

BAN ON POULTRY PARENT STOCK IMPORT FROM BIRD FLU-HIT COUNTRIES

Importers want extension as ministry decides tomorrow

M ABDUR RAHIM

As livestock and fisheries ministry sits tomorrow to choose between extension and withdrawal of import ban of poultry parent stock, leading importers have said it would be wise to continue the restriction.

They said the deadly avian influenza is still existent in the affected Asian countries and even India is not safe, although a section of local importers want withdrawal of the ban on import from the neighbouring country due to cheaper price.

Amid intense lobbying by those importers the government may lift ban on parent stock import from India after tomorrow's meeting, sources said.

However, they said, the government is likely to continue the ban on other bird flu-hit Asian countries

including the worst affected Thailand and Malaysia, Indonesia, Cambodia, Vietnam and China.

Sources in the poultry sector said 'low-pathogenic' avian influenza virus was detected in Indian poultry population but the Indian government is trying to cover up the issue following pressure from leading industries.

Amid outbreaks of avian flu in some Asian countries, the government imposed a ban on parent stock import from the affected countries on February 20 this year. The ban was extended twice as the epidemic was continuing to play havoc with poultry population that saw millions of poultry birds died, culled and destroyed.

Bangladesh imports about 20 lakh parent stocks a year, mostly from European countries, Thailand, India and other Asian countries. The

import from India accounts for 20 percent of the total import.

Parent stock chicks imported from India are cheaper than those coming from other Asian and European countries. According to importers, a parent stock chick imported from India costs \$2.5 while it costs \$3 if imported from Europe.

Kazi Zahin Hasan, director, Kazi Farms Ltd, a leading parent stock importer and hatching company, said the importers interested to import from India argue that the OIE (Office International des Epizooties, the international organisation which monitors animal health) has not reported any avian influenza outbreaks in India.

"But the fact that the OIE has given India a clean bill of health means nothing. It is not a health-testing and certifying body. It merely disseminates animal health informa-

tion that it gets from concerned authorities of affected countries," he said.

Just because the OIE has not reported avian flu outbreaks in India does not mean that it has sent officials to check on the poultry farms in India and certify that they are free of bird flu. All it means is that the Indian authorities have not reported any outbreaks to the OIE, he said.

The Indian veterinary authorities denied having outbreaks of highly-pathogenic avian flu, but did not deny outbreaks of low-pathogenic avian flu which may mutate into highly-pathogenic and infect humans as well as poultry, he said.

Moshiur Rahman, managing director of Paragon Hatcheries Ltd, a market leader in the industry, said it is up to the government whether to lift or continue the ban but it must take decision in the interest of the industry.

If import of cheaper parent stock has risk of bird flu spread, its better to avoid it as an outbreak may destroy the total industry, he said.

The ministry postponed a scheduled meeting on Sunday as the government is in dilemma on the issue, a high official of the ministry said yesterday seeking not to be named.

Livestock and Fisheries Minister Abdullah Al Noman, Secretary of the ministry Iqbal Uddin Ahmed Chowdhury, director general of Directorate of Livestock Service Salauddin Mahmud, officials of Bangladesh Livestock Research Institute and representatives of private sector will be present at tomorrow's meeting.

BB asks insurers to invest funds in bond market

STAR BUSINESS REPORT

In a bid to boost bond market, the Bangladesh Bank (BB) yesterday asked the insurance companies to invest their funds in the secondary bond market.

At a meeting between the officials of the central bank and the Controller of Insurance (Col), regulatory authority of the insurance companies, Bangladesh Bank Governor Fakhruddin Ahmed made the call.

The meeting was held as per the central bank's plan to hold meetings with different regulatory authorities to bolster the country's capital and money market.

Yesterday's meeting with Col officials was first as per the plan. However, the BB held several meetings with the Securities and Exchange Commission (SEC) earlier on different issues including bond market. The central will hold meeting with other regulators.

At the meeting, the BB officials told the Col that the central bank has introduced bond with 5-year and 10-year tenure with attractive interest rate.

Investing in bonds will be beneficial for the companies as each client receives up to 10 percent interest for purchasing a 10-year bond, the BB officials added.

Usually insurance companies

invest their funds in fixed deposit where interest rate is below 10 percent, according to sources.

The Col officials informed the BB that as per insurance rules, the insurance companies can invest a large amount of the funds.

According to recent statistics provided by the Col, the volume of life fund was Tk 2,500 crore and that of general insurance is Tk 1,200 crore.

According to sources, the BB has so far been able to sell bonds worth Tk 130 crore to several banks after introduction of the bonds.

However, trading is yet to start in the secondary market.

The Chinese growth riddle

INAM AHMED

After witnessing China's decades of spectacular economic growth, the world is now worried and eager to see the giant steps on the break pedal. The breakneck growth is good, as long as it goes, but the palpable feeling is there that China has outgrown itself and the bubble will burst if things don't correct themselves. And if it happens, fallout would be widespread and something that the world cannot afford at this time.

Even with the current effort to slow down China's growth, the worry is whether the steps would work as planned -- a soft landing for the world's sixth largest economy and therefore, save many countries from a knock-on debacle, or it would hit a hard landing, crumbling other

economies as well.

For exports all Asian countries to China galloped in double digits. China's exports and imports have grown at an average rate of 15 percent each year since 1979, compared with a 7 percent annual expansion of world trade over the same period. And many of the Asian economies crucially depend on China's trade expansion as the giant now serves as the final processing and assembly platform for a large quantity of imports going from other Asian countries to Western countries, a recent IMF report pointed out. This has fundamentally changed China's bilateral trade balances, with its increasing trade surpluses with Western industrialised countries and rising trade deficits with many Asian countries.

And that is why a hard landing for

China would hurt the Asian economies. However, the IMF forecasts a slow cool down as early signs already show. China has bridled its money supply to dampen demand. Interest rates have spiked to limit investment as 'over investment' is now a key problem to the Chinese dilemma. Moreover, Chinese growth is more broad-based as against the Asean growth in the late 1990s when the bubble burst, which reduced the risk of a sharp crash.

While Chinese growth is set to slow down, the US economy, growing stronger than before, is also to witness some corrections with an announcement of interest rate hike any moment. Basically, the idea is to reduce demand in America and find it elsewhere, most preferably in the Euro zone, which still suffers from lackluster growth.



EBL launches Visa Debit Card

STAR BUSINESS REPORT

Eastern Bank Limited (EBL) has introduced a debit card that lets customers shop in a hassle-free way and withdraw cash from designated ATMs.

With the technological help from IT Consultants Ltd, the private bank formally launched the Visa Electron Debit Card at a local hotel on Sunday evening.

"This new banking product will enable customers to purchase goods and services from specified locations," said M Ghaziul Haque, EBL chairman, at the launching ceremony.

The cardholders can also withdraw cash through Visa's ATM (automated teller machine) network in Bangladesh, he said. "They will have direct electronic access to their EBL accounts through this signature-based debit card."

The EBL chairman said since the amount spent on the card is directly debited from the customers' bank accounts, they will have total control over their finances.

About the bank's future plan, he said EBL will soon introduce internet

banking services as well as Visa Classic Credit Card and Visa Gold Card.

Speaking at the function, State Minister for Finance and Planning Shah M Abul Hussain appreciated EBL for launching the card. He urged all the banks to come up with modern banking products to meet the customers' needs.

Santanu Mukherjee, country manager of Visa International (South Asia), said volume of spending on Visa debit cards worldwide is larger than the volume on credit cards, which shows an increasing popularity of debit cards.

Muhammad A (Rumee) Ali, deputy governor of Bangladesh Bank, Oleg S Malginov, Russian ambassador to Bangladesh, and Kutubuddin Ahmed, chairman of IT Consultants, also spoke at the function. EBL Managing Director K Mahmood Sattar was present.

Established in 1992, the EBL now provides online, any branch banking facilities to the customers through its 22 branches.

EU seeks closer ties with Syria despite US sanctions

AFF, Damascus

The European Union plans to pursue an association agreement with Syria despite fresh US sanctions imposed last week over its alleged support for terrorism, a European energy official said Sunday.

Raffle draw of Philips Lighting held

The raffle draw of a special scheme for the retailers of Philips Lighting products of Transcom Electronics Limited was held in Dhaka recently.

The first prize went to Moon Electric of Khalishpur, Khulna, second prize to Beacon Electric of Gulshan, Dhaka and third prize to Gloria Lighting of Chittagong.

Fourth and fifth prize winners are Rubel Electric of Sat Masjid Road of Dhaka and Nishat Electric of Green Road, Dhaka.

Executive Director of Transcom Electronics Limited Obaidur Rahman Khan distributed prizes among the winners, says a press release.

Loyola de Palacio, vice president of the European Commission charged with energy and transport, said the EU was determined to boost relations with Syria and hoped the long-delayed association agreement would be finalised soon.

Her comments came at the start of a visit to Damascus just days after US President George W. Bush imposed new sanctions on Syria. The sanctions include a near-blanket ban on US exports to Syria and the power to freeze Syrian assets in the United States.

Palacio acknowledged the US stance but said the EU would continue to pursue its own strategy of engagement.

Apart from Libya, Syria is the only Mediterranean country which has not signed an association agreement with the EU, designed to create a free-trade zone in the region.

Palacio earlier met Prime Minister Mohammed Najji Otri, whom she urged to accelerate structural reforms in the Syrian energy sector. She also spoke of the need to create a regional gas market.

Prime Bank declares bonus share, 20pc cash dividend

Prime Bank Limited has declared a 20 percent cash dividend and 3:7 bonus share for its shareholders for the year 2003.

The dividend was announced at the 9th annual general meeting of the bank held in Dhaka on Sunday, says a press release.

The meeting presided over by the bank's Chairman Mizanur Rahman Bhuiyan, was stated that Prime Bank earned an operating profit (audited) of Tk 100.14 crore.

The bank's deposit rose to Tk 2109.24 crore in 2003 as against Tk 1648.16 crore in 2002 registering an increase of 28 percent while credit portfolio surged to Tk 1649.22 crore as on December 31, 2003 from Tk 1268.68 crore in 2002 registering a 30 percent increase.

DANO Vitakids launched

STAR BUSINESS REPORT

Arla Foods Ingredients Milco, Bangladesh has launched a new product--DANO Vitakids --in Dhaka on Sunday.

The fortified milk strives to ensure 100 percent balanced diet requirement for children between one to eight years, said the officials of the company at a press conference held at Sheraton hotel.

Quoting a report of World Health Organisation (WHO), Rune Dinsen, brand manager, Arla Foods, Denmark, said in Bangladesh children between one and eight years old lack balanced nutrition in their daily meals.

Dano Vitakids is prepared through a seven-step process under a stringent quality control system that ensures flawless finished product, company officials said.

Dano powder milk is being marketed in Bangladesh for 42 years.

Azimuddin Ahmed, chairman of Mutual Group, local distributor of Arla, and Sten Neilsen, export manager, Arla Denmark, also spoke at the function.

Danish grant for private sector development

UNB, Dhaka

A Danish grant and loan amounting to 4.5 million Danish kroner equivalent to approximately Tk 4.2 crore has been approved as part of the Danida Private Sector Development (PSD) programme.

Danish Ambassador to Bangladesh Niels Severin Munk approved the amount to cover a grant for training and technical assistance and a loan for purchasing equipment for a modern knitwear discharge printing facility.

The Danish support to the knitwear industry is expected to strengthen the forward integration of knitwear production with high value addition activities which are seen to be the best way to protect the garment industry in Bangladesh after 2004.

The modern printing facility with equipment from Europe is being established as a joint venture between HECA Profil A/S Denmark, and Sonia & Sweaters Limited, Bangladesh, said a press release.

FBCCI hails PM's call for business friendly political atmosphere

UNB, Dhaka

Apex trade-body FBCCI hailed Prime Minister Khaleda Zia for her call to maintain a desired development-friendly political atmosphere for the sake of country's uplift, production, employment, investment and export.

The FBCCI board in a meeting yesterday with its President Abdul Awal Mintoo in the chair expressed gratitude to the premier for her "timely, well-thought-out and far-sighted" call.

The prime minister in a meeting with Foreign Investors' Chamber of Commerce and Industry (FICCI) called upon the business community to co-operate and take appropriate initiatives in maintaining the desired development-friendly political atmosphere.

The board of the Federation of Bangladesh Chambers of Commerce and Industry remembered with gratitude that the prime minister from the very beginning has been giving due importance about effective participation of the private sector in overall development process of the country.

They called pragmatic and encouraging various steps taken by the present government for economic progress through development of trade, industrialisation and investment as well as implementation of different reform programmes.