamy acknowledged at the end of the meeting that significant differences remained.

"Yeah sure, the differences remain and will remain on this," he said.

Vaile, whose country is a member of the Cairns group of major farm exporters, has set progress on the issue as a key goal of the Sydney meeting.

US-Central America free trade talks from Jan

AFP, Washington

Negotiations to establish a free trade agreement between the United States and five Central American countries will begin in January, the head of the Costa Rican delegation here said Thursday.

Trade ministers of Costa Rica, Guatemala, Nicaragua, Honduras and El Salvador will meet US Trade Representative Robert Zoellick January 8 to launch the talks, Anabel Gonzalez said.

She said parties had agreed to six or seven rounds of talks, with the first round scheduled for January 27 in Costa Rica, and hoped to wrap them up by December 2003.

The administration of George W. Bush notified the US Congress Tuesday of his intent to pursue the talks. The 90-day notification is required by US law.

In January, Bush proposed a free trade agreement with Central America that would be similar to the North American Free Trade Agreement already in place between Canada, the United States and Mexico.

Both parties have already had several rounds of exploratory talks to identify key issues.

Japan pledges to push ahead with reform

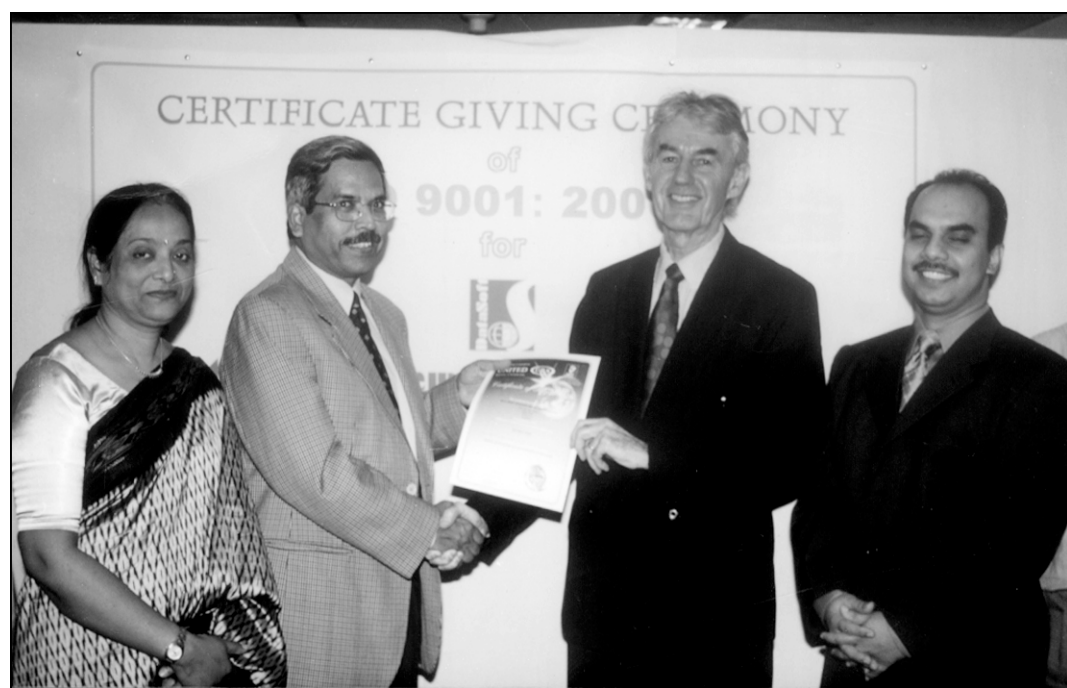
AFP, Tokyo

Economic and Financial Affairs Minister Heizo Takenaka said the biggest challenge to Japan during the months ahead will not be battling conservative politicians but racing against the clock to get his policies in place before a March deadline.

In an interview with the Wall Street Journal, Takenaka said the political debate over bank reform after he was appointed to his post a month ago is over.

He also said he will not, and should not, consult with legislators further about the details of his controversial plan for speeding bad-loan disposal and fixing the banking system.

"The first month, October, was when we made the political decisions on our overall policy direction," he told the paper.



Dr RJ Murphy, director of URS-Bangladesh, gives away ISO 9001 certificate to Mahbub Zaman, managing director of DataSoft Systems Bangladesh Limited, at a function held at BRAC Inn in the city recently.

Air travel costs may soar with terrorism fears: Airline chiefs

AFP, Cebu, Philippines

Asia-Pacific airline chiefs warned at annual talks here Friday that air travel may become more expensive if governments do not bear the cost of implementing aviation security measures to counter terrorist threats.

They said governments should shoulder the costs as security was a state responsibility.

Airlines and passengers were already paying excessive travel taxes and could not be burdened with additional costs, said the airline chiefs meeting for the first time after the deadly bombing in Bali on October 12.

"Aviation security and its funding, which includes the protection of its citizens in the air and on the ground, should be the governments' responsibility," according to one of eight resolutions adopted at the one day meeting of chief executives of 17 airlines under the ambit of the Association of Asia-Pacific Airlines (AAPA).

The resolutions, among others, called for harmonised standards among international regulators to avoid mid-air collision, rejected a US proposal to arm pilots and other crew members as an additional safeguard against terrorist hijackings and called for a set of mandatory and harmonised global

aviation security measures.

They also urged governments to allow greater competition in the aviation industry and wanted airport authorities to impose fair and equitable charges to airlines.

Shim Yi-Taek, president of Korean Air, said the terrorism threat had increased the risk of travel with insurance costs rocketing after the September 11, 2001 terrorist attacks in the United States.

Citing the US which had slapped an additional premium of up to 25 dollars per air traveller following the September 11 tragedy, Shim said Asian airlines might be forced to charge up to five dollars more for each passenger if the carriers remain saddled with security costs.

Richard Stirland, AAPA's director-general, said airlines were already giving big discounts on tickets and "a five or 10 dollar surcharge on tickets represents a pretty major per centage increase in cost."

"Obviously, the airlines will like to pass the cost through but whether they can be successful in doing that and retain the growth in the market seen in the last six and eight months is very problematic," Stirland told a media conference at the end of the meeting.

He said airlines had to implement a series of security measures, including fitting reinforced doors to

secure the cockpit, establishing video surveillance of the cabin, liaising with airports on security immediately prior to departure and also cooperating with governments in providing additional information of their passengers.

Hiroshi Tanaka, deputy vice-president of Japan Airlines, said new aviation security measures should be standardised to reduce the costs borne by airlines and passengers.

Tanaka said it was becoming "very difficult" for the industry to cut costs due to poor coordination among countries on aviation security procedures.

"Our industry is highly automated but we have different procedures which needed to be standardised to reduce costs," he said.

AAPA's Stirland said increasing security costs might also take a toll on profits of Asian carriers slowly ejecting from turbulence after the September 11 disaster.

The AAPA members are Air New Zealand, All Nippon Airways, Asiana Airlines, Cathay Pacific Airways, China Airlines, Dragonair, EVA Air, Garuda Indonesia, Japan Airlines, Korean Air, Malaysia Airlines, Philippines Airlines, Qantas Airways, Royal Brunei Airlines, Singapore Airlines, Thai Airways International and Vietnam Airlines.

Bankruptcies in Japan fall

AFP, Tokyo

The number of Japanese corporate failures in October fell 10.7 per cent from a year ago to 1,706, marking the third straight month of declines, a research firm said Friday.

However the liabilities of collapsed firms during the month surged 79.9 per cent to 1.9 trillion yen (15.7 billion dollars), Teikoku Data Bank said, adding that it was the second post-war high for October.

"The number of bankruptcies is on a general increasing trend, though the number fluctuates wildly," Teikoku said in a statement.

"With slumped consumption and a decline of capital investment plans, the number of bankruptcies is rising due to the deflationary recession," it said.

Of the total failures in October, 1,293 cases or 75.8 per cent were attributed to the weak economy.

WB clears \$250m loan to India

AFP, Washington

The World Bank said Thursday it had cleared a 250-million-dollar loan to India to support education in technical engineering.

"The purpose of the project is to support the production of high quality technical professionals through reforms in the technical/engineering education system in order to raise the productivity and competitiveness of the Indian economy," it said in a statement.

The loan would mature in 35 years and carry a 10-year grace period on repayments, the bank said.

Oil prices edge up

AFP, New York

Oil prices edged higher Thursday after plunging to eight-month lows the previous day when Iraq accepted a tough new United Nations Security Council resolution on disarmament.

Prices had slumped Wednesday after Iraq bowed to international pressure and said it unconditionally accepted a UN resolution paving the way for the return of weapons inspectors.

But "nobody thinks Iraq is going to fully cooperate with the inspectors," said A G Edwards market analyst Bill O'Grady, who predicted quiet trade until fresh news emerged from the US-Iraq face-off.

New York's reference light sweet crude December contract, which tumbled 69 cents the day before, advanced 10 cents to 25.29 dollars.

The price of benchmark Brent North Sea crude for December delivery rose 11 cents to 22.81 dollars a barrel after tumbling by more than a dollar on Wednesday.

"We're going to have to wait and see what happens in terms of the weapons inspections program and whether that will be impeded or not," Commerzbank oil analyst David Thomas said in London.

Indian privatisation needs review: Defence minister

REUTERS, New Delhi

Indian Defence Minister George Fernandes demanded Thursday a mid-term review of the country's privatisation drive, dealing another blow to the stalled selloff programme which has caused rifts in the ruling coalition.

The process hit a roadblock in

September when the government delayed sales of stakes in two oil firms, Hindustan Petroleum Corp HPCL,BO and Bharat Petroleum Corp BPCI,BO, for three months due to divisions within the cabinet over the sell-offs.

"I am seeking a review of the privatisation process," Fernandes told a news conference. "My view of

disinvestment is that a mid-term review is needed and course correction steps -- if needed -- should be taken."

Shares of state-run firms fell on the minister's remarks with HPCL losing as much as 2.5 per cent to 201.70 rupees and BPCL shedding as much as 0.5 per cent to 183.75 rupees.

Fernandes' comments come despite a recent vow by Prime Minister Atal Behari Vajpayee to press head with sales of stakes in state-run firms.

The socialist Samata Party, which Fernandes represents, is a key member of the ruling coalition. It believes the privatisation process must not lead to the emergence of private monopolies.

India has said it hopes to raise 120 billion rupees (\$2.5 billion) through stake sales in state-run firms in the fiscal year ending March.

The socialist Samata Party, which Fernandes represents, is a key member of the ruling coalition headed by the Hindu nationalist Bharatiya Janata Party. It believes the privatisation process must not lead to the emergence of private monopolies.

Fernandes also denied media reports a meeting had been set for November 19 to try to end the deadlock over privatisation.

"As far as I am concerned, I am not aware of such a meeting," he said.

He said he would present his views on the subject to the government soon.

A member of the ruling coalition said on Wednesday that Deputy Prime Minister Lal Krishna Advani would convene a meeting of senior ministers to try to resolve differences over the disinvestment programme before parliament opens next week.

IMF urges Manila to get reforms back on track

AFP, Washington

The Philippines must urgently get its economic reforms back on track to avoid a loss of investor confidence, the International Monetary Fund warned Thursday.

The Philippines had made substantial efforts over 15 years to create a modern economy, dismantling trade and investment barriers and deregulating key sectors to boost economic growth, it said.

"Despite these efforts some long-standing problems remain," IMF directors said in a statement issued after annual consultations with the Philippine government.

Revenue collections had declined, causing new deficits, and the economy had suffered from volatile asset prices, saddling banks with a growing pool of bad loans, they said.

"Directors observed that these problems, if left unattended, could trigger a decline in investors' confidence and an adverse market reaction that would affect the country's growth prospects."

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Security

With the current crackdown on the local version of terrorism, we can sigh some relief. However, this should not lull us into being complacent about security. In fact, now is the right time to take stock of security and enhance its awareness in your organisation, especially as businesses are the economic workhorses and can be easy prey to easy money.

The purpose of security is to protect and reduce the vulnerability of threats to an organisation's personnel and assets. Assets include all kinds - be it your office premise, equipment, products and lately, information. Think of the 3Ds when you think of security - Deter, Detect and Delay. Our security system should be able to deter, detect or delay criminal acts.

Begin with your site. This can be your head office, sales office, factory - any physical place where your people work and where you have company assets. From a security point of view, work outside, in. Look into your perimeter. If you are in a stand alone situation, are you fenced high enough to keep intruders at bay? Do you have enough lights to show what is going on in the perimeters at night? And a backup power supply?

Depending on the value you put to your assets, you can install close circuit television surveillance system to watch around your premises. Then look into access control. Do you have a system that stops unwanted persons from entering your site? Don't take this lightly. I know of people who have lost their wallets or watches in their office room when they took off for nature's call. You may call this carelessness - it is, and that is what access control is all about. If you have a separate office, lock it if you go out.

Look at your doors and windows. Most break-ins happen through weaknesses of either.

Then of course comes the choice of security guards. With so many security service companies popping up like mushrooms, do look into their credentials. We once used one such 'famous' company and found the guards well below any standard. We trained the guards to our standards, and the next thing, the security company would give us a fresh bunch. Twice in a row this happened before we realised the company was using us as a training academy!

Make a habit of leaving your desk clean, literally. While information stealing isn't much of a fad yet as thieves prefer cash and valuables, the loss of vital information can cost you dear. Companies in research can even lose their right to patent their discoveries if information goes awry. And pricing, business performance information in wrong hands can even make you red in the face and in your books! If you use computers, make sure you have password protection installed as well as lock the screen if you leave your work area, even for a wee bit of time.

Personal security is also becoming important. Threats of kidnapping, extortion, should not be taken lightly. Though I am not too sure of how our law enforcing departments can help in this regard.

There can be fake calls and pretexts to get money out of you. Be wary of people pretending to be police, income tax or government officials related to your business and asking for donations for their favourite mosque or madrasah.

Security cannot have the back seat in running your business. Make sure it is sitting next to you as you drive your organisation towards business prosperity.