

# Frozen food exporters target Tk 10b earnings by 2013

BSS, Chittagong

Bangladesh Frozen Foods Exporters Association (BFFEA) has targeted Tk 10,000 crore from exports of frozen foods by 2013.

Frozen food exporters, mostly the members of the BFFEA, earned Tk 3,180.80 crore in fiscal year 2008-09, 20.83 percent lower than the previous year due to the global recession.

"But with the recovery trend of the global economy, the demand for frozen foods in the world market has started going up again," said Mohammad Musa Mia, BFFEA president.

He is optimistic about the bright prospects of frozen food export and believes that the country can fetch Tk 10,000 crore from this sector.

The main item of the frozen food is prawn, but the demand for shrimp in the global market is also on the rise.

Musa said the export earnings could be increased substantially by bringing the production and processing of the fish under the latest technology.

The demand for shrimp is increasing in global markets including the United States, Australia, Canada, the United Kingdom and some Asian and Middle-eastern countries.

At present, farmers are producing prawn on 1.70 lakh hectares of land.

The sectoral trade body chief suggested the government bring more two lakh hectares of land under shrimp and prawn production in the coastal area.

To meet the increasing demand, he also suggested expansion of prawn production in Sylhet, Mymensingh, Jamalpur, Jessore, Patuakhali and Barisal.

The farmers in Cox's Bazar, Chittagong and Khulna are now the main producers of prawn and shrimp for export.



## World will need 70pc more food in 2050: FAO

AFP, Rome

World food production must increase by 70 percent by 2050, to nourish a human population then likely to be 9.1 billion, the UN Food and Agriculture Organisation forecast Wednesday.

"FAO is cautiously optimistic about the world's potential to feed itself by 2050," said FAO Assistant Director-General Hafez Ghanem. However, he stressed that feeding everyone in the world by then "will not be automatic and several significant challenges have to be met."

The agency is preparing for a high-level expert forum in Rome on October 12-13 on "How to Feed the World in 2050" and plans to gather 300 specialists from academic, non-governmental and private sector institutions.

This forum will pave the way for a World Summit on Food Security in Rome on November 16-18.

The world population is expected to grow from 6.8 billion today to 9.1 billion in 2050, according to the latest UN forecast.

"Nearly all of the population growth will occur in developing countries. Sub-Saharan Africa's population is expected to grow the

fastest (up 108 percent, 910 million people), and East and South East Asia's the slowest (up 11 percent, 228 million).

"Around 70 percent of the world population will live in cities or urban areas by 2050, up from 49 percent today," the document said.

The demand for food is expected to grow as a result of rising incomes as well as population growth, the discussion paper added. Cereal production will have to increase by almost a billion tonnes from 2.1 billion today and meat production will have to grow by more than 200 million tonnes to reach a total of 470 million tonnes in 2050.

The FAO estimated that the "production of biofuels could also increase the demand for agricultural commodities, depending on energy prices and government policies."

More land will be needed for crops "despite the fact that 90 percent of the growth in crop production is projected to come from higher yields and increased cropping intensity."

The FAO estimated that "arable land will have to expand by around 120 million hectares in developing countries," mainly in

Africa and Latin America, while "arable land in use in developed countries is expected to decline by some 50 million hectares, although this could be changed by the demand for biofuels."

Globally, there is still enough land to feed the future world population, but much of the potential land is suitable for growing only a few crops, and the FAO warned of other difficulties, such as chemical and physical constraints, endemic diseases and a lack of infrastructure.

Overcoming such problems will require "significant investments," the FAO said, adding that some countries in the Near East, north Africa and South Asia "have already reached or are about to reach the limits of land available."

The FAO expects water withdrawals for irrigated agriculture to grow by almost 11 percent by 2050.

The world has enough fresh water resources, but "they are very unevenly distributed and water scarcity will reach alarming levels in an increasing number of countries or regions within countries, particularly in the Near East/North Africa and South Asia."

## India inflation up again

AFP, New Delhi

India's inflation gained pace, fuelled by a massive leap in food prices on the back of the worst drought in decades, official data showed Thursday.

Annual inflation rose by a faster-than-expected 0.37 percent for the week ended September 12, according to the Wholesale Price Index (WPI), India's most-watched cost-of-living benchmark.

The figure was up from a 0.12 percent gain the previous week.

Economists had forecast about a 0.30 percent increase in the inflation rate.

The rise came as overall prices of raw food items climbed by a hefty 15.64 percent, driven mainly by a 44.85 percent rise in vegetable prices.

Earlier this week, weather data showed that India's monsoon was about 20 percent below strength just over a week before the official end of the rainy season, putting the country on course for its worst drought since 1972.

Low rainfall early in the monsoon period hit India's rice, cane sugar and groundnut crops, threatening to cause shortages.

The drought is expected to dampen India's economic growth this year and has sent food prices rocketing, leading to huge hardship for India's poor masses.

The resurfacing of inflation has confronted the central bank with a dilemma about when to take the first steps to tighten monetary policy to keep a lid on prices.

## Crisis forces 17,000 expats out of Kuwait: Report

AFP, Kuwait City

About 17,000 expatriate workers have cancelled their residence permits and left Kuwait in the first half of 2009 due to the impact of the global economic crisis, a Kuwaiti daily said on Thursday.

Quoting informed sources in the ministry of social affairs and labour, Al-Seyassah said that more than 70 percent of the affected workers were Asians, who make up the majority of the foreign workforce in the oil-rich emirate.

The figure does not include foreign workers who

may have resigned or been dismissed from government jobs or domestic service since the ministry of social affairs and labour is responsible only for employees in the private sector.

The sources said the real number of foreign workers affected by the crisis was likely to be much higher since many of those dismissed decide to stay on to look for other opportunities, in some cases illegally.

Under Kuwaiti law, no foreigner can live in the country without a valid residence permit, which is dependent on employment.

Foreigners who lose their job also lose their residence

permit unless their employers grant them a grace period to find another opening.

In most cases, employers ask foreigners to cancel their residence permits before paying their end-of-service indemnity.

The number of foreign workers in Kuwait dropped by 20,000 to 1.75 million at the end of last year, according to official figures, in the first drop since the Iraqi invasion of 1990.

The Public Authority for Civil Information said the expatriate population rose a mere 0.4 percent to 2.35 million at the end of 2008, its lowest annual growth since the 1991 Gulf war in which a

US-led coalition expelled the Iraqi invasion force.

The number of expatriates in Kuwait rose by 8.5 percent in 2007. 2004 saw the largest annual increase at more than 11 percent.

Like its Gulf neighbours, oil-dependent Kuwait has been hit by the global economic slowdown as oil revenues, which make up more than 94 percent of public income, have dropped sharply.

The crisis has also hit the emirate's stock market and financial sector, with several leading investment companies defaulting on their debts. Bank profits have dropped sharply.



Md Sayedul Hasan, deputy managing director of First Security Islami Bank Ltd, inaugurates the bank's Potherhat branch in Chittagong on Wednesday.

## Japan posts seventh straight monthly trade surplus

AFP, Tokyo

Japan's exports exceeded its imports for a seventh straight month in August, keeping the world's number two economy on a recovery path after its worst recession in decades, data showed Thursday.

Japan posted a trade surplus of 185.7 billion yen (2.0 billion dollars) last month, compared with a deficit of 314.2 billion yen a year earlier, the finance ministry said.

The figure beat market forecasts for a surplus of about 175 billion yen, but was smaller than July's surplus of 377.9 billion yen.

Exports shrank 36.0 percent last month from a year

earlier to 4.51 trillion yen, hit by sharp falls in shipments of automobiles and steel. Imports fell 41.3 percent to 4.33 trillion yen due to lower energy costs.

Compared with July, exports edged down 0.7 percent as a stronger yen dampened overseas demand, but their overall uptrend remained intact, said Kyohei Morita, chief Japan economist at Barclays Capital.

"Japan's exports will not fall back as the economies of the United States and China -- which are important trading partners -- are likely to grow" thanks to government spending and recovering demand, he said.

The recovery in exports

showed a standstill in August but growth for September could be robust, Credit Suisse economists said.

"Judging from (industrial) production forecasts and robust machinery order receipts on foreign demand, exports in September could rebound sharply," they said in a report.

Japan's heavy reliance on foreign markets to drive its economic growth left it highly vulnerable to the recent global recession.

Its economy returned to positive growth in April-June, limping out of a year-long recession, but exports and factory output remain much lower than before the economic crisis and unemployment

is at a post-war high.

There is also concern about the impact of the stronger yen, which was trading at about 91 per dollar on Thursday, compared with a level well above 100 a year ago.

The yen's advance as a safe-haven currency during the global financial crisis has taken its toll on Japanese exports, said Hiroshi Watanabe, an economist at the Daiwa Institute of Research.

The higher yen has undermined the competitiveness of Japanese products on overseas markets, which is a concern because exports are still about one-third below their peak seen in February 2008, he said.

## Agrani Bank gets new DMD



STAR BUSINESS DESK

Agrani Bank Ltd recently appointed Md Nurul Alam Talukder as deputy managing director, says a press release.

Prior to this appointment, Talukder was the general manager of Ansar-VDP Unnayan Bank.

He started his banking career with Bangladesh Krishi Bank and later joined Ansar-VDP Unnayan Bank as deputy general manager in 1996.

## China checks GM takeover of Delphi

AFP, Beijing

China has launched an anti-monopoly probe into the takeover by General Motors of its former auto parts arm Delphi, in response to concerns raised by local carmakers, state media said Thursday.

Officials at the Chinese commerce ministry are carrying out the investigation after receiving applications from the two companies, the Beijing Times reported, citing both firms.

## Russian bank seeks bankruptcy of UC Rusal units

AFP, Moscow

Russia's largest private bank on Thursday filed bankruptcy suits against two key units of UC Rusal, stepping up the pressure on the aluminium giant's embattled billionaire owner Oleg Deripaska.

The suits from Alfa Bank were a fresh blow to Deripaska, who amassed a fortune in metals in the 1990s and became Russia's richest man before watching his net worth plummet in the global economic crisis.

Deripaska owns a majority stake in UC Rusal -- the world's largest aluminium producer, with 90,000 employees -- through his Basic Element holding company.

Alfa Bank said in a statement it had filed suits for bankruptcy against the Siberian-Urals Aluminium Company (SUAL) and the giant Krasnoyarsk Aluminium Smelter, the second largest such facility in the world.

The smelter produces 27 percent of Russia's aluminium -- or three percent of global output -- and employs 4,700 workers, according to UC Rusal's website.

Alfa Bank said it was filing the suits over an unpaid debt of 71.2 million dollars (48.1 million euros) from the two firms.

"Lengthy negotiations on the restructuring of the debts of Basic Element to

Alfa Bank have not brought results," Alfa Bank deputy chairman Vladimir Tatarchuk said in the bank's statement.

"In such a situation Alfa Bank reserves the right to defend its interests in court," he added.

Basic Element called the lawsuits "a misguided attempt to destabilise the operations of the company" and predicted it would win in court.

"This bankruptcy attempt is destined to fail," it said in a statement.

Deripaska's fortune has plummeted from 28.6 billion dollars in 2008 to only 3.5 billion dollars earlier this year, according to Forbes magazine.

Since the global financial crisis caused metals prices to plunge and dried up credit worldwide, Deripaska has been struggling to restructure massive debts that he took on during Russia's boom years earlier this decade.

Deripaska's woes have raised alarm among Russia's leaders because of fears that his bankruptcy could leave tens of thousands of workers unemployed, causing turmoil in the country's factory towns.

Basic Element's total debts have been estimated at some 20 billion dollars, of which Alfa Bank is a major creditor.

Thursday about another dispute, centering on the debts of GAZ, Russia's second largest car manufacturer, also owned by Basic Element.

Just before the lawsuits were announced, GAZ accused Alfa Bank of blocking a deal to restructure the car maker's 1.3-billion-dollar debt.

GAZ said it had reached a deal with 21 creditor banks on restructuring its debts but could not carry it out because of Alfa Bank's refusal to go along.

"Alfa Bank, despite earlier agreements, is demanding special conditions for itself, effectively disrupting the restructuring process," GAZ said in a statement.

Alfa Bank later released its own statement pledging that it was not seeking to bankrupt GAZ, which makes the Volga sedan and was once considered an icon of Soviet industry.

"Alfa Bank does not consider GAZ's bankruptcy possible and is not planning to file a corresponding suit given the great social significance of the factory and the difficult economic situation in car manufacturing," it said.

Deripaska's troubles with Alfa Bank have prompted speculation of a conflict between him and Mikhail Fridman, the bank's main shareholder and another of Russia's super-rich "oligarchs" who made vast fortunes in the 1990s.



Helal Ahmed Chowdhury, managing director of Pubali Bank Ltd, hands over a cheque of Tk 3 lakh to Prof Sirazul Islam, president of Asiatic Society of Bangladesh, in Dhaka recently. As part of CSR, the bank donated the amount to the society to compile a Children's Banglapedia in three volumes.