

# FAP Undergoes a Series of Changes

by Masud Hasan Khan

## Questions over Export Policy

The cabinet approved last Monday a two-year export policy for fiscal '93-94 and '94-95. However, the information on the new policy provided on this occasion is rather scanty. Perhaps there is nothing much to tell. Export-led growth is a corner stone of the government's development strategy and naturally policy measures in this area would be geared towards attaining that objective.

Local investors would welcome the decision to allow import of capital machinery free of duty for wholly export-oriented industry. This will place investors in the mainland at par with those operating in the Export Processing Zones (EPZs) in this respect at least. Entrepreneurs in the EPZs had all along been enjoying this facility. At the same time, it may be worthwhile to institute an appropriate monitoring system to ensure that capital machinery imported free of duty are really and truly installed and used in wholly export-oriented industrial units. Even when it was not totally exempt, capital machineries at least enjoyed the benefit of paying low import duties. It has happened in the past that taking advantage of the low incidence of duty, instead of machinery, scraps have been brought in and left lying uncleaned in the port while the full value of a normal import consignment has been remitted abroad. All duty-free import facility will continue to provide a powerful inducement to illegal transfer of funds abroad, at least until such time that the currency is made convertible and transfer of funds abroad are allowed freely.

The facility given to the finished leather industry to import raw hides and skins free of duty against bank guarantee for the dutiable amount, should help expand production and export of the product. This measure might also encourage the industry to move towards production of exportable leather goods where the value-added content is significantly higher. It is not quite clear why finished leather exporting industries are not being made eligible for bonded warehousing facility straightway in respect of their import of raw materials like raw hides and skins. Perhaps, it is because the prevalent system for granting bonded warehousing facility to exporters is not working smoothly. Export promotion is a multi-disciplinary function and all the agencies involved have to put in coordinated efforts. Bonded warehousing facility for all exporting industries both direct and indirect (or deemed) exporters, should be streamlined and made transparent. Duty draw-back system for exporters is another area which needs further rationalisation.

The monetary ceiling for exporters for sending samples of goods abroad is said to have been raised from one thousand Taka to two thousand Taka. We had an occasion to comment on this matter earlier. As we said then, exporters have to work under intensely competitive circumstances and they need to despatch product samples quickly in adequate quantities. Is it so essential to prescribe value limits for sending these samples? Government has eased exchange controls significantly, allowing bonafide travellers nearly unlimited access to foreign currency. It is time that irritants such as value limits for export samples, are removed altogether.

The agency report on cabinet decisions on the export policy also mentions creation of a \$ 25 million separate credit line to the CIS (Commonwealth of Independent States) countries to facilitate exports to Russia and other nations of the former Soviet Union. Other countries in the subcontinent, who had been trading with the former Soviet Union have also established similar credit lines. Presumably, our credit line also will take the nature of a revolving fund. It has been reported in the Indian press that Russia has since agreed to the use of rupee as the trading currency. May be, we should also explore the possibilities of trading with Russia in Taka after the currency becomes convertible.

## A Taste for Tagore

Literature mirrors the soul of a nation, in fact, it is tangibly the temper of a nation. And it nurtures the individual personalities of its constituents — and renders unto them character. Rabindranath, the finest and greatest contributor to Bangla literature, stands for the whole of it by dint of the all-encompassing nature of his works. He is the golden bridge between all that has been and all that will be by way of aesthetic-cultural achievements of the Bengali people. One hasn't read Bengali or listened to the music of Bangla if one hasn't read or heard Tagore. In reaching Tagore to the masses of our people and in reliving him among us, the literati, we shall be doing ourselves tremendous good — for it is he who, more than anyone or any factor, has in him both the commenting agent for us to congeal into a meaningful entity and the alchemy of lending character to individuals.

His songs and his writings are universally known and his paintings are getting a wider clientele of admirers with the passage of time. But most of our leaders of society and politics have so far been singular in their ignorance of Tagore's advanced and most appropriate ideas on the needs and ways of collective living. Equally unresponsive have been our leaders of education to the revolutionary educational ideas of Tagore. Although he had put all the emphasis in the world on universal literacy and schooling through the medium of the mother tongue, we have been able to achieve very little on these counts even in the eighty years that has passed. After his ideas had become familiar to the world. His dream of fashioning a wholly Bangla university continues to be a utopia to this day — and that is one good measure of how we have shaped ourselves and fared so far.

By failing Tagore we are indeed failing ourselves more. There are two big bad ways of how we are letting ourselves down in this. First, by canonising and ceremonialising him and secondly and more horribly, by making of him an archaeological museum piece useful only for writing doctoral dissertations and by not going much to read and feel him first hand. Let *Baishya Shraavan*, his death anniversary today, help us acquire a taste for Tagore, which is quintessential to developing a true love for things indigenous and Bengali — and things that celebrate humanity and beauty.

The ambitious Flood Action Plan (FAP) which promises a flood-free country and a long-term national water management policy is now under fire both at home and abroad.

Several environmental groups and individuals of the country have already begun to criticise the FAP on the ground that any intervention with the rivers, their courses and annual flooding would bring more harm than good. It could even aggravate the floods which occur after many years. The resultant environmental modification due to intervention would adversely affect the lives of millions of people, particularly the poor, living on the flood plains, they argue.

The FAP critics also want a neutral commission to review all the studies under the proposed plan before the programme is put into action. The green-group in the European Parliament has reviewed the FAP studies and the Parliament in its recent resolution has called for a moratorium on all constructions under the programme, until a more exhaustive environmental assessment was made and a master plan for implementation was formulated.

The resolution of the European parliament on the FAP has reportedly put many donors states under the European Commission (EC) on guard and they have been critically reviewing their role in the FAP.

The European Parliament's resolution on the FAP is seen as the official launching of the anti-FAP movement. Several environmental and political groups took part in the Parliament's session at Strasbourg, France, which has angered the Bangladesh au-

thorities. The government here is seeking a counter-meeting at Strasbourg to convince the Europeans of the justification of the plan.

The International Centre for Law in Development (ICLD) opted for a public hearing for representatives of the 1.5 million people living on the banks in the Brahmaputra river — the likely first victims of the FAP.

Different international NGOs based in the USA and the Europe have banded together to work as a watchdog of the FAP studies.

Now, with all the studies almost finished and the first five-year phase of the FAP nearing completion, questions are still

- What will be the picture of the country, after the FAP is implemented?
- What will happen to the people, displaced by construction of the planned embankments?
- Will the FAP bring good for the country at all?
- The answers are not easy, admit the FAP proponents. Nothing can be said before the FAP is implemented, they say, and the FAP itself is always

## BEHIND THE HEADLINES

- Who will pay for the costs of future maintenance of the physical structures?
- What mechanism will ensure people's participation in changing because of the mixed activities under the studies.
- The multi-million dollar FAP is a flood control project initiated by the government in



The flood affected

# Region's Dynamic Dragons are Finally Recognised

ALTHOUGH developing countries came away largely empty-handed from the July Group of Seven (G-7) summit in Tokyo, the meeting showed that industrialised nations are at last taking notice of the fast-growing Asia-Pacific economies.

There are indications that Europe, Japan and the United States, are beginning to behave as if the Pacific Century is already here. The energetic East Asian region is no longer just a peripheral market, but an economic powerhouse with far-reaching security and political implications.

Rich countries find their trade and investment now increasingly tied up with the surging economies of countries like South Korea, China, Singapore, Taiwan, Hong Kong and, to a lesser degree, Thailand, Malaysia, Indonesia, Vietnam and the Philippines.

It is also the region where four of the world's five last communist countries remain. And despite its declining military presence in the region in the post-Cold War era, the United States still keeps bases here to cast a wary eye on potential flashpoints like Korea, Taiwan and the disputed Spratly Islands.

"Of the key global regions, none may be more crucial to US interests than the Asia-Pacific region," say Robert Scalpino and Lewis Colman in a new re-

port for the San Francisco-based Asia Foundation's Centre for Asia-Pacific Affairs.

"Asia rivals Europe in importance to the United States and presents us with a complex security environment... Asia is our economic lifeline, the locale of nations that will play key roles in the 21st century and a primary testing ground for settling regional disputes."

Even the domestic politics-driven US administration, which many Asia hands had dismissed as being lukewarm towards the region, surprised many with President Bill Clinton's speech this month at Tokyo's Waseda University.

Besides lecturing his student audience about how Japan's protectionist trade policies were hurting them most, Clinton went on to talk of building "a new Asia-Pacific community

Rich nations finally acknowledge the presence of Asia's dynamic dragons. Kunda Dixit of Inter Press Service reports from Manila.

that would require both Japan and the United States to lead and to change."

Clinton said he wanted the new Pacific community to be based on "new and stronger" US-Japan relations. This foray into Asia won the president plaudits back home.

"For a president not known for his interest in foreign policy, Mr Clinton is off to a promising start in Asia," gushed the New York Times in an editorial.

Clinton extended China's most-favoured nation trade status for another year with some strings attached. But an increasing number of US foreign

policy specialists say the United States should stop irritating China on human rights and treat it like the emerging world power that it is.

The Asia's little tigers are catching up, and the United States and Japan have both found they need Asia more than ever before.

The region has economies with some of the largest foreign exchange reserves. Tiny Taiwan alone has US\$90 billion. European, Japanese and US investors and exporters seem to feel the tigers may be still cubs, but are growing fast.

The western shores of the Pacific has the highest economic growth region in the world. Even South Asia, burdened with heavy population and an intractable poverty trap, managed five percent growth in the 1980s. Intra-regional trade is growing and now makes up 40 percent of the region's total commerce.

East Asia's nine tiger economies (except Japan) have

leapt ahead in trade, together exporting nearly US\$500 billion worth of goods last year — more than Europe or the United States.

Tokyo had always regarded Europe and North America as the markets to conquer, treating the Asian hinterland as a bit of a side-show. But no more.

Japan is now finding itself increasingly dependent on its trade with East Asian countries, especially China. Tokyo's export to the region have tripled since 1985, and it now accounts for 31 percent of Japan's exports as consumer good manufacturers cash in on rising living standards in East Asia.

Despite its post-Cold War military pullback from the western Pacific, which has reduced total US troop deployment in the region from one million troops in 1975 to 90,000 in 1992, Washington seems keen to assure countries in the region that the US security umbrella will remain.

US deputy secretary of state Clifton Wharton Jr toured Asian countries before the G-7 summit to demonstrate Washington's resolve to remain engaged in the region.

Asian leaders have publicly

voiced fears that Washington's belt-tightening at home could lead to further military withdrawals from the western Pacific. This in turn could create a destabilising power vacuum in the region, hurt their economies and set off a de-stabilising regional arms race.

"The US is a Pacific nation and will continue to be committed and involved in this region," Wharton said in Manila in June. "Despite the closing of the last US military bases in Southeast Asia, the United States will remain an active partner in the future economic expansion and security of this dynamic region."

At a recent regional ministerial meeting in Singapore, the United States for the first time lifted its objections to East Asian countries coming up with their own security mechanism to stop post-Cold War regional rivalries from boiling over.

Asian geopolitical pundits see fierce future rivalry between a 'Greater China' and Japan for a leadership role in the region. But till then, they say Japan and China need each other to prosper and closer links between the two Asian giants could in turn complicate US-Japanese relations.

Wallace suggested that when the FAP swings into action, it would surely consider all the concerns expressed by the critics as well as other watch-dogs. Meanwhile, reports have appeared in The Daily Star and other newspapers on donors suspending funds for further studies and planned constructions under the FAP. The European Commission has indicated they would review their commitment to the Jamalpur Priority Project (FAP-3.1).

A German parliamentary delegation is due on August 8 to review their involvement in the FAP. A Dutch delegation's report on the FAP is now being translated into EC languages back in Netherlands.

The latest anti-FAP campaign has actually helped the FAP proponents to set their rules of the game, says the observers. The Flood Plan Coordination Organisation (FPKO) claims to be more transparent than before. The World Bank officials say they welcome all constructive criticisms and are ready to give the enquirers access to all the FAP documents.

They all do it, because nobody wants the replay of the 'Narmada episode'.

## To the Editor...

### Steel mills

Sir, Your reports on Chittagong Steel Mills as published on 3rd July is quite informative but some of the statements are not correct, rather misleading. Today the export price of M S Rods is US dollar 270 per ton FOB Antwerp and thus the landed cost at Chittagong is hardly Tk 14,000/- per ton without duties and taxes. Chittagong Steel Mills cannot sell quality billet at Tk 18,000/- a ton or less so as to cover all the costs. In the event government exempt all the duties and taxes on all imports the price could be a maximum of Tk 1000/- less per ton. Steel Mills paid Tk 13 crore in 92-93 and Tk 16 crore in 91-92 as duties and taxes against loss of Tk 66 crore in 92-93 (estimated) and loss of Tk 61 crore in 91-92. During the past two years, the sale volume is less than the amount of compensation to employees and bank interest on working capital.

Against this backdrop, is it normal to engage local and foreign experts to examine the viability of running a steel industry? Should the taxpayers continue to pay for inefficiency in managing enterprise while protectionism is discouraged globally? Sadiq Alee Maghbazar, Dhaka

### Passengers' waiting shed

Sir, Dhaka Municipal Corporation has constructed a good number of waiting sheds for the passengers at different points of bus stoppage. But most of the sheds have again

been leased out to the owners of various shops. As a result, the passengers do not get any benefit from the waiting sheds. During the period of rain and scorching heat, the passengers wait outside the sheds as very small space in the shed cannot afford room for more than five passengers at a time.

The passenger sheds were constructed to give comfort to the waiting passengers at the bus stoppages, but now these are being used for commercial purpose. The leasing out of space of the waiting sheds is also encouraging the growth of shops on the footpath. Again, the passengers who, for want of any space in the waiting shed, stand on the side of the road naturally run the risk of accident. Because the running buses try to overtake one another even at the stoppages.

I would request the concerned authority to stop renting spaces of the passengers' waiting shed and allow the passengers to wait sometime in the shed comfortably.

Mahbubul Haque Chowdhury Sonali Bank, HO, Dhaka

### Electrification of South Anandapur

Sir, We are the impoverished people of village South Anandapur under No 8 Anandapur Union. This village of ours is a part of the PM's own election constituency (Feni-1). But, sadly enough, most of the inhabitants of this locality haven't yet had access to electricity. For long eight years, people of this area have been

applying to the Feni Rural Electrification authority, but with no positive results.

It should be mentioned that in January 1986, a cabinet minister declared South Anandapur as an 'ideal village'. On that very occasion, the general manager of Feni Rural Electrification Project (formerly known as Noakhali Rural Electrification Project-1) had called on the people of our village to obtain membership of Rural Electrification Board and he also promised that there will be installation of electric lines throughout the village within a month. As a result, all the villagers signed membership agreements on 26.1.86 and applied for installation of electric lines. Then the Rural Electrification Board installed only a few lines in some of the houses of our village which was obviously a token contribution on their part. But a huge area — Bhabani Mouja (western locality), Shombhu Chand Mouja and Barkat Ullah Mouja — has been left without any hope of light whatsoever.

From then on it has been a long story of indefinite waiting; repeated applications for installation have not been paid any heed to (as promised by the Palli Bidyut as per their Memo no. 1789, dated 26.8.87).

So, it is our humble submission to the Hon'ble Prime Minister and the relevant authority that this matter be immediately looked into, thus fulfilling a long-standing demand of the people.

Anwarul Azim Milan South Anandapur, Hasnabad, Parsuram, Feni

## OPINION

### Dhaka Blues!

Those were blissful days! Quiet sleepy afternoons. Unhurried mornings and secure nights. Many houses did not have iron grills as added protection. Indeed those were the days!

The year was 1970 and the place was Dhaka, then spelt Dacca. The University was a wonderful place. Courteous young gentlemen and demurely modest young ladies gathered under its wings to sip gently from the bowl of knowledge in cultured movements!

Politics (or should I say 'poly-tricks') was present but the scenario was not as it is at present. Hockey sticks were used and on 'special occasions' a knife or two with a couple of venomous snakes for extra effect! Loss of life was rare. The use of 'cocktails', sten-guns, breg-guns, pipe-guns, rifles and revolvers could hardly be considered as 'political weapons' even by the most enthusiastic and diehard 'political mastans'!

The whole city wore a peaceful look. Even the ever-deprived rickshaw-wallahs were apparently a fairly contented lot! They did not appear as frustrated and ill-mannered as they project themselves to be today. They plied in silence, carrying chatting housewives to the various markets where the ladies bought family necessities from friendly shopkeepers. Shopping was a pleasure instead of the 'dread' it is now; for one could make estimates with fair accuracy and thereby benefit from the concept of 'family budgets' as prices were under control and savings possible!

And in the evenings, the women folk would attend to family affairs or exchange visits with friends and relatives thus keeping alive the much needed social communication, while the young and middle-aged edu-

cated menfolk would discuss, with knowledge and intelligence, over cups of hot tea and 'samuchas' at local cafes or tea houses and the worst addiction was probably a cigarette! Today the menfolk through liquor dens or western style bars gobbling whiskey and drunkenly wallowing in their own filth!

The healthy youngsters, and many a young gentleman, vented their excess energies in the harmless pursuit of sports! The stadium was a lively place with its 'jhal-murtwallahs' and 'chatpatwallahs' hawking their wares in friendly tones!

Families would often take in night shows at the local cinema halls without having to unduly worry about their security because the word 'hijack' had not yet been seriously coined in the Bangla language and literature!

The 'business class' of Dhaka, in the seventies, were less unscrupulous and much less corrupt and greedy. Personalities like Isaphani, Adamjee and R P Saha donated to and built hospitals, educational institutions and mosques for public welfare. Today's 'businessmen' seem solely interested in their personal aggrandisement. As apparent, villas in Gulshan and Bardhara, luxury automobiles plus overseas assets are perhaps their sole desires today. No feelings of socio-economic commitments!

Dhaka of 1970 was truly a warm and peace loving capital city: cultured and educated — comparatively shabby but courteous, poor but dignified in its poverty, not perfect but happy! In a short span of twenty-one years, our 'patriotic political leaders' appear to have succeeded in creating an opposite situation!

Today's Dhaka, sadly, appears as 'criminally corrupt',

dicey and deceitful, violently ignorant and foolishly vain in poverty, pretending all is well by donning false masks of complacency at irregular intervals after violently displacing one set of rulers for another in hopes of better governance! The illusion painfully persists for all changes appear only cosmetic. While feasts proclaim their gaiety a sad city cries its own hymn of unfulfilled desires and unkept promises!

Is this then the 'spirit of liberation' for which 'Nirmul Committee' lights its torches? Or is this the 'ghost' which 'Jubo Command' wishes to chase out of Bangladesh? Or has the 'spirit of liberation' been cremated amidst the fires fuelled by the senseless 'leaders' of an innocent country which received liberation through the midwifery of a neighbouring country in 1971? The time has indeed come to search our souls and resurrect the real image of the 'spirit of liberation'!

Let us try to resurrect Dhaka as it once was in the seventies when it was a sleepy but peaceful city proud of its culture, intellectual pursuits, social harmony, civilized politicking, generous businessmen and masjid!

At times it is better to move backwards — for progress is not always a better thing! As the old saying goes, sometimes 'Old is Gold'!

We the Bangladeshis seem to have traded gold for copper, thus woefully devaluing the much proclaimed 'spirit of liberation'!

Let us try to regain the city we loved and fought for in 1971. Good old Dacca or Dhaka of the yesteryears!

AB Sattar  
Mohammadpur, Dhaka