

Promoting Trade within SAARC

We are at it again... how to make SAARC more meaningful than it has so far been.

The Bangladesh's position, prepared by our Export Promotion Bureau, makes three fundamental points: a) bring down all trade barriers; b) re-structure the existing trade patterns; and c) exchange and disseminate information relating to trade.

India's position supporting trade liberalisation has been strongly made by the Foreign Secretary Muchkund Dubey while inaugurating the review meeting on Monday last.

Policies of trade liberalisation falls right in line with GATT's thinking and the World Bank / IMF prescriptions. But there are two ways of looking at it.

It is India's comparative economic strength that creates the initial hesitancy among other SAARC members to go for liberal trade.

Alongside improved flow of goods and services, there is also the question of joint ventures by SAARC members that needs to be looked into.

Promoting greater trade between SAARC members is a challenging and formidable task but an extremely urgent and necessary one.

Poor Higher Life Expectancy

On the face of it Bangladesh seems to have worked wonders - it has raised the life expectancy of its people from 40 to 52 years.

It will be too presumptuous to put the credit of the augmented life expectancy on improved medicare comprising better and more conscientious and more numerous doctors working in an equitably distributed fashion throughout the nation.

The main contributing factors to the improved life expectancy scene are: one, improved social and public hygiene; two, better understanding of unstoppable killers of yester years resulting in better and easier therapeutic and surgical handling; and, three, less child mortality due to the above as also better ante-natal and post-natal care in some areas of society.

However, seen from another very practical point there's little to gloat over our achievement on this count. Fifty-two - which seems stupendous to us is ten years lower than the average life expectancy of the lowest developed countries - or LDCs.

In addition, around a million people are currently suffering from cancer in our country. And we have all the reason to suppose that this is only the tip of an iceberg, for cancer patients hardly report or are detected before reaching the terminal stage.

We again want to remind ourselves that our current poor yet higher life expectancy doesn't necessarily mean a longer life for individuals but that fewer infants are dying and more such are surviving - say up to childhood - mainly due to availability of tolerably good water and antiseptic agents.

Government Must Avoid Political Pressures on Policy Formulations

BUDGET preparation for the year 1991-92 will be an unenviable task. Except for 1972-73, this will probably be the most difficult budgetary exercise.

In the first place, the Government is already faced with a compelling need for policy reforms in a number of areas. The room for flexibility in redesigning the annual development programme is also limited because of on going projects.

The cyclone has brought untold misery and suffering in the areas of the country it has struck. But it is also true that it is not a disaster which has affected the entire country.

Some modification of the reform programmes, particularly those having short term implications will have to be considered. It should not be difficult to review the monetary expansion targets to accommodate increased credit requirements, keeping these within reasonable limits to avoid inflationary pressure.

A number of public sector organisations have lost their assets in the cyclone. They should resist the temptation to replace the assets 'like for like'.

CONCERN about global warming and climate change is not a new phenomenon. Almost a century ago, scientists began to voice fears that temperatures on our planet could begin an inexorable rise.

Global warming and the resulting climate change are now accepted as inevitable. We now know that the world is committed to an unprecedented warming, which will have serious environmental, economic and social repercussions for this and future generations.

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How old is Priyanka?

Sir, Since the tragic assassination of Mr Rajiv Gandhi his two children - daughter Priyanka and son Rahul - have figured in a number of news items published in the newspapers including The Daily Star.

But in Tuesday's (4.6.91) paper she was mentioned as a 19-year-old college student, and Rahul a 20-year-old brother of Priyanka.

We know for certain that Priyanka is older than Rahul. How come The Daily Star has committed this mistake? Can someone tell us the exact age of Priyanka and Rahul?

Priyanka: the new addiction

Sir, I am concerned about the mass usage of Phensidyl by the teenagers and youths in Bangladesh. The product is banned in Bangladesh. Despite the ban, large quantities of Phensidyl are being smuggled in.

by M. Syeduzzaman
Special to the Star

their capacity and use of labour, resist any pressure for wage increases which are not justified by a sound relationship between productivity and income.

It is expected that the new Government will take a rational approach toward the pricing of public sector products and not encourage misalignment between costs and prices on ground of political sensitivity.

At the moment, very few would consider the implementation of recommendations of the Pay Commission as a matter of the highest priority. This should help keep the budget deficit at a minimum level or to avoid it altogether.

costs and prices invariably creates 'rent seekers', depriving the consumers totally of any benefit the Government may have intended while opting for soft decisions on pricing.

In FY 1991-92 as well as beyond, the public sector investment programme will be expected to have an important role not only in activating the economy, but also in demonstrating Government's commitment to the social sectors such as expansion of primary education, health and family planning facilities.

In the field of infrastructure, another major public sector obligation, the immediate emphasis has to be on repair and rehabilitation of the cyclone damaged assets and better maintenance of such assets all over the country.

This is not to imply that there should be no new investments in these areas, but it is a question of priority. This applies to the energy sector, telecommunications, ports, and roads and highways.

The public enterprises, particularly those in the manufacturing sector should be extremely careful in planning outlays for creating new ca-

Looking at the current year's budget document it appears that practically no public sector industrial corporation will have a real surplus or profit.

The Government will have to keep in mind the signals that decision on major economic issues generate. The recent decision on waiving of land revenue upto a high ceiling of 25 bighas has already raised questions of affordability and equity.

In the past, there were allegations of misuse of agricultural credit. Results of surveys by financial institutions and outside researchers indicate that agricultural credit in a large number of cases were preempted by influential and politically connected large farmers and land

owners. No further decisions on economic issues should be taken on purely political considerations at the present critical juncture.

In recent weeks, there has also been a demand in support of subsidy for exports. In our exports promotion efforts, we have, in the past, followed a multi-faceted approach involving such elements as concessional interest rate, subsidy, rebate on income tax etc.

In recent weeks views have also been expressed in support of the Government intervention for the rehabilitation of 'sick' industries. In the public sector, such decisions should be carefully weighed, taking into account 'sunk' costs.

Many political leaders and also intellectuals have made unqualified pronouncements in favour of maximizing production at any cost. We hope the Government will be extremely cautious in propagating this view.

The Government can ill afford to give signals which may be interpreted as policies taken under pressure of lobbies and interest groups, or as populist policies on political considerations.

What is worrying is that all decisions of the type mentioned above will create additional pressure on the budget and public resources, thereby eroding public savings available for investments which is the last thing the Government can afford to ignore in the preparations of the budget for 1991-92.

The writer, a regular contributor to this paper, is a former Finance Minister of Bangladesh.

Climate Change: An Overview

World Climate Conference. They provide the most definitive assessment so far of global warming and climate change.

Greenhouse gases already emitted as a result of human activities have committed the world to an unprecedentedly rapid warming. Earth is now 0.5 degrees Celsius warmer than in pre-industrial times, and by the end of next century we can expect it to be at least 3 degrees warmer.

If we do not act soon to reduce emissions, the best we can expect is that within a century, the world will be warmer than at any time since the start of agricultural civilization six thousand years ago.

This warming will cause vast changes in climate. The increasingly warm temperatures will stir the world's weather systems into more intense activity, bringing more severe and more frequent storms to many parts of the world, including regions which have never before experienced severe storms.

As temperatures rise, the oceans will warm and expand, causing sea levels to rise and flood many of the world's highly productive deltaic areas, including vast tracts of land in Bangladesh, Egypt, Indonesia, China and India.

The IPCC calculates that the world's oceans could rise about 20 cm by 2030, and about 65 cm by the end of next century. Some 300 Pacific atolls could disappear, and the very existence of several island nations in the Pacific and Indian oceans, and in the Caribbean, is threatened.

As the seas move inland, ground water supplies in many parts of the world will become

Today, June 5, is World Environment Day. Observance of the day across the continents would express concern for the deterioration caused to environment over the decades more by human actions than by nature itself, and seek some way out from the danger it has posed for the mankind on the dear planet. With one indication this year's slogan is: Climate change - Need for global partnership.

contaminated with sea water, and previously fertile land many kilometres inland will become poisoned by the salinity.

Rainfall patterns will alter as the planet warms. Some regions of the world could dry out, while others could receive too much rain, which runs off the land without soaking in, flooding rivers and plains and increasing soil erosion. Some of the world's most important food exporting nations, including the United States, Canada and France, seem likely to suffer drier soil conditions, with potentially adverse impacts on their ability to produce food for the world markets.

In addition, global warming and climate change will seriously disrupt marine ecosystems. The flooding of many of the world's coastal wetlands as the oceans rise will mean the loss of an essential nursery for many fish, shrimp and bird species. This could significantly reduce the quantities of seafood available for human consumption. This impact seems likely to hit developing countries hardest. In many of these countries, fish forms the

bulk of all protein which sustains human life.

Human health may suffer as well. Warmer temperatures will allow disease-carrying insects, parasites and viruses to spread debilitating and often fatal infectious tropical diseases into mid-latitude regions. Drought-induced malnutrition and famine may increase significantly in some regions.

The combination of worsening storms, rising sea levels, water shortages and crop failures could drive unprecedented number of people from their homes. By 2100 we can expect tens of millions of environmental refugees unless steps are taken to limit global warming and to prepare against its worst effects.

People can move when their environment is destroyed, but many plants and animals cannot react quickly enough. It already appears inevitable that we will lose many plant and animal species as temperatures rise. The Stockholm Environment Institute has reported that natural ecosystems can only adapt to a temperature rise of at most 0.1 degrees Celsius per decade. With energy production and use increasing at its present rate, the warming we can expect is at least two or three

OPINION

Water Transport and Marine Police

Bangladesh is one of the world's largest deltaic regions; and the land is only a few feet above the sea level, resulting in recurring floods. Therefore the cost of construction of roads and its maintenance is one of the highest in the world.

Roads need embankment, which means that thousands of tons of earth have to be moved. The waiting period is two to three for the soil to settle down. We should also note that the number of bridges and culverts per running kilometre is also one of the highest in the world. Due to the monsoon and floods, the maintenance cost is prohibitive. Due to poor economy, the wheeled transport density in the national highways is uneconomical to be able to maintain the roads in grade A condition.

Is the water transport sector getting step-motherly treatment in national planning? The recurring cyclones and tidal bores apparently reveal the dire shortage of water transport at times of emergency and crisis. In the coastal areas, the water transport density is not in proportion to the heavy density of the population. It has also to be noted that the design of inland river transport and that of off-shore

transport are quite different; hence these two categories of craft are not interchangeable for emergency work.

We have to plan keeping in tune with nature and ecology - it is a wasteful exercise to fight against nature. The recent cyclone also revealed (once again) how useful are helicopters to reach the inaccessible areas with emergency relief (for the first one week at least). It looks like that there should be a pool of helicopters based in the coastal zone.

Another deficiency which is surfacing is the lack of well-developed marine police network. Their speedboats could have saved many lives after a natural calamity. Marine police (or Coast Guard), working in coordination with the Navy, would also be a great deterrent to off-shore smuggling activities, which have assumed alarming proportions.

All these proposals look nice on paper. But we have to start somewhere, possible in this order: feasibility studies, outline plan, a couple of pilot projects, lay the foundation of the expandable network (modular), and then build up the super-structure as per resources available. We are not friendless, and technical assistance in planning should be no problem (with some material aid).

Now that we are re-evaluating the coastal shelter plans, it is the right time to look beyond into the long-term perspective models. It is inhuman to lose lives in five figures every couple of decades.

A. Mawaz Dhaka