

The way I see FMO

Md Sahabuddin Ahmed

Technical Assistance Grants to the Company to beef up its technical and management skills through hire of expatriate expertise and consultants. But in all these processes, FMO remained very much in the background and uninterfering, allowing industry management and leadership to grow of its own volition and efforts even if perhaps it could have meant trials and errors. With hindsight, one could possibly conjecture that the raison d'être of FMO's financial participation is to act truly as a catalyst to the industrial growth and development of Bangladesh.

In this relationship between the borrower and the lender, both Tamijuddin Textile Mills Limited and FMO have gained in their own ways. We have flourished leaps and bounds from a fledgling spinning mill to one of the protagonists of the industry in Bangladesh. FMO has also predictably gained and profited from the expansion and gains of the Company — as a partner, arguably also reinforcing its conviction and trust and confidence in Third World entrepreneurship.

This is perhaps the most valuable experience I cherish personally — that of generating confidence in the international financial community about Bangladeshi entrepreneurship, stimulated by the encouraging support and caring guidance of FMO. Indeed, from the success of Tamijuddin Textile Mills Limited it was possible for us to have initiated the planning and development of Kader Synthetic Fibres Limited, Bangladesh's first Polyester Filament Yarn manufacturing plant drawing on "TORAY" technology, a quantum leap for us, if not for the Private Sector industry in Bangladesh. The total investment of the project is around US\$ 30 million, and obviously, as before, FMO had been the first among international financiers to have lent this project its unstinted support. It may not perhaps be an overstatement to suggest here that FMO's unreserved support and participation had been instrumental in inviting other such worthy partners as the Asian Development Bank (ADB), Asian Finance & Investment Corporation (AFIC) and Saudi-Bangladesh Industrial & Agricultural

Investment Company Ltd. (SABINCO) in our efforts at the industrial development of Bangladesh.

FMO's presence in Bangladesh has been more than a decade now, and I believe it has done more than its fair share for contributing towards the industrialisation of Bangladesh. All of us who have benefited from FMO's participation in the strum and drang of industrialisation in Bangladesh do appreciate its role and function as vital for transition of this traditional society into the modern age through changing the mode of production through industrialisation.

I believe all the beneficiaries of FMO are with me when I wish FMO greater heights of achievement on this auspicious day of the birthday celebrations of Her Majesty Queen Beatrix of the Netherlands.

Long Live the Queen and Long Live the FMO — flag bearer of Her Majesty's Government in Bangladesh in the domain of trade and industry!

The Netherlands and Bangladesh

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poverty problems and specific development related to research.

In support of Bangladesh's priorities in the agricultural and food sector in achieving self-sufficiency in cereals for human consumption and diversification of agriculture, agricultural inputs (fertilizer, seed potatoes and vegetable seeds) are supplied under the Dutch programme and assistance is provided to improve food storage capacity.

Early 1988, the construction of the bridge over the Karnaphuli river in Chittagong began. The project was based on the re-use of the Eastern Scheidt Bridge which was used during the construction of the Eastern Scheidt Storm Surge barrier in The Netherlands, but became redundant after completion of the barrier in 1986. The purpose to build this bridge was to provide road communications with the Southern regions of Bangladesh and to facilitate the growth of new industries, expansion and development of Chittagong city on the left bank of the Karnaphuli river.

The project included transport and the on-site (re-) construction and was completed in May 1990.

The floods of 1987 and 1988 underlined the critical importance of water control in Bangladesh. Like the Netherlands-Bangladesh has a delta, albeit a larger one, with similar, but vastly more complicated problems and issues with regard to land reclamation, flood defences, water control, salination and upkeep of polders. It is not surprising, therefore, that the two countries have been cooperating in this field for years.

After the severe floods of 1974 the Netherlands government made an amount of Dfl. 7 million available for small scale water development projects. 21 small projects were identified for irrigation, drainage and flood control to be implemented with the Bangladesh Water Development Board (BWDB). This was the start of the Early Implementation Project on Flood Control, Drainage and Irrigation (EIP) and the beginning of other cooperation in the water sector.

Two other projects were identified: one in the Southwestern and one in the Southeastern delta, respectively the Delta Development Project (DDP) and the Land Reclamation Project (LRP).

EIP is a programme of small water sector schemes which aim at an increase of agricultural production and farmers' income through labour-intensive water and flood control works. The programme started in 1975 and is now in its fourth phase. LRP started in 1979, plans and implements schemes to increase the area of land in the Eastern estuary by controlling the process of erosion and accretion. The ultimate aim is an increase in agricultural land of which the benefit goes to the people who cultivate it.

DDP started in 1981 and aims at improved and integrated land and water development in the Southwestern delta (Khulna district).

Recently in 1990 a new project, Systems Rehabilitation Project (SRP) has started with BWDB in cooperation with the World Bank and the European Community. This project will

rehabilitate some 80 flood control, drainage and irrigation (FCDI) projects with the aim to introduce operation and maintenance and on-farm developments.

In addition, the Netherlands is cooperating in two projects under the Flood Action Plan: as the lead agency (together with Germany) in the Compartmentalisation Pilot Project (CPP) and in providing expertise to the Flood Modelling and Management Project. The objective of CPP is to establish appropriate water management systems for the development of protected areas so that criteria and principles for design, implementation and operation can be made available for the Flood Action Plan.

An important component of the Netherlands development cooperation is allocated in support of improving and strengthening the social sector. It is aimed mainly at education, especially primary education, and health care and family welfare. In cooperation with the World Bank and other donors it supports improvement of the infrastructure through the construction of schools and health centres, as well as improvement of direct social conditions through education of girls and family planning programmes integrated in the health sector. In addition, the Netherlands actively supports demographic statistics activities.

The earliest relations between Dhaka and the Netherlands took place in the middle of the 17th century when Dutch merchants came to Dhaka and took part in the export trade. They carried on a flourishing business with Southeast Asia and Europe till their business declined and the Dutch property at Dhaka was surrendered to the British in 1781.

During the last ten years trade flows between Bangladesh and the Netherlands have shown the following pattern: imports from Bangladesh (1990: Dfl. 75 (est.) million) were relatively constant; exports to Bangladesh (Dfl. 140 (est.) million) have grown during this period. While in 1982 imports from Bangladesh still exceeded exports to Bangladesh during the last five years trade between the two countries shows a negative balance for Bangladesh of about 60 million guilders.

Traditionally products like jute yarn, jute manufactures, leather, frozen fish and shrimps have been imported from Bangladesh. The last few years, however, imports of ready-made garments have be-

come a dominant product in the Netherlands-Bangladesh trade relations covering about 60% of the Dutch total imports from Bangladesh. Among most important Dutch products exported to Bangladesh are dairy products, animal or vegetable oils and fats, chemical products and machinery.

A number of Dutch based companies have been working in Bangladesh or have branch offices here. They include: Philips Bangladesh Ltd. the electronics company with a product line including light-

ing, audio/video, medical, communication and information systems, since 1982 in Bangladesh; Organon Bangladesh Ltd. a subsidiary of AKZO Pharma B.V., engaged in manufacturing and marketing of pharmaceutical specialities such as oral contraceptives; the Anglo-Dutch company Unilever (Lever Brothers Bangladesh Ltd.) whose field of operations covers detergents, personal products including shampoos, toothpaste and skin creams, as well as packaged tea products; and Royal Dutch Airlines KLM.

In addition, the Netherlands Development Finance Company (FMO) has financed assistance to industrial enterprises in Bangladesh. Bangladeshi entrepreneurs have, furthermore been making use of a number of services provided by the Netherlands Centre for Promotion of Imports from Developing Countries (CBI), such as the merchandise test centre, special product promotions, scholarships and seminars aimed at facilitating Bangladesh exports to the European market.

Heartiest felicitations
to Her Majesty the Queen
and the friendly people of
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on their
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