

One-stop Investment

Twenty months after the assumption of office by Prime Minister Khaleda Zia, the emerging picture on the industrial investment front is far from a rosy one...

According to a report published in this paper yesterday, only 17 foreign investment proposals amounting to Tk 147.5 crore have been approved or registered this year till the end of October...

For a country which recorded a four per cent Gross Domestic Product (GDP) growth last fiscal year, following a decade during which GDP was at an average of just 3.6 per cent...

The problems that have prevented Bangladesh from taking off as a newly-industrialised country may have had a lot to do with macro-economic questions but there are other, crucial factors which have obviously driven investors away...

One of the crucial points that local as well as foreign investors make is the lack of a one-window service in Bangladesh. Even after a proposal is approved by the BOI, an investor has to go around a number of departments and offices...

Another point that potential investors often make is that they are never sure about the likely course the government's policy is going to take in the medium, even short term.

Crisis for a Monarchy

The offer of Queen Elizabeth to pay taxes on her income and probably also on that of her family has been rightly welcomed by the British media. It should go a long way in defusing the growing tension between the royalty in the United Kingdom and a cross section of people in the country.

By agreeing to pay income tax, the Queen has certainly done the right thing, a move that will undoubtedly enhance her prestige and her undoubted popularity. However, whether it will resolve the crisis facing the monarchy in Britain, both as a symbol and as an institution, is another matter.

No less serious is the position taken by the British media, especially the tabloid press, which seems prepared to go to any length in exposing the less-than-dignified doings of the Queen's children, especially of her daughters-in-law, in its reckless and unprincipled circulation drive.

Developed World Ignores Interests of Developing Countries

THE Uruguay Round of negotiation which was launched in 1986 in Punta del Este, Uruguay for a new General Agreement on Trade and Tariff (GATT) now seems to have entered into a new phase with the signing of the accord between the USA and the EEC.

The Uruguay Round of negotiations could not be complete within the stipulated period (1991) for a variety of reasons. Again it has been blocked for the last two years owing mainly to serious disagreements between the EEC, Japan and the USA over the agricultural trade issues.

This is, in fact, a tacit admission of the fact that the Uruguay Round at least got into the quagmire and the Director General has been unable to lift it away from it.

When the EEC, Japan and the USA have been wrestling to defend and safeguard one's individual interest against the other, the developing countries have been particularly

unhappy about the ways in the Uruguay Round of negotiations these countries have treated them. In a sense the legitimate interests of the developing countries have been very assiduously ignored. It is not surprising, therefore, that the Uruguay Round of negotiations has been questioned by many developing countries on several counts.

Overgenerous to US, EEC
The poor nations also allege that the Report Mr. Arthur Dunkel produced in 1991 in a bid to break through the stalemate and seemingly endless negotiations was over generous to the EEC and USA.

In an attempt to strike a balance, the Dunkel Report was prepared in such a way as to please the EEC agricultural lobbyists to some extent yet France dismissed the Report as unacceptable and the US found that the report provided the basic ingredients for concluding the Round.

The leaders of the long-drawn Uruguay Round USA, EEC led by Germany and Japan

coordinated their plans and the strategy in such a way that the developing and the poorer countries — disorganized and aid dependent as they are — submit to the policies formulated by them.

TRIPS
One of the areas that is likely to affect the developing and the poor nations adversely is the Trade Related Intellectual Property Right (TRIPS). In the Uruguay Round TRIPS has been made a negotiating subject along with trade within the framework of GATT.

The developed countries — USA, EEC and Japan — wanted GATT to set norms and standards for protection of Intellectual Property Rights. The developing countries led by India earlier objected to this on the ground that: (i) GATT is not the proper forum to set the norms and standards for the Intellectual Property Rights as there already existed a forum called the World Intellectual Property Organization (WIPO) and (ii) Intellectual Property Rights (IPRs) being intangible in nature cannot be governed by GATT regulations which are made especially for trade of goods alone.

One the otherhand, the Jurisdiction of TRIPS was made far wider than that considered at the Paris Convention. According to the Dunkel Draft if the patentee does manufacture the patented product in countries (say India) other than the country of origin (say USA) still the same patent will remain valid irrespective of whatever is the law of the land with regard to patent.

This regulation will in a sense make all innovations, improvements done through R&D in the process redundant. This is especially true with regard to India where Process Patent is accepted and not the Product Patent, as per the Paris Convention, and as the Multinational Corporations demand the developing countries to follow.

Trade Related Investment Measures (TRIMs)
Trade Related Investment Measures (TRIMs) form an integral part of the agreement on trade in the Dunkel Report. It seems to remove all restrictive measures against investment in the host country by any multinational corporation (MNC). It further seeks to extend equal treatment to MNCs with the national companies.

The direct foreign investment has to be accepted without any restrictions even if that goes against the interest of the national entrepreneurs and the developmental policy options of the developing countries.

Another important aspect of the Dunkel Report that will seriously affect the developing countries is General Agreement on Trade in Services (GATS). In the present day world-trade, trade in services has a very special place. In the developed world, services sector encompasses sectors like transportation, communication, banking etc. which require high technological support and huge investment.

Cross-relation
Mr. Dunkel claims that all these objections have been duly taken care of in his report which consists of three parts such as (i) Agreement on Goods, (ii) Agreement on IPRS and (iii) Agreement on Services. But unfortunately these agreements are not independent of one another. They have been linked to the other through an organisational structure called Multilateral Trade Organization (MTO) which has the power of cross-retaliation in the integrated dispute settlement on the above three agreements.

Say for alleged breach of agreement in the TRIPS the developed world can take action, through cross-retaliation, in other fields say agreement on trade in goods.

In a sense business in all the sectors will now be controlled by the developed world in one way or the other through cross-retaliation and it will force the developing countries to sign unequal trade agreements with the developed world.

Uruguay Round was launched 12 years after the Tokyo Round in 1974. This has a very special significance in the fields of trade for the developing and the poor nations. But regrettably all poor nations are not quite aware of as to what are being discussed and decided by the developed world in the name of trade liberalization. It is very sad that such an issues has not been taken up seriously by our competent circle both within and outside the Government. We are not aware if any parliamentary committee has examined the issues of the Dunkel Report and its effects on the economy of Bangladesh. We are also not sure if our government, the party in power and the party in opposition have ever examined the implication of super 301 and special 301 articles of the US Omnibus Trade and Competitiveness Act 1988.

Notwithstanding the fact that EEC-USA accord has temporarily granted the Round with a new lease of life, it is about time that the group of 77 should demand for a fresh round of negotiations and take unified and effective stand to safeguard and protect their legitimate national interest. Authorities in Bangladesh might do good if they did some homework before preparing for such discussions. There is no point crying for the lost opportunities.

Khmer Rouge Scuttle Peace in Cambodia

Michele Paduano writes from Pailin, Cambodia

The headquarters town of the Khmer Rouge is on the verge of collapse. Once threatened by bombardment, Pailin in western Cambodia, is now having its foundations undermined by the indiscriminate exploitation of its mineral and other resources. Its inhabitants are hoping the UN-brokered peace settlement will stem the exploitation. But the Khmer Rouge, threatened by divisions within its ranks, is refusing to abide by the agreement.



UN OBSERVERS IN CAMBODIA
Their commander says Khmer Rouge have too much blood on their hands to make peace

PAILIN appears as a town suffering its death throes rather than a place famed for its rubies and infamous as the headquarters of Cambodia's Khmer Rouge.

Most of the buildings have disintegrated under the relentless pounding received during the protracted civil war. Once the jewel in the crown of Cambodia's western border, Pailin has suffered from being eagerly coveted.

Of the original 60,000 inhabitants, few remain. The Khmer Rouge soldiers, in their neat Chinese uniforms, squat together talking or doze as if waiting for the inevitable end.

Thailand's lust for Pailin's pigeon blood rubies has led to gem extraction on a vast scale. Huge cylindrical cutting machines and ravenous bulldozers have hewn a waterless moat around the town. A United Nations Civil Administration estimate placed that investment at around \$20 million.

The Thais are exploiting as much as they can of the mineral and logging wealth of the area before the Khmer Rouge is forced to comply with the Paris-negotiated peace settlement. In their haste, they have not even filled the gaping holes now littering the landscape.

Staff Sergeant Paul Moore is one of the few UN personnel to be allowed into Pailin before the Khmer Rouge ceased co-operating. He said the transformation in Pailin has been incredible.

At present about 90% area of the country is covered by the present TV centre at Dhaka along with its substations in different parts of the country. If any place is left out that can also be covered by setting up a new substation.

Pailin's mineral and other resources. This has guaranteed a constant supply of arms and ammunition from across the border with Thailand.

Revenue from the "blood stones" helps pay the soldiers' salary of \$20 a month and maintain a rudimentary welfare system.

Staff-Sgt Moore said that war-disabled soldiers lose their salary, but are provided with a staple food supply and clothing. This has helped breed the loyalty on which the

Khmer Rouge survives. Despite the surrounding decay, the Pailin people are well-dressed compared with those in other areas of Cambodia. They are supplied with neat, new Thai bicycles and the children go to school in uniform.

Colonel Rakesh Malik, who heads the United Nations Military Observers (UNMO) in Pailin, conceded the main stumbling block to lasting peace was that some Khmer Rouge cadres had too much blood on their hands and

nothing to gain from a peace settlement. He said: "They need money from the United Nations Transitional Authority for Cambodia (Untac)."

Observers are now suggesting that there is potential for a split in the Khmer Rouge. The UNMO sector two commander, Lt-Col J F Carter, believes a more moderate group would be ready to comply with the peace process, but the diehards will continue to fight.

In the western part of his sector stretching in a swathe across central Cambodia, Lt-Col Carter said he has good co-

operation from Khmer Rouge cadres with access to all but primary munitions sites. In the central and eastern parts of the sector, regular skirmishes have taken place with daily mortar and artillery fire. The objective seems to be to frustrate. No land is ever held.

Carter said: "I think that you are looking at 25 to 35 per cent of the Khmer Rouge being pulled away. I think it will happen with some of the people who are considered more respectable. Others are going to fight. I think that in the short term we will have some violence and more friction."

One of the main culprits is a hardline follower of Pol Pot named Ta Mok. He is known as the one-legged butcher and has survived the various party purges. He controls an area of Central Northern Cambodia, says UNMO Major Mark Harris.

Harris believes the Khmer Rouge has been using the large central lake — the Tonle Sap — which swells during the rainy season, to transport supplies around the country. "I believe that they are looking at long-term military objectives."

Senior UNMOs have also discovered a road system running north-south from the Thai border into central Cambodia and then to the inaccessible north-east. It is wide enough for two trucks to pass. These supply routes fuel concern that the north-eastern factions could pull away and return to their roots in impenetrable jungle close to the Vietnamese border.

If that is the case, they have enough ammunition and supplies to last for years. Estimates suggest that for every Cambodian soldier there are three guns. The town of Pailin, though, is unlikely to last so long. — GEMINI NEWS

MICHELE PADUANO is a British freelance journalist. He recently visited Cambodia.

To the Editor...

Proposed TV centres

Sir, A report published in the press recently says that the government has decided to set up a few more TV centres in the country. Site for one such centre has already been selected at Rajshahi. It is learnt that the cost for construction of each centre is approximately Taka fifty crore.

Introduction of CNN programme in the morning recently is also welcome. We may even have a second TV channel if need be.

In this backdrop setting up of new TV centres at a huge cost is a sheer luxury if not outright wastage. Every penny spent by a democratic government should be based on cautious and careful planning because it is the poor tax payers' money cheap popularity is one thing and national interest is another.

It seems that our planners and policy makers have miserably failed in fixing the priorities of development. There is still room for cool and dispassionate thinking on the subject. I, therefore, urge upon the government to have a second thought before actually going ahead with construction of new TV centres.

Women's university
Sir, Recently Education Minister Jamiruddin Sircar informed the Parliament that the Government has plans to turn the Eden Girls' College into a full-fledged university for women. We appreciate the plan and hope that the plan will be executed soon.

Capital market and insurance companies
Sir, Capital Market in Bangladesh has not taken a promising path since independence, in spite of both external and internal efforts. When an investors, particularly a small one, wants to invest some of his hard earned money in shares, either he cannot get good shares or the shares available can not yield a reasonable rate of return.

and remaining companies are delaying their issue of shares. Recently insurance companies have shown a better operational performance and dividend payout. If other insurance companies enter the share market, it would be activated properly. Besides getting the dividend, shareholders would have a fair chance to enter into management of these companies as per provisions of Insurance Act. But, unfortunately, these insurance companies are keeping themselves away from share market may be because of individual gain of sponsors, violating the relevant law. I would request the appropriate authority to look into the matter without delay.

Haidar Ali Madhubag, Dhaka.

Saleh Ahmed Chowdhury
Dhaka Cantonment