

Star BUSINESS

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Political turmoil slows Bangladesh's growth

ADB country director tells Dutch-Bangla chamber meet

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Political turmoil in Bangladesh is slowing the country's pace of development, said ADB Country Director Hua Du yesterday.

She said improved infrastructure and port facilities, quality education, uninterrupted power supply and better health service are the major preconditions for development in Bangladesh.

"Political controversy is lagging behind meeting these preconditions as well as development of Bangladesh, although the private sector has been moving well for the last few years," the ADB representative in Bangladesh said.

Hua Du made the comments while facing a volley of questions from members of the press following her speech at the luncheon meeting of Dutch-Bangla Chamber of Commerce and Industry (DBCCI) in Dhaka.

Fritz Meijndert, chargé d'affaires of the embassy of the Netherlands in Dhaka, Asif A Chowdhury, president of DBCCI, and Putu Kamayana, ADB's senior country programme specialist, also spoke at the luncheon meeting on 'Role of ADB in the Development of Bangladesh'.

Dwelling on ADB's contribution to Bangladesh's development, Hua Du said ADB's country strategy and program (CSP) for Bangladesh for 2006-2010 supports the implementation of Bangladesh's national poverty reduction strategy paper (PRSP).

She said ADB will allocate a



PHOTO: STAR

ADB Country Director Hua Du (C) speaks at a luncheon meeting of Dutch-Bangla Chamber of Commerce and Industry (DBCCI) in Dhaka yesterday as Asif A Chowdhury (R), president of DBCCI, and Fritz Meijndert, chargé d'affaires of the embassy of the Netherlands, look on.

concessional Asian Development Fund (ADF) for Bangladesh in the period 2006-08 amounting to an average of \$300million per annum, including 20 percent over programming to prepare for slippages during project processing.

Lauding the efforts of advisers to resolve the on-going political unrest, Hua Du said the moves taken so far by the caretaker government are very encouraging to hold the upcoming election in due time.

"I have no doubt about holding the upcoming election on time and for this all credits should go to the advisers", she said, adding "really, they are doing an excellent job which also helps continue projects of the development partners in Bangladesh".

Fritz Meijndert said Bangladesh's investment climate is

not very conducive to the private sector as infrastructure, corruption and contract enforcement still remained as hurdles.

He further noted that Bangladesh received a very low rank in the 'Doing Business Indicators of the World Bank', when it comes to 'the ease of trading internationally'.

"These hurdles, in combination with the political situation, prevent Bangladesh from reaching a higher economic growth path, even though this is a pre-condition for lifting the country out of poverty," Meijndert said.

The Netherlands imported goods worth 235 million euros from Bangladesh in 2005, while its exports to Bangladesh were of only 45million euros. The 85 percent Bangladeshi exports to the EU and US market are garment products.

Expressing his disappointment over the volume of trade between Bangladesh and the Netherlands, he said, "I think both countries do much better not only in figure, but also in product range."

He also suggested that Bangladesh should diversify its products to export more in the EU and US market.

The CSP was developed jointly with the United Kingdom's Department for International Development (DFID), the government of Japan, and the World Bank. The four development partners together provide about 80 percent of all development assistance to the country, said Putu Kamayana.

The joint strategy approach has allowed ADB to be more selective and focused, building on its prior experience and sector expertise in Bangladesh since Bangladesh joined the ADB in 1973, he said.

Kamayana said under the new CSP, ADB will play a lead role in supporting policy and institutional reforms in the energy, transport, education, urban health and water supply and sanitation sectors.

The joint strategy partners have also selected eight priority sectors for more intensive collaboration.

These sectors include reform of civil, legal and police services, rural infrastructure and local governance, public financial management, urban infrastructure, social protection and livelihood for the poorest, governance issues in transport sector and small and medium enterprise development, he said.

Grameenphone launches postpaid package Xplore

Grameenphone Ltd has introduced a new postpaid product -- Xplore -- in market, says a press release.

Xplore will be available in two packages -- Xplore Package 1 and Xplore package 2.

Xplore Package 1 will bring substantial benefits to customers with special offers at start-up, flat tariff to any mobile, low weekend tariff, reduced Friends & Family tariff and much more.

Customers can buy Xplore Package 1 for the great start-up price of Tk 1200. Every new Xplore Package 1 connection comes with an attractive bundle of benefits with 25 SMS, 25 Voice SMS and 5 original ringtones free. In addition, customers will enjoy line rent of Tk 150 only.

Xplore Package 1 subscribers will also enjoy flat tariff of Tk 2.5 (Peak) & Tk 2.0 (Super Off-peak) to any mobile and weekend tariff of Tk 2.0/min for 24 hours. Customers can talk to 3 F&F numbers at Tk 1.0/min and SMS at 0.50/SMS.

Xplore subscribers can enjoy free daily news headlines through SMS every morning through the Breakfast news service. EDGE service (Package P1) will be pre-activated with every Xplore Package 1 connection. Xplore Package 1 customers will also enjoy Prioritized service in Customers Service Hotline (121).

Customers can buy Xplore Package 2 for the great start-up price of Tk 2300 (including 1280 as Security Deposit). Every new Xplore Package 2 connection also comes with an attractive bundle of benefits with 25 SMS, 25 Voice SMS and 5 original ringtones free. In addition, customers can enjoy this connection without any line rent. Xplore Package 2 customers will have to maintain a monthly minimum usage of Tk 1200.

Xplore Package 2 subscribers will enjoy flat tariff of Tk 2.25 to any mobile and weekend tariff of Tk 1.5/min for 24 hours. In addition, customers will enjoy the benefit of 1 second pulse from the 1st minute.

Popular Pharma starts export

Popular Pharmaceuticals Ltd (PPL) has started exporting its products to international market, says a press release.

It shipped the first commercial consignment to Nairobi of Kenya on Monday.

This is the quickest export for a pharmaceutical company in Bangladesh within the 16th month of its commercial launching in local pharmaceutical market.

The PPL has already marketed over a hundred formulations with first time introduction of a number of molecules and formulations in the country, the release adds.

The company has signed contracts with four other local pharmaceutical companies to utilise its huge production capacity.

Income gap widens despite stable growth

Speakers say at seminar

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Although Bangladesh achieved over the last decade a GDP growth of 5.4 percent on an average per annum, people had not been able to reap benefit from such growth as disparity in income between the richest and the poorest section widened alarmingly, speakers made this observation at a seminar in Dhaka yesterday.

"In 1995-96 fiscal, the percentages of total income of five per cent people each of the poorest section and the richest section were 0.88 and 23.62 respectively of the gross domestic product. But, in the year 2000, the income of poorest five percent people went down to 0.67 per cent of the GDP, while income of the most privileged five per cent increased to 30.66 per cent," mentioned the key-note paper of the seminar.

Shah Alam, convener of Centre for Law Research and Support, presented the key-note paper at the seminar styled 'Free Market Economy is not the Road to Emancipation' (Muktobazar

Orthony Mukti Path Noy) at the National Press Club in Dhaka.

He blamed the system of free market economy for the disparity saying that in the system big capitals inevitably eat up the small capitals, widening the gap between the poor and the rich.

"The income gap has increased as the government failed to establish the rights of the poor," Kazi Kholiqzaman, president of the Bangladesh Economic Association, said, adding that the country's politics is not people-oriented.

Mujahidul Islam Selim, general secretary of the Bangladesh Communist Party (CPB), Dr Abul Barakat, general secretary of the Bangladesh Economic Association, Sadeka Halim, professor of Sociology Department at Dhaka University, Solimullah Khan, a professor at Stamford University, among others, spoke on the occasion chaired by Justice Golam Rabbani.

"When a Bangladesh made shirt is sold at \$40 in the US market, the worker who made it in the country gets not more than three cents and

the rest \$ 39.97 goes to the pockets of the foreign buyers, widening the income disparity due to the existing world economic system," Abul Barakat said.

Development means ensuring equal opportunities for all sections of the people in the society, but it is not possible under the existing economic system, he pointed out.

"For socialism, which was enshrined in the constitution in 1972, we have to establish a pro-people government and through functioning local government system," Justice Rabbani suggested.

Coming down heavily on the privatisation policy, the speakers said 90 per cent of the disinvested industries are sick now and three-fourths of workers are unemployed.

They also blamed the government for selling the state-owned enterprises at unreasonably low prices.

A speaker cited the example of Pubali Bank Limited, which was sold at Tk 55 crore, though its original price was more than hundred crore taka.



PHOTO: STAR

Shah Alam, convener of Centre for Law Research and Support, speaks at a seminar on free market economy in Dhaka yesterday as Kazi Kholiqzaman, president of Bangladesh Economic Association, and Mujahidul Islam Selim, general secretary of Bangladesh Communist Party (CPB), among others, were present.

BB relaxes directives on weekend banking

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The central bank yesterday relaxed its previous orders relating to keeping all authorised dealer (AD) branches of commercial banks open on Friday and Saturday.

Relaxing the directives, the Bangladesh Bank in a fresh circular asked all commercial banks to keep their AD branches at Dhaka and Chittagong airports, Chittagong and Mongla ports and all land ports open on Friday and Saturday.

The circular also said the banks can keep their other AD branches open for their own convenience. The banks themselves will fix the timing of the banking hour during the weekend.

Earlier on November 28 the BB asked all commercial banks to keep their all authorised dealer (AD) branches open during weekend.

Asean looks to nudge global trade talks

AFP, Cebu, Philippines

Southeast Asian leaders will call next week for a revival of global trade talks and will press nations to cut disputed farm subsidies that ran the talks off the rails, an official said Thursday.

The Association of Southeast Asian Nations (Asean), holding its annual summit in the Philippine island of Cebu, will echo a similar call issued by Pacific rim leaders last month, said the official who asked not to be named.

That statement from the Asia-Pacific Economic Cooperation (Apec) forum said there was an "urgent need" to restart the Doha round of World Trade Organization (WTO) talks and declared the Apec

nations were prepared to offer concessions beyond current positions.

The official said the proposed Asean statement was expected to toe a similar line but would add two new elements.

It would encourage WTO director general Pascal Lamy to persist in trying to revive the talks and stress the need for "substantial reductions in farm support" by wealthy countries, the official told AFP.

Lamy is expected to meet with Asean leaders on the sidelines of their annual summit in the central Philippine island of Cebu on Monday as part of his efforts to revive the negotiations.

The Doha round began in the

Qatari capital at the end of 2001, aiming to reduce subsidies, tariffs and other barriers to commerce and raising living standards in developing countries.

But talks became bogged down in July due to a dispute over agricultural subsidies, which distort the prices of products in the global market against those produced by developing countries.

A compromise among trade heavyweights is seen as the key to breaking the deadlock.

Asean groups Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. The bloc has a population of more than 500 million people.

Hanoi partially lifts rice export ban

XINHUA, Hanoi

The Vietnamese government has approved the export of additional 53,000 tons of rice under contracts signed before its Nov. 12 decision to temporarily halt exports for food security, the local newspaper Vietnam News reported Thursday.

Prime Minister Nguyen Tan Dung has also permitted rice to be loaded on ships that docked at seaports before Nov. 12 pursuant to contracts with Cuba and Indonesia. Under the contracts, 116,000 tons of rice had already been shipped, according to the Vietnam Food Association.

