

## Shrimp export suffers 37pc fall in first half

### Arrival of new variety, int'l price decline cause slump

**SARWAR A CHOWDHURY**

The country's shrimp export witnessed a major setback in the first half of the current fiscal year, thanks to arrival of a new cheap variety and international price decline.

Shrimp export fell by 37 percent, fetching US\$ 131.72 million in the first half of 2004-05 financial year against the target of \$211.3 million while the income during the same period of last fiscal was \$208.3 million, according to the Export Promotion Bureau (EPB) statistics.

Industry sources attribute the shrimp export fall to the arrival of a low cost variety called Vannami, which has earned considerable popularity in the global market.

China, a major shrimp exporter, introduced Vannami in 2002 and it became popular in the next year. As India, Thailand and Vietnam have started cultivating this new variety and are offering cheap rates, buyers are now lukewarm about Bangladeshi Galda variety, which is costlier than Vannami.

Shrimp exporters said production cost and mortality rate of Vannami are lower than Bangladeshi variety. Moreover, the new variety is also tastier than the local variety.

Presently, a pound of Vannami prices \$3 to \$3.5 while Galda costs around \$4.8 in the international market.

"We urged the Department of

Fisheries (DoF) much earlier to allow us to cultivate the new variety locally so that the exporters could keep pace with the international market," said an official of Bangladesh Frozen Foods Exporters Association (BFFEA).

"After dilly-dallying, the DOF in December last year asked the Fisheries Research Institute to conduct a study on the viability of Vannami cultivation in Bangladesh," the BFFEA official said.

Apart from Vannami, price slump in the global market has also badly affected shrimp export income. In last October a pound of shrimp was sold between \$5.5 and \$5.6 but now the price is \$4.8, exporters said.

Besides shrimp cultivation was

heavily hampered due to the devastating deluge in last July-September, BFFEA added.

Meantime, shrimp export is set to face another blow this fiscal year as the buyers are cutting back orders fearing outbreak of waterborne diseases in the aftermath of devastating tsunami in the region in December 26.

The US importers have been hesitant to place orders anticipating an outbreak of cholera and diarrhoea in shrimp producing countries. However, a US embassy official in Dhaka attributed the fall in export orders to shipment of sub-standard frozen food.

## Offices at Ctg port remain open today

**UNB, Dhaka**

The Chittagong Port, Dhaka ICD, concerned customs office and bank booth will remain open today to facilitate quick delivery of unloaded containers for the benefit of garments and other industries.

Importers and exporters are requested to take the opportunity, said an official handout yesterday.

It is now possible to unload a container ship at the jetty within three days with the bringing of mobility in the activities of Chittagong Port, the handout added.

## Govt to amend insurance act, says Moudud

**STAR BUSINESS REPORT**

Law, Justice and Parliament Affairs Minister Moudud Ahmed said government will take initiative to amend existing insurance act to introduce takaful, an insurance system in line with Islamic Shariah, in order to achieve the goals of Islamic Insurance as well as Islamic economy.

He was speaking at a discussion on "Role of Islamic Insurance in Islamic Economy" organised by Islami Insurance Bangladesh Ltd on Wednesday in Dhaka. Speaking at the meeting the minister assured if the concerned ministry sends proposal for amendment in this connection, the Law Ministry will approve and submit it to the parliament within 72 hours.

For giving legal coverage to takaful, government has already setup a committee to suggest necessary amendments in the present insurance act, said Commerce Minister Altaf Hossain Choudhury in the discussion.

Chairman of Islami Insurance Bangladesh Ltd Tofazzal Hossain and Islamic economist Shah Abdul Hannan were also present at the function.

## Lankan IT co keen to invest in Bangladesh

A Sri Lankan IT company showed its keen interest to invest in Bangladesh.

M/s David Pieris Information Technologies Ltd (DPIT), a concern of David Pieris Group of Companies of Sri Lanka, expressed eagerness on Bangladeshi IT sector in terms of joint venture partnership.

The Dhaka Chamber of Commerce & Industry (DCCI) held a discussion meeting on the issue with Manager (Software) of DPIT Shanaka De Silva on Wednesday in Dhaka, says a press release.

De Silva, also a representative of DPIT, made a presentation of various products of the company to the meeting attended by acting DCCI President Absar Karim Chowdhury, a number of participants from IT sector and other DCCI officials, the release added.

## CCCI cancels tender of WTC project

**SHAHIDUL ISLAM, Ctg**

The new executive body of Chittagong Chamber of Commerce and Industry (CCCI) cancelled the international tender on World Trade Centre (WTC) floated by the previous committee.

The CCCI executive committee decided to call fresh international tender to 'make the previously expensive project more economical and transparent'.

The decision came at the first board meeting of the new committee on Wednesday with its President Saifuzzaman Chowdhury Javed in the chair. The meeting also formed a 10-member sub committee in this connection.

"We have discussed, evaluated at length the pros and cons of the WTC project in the meeting and found the Tk 215-crore project taken by past committee highly expensive, ambitious and not favourable for the interest of this chamber," Senior Vice-president SM Nurul

Haque told The Daily Star over phone.

But the move might cause 'unpleasant conflict' between the CCCI members and the business community, observed some business leaders.

Former CCCI president Amir Humayun Mahmud Chowdhury talking to this correspondent on Wednesday found no 'clear logic' in cancelling the 'outright' past tenders and other procedures.

"The new committee decision bears no logic at a time when we (our committee) have moved so close to start the much-awaited project," he said adding "We have already completed lot of ground works regarding the WTC."

Amir Humayun said the project required at least eight permissions from different departments concerned including Chittagong Metropolitan Police, Power Development Board, City Corporation, Chittagong Development Authority and

Department of Environment, and the previous committee did all these.

"Besides, we also have gone through all the formalities regarding land registration, mutation, appointment of consultant, tender bidding and tender designing during our tenure and it is unfortunate that despite all these works being done, the new committee took the move," he further said.

Another former president Farid Ahmad Chowdhury supports the new committee's decision saying the previous tender had many shortcomings besides being 'too expensive' and the new committee, as he believes, is trying to lessen the cost.

He suggested that the new committee reduce the project cost and appoint an expert who will be highly competent and honest as the project director of the WTC. He, however, believes the WTC project can be built at a cost of Tk 150-crore or less.

## CCCI concerned over hike in dollar price

**STAFF CORRESPONDENT, Ctg**

Chittagong Chamber of Commerce and Industry (CCCI) expressed concern over continued rise of dollar against taka and urged the Bangladesh Bank to take emergency step to prevent the unstable trend in the currency market.

"The on-going unusual rise of dollar against Bangladeshi currency is causing harm to the country's export trade, which is largely dependent on import, especially the readymade garments sector," said CCCI President Saifuzzaman Chowdhury Javed in a message issued on Wednesday.

The uneven trend would lead to the discomforting hike of essentials and thereby leave a negative impact on the country's overall socio-economic environment and trade and commerce, he added.

"Although there is no scope to fix specific rate in the existing floating exchange system, the government can resist the unusual trend of the foreign currency market by applying different methods and mechanisms," Saifuzzaman said.

As for interim measure the CCCI president suggested direct supply of dollar from the central bank.

"This alternate step may play a role in lessening the rise of dollar price in the inter-bank transactions and also help the unsteady market return to normalcy," he added.

## Singapore-US FTA boosts trade by 10pc

**AFP, Singapore**

Trade between Singapore and the United States increased 10 percent to about 40 billion US dollars during the first year of their free trade agreement (FTA), the two countries said Thursday.



PHOTO: ISLAMI INSURANCE BANGLADESH

Law, Justice and Parliament Affairs Minister Moudud Ahmed and Commerce Minister Altaf Hossain Choudhury attend a discussion titled "Role of Islamic Insurance in Islamic Economy" on Wednesday in Dhaka. Among others, Tofazzal Hossain, chairman of Islami Insurance Bangladesh Ltd, organiser of the event, was present.

## Budget structure to be reformed: MK Anwar

**BSS, Dhaka**

Agriculture Minister MK Anwar yesterday said the government took steps to reform the budget structure with an objective to attain rapid economic growth, and ensure rational utilisation and distribution of the country's resources.

The agriculture minister was speaking at a meeting on the budget estimation for three years of the ministry and its various affiliated organisations under the mid-term budget framework.

Held in the ministry's confer-

ence room, the meeting was attended, among others, by State Minister for Agriculture Mirza Fakhru Islam Alamgir, Agriculture Secretary ASM Abdul Halim, and chief executives of various departments and divisions under the ministry.

The meeting was informed that under the on-going budget reform process, the budget estimation of fiscal years 2005-06, 2006-07 and 2007-08 would be incorporated.

The ministry has estimated its total possible expenditure for these three consecutive fiscal years at Tk 1,985 crore, Tk 2,200

crore and Tk 2,430 crore respectively. The budget allocation for the ministry against the current fiscal is Tk 1,777 crore.

Terming the budget reforms as a "good step", the agriculture minister said the authority of spending of the allocated budget money should be decentralised.

Anwar said mental preparations are essential for utilising the allocated money properly. The quality of work and the accountability of the local level officials would be enhanced if the ministry gives them more authority.

## China blasts threatened US deadline on yuan revaluation

**AFP, Beijing**

China said Thursday that a threatened US bill giving it six months to revalue its currency, the yuan, would be the wrong way to handle the sensitive issue.

"We believe this is not a way to resolve differences," foreign ministry spokesman Kong Quan told a regular briefing.

"Every country's economic and financial policy are implemented and established based on the country's specific situation," he said.

A least a dozen US senators are said to have agreed to co-sponsor the bill which would give China "a window of 180 days" to revalue the yuan or face a 27.5 percent tariff on all Chinese manufactured goods entering the United States.

It is expected to be introduced into the US Senate as early as Friday.

A ranking state-employed economist said the government was unlikely to be intimidated by such a move.

"China doesn't have to change the yuan exchange rate under pressure from the outside," said Zhu

Baoliang, a researcher at the State Information Center, an elite Beijing think tank.

"If the Chinese government wants to change its policy, it should be at a time when it's required by domestic needs," he told AFP.

"Personally I agree the yuan should change at a proper time but in accordance with the domestic economic situation, not because of international pressure," Zhu said.

The yuan, now fixed at 8.28 to the dollar, is kept in a narrow band by the People's Bank of China, the central bank. This level is considered too weak by many financial observers and made worse by recent weakening of the dollar.

The United States trade deficit with China is ballooning and may have hit 150 billion dollars last year or one-fourth the US deficit with all countries, analysts say.

"Ensuring and maintaining the rapid, healthy and stable development of China's economy helps not only China but also the mutually beneficial economic and trade cooperation with Asia and other countries in the world," Kong said.

## India clears Saarc double taxation avoidance deal

**PALLAB BHATTACHARYA, New Delhi**

India cleared a limited agreement among the Saarc countries for avoidance of double taxation and mutual administrative assistance in tax matters here on Wednesday.

Hours before India decided not to attend the 13th Saarc summit in Dhaka, a meeting of the cabinet presided by Prime Minister Manmohan Singh cleared the signing of the agreement.

The agreement is aimed at providing tax relief to students and teachers for pursuing academic interests, Finance Minister P Chidambaram told reporters.

Gaining assistance is one of the important provisions of the proposed treaty which would ensure recovery of taxes from defaulting

companies that have assets outside India, he said.

The agreement was to be signed in Dhaka at the 31st session of the Standing Committee consisting of foreign secretaries in the run up to the summit.

India was entrusted with the task of preparing a draft of the treaty aimed at breaking new grounds in international tax treaties, Chidambaram said.

The agreement had been under consideration since 1996 when a meeting of the Committee on Economic Cooperation of Saarc had decided to go for a multilateral agreement for avoiding double taxation among the seven member countries- India, Bangladesh, Pakistan, Nepal, Bhutan, Sri Lanka and the Maldives.

## Indian IT industry gets going

**STAFF CORRESPONDENT, New Delhi**

The Indian information technology industry continues to be on song.

The industry forecasts a robust growth in 2004-05 financial year contributing more than 4 percent to GDP compared to 3 percent in the previous fiscal and just 1.3 percent in FY 1997-98, according to President of National Association of Software and Service Companies (NASSCOM) Kiran Kamrik.

The IT industry earned 21.5 billion dollar in revenue in FY 2003-4 and has all chances to cross 28.3 billion dollar in 2004-05 largely due to growth in information technology related services and software developments, he said.

India's software and service exports recorded a growth of 33 percent for 2003-04 fiscal year earning a revenue of 12.8 billion

dollars and this sector is projected to experience a 35 percent growth to take the revenue earning to 17.3 billion dollars during the 2004-05 financial year, Kamrik said.

On the export front, North America represents nearly 70 percent of India's software exports in 2003-4 and Europe came second with 22.25 percent.

North America also remains to be the top market for Indian IT-enabled services and business process outsourcing (BPO) activities with 80 percent.

In the domestic IT market, information technology services and products are estimated to reach 4.3 billion dollars, IT enabled services-business process outsourcing 600 million dollars, hardware 5.3 billion dollars reaching the total domestic IT market at 10.2 billion dollars in 2004-05.

## Crescent Jute Mills closed down

**STAFF CORRESPONDENT, Khulna**

The state-owned Crescent Jute Mills Ltd at Khalishpur in Khulna was closed down on Tuesday morning throwing its 6,400 employees and workers out of jobs.

According to the mill manager (Administration), the mill was undergoing severe financial crisis. Besides, there was no raw material in the stock, as the mill had not enough funds to purchase, he added.

The daily production came down to five tonnes from its target of 90 tonnes due to financial crisis, said the production manager.

The agitated workers rallied at Khalishpur on Wednesday afternoon demanding immediate reopening of the mill and payment of all arrears.

Acute financial crisis has forced Bangladesh Jute Mills Corporation to close down eight jute mills in Khulna-Jessore industrial belt in recent times driving over 30,000 workers and employees out of jobs. Seven other mills closed down earlier are Daulatpur Jute Mills, People's Jute Mills, Star Jute Mills, Aleem Jute Mills, Eastern Jute Mills in Khulna, Jessore Jute Industries and Carpeting Jute Mills in Jessore.

## Asian airlines' traffic up in 2004: AAPA

**AFP, Singapore**

Airlines based in the Asia Pacific carried a record number of passengers and cargo in 2004 and the outlook remains buoyant for this year, an industry association said Thursday.

The Association of Asia Pacific Airlines (AAPA) -- which groups 17 premium carriers -- said 117 million passengers were carried last year, up 22.5 percent from the SARS-ravaged year of 2003 and 7.3 percent higher than 2002.