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Regulatory body for local traders, investors by mid-November

STAR BUSINESS REPORT

Government is going to form a separate regulatory body by mid-November to provide policy support for local traders and investors.

The proposed Regulatory Reforms Commission (RRC) will have a secretariat to continue its functions, which include introduction of modern regulations or making amendments to the existing laws, which might be required by the businesses to become more competitive in the global market.

Sources said the RRC comprising over 50 officials would act as a supportive body to the earlier proposed Bangladesh Better Business Forum (BBBF).

Businessmen hope that these organisations would contribute to improving the existing economic situation.

Top business leaders yesterday sent their remarks on draft proposals for the two organisations prepared by the Chief Adviser's Office.

The chief adviser may sit together with the business leaders in a short time to finalise the RRC's program.

Headed by a chairman, the RRC will be run by a 17-member executive body comprising government appointed officials and some business representatives.

The business community in their recommendations urged the government to increase business people's representation in both the BBBF and RRC, seeking at least five representatives from the business community in the proposed RRC.

Also, they sought civil society's representation in the body.

Earlier, the government also proposed to form BBBF to tie up business community with the policy makers.

In their feedback on BBBF, the business community proposed to reduce its representation from earlier 43 to 35. They also sought at least 16 businessmen and two civil society members including one economist in the BBBF.

The business leaders observed that at least nine separate working groups should be made for developing investment facilities, privatisation, export, import, local industry, infrastructure, agriculture, ICT, tax and finance and international trade negotiation.

The businessmen also recommended formation of a sub-working group to facilitate ready-made garments and textile sector.

To be headed by the chief adviser, the BBBF will consist of government's policymakers, chief of army staff, business leaders, civil society members and economists.

Earlier on September 5, Chief Adviser Dr Fakhruddin Ahmed proposed to form the forum at a dialogue between the government and businessmen.

For a better business climate BBBF will work to identify problems facing the economy and recommend solutions to those.

Welcoming the government move, Mir Nasir Hossain, president

of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), said, "The proposed organisations will help businesses adopt policies conducive to expanding business."

He said the business community has long felt the necessity for such bodies as they need quick decisions from the government side on issues like investment and business operations in the country.

Nasir said he hopes the BBBF will help them avoid bureaucratic tangles in seeking government approvals for different private ventures.

He noted that the organisations should be formed by middle of the next month as the present economic situation warrants some urgent policy decisions.

"There is no doubt about the merit of such organisations," said Anisul Haq, former president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Janata Bank adjudged best bank

BSS, Dhaka

The Janata Bank has been adjudged the best bank in Bangladesh by the Global Finance Magazine of Washington recently.

Bangladesh ambassador to the United States M Humayun Kabir received the award on behalf of the bank at a simple ceremony held at the National Press Club in Washington DC on Monday, according to a message received here yesterday.

Joseph D Ziaraputo, president and publisher of the Global Finance Magazine handed over the award.

Janata Bank of Bangladesh, ICICI Bank of India and Bank of Ceylon of Sri Lanka were given best bank award in the South Asia, the message said.

Japan's Sept trade surplus up 62.7pc

APP, Tokyo

Japan's trade surplus in September jumped 62.7 percent from a year earlier on strong exports of automobiles and lower imports of oil, the government said Wednesday.

The surplus came to 1,637.8 billion yen (14.3 billion dollars), higher than economists' average forecast for a surplus of some 1,460 billion yen.

Exports rose 6.5 percent to 2,720.4 billion yen to score year-on-year growth for the 46th consecutive month.

SHRIMP EXPORT

EU team identifies lack of coordination, inadequate manpower as shortcomings

STAR BUSINESS REPORT

After a 10-day inspection, the two-member team of European Union has found lack of coordination among the regional fish inspection and quality control (FIQC) units in Dhaka, Khulna and Chittagong.

The team, comprising inspectors Raj Patal and Dr Mc Evoy from the EU Food and Veterinary Office in Brussels, also identified inadequate manpower as a shortcoming to run shrimp export-related activities.

The EU team placed their findings at a meeting in the Ministry of Fisheries in Dhaka yesterday.

Fisheries Secretary Syed Ataur Rahman, Joint Secretary Parkshit Dutt, Director General of the Fisheries Department Mohammad Mokammel Hossain and senior officials of the FIQC units were present at the meeting.

The meeting sources said the EU team during their visit in Dhaka, Khulna and Chittagong also found that the government fails to run the nitrofurantoin virus detecting machine up to the

expected level.

However, the team expressed satisfaction over the shrimp production and processing by the cultivators and exporters.

Meanwhile, the EU Food and Veterinary Office has sent a letter to the Fisheries Department expressing that the EU is willing to send a six-member team to Bangladesh to inspect the shrimp industry further.

Earlier, the two-member EU delegation visited several shrimp hatcheries and enclosures in Khulna and Bagerhat, regional FIQC laboratories, government-run documentation and residue monitoring plant in Chittagong, and fishing activities in the rivers, canals and creeks in the Sundarbans.

The EU team was in Bangladesh to get an idea of what measures the country has taken with regard to exporting quality shrimp to the EU in accordance with the Union's guidelines.

The delegation also wanted to see if shrimp cultivators and processors are complying with HACCP

(Hazard Analysis and Critical Control Points) policies properly.

The team will submit its final report to the EU authorities after returning to Brussels. According to sources, the EU may give a timeframe to Bangladesh to develop the situation the EU team found out.

Bangladesh's shrimp industry, the second largest foreign exchange earner, employs more than 7.5 lakh people. Using 2.5 lakh hectares of land in southeastern and southwestern coastal areas of Cox's Bazar, Bagerhat, Khulna and Satkhira, around 1.4 lakh farmers are producing more than 50,000 tonnes of shrimps annually, mostly by using traditional methods.

In 2006-07 fiscal, Bangladesh fetched around US\$ 500 million by exporting shrimps, mainly to the US and EU countries.

However, in the first month of the current fiscal, frozen food exports witnessed a downturn with a decline of 11.55 percent.

The government has fixed a target of earning \$600 million from the frozen food sector this fiscal.

Godrej to expand business in Bangladesh

PALLAB BHATTACHARYA, New Delhi

Bangladesh is one of the countries India's Godrej Consumer Products Limited is looking at to expand its hair-colour and hair care products business through strategic investments and acquisitions.

"We want to expand our hair care business to the entire developing world Asia, Africa and Latin America. The countries of interest to us are China, Indonesia, Bangladesh, Pakistan, Brazil and Mexico," the company's Managing Director Adil Godrej said at its annual general meeting in Mumbai.

Godrej Consumer Products Limited, which manufactures soaps and personal care products, would also be looking for hair care-related products manufacturing capacities in these countries as well as brand and distribution presence, he said.

The Indian company acquired a brand in South Africa which is a leader in hair colouring in ten African countries, Godrej said, adding "we will look for similar companies in other countries".

In an attempt to widen its product portfolio across India as well as international markets, Godrej Consumer Products Ltd entered into an agreement with Sweden's SCA Hygiene Products AB in March this year to form a joint venture to manufacture and market paper-based absorbent hygiene products, including sanitary napkins, in India, Nepal and Bhutan.

PSI FIRMS' PRICE QUOTING

Int'l audit firm by next month for scrutiny

UNB, Dhaka

The government is likely to appoint an international audit firm to scrutinise the price quoting of the pre-shipment inspection (PSI) companies by next month.

Three international audit firms, two from the USA and one from the EU countries, submitted tenders following tender call from the National Board of Revenue (NBR).

"A committee is examining the tenders and all processes will be complete by next month," NBR Member (Customs) Rashidul Ahsan Chowdhury told the news agency.

After examining the papers, the NBR will tell the audit firms how much it (NBR) could offer them for the audit of each inspection certificate.

The government's revenue authority has tried to appoint an audit firm to ensure checks and balances in the function of the PSI companies for a couple of years.

But due to some legal complications and tight procurement system of the government, the NBR failed to appoint an auditor, according to an NBR official.

About the payments for the audit firm, he said as the firm is international so their remuneration will be obviously high.

"NBR will bear the cost. We are taking one percent of the total import duties from the importers as PSI charge. From that charge we will cover the audit cost," the official said.

The government has taken the move considering the importers' complaints about harassment and

delays in getting their consignments after import valuation by the PSI companies.

Recently, the NBR found irregularities of PSI-company M/S Cotecna Inspection SA in import-ing luxury vehicles.

The government appointed four companies in September 2005 for a three-year tenure (up to 2008) to continue with the provision for compulsory pre-shipment inspections, introduced in 2000.

The companies are Cotecna Inspection SA, SGS (Bangladesh) Limited, Bureau Veritas BIVAC (Bangladesh) Limited and Intertek Testing Limited.

They were appointed to help the customs department, which lacks sufficient logistic support and skilled manpower.



PHOTO: STAR

Dr Debapriya Bhattacharya, ambassador-designate to Bangladesh's Permanent Mission in Geneva met the members of Metropolitan Chamber of Commerce and Industry, Dhaka yesterday.

SKorea urged to develop forex market to become financial hub

APP, Seoul

South Korea is well placed to achieve its goal of becoming a regional financial hub but must develop its foreign exchange market, a senior advisor said Wednesday.

William A. Ryback, who took office this week as the first foreign adviser to the Financial Supervisory Service, said the nation has "some natural advantages" compared with other Asian countries.

"Clearly Korea has some advantages. One, it is very experienced in financial matters. Number two, it has a very deep and rich, experienced labour pool in the financial area," Ryback said.

"That is not easily duplicated, replicated elsewhere in Asia."

South Korea also has "a very strong supervisory system" that enjoys great confidence as well as rules of law that have been interpreted consistently over time, he told journalists.

However, Ryback said South Korea needs to develop its foreign exchange market so that all trans-

actions in major convertible currencies can be settled in real time.

"We need to ensure that we have a deep and rich foreign exchange market. We need to ensure that we have real-time settlement of all major currencies... and as many regional currencies as we can possibly do to attract investors," he said.

"We have to have a deep and rich foreign exchange market to serve those investors."

Ryback, who has 40 years experience in local and international banking supervision, was hired by South Korea as part of its bid to become one of Asia's top three financial hubs by 2015, along with Hong Kong and Singapore.

He said he hoped to ensure that South Korea's voice is heard in international forums on upgrading international standards for banking regulations.

The government aims to transform the manufacturing-based economy to meet the threat posed by a low birthrate and ageing population.



PHOTO: STAR

Foreign Adviser Iftekhar Ahmed Chowdhury and Karmajibi Nari President Shirin Akhter unveil the cover of the book Biswa Banijya Chuktimala, a translation work on WTO agreements, at the Cirdap auditorium in Dhaka yesterday.

Call for raising voice against WTO rules that hurt poor countries

STAR BUSINESS REPORT

Speakers at a book launching ceremony in Dhaka yesterday emphasised a strong global voice against the WTO rules and regulations that create problems for poor countries like Bangladesh.

Foreign Adviser Iftekhar Ahmed Chowdhury unveiled the cover of the book Biswa Banijya Chuktimala, a translation work on WTO agreements by Karmajibi Nari, a non-governmental organisation, at the Cirdap auditorium.

The adviser said the government will make all of its policy decisions with regard to the world trade forum by consulting with civil society organisations to ensure the country's interests.

Dhaka along with other least developed countries (LDCs) have been in to convince the developed countries about the uneven

competition regarding distribution of income, employment and production in developing countries, which is created because of globalisation, he said.

Debapriya Bhattacharya, the ambassador-designate to the Permanent Mission of Bangladesh in Geneva, said the coming days are very crucial for Bangladesh as the world leaders are trying to round up the Doha Development Rounds.

"We will try to convince world leaders that Doha Development Rounds should have swift development approach to benefit poorer countries," Bhattacharya added.

Presided over by Shirin Akhter, president of the Karmajibi Nari, the function was also addressed by human rights activist Dr Hamida Hossain and Trade Program Manager of Delegation of the European Commission Jenni Christensen.

Post-flood agriculture: Observations from field visits-I

MAHABUB HOSSAIN and UTTAM DEB

Bangladesh has experienced yet another severe flood this year. The flood affected 262 upazilas from 39 districts, most of them twice. The second flood receded when there was no further possibility of recovering the loss through replanting of aman paddy. So, the effect of the flood on food production for the affected households would be substantial. According to the Department of Agriculture, the flood has damaged 360 thousand hectares of rice-land completely, and 180 thousand hectares partially. Assuming an average paddy yield of 3.0 t/ha, the total loss of rice production would be about 0.85 million tonnes.

To assess the nature and extent of loss, on-going agricultural activities, and support needed by farmers for agricultural rehabilitation, we made an extensive field visit and consultations with farmers during 4-6 October 2007. The areas visited are Tangail, Sirajganj, Dhunot (Bogra), Gaibandha, Rangpur, Kurigram and Lalmonirhat. Besides observing the landscape and crop conditions on our route, we had a meeting with a group of 20 to 30 farmers in each of the sites. The meeting was organised by local officers of Brac. We thank all the farmers and Brac officials for their help in supporting the field trip.

Farmers reported that they had experienced a different kind of flood in 2007 than in 2004 and 1998. This year flood has occurred two times and thwarted their efforts of

recovery. The first flood has damaged their standing crops, seedlings, and nursery, fish, poultry birds and some cattle. Immediately after the first flood, farmers tried to offset their loss by transplanting seedlings of aman rice wherever feasible, and to cultivate vegetables in some limited areas. However, the second flood submerged the young seedlings for more than a week, which could not survive. Besides the financial constraints, it was too late in the season to recover the loss again through replanting. We observed en route that in the medium to deep flooded areas, the field was either empty or saturated with water.

Farmers reported that instead of keeping the remaining land fallow before the next planting of boro rice or hybrid maize, they could grow mustard and rapeseed, vegetables, chillies and potatoes. Their plan was to intensify the crop production by producing more profitable crops, using improved varieties, increased input use, and better crop management. However in the Tangail and Sirajganj there was still water in the field, making it impossible to grow any non-rice crop. In these areas, farmers have no choice but to wait till the boro season. In these places, unemployment of the landless workers was a serious problem. In Dhunot and Lalmonirhat, besides observing the landscape and crop conditions on our route, we had a meeting with a group of 20 to 30 farmers in each of the sites. The meeting was organised by local officers of Brac. We thank all the farmers and Brac officials for their help in supporting the field trip.

Farmers reported that they had experienced a different kind of flood in 2007 than in 2004 and 1998. This year flood has occurred two times and thwarted their efforts of

both sides of rivers and canals. The destruction in Sirajganj, Gaibandha and Kurigram was severe partly due to the breaching of the flood embankments. Since majority of the land in these areas are deep flooded, many areas are kept fallow during the Aman season or sown with the traditional low-yielding deep water aman crop. Single cropped boro rice is the main cropping pattern on such land. So, although the flood inflicted misery on the life of the households and there was substantial loss of income for individual households who went for the transplanted aman crop, the effect on national rice production would be proportionately lower than the area affected.

The condition of the aman crop in the non-flooded areas appeared to be good except in some fields where leaves were yellow, a sign of nutrient deficiency that might affect yield. Since the rainfall pattern has been favourable so far, the yield of aman should be above average this year in the non-flooded areas.

In all of the sites farmers expressed concern regarding the availability of inputs to realise their production plans. The demand for seeds will increase this year because many households who left their homes lost the rice seed they used to keep for planting. The allocation of land to maize will grow substantially this year because of the very high profits they earned last year from the production of hybrid maize, and the continued increase in the price of maize. There is an incentive to

grow more boro rice because of the favourable price of paddy. But there is little scope for expansion of boro area, as almost all suitable land had already been brought under cultivation last year. In order to increase production they will allocate more land to hybrid rice which has a 20 percent yield advantage over BRRI Dhan 29, the most popular boro variety. Many, who lost seeds kept at home, would also like to try hybrid rice this year. Therefore, the demand for seed for both hybrid rice and maize would increase substantially. The demand for potato seed is also expected to increase. The seeds for mustard and vegetables are available in the market, but the concern is with the availability of the seeds for hybrid maize, rice and potato. Government and private seed agencies need to take note of this situation.

Farmers reported that phosphate and potash fertilisers are available in the market, but they face acute shortage of urea fertiliser. Procuring urea is a big hassle these days, as they had to get certificate from representatives of local governments and local agricultural officials. They often fail to get adequate amount of urea even after spending a number of days to run after the officials. Non-availability of adequate amount of urea is having a negative effect on yield. En route we observed many aman fields with light green colour of leaf rather than dark green colour, which is a sign of malnutrition of plants.

The farmers prefer the free market system of distribution of

fertilisers that prevailed earlier that the present system of distribution through government machinery. They would like the urea to be freely available in the market even if they have to pay higher prices for it. Indeed, many reported that they had to buy fertiliser at Tk 10 to 12 per kg in the black market than the government fixed price of Tk 6 per kg. They reported that the amount of fertiliser they are getting under the present system is about 50 to 70 percent of the requirement.

Irrigation is another major challenge for farmers growing crops in the dry season. Farmers with diesel-operated pumps expressed concern about the rising cost of irrigation. Majority of the farmers purchase water from pump owners. Three modes of payment of water charge are currently in place. These are crop-sharing arrangement, fixed charge on per acre basis, and machine rental system where the farmers directly supply diesel. The fixed water charge has increased to Tk 2000 to 2400 per bigha for boro paddy, from Tk 1200 to 1500 a few years ago. The water charge is paid in instalments and must be paid fully by the time of flowering of the plant. In case of crop-sharing arrangement, currently one-fourth of the produce is paid to the shallow tubewell owner, and the crop is shared in the field at the time of the harvest. In the meeting in Tangail, one irrigation pump owner mentioned that she wanted to increase her share for irrigation to 37 percent in the coming boro season since the cost of diesel had increased. Therefore, high cost of

diesel may also create problem in the coming boro season. Farmers having electricity operated irrigation facilities demanded uninterrupted electricity supply for crop production.

Farmers reported that they currently face severe fund crisis in order to purchase the necessary inputs and machine rental for land preparation. Farmers reported their cash requirement for cultivation as Tk 4500 per acre for mustard, Tk 45,000 for potato, Tk 7,500 for maize, and Tk 6,000 to 12,000 for boro depending on the mode of payment of the irrigation charge. Therefore, commercial banks and NGOs should provide them loan for crop cultivation. They also mentioned that if Brac provided loan on a weekly instalment basis, as is the prevailing practice, they would not be able to take and repay such loans. They prefer seasonal crop loan this year, which may be recovered in one or two instalments after the harvest of crops.

The flood had a huge toll on the farmers' livelihoods and overall national economy. To offset the flood loss in the upcoming boro season, farmers have their own plans and they deserve support from the government, banks, micro-finance institutions, and public and private agencies dealing with input delivery. We hope that with integrated effort of all stakeholders Bangladesh will successfully able to face the challenges posed by Flood 2007.

Dr Mahabub Hossain is executive director of Brac and Dr Uttam Deb is a senior research fellow at the Centre for Policy Dialogue (CPD)

Advertorial

Customers benefit from yet another

From Page-1

On 25 October 2007 on a flight for Charity. From 28 October, Singapore Airlines' first A380 will be deployed as one of the three daily services from Singapore to Sydney. Originally designed to accommodate 525 seats in a three-class configuration, Singapore Airlines A380 seats only 471 passengers in a three-class configuration ensuring a more spacious and comfortable travel experience on this super-jumbo. The considerably lower fuel burn and lowest emissions per passenger, makes the A380 one of the environmentally friendliest aircraft. The new technology, design, airframe construction and engines all aid in making the A380 one of the quietest large passenger jets ever built. Cabin amenity is substantially improved, with significantly lower cabin noise throughout, improving passenger comfort and well-being, translating to better travel for customers.

Mr. Cheong Kok Ming, General Manager Bangladesh of Singapore Airlines reaffirms saying, "This is a great opportunity to serve our local customers by offering more seats and the finest products in the sky when we first fly to Sydney in the A380. We believe the A380 will help us develop stronger relationships with our customers in the coming days." Since establishment, Singapore Airlines has earned a reputation as an innovative market leader, combining quality product with excellent service. The receipt of the technologically advanced A380 aircraft affirms the airline's commitment to strive for the best. Customers can expect enhanced versions of the cabin products launched last October. These comprises: an improved in-flight Entertainment System, more luxurious amenities and refreshed menus, as well as a brand new cabin class - the Singapore Airlines Suites, in a class beyond First. As always, customers can experience the legendary service traveling with Singapore Airlines. In addition, customers enjoy the wide connectivity and convenience provided by the airline's network across the globe. The Singapore Airlines' route network extends across 100 destinations in more than 40 countries, including those served by Singapore Airlines Cargo and the regional airline subsidiary, SilkAir. Now, travel to any parts of the world in comfort and style from Dhaka with Singapore Airlines.