For A Self-reliant Development of Bangladesh

by Muhammad Anisur Rahman

The subject of "Structural Transformation for Self-reliant Development of Bangladesh" has been chosen as the organising theme of the Bangladesh Economic Association's work for the coming two years. The present concept paper has been prepared to stimulate research, dialogues and debates on the subject.

Internal growth rate

The internal growth rate of an economy is given by the ratio of its average saving rate and the incremental capital-output ratio. This is the rate at which an economy can grow without capital inflows — that is, the self-reliant growth rate.

If the internal growth rate is less than a desired growth rate and the nation wants to achieve the desired growth rate with self-reliance, it has two instruments on the saving-investment side to achieve this: one, to save more; two, to increase investment efficiency. Working on the two instruments it has to raise its rate of reinvestment or the reinvestment coefficient given by the ratio of its marginal saving rate and the incremental capital-output ratio. The reinvestment coefficient gives the increment of investment obtained in the next "period" per unit of investment in the previous period. The reinvestment coefficient is a key concept in accelerating the growth rate.

Trade gap

In an open economy with imports traditionally exceeding exports, attempt to raise the internal growth rate by changing only the domestic saving rate and/or the incremental capital-output ratio may be frustrated by high import requirements. If the trade-gap for a desired growth rate exceeds the *(ex-ante)* saving-investment gap, then the rate of capital inflows will be given by the trade-gap, and the nation's saving (as well as internal growth) potential will not be realised. We need then to reduce the trade-gap by raising exports and/ or lowering imports. Given the level of exports on which a weak nation has relatively less control, we have, broadly speaking, three instruments to reduce imports in the form of three import coefficients: the import contents of unit investment, current production and of consumption.

Policy questions

Import substitution is a strategic policy to lower some or other of the import coefficients and also to raise exports that is by exporting import substitution goods after meeting domestic needs, a policy adopted by most countries, which have been successful in achieving high growth, as an organic element of export promotion strategy.

In order to raise our growth rate and move toward self-reliance we need not only to raise the domestic saving rate and increase exports, on which current official policy seems to be more concerned, but also to make investment more productive on the one hand and reduce the import coefficients on the other hand. We have to give priority in investment allocation and income redistributive policy to regions, sectors and social classes which offer higher reinvestment coefficients and lower import coefficients, and take serious measures for import substitution both to reduce the import coefficients as well as to raise exports. Control of luxury consumption imports is also an obvious necessity. The current trend of official policy toward import liberalisation is moving in the opposite direction and is likely to frustrate attempts to raise the domestic saving rate and move toward self-reliance with high growth.

With the above considerations the claim of the rural sector for income redistribution and investment allocation in its favour is suggested to be high. In particular, cooperative initiatives of low-income producer classes in the rural sector supported by credit and other facilitation services seem to offer promise for raising the country's aggregate reinvestment coefficient as well as lowering its aggregate import coefficients. In the urban sector as well, this promise may lie more with low-income producer classes who have material compulsion to work hard and efficiently to raise their incomes, than with the affluent classes who have no such compulsion and whose tendencies are more toward irresponsible use of scarce investment resources in ostentatious consumption.

Free market policy

Some of the above suggestions need to be confirmed by sound quantitative enquiry, as well as by activist field enquiries in order to identify potentials from on-going grass-roots experiments. Structural and policy reforms toward transferring resources to the high promise regions, sectors and social classes are to be deliberated thereafter. In this context, the "free market" policy will need to be reviewed, specially by asking whether a free market will ensure that the surplus of the society will be channelled to regions and social classes promising high reinvestment coefficients and low import coefficients — these are the criteria for efficiency which the free market must satisfy or yield to appropriate controls.

To the above considerations must be added the urgent concern for preservation of ecology and for sustainable development. We are on the brink in this regard. Our national accounting practice must be changed to incorporate a monitoring of the state of natural assets — e.g. tree-cover, soil fertility, fish population, water resources, air resources. Search for and popular education on environment-preserving technologies need to be intensified. The "free market" should be asked if it can tackle ecologically harmful private actions or whether it needs a hand by way of social monitoring and control of such action.

Self-assured growth

A self-reliant nation with the ability to sustain growth at a desired rate need not reject capital inflows. It can choose to enjoy higher growth rates with capital inflows that do not compromise its sovereignty or make its growth vulnerable to sudden withdrawal or shrinkage of capital inflows. The limit to the amount of capital inflows it may take may be conceived in terms of retaining an ability to "safe-land" on the self-reliant growth path any time if so desired. The growth paths within this limit, termed the paths of "self-assured" growth, may be higher than the path of self-reliant growth.

The author is a renowned economist who was a member of the first Planning Commission of Bangladesh. He is currently the President of the Bangladesh Economic Association.

Bangladesh Lamps Limited, manufacturers of Philips electric bulbs, declared a dividend at the rate of Taka 25 per share at the 31st Annual General Meeting of the Company held on Sunday at a local hotel. A S Mahmud, Chairman, presided over the meeting. The Board of Directors of the Company comprises A S Mahmud, Latifur Rahman, Brig. Zahed Latif psc, Saifur Rahman, Atiqur Rahman and Shamsur Rahman.

King Fahd vows to boost Saudi economy

DUBAI, Sept 7: Saudi Arabia's King Fahd said his government will press on with plans to further boost the economy and was untroubled by "smear campaigns" against it, reports Reuter.

Official Saudi Press Agency SPA said the king addressed the weekly cabinet meeting in Jeddah.

"The king praised the strength of the basic pillars of the economy of this country which enjoys security, prosperity and stability," Information Minister Ali Al-Shaer said.

SPA quoted the king as saying the Saudi government "will press head with our development and internal reform plans.... untroubled by the smear campaigns..."

"Our priority is the Saudi citizen and we will continue to improve his standard of living and give him priority in the work field... we will look at supporting and developing the existing cooperation between the government and the national companies," the king added.

King Fahd was apparently reacting to reports in the New York Times in August that spoke of financial instability in Saudi Arabia. The Washington Post later quoted an expert as saying the country was bankrupt.

This has been strenuously denied by Saudi officials.

Shipping Intelligence

CHITTAGONG PORT

Berth position and performance of vessels as on 7.9.93

Berth No	Name of Vessels	Cargo	L Port Call	Local Agent	Date of Arrival	Leaving
J/1	Armas	Salt	Kand	BML	1/9	7/9
J/2	Banglar Sampad	Repair	-	BSC	R/A	16/9
J/3	Yannis-II	GI/GL	Butt	Sunbeam	1/9	8/9
J/4	Samudra Samrat	Salt	Kand	SSL	25/8	18/9
J/5	Yong Ning	GI/R Seed	Sing	Prog	3/9	14/9
J/6	Ji Lin	GI	Sing	Prog	3/9	14/9
J/8	Chrysanthi	Urea	Sing	RRSA	19/8	8/9
J/9	Tanary Star	Cement	Sing	PSAL	R/A	7/9
J/10	Sea Nymph	Cement	Sing	USTC	2/8	10/9
J/11	Banglar Doot	Repair	Mong	BSC	28/8	12/9
J/13	Optima	Cont	Sing	RSL	3/9	7/9
MPB/2	Banglar Moni	Cont	Sing	BSC	4/9	8/9
CCJ	Banglar Baani	Repair	Vish	BSC	8/8	9/9
GSJ	Dolores	-	-	Seacom	R/A	10/9
TSP	Annoula	R Phos	Anaba	TSLL	29/8	9/9
RM/6	Hang Cheong	Cement	Hong	Acka	2/9	9/9
DOJ	Banglar Shourabh	Repair	-	BSC	R/A	9/9
DD	Marine Three	Repair	-	BML	R/A	7/9
DDJ/1	Banglar Robi	Repair	-	BSC	R/A	18/9
DDJ/2	Banglar Asha	Repair	-	BSC	R/A	15/9

VESSELS DUE AT OUTER ANCHORAGE

Name of Vessels	Date of Arrival	Last Port Call	Local Agent	Cargo	Loading Port
Mowlavi	7.9.93	Tuti	UMAL	Salt	-
Carbridge	7.9.93	Durb	OTBL	-	-
Meng Kiat	9.9.93	Cal	AML	Cont	Sing
Knud Jespersen	10.9.93	Sing	CT	Cont	Sing
Banaera	9.9.93	Phil	UMAL	-	-
Eastern Mars	9.9.93	HKA	Prog	GI	-
Fong Yun	10.9.93	Sing	BDShip	Cont	Sing
Ronjay Choomie	9.9.93	-	USTC	Cement	-
Ikan Tanda	10.9.93	Kand	SBS (P)	Salt	-
Indian Endurance	10.9.93	Kand	Gel (P)	Salt	-
Al Swamruz	15.9.93	Rang	ASLL	GI/GL	Sing Bang
State of Nagaland	13.9.93	Mad	SSL	GI	UK Cont
Sea Rhapsody	10.9.93	-	USTC	Cement	-
Rana	10.9.93	Kand	Cross	Salt	-
Lanka Mahapola	11.9.93	Mong	Baridhi	Cont	Col
Virgo	11.9.93	Sing	OTBL	-	-
Green Island	11.9.93	-	Karna	GI	-
Meng Lee	18.9.93	Sing	AML	Cont	Cal
Eponyma	11.9.93	Sing	CTS	Cont	Sing
NGS Ranger	12.9.93	Sing	BDShip	Cont	Sing
Al Salma	12.9.93	-	ASLL	GI/GL	-
Amrta Jaya	13.9.93	Mong	BBA	GI	-
Alpha Nova	13.9.93	-	USTC	Cement	-
Anton Makarenko	15.9.93	-	USTC	Cement	-
Dicle	15.9.93	-	BSC	Steel Billets	-
Ingenuity	15.9.93	Col	BTSA	Cont	Col
Imke Wehr	15.9.93	Sing	APL	Cont	USA Fe
Banglar Kallol	16.9.93	Mong	BSC	Cont	-
Rafah	20.9.93	Niko	Dynamic	M Seeds	-

TANKER DUE

Aurora Sky	8.9.93	Cal	TSL	CPL	(RM/3)

VESSELS AT KUTUBDIA

Name of Vessels	Cargo	Last Port Call	Local Agent	Date Arrival

VESSELS READY

READY ON

NGS Express	Cont	Mong	BDShip	06/9
Continent-1	GI	Kara	CLA	07/9
Vishva Karuna	R Seed	Chin	Litmond	30/8

VESSELS NOT READY

Akadan Bulk	R Sulp	Dubai	RRSA	04/9
Banglar Jyoti	C Oil	-	BSC	R/A

VESSELS AWAITING INSTRUCTION

Boris Lavrenyov	-	-	USTC	R/A
Banglar Kiron	-	-	BSC	R/A
Kumrovec	-	Mong	Cross	06/9

VESSELS NOT ENTERING

Loyal Bird	Cement	Sing	Litmond	20/8
Tony Best	Cement	Mong	Acka	27/6

MOVEMENT OF VESSELS FOR 8.9.93

Outgoing		Incoming		Shifting
J/3	Yannis-II	J/3	Banglar Kiron	DDJ/1 Banglar Robi to DD
J/8	Chrysanthi			
MPB-2	Banglar Moni			

The above were the Tuesday's shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by **HRC Group,** Dhaka.

Exchange Rates

The following are the Sonali Bank's dealing rates (Bangladesh taka for one unit of foreign currency) to public for some selected foreign currencies effective as on Sept 6.

(Figures in Taka)

Currency	Selling B. C.	T. T. (C)	Buying OD Transfers
US Dollar	40.0300	39.7200	39.4700
Poundsterling	61.2355	60.1717	59.8411
DM	24.8518	24.3989	24.2454
FF	7.0536	6.9232	6.8796
Indian Rupee (AMU)	1.2737	1.2680	1.2617
Pak Rupee (AMU)	1.3352	1.3292	1.3226
Indicative Rates	**Selling** T.T. & O.D		**Buying** O. D Transfer
S Riyal	10.6600		10.5000
D Guilders	21.4600		21.2000
S. Kroner	4.8800		4.8200
Singapore Dollar	24.9100		24.5600
UAE Dirham	10.8900		10.7500
Kuwait Dinar	132.9000		129.5000

Note : AMU—Asian Monetary Union.

Dhaka Stock Prices

At the close of trading on September 7, 1993

Mixed trend

Trading on the floor of Dhaka Stock Exchange (DSE) showed a mixed trend on Tuesday.

Both the turnovers fell. Value declined to 13134 issues from 24292 showing a loss of 45.932 per cent while value dropped to Taka 819769.00 from Taka 1676808.95, a fall of 51.111 per cent.

The DSE All Share Price Index increased to 408.6239 from 407.9981, a gain of 0.625 point.

Number of stocks transacted was almost unchanged and gainers continued domination on the floor.

A total of 42 stocks traded on the day against Monday's 41. Of these, 17 gained, 15 traded at previous rates while 10 others lost.

DAY'S TRADING AT A GLANCE

DSE Share Price Index	408.6239
Market Capitalisation (Tk)	15927734024.95
Turnover in Volume	13134
Turnover in Value (TK)	819769.00

Company's Name	Previous price Tk	Closing Price Tk	Change (absolute) Tk	Change (% over Price)	Number of shares sold
Gains (17)					
Shares :					
Al Baraka	810.00	815.45	5.450	0.672	11
National Bank	91.00	91.06	0.06	0.065	40
UCBL	85.26	90.00	4.74	5.559	10
BGIC	183.00	184.00	1.00	0.546	90
Green Delta	196.00	199.00	3.00	1.530	110
Thai Aluminium	78.50	78.72	0.220	0.280	280
BD Oxygen	73.90	74.00	0.10	0.135	912
National Oxygen	66.00	68.00	2.00	3.030	200
Modern Dyeing	28.00	24.00	1.00	3.571	30
Rahim Textile	98.00	98.31	0.310	0.316	40
Tallu Spinning	92.00	92.31	0.310	0.336	10
Beximco Infusion	213.22	221.38	8.160	3.827	130
Kohinoor Chemical	62.75	63.00	0.25	0.398	40
Paper Processing	15.50	16.00	0.50	3.225	300
Bata Shoe	41.00	41.20	0.20	0.487	120
Beximco Deb	18.50	19.01	0.510	2.756	7300
Beximco Pharma	1100.00	1102..00	2.00	0.181	02
Losses (10)					
Shares :					
5th ICB M Fund	87.00	86.75	0.25	0.287	10
United Insurance	197.00	195.00	2.00	1.015	50
BD Autocars	50.00	48.69	1.310	2.620	195
Eastern Cables	83.38	82.13	1.25	1.499	315
Rupan Oil	3.81	3.70	0.110	2.887	200
Monno Ceramic	282.00	281.93	0.070	0.024	540
Ashraf Textile	30.00	29.71	0.290	0.966	309
Apex Footwar	173.01	173.00	0.010	0.005	160
Shatham Textile	71.30	70.00	1.30	1.823	140
Usmania Glass	254.00	252.09	1.910	0.751	55

Traded at previous rates (15)

Shares: Rupali Bank (20), City Bank (15), 3rd ICB M Fund (100), 6th ICB M. Fund (40), Peoples Insurance (100), Atlas BD (50), Aziz Pipe (70), Singer BD (05), Ctg Veg (480), Zeal Bangla (350), Padma Textile (220), Beximco Pharma (05), Wata Chemical (20), Savar Refractories (20).

Debenture:
Beximco Infusion 40

DSE SHARES AND DEBENTURES

Company	FV/ML (Taka)	Closing Rate (Taka)
BANKS (12)		
Al Baraka Bank	1000/1	815.45
A.B. Bank	100/5	160.00
City Bank	100/5	325.00
Eastern Bank	100/20	110.00
IDLC Ltd	100/20	201.00
I.F.I.C	100/5	155.00
Islami Bank	1000/1	1438.00
National Bank	100/5	91.06
Pubali Bank	100/5	100.00
Rupali Bank	100/10	69.00
U.C.B.L	100/5	90.00
Uttara Bank	100/5	90.00
INVESTMENT (08)		
I.C.B	100/5	100.00
1st ICB M. Fund	100/5	350.00
2nd ICB Fund	100/5	160.00
3rd ICB M. Fund	100/5	141.00
4th ICB M. Fund	100/10	140.00
5th ICB M. Fund	100/10	86.75
6th ICB M. Fund	100/10	57.00
ICB Unit Cert.		
Sales Price		112.00
Re-purchase		107.00
INSURANCE (04)		
BGIC	100/10	184.00
Green Delta	100/10	199.00
Peoples	100/10	290.20
United	100/10	195.00
ENGINEERING (19)		
Aftab Automobiles	100/5	179.00
Atlas Bangladesh	10/50	43.00
Aziz Pipes	100/5	225.00
Bangladesh Autocars	100/5	48.69
Bangladesh Lamps	100/5	280.00
B. Thai Aluminium	100/10	78.72
Bengal Carbide	100/5	272.00
Bengal Steel	10/50	20.00
Eastern Cables	100/5	82.13
Howlader PVC	100/10	100.50
Karim Pipe	100/5	75.00
Metalex Corp.	100/5	31.38
Monno Staffllers	100/5	185.00
Monno Jutex	100/5	350.00
National Tubes	100/10	60.00
Panther Steel	10/50	8.00
Quasem Drycells	10/50	9.60
Renwick Jagneswar	100/5	80.00
Singer Bangladesh	100/5	810.00
FOOD & ALLIED (23)		
A.B Biscuit	100/5	200.00
Alpha Tobacco	10/50	45.00
Aman Sea Food	100/5	15.00
Apex Food	100/5	675.00
Aroma Tea	100/5	60.00
Bangas	100/5	120.00
B.D. Plantation	100/5	500.00
Bengal Food	100/5	112.03
B.L.T.C.	100/5	800.00
B.T.C.	10/50	70.00
Ctg. Vegetable	100/10	61.00
Dhaka Vegetables	100/5	62.11
E.L. Camellia	100/5	1040.00
Frogleg Export	10/50	2.00
Gemini Sea Food	100/5	39.00
Hill Plantation	100/5	550.00
Modern Industries	100/5	320.00
N.T.C	100/52	207.00
Rabeya Flour	10/100	NT
Rupan Oil	10/100	3.70
Tulip Dairy	100/10	50.00
Yousuf Flour	10/50	NT
Zeal Bangla Sugar	10/50	6.10
FUEL & POWER (04)		
BD Oxygen	10/50	74.00
Eastern Lubricant	10/50	14.00
National Oxygen	100/10	68.00
Padma Oil Co.	10/50	41.00
JUTE (12)		
Ahad Jute	100/10	NT
Anowara Jute	10/50	NT
Delta Jute	10/50	8.50
Gawsia Jute	10/50	NT
Islam Jute	100/5	48.00
Jute Spinner	100/5	75.00
Mutual Jute	100/5	105.00
Northern Jute	10/50	NT
Shamser Jute	100/5	100.00
Spcialised Jute	10/50	NT
Shine Pukur Jute	100/5	112.00
Sonali Aansh	100/5	108.00
TEXTILE (20)		
Alhaj Textile	10/50	NT
Arbee Textile	100/10	112.00
Ashraf Textile	10/50	29.71
Chand Textile	10/50	NT
Chand Spining	10/50	NT
Desh Garments	100/10	50.00
Dulamia Cotton	100/10	76.00
Eagle Star Textile	10/50	13.40
GMG Ind. Corp.	10/50	10.00
Modern Dying	100/5	29.00
Padma Textile	100/20	165.00
Quasem Silk	10/100	2.60
Quasem Textile	10/50	3.30
Rahim Textile	100/5	98.31
Saiham Textiles	100/10	70.00
S.T.M. (ORD)	100/5	20.00
Stylecraft	100/5	130.00
Swan Textile	100/5	10.00
Tallu Spinning	100/10	92.50
Tamijuddin	100/10	160.00
PHARMACEUTICALS & CHEMICALS (19)		
Ambee Pharma	10/50	11.40
Bangla Process	100/5	60.00
BCIL	100/10	350.00
Beximco Infusion	100/00	221.38
Beximco Pharma	100/5	450.00
Glaxo	10/50	125.00
A C I	10/50	10.00
N Polymer	100/10	
Kohinoor Chemical	100/5	63.00
Petro Synthetic	10/50	10.00
Pfizer	100/5	450.00
Pharma Aids	100/5	170.00
Pharmaco	100/5	50.00
Progressive Plastic	100/5	26.00
Reckitt & Colman	10/50	95.00
Rahman Chemicals	100/10	32.00
Therapeutics	100/5	72.00
The Ibnsina	100/10	101.00
Wata Chemical	100/20	121.00
PAPER & PRINTING (06)		
Eagle Box	10/50	23.00
Monospool Paper	100/5	25.00
Paper Converting	100/5	70.00
Paper Processing	100/10	16.00
Padma Printers	10/50	50.00
Sonali Paper	10/50	52.00
SERVICE (02)		
Bangladesh Hotel	10/50	12.00
Bd. Service	10/50	NT
MISCELLANEOUS (18)		
Apex Footwear	100/20	173.00
Apex Tannery	100/5	339.00
Aramit	10/50	30.00
Bata Shoe	10/100	41.20
Beximco	10/100	19.01
B.S.C	100/5	60.00
Chittagong Cement	100/5	181.00
G. Q. Ball Pen	10/50	77.00
High Speed	100/5	50.00
Himadri Ltd.	10/100	6.00
Milon Tannery	100/5	9.00
Monno Ceramic	100/5	281.93
New Dhaka Refac	100/20	80.00
Pheonix Leather	100/5	102.00
Savar Refractories	100/5	75.00
The Engineers	100/5	100.00
Texpick Ind	100.10	100.00
Usmania Glass	100/5	252.09
DEBENTURES (04)		
Beximco 17% 1998	1999/1	1960.00
Beximco Infusion (17% 1998)	1500/2	1750.00
Beximco Pharma (17% 1998)	1428/1	1102.00
Quasem Silk (17% 1994)	1500/1	1200.00

Note : FV = Face Value ML= Market Lot NT= Not Traded AL = Allotment Letter

Pfizer Lab renamed as Renata Ltd

The name of Pfizer Laboratories (Bangladesh) Limited has been changed to Renata Limited, says a press release.

The name changing plaque was unveiled by Health and Family Welfare Minister Chowdhury Kamal Ibne Yusuf at a ceremony at the company's factory at Mirpur on Monday.

Addressing the employees of the company, the Health Minister said the government is committed to ensure health for all by the year 2000.

He said ethical pharmaceutical companies like Renata can play a vital role by manufacturing quality medicines.

The Minister assured that the present government would take stern measures against manufacturers and sellers of spurious drugs.

William B Milam, US Ambassador in Bangladesh said that withdrawal of US multinational has been generally due to overall global changes and for regulatory constraints in some countries. He expressed his firm belief that under the existing management Renata will succeed in its mission for manufacturing of quality medicines for the welfare of Bangladesh people.

The Chairman and Managing Director of Renata Limited, S H Kabir said that Pfizer has entered into a new relationship with Renata. Under this new relationship the quality standards in manufacturing and ethical standard in marketing will not change. Many new products including popular brands of Vitamins will be introduced and the company will also market modern medicines coming out of research centres of Pfizer, he informed.

Farida Rahman, MP and Syed Mohammed Mohsin, MP from Mirpur and President and General Secretary of Renata Karmachari Sangsad also spoke on this occasion.

A milad mahfil was also held on the occasion.

Arab, Israeli traders meet to plan for a peacetime economy

JERUSALEM, Sept 7: Inspired by an Israeli-PLO breakthrough, bankers and businessmen who long shunned the Jewish state are calling and facing, hoping to share in a Middle East peace dividend, says Reuter.

A first-ever Israeli-Palestinians peace accord could be signed in Washington as early as next Monday, boosting expectations in Israel of unprecedented economic links with Palestinians, Arab states and others. "Dreams have found a way in the last few years of coming true long before you wake up", said Dan Gillerman, Chairman of Israel's Chamber of Commerce.

Arab and Israeli businessmen have met already, sometimes secretly, to plan for a peacetime economy. The Tel Aviv Stock Exchange soared to a record high this week in a buying frenzy fuelled by peace hopes.

For decades foreign companies have shied away from Israel, fearing the outbreak of war or a boycott by Arab states. Now after years of ignoring Israeli entreaties, firms are clamouring for a piece of the action.

"It's mainly, 'can we come over? How do we get in on this?'" Gillerman said.

Israeli optimism is guarded. Leaders and businessmen both know much work remains to be done hammering out peace agreements with Arab enemies of more than four decades.

The costs of Israeli-Palestinians peace and security have yet to be calculated, and the sides envisage help from Arabs, Europe, Japan and the United States to boost housing, power, road and water systems in Israeli-occupied territories.

Expectations are tempered also by the experience of dealings with Egypt, which in 1979 became the first Arab state to make peace with Israel. Israelis are still disappointed by the slow pace of tourism and other economic ties with Egypt.

Still Israeli leaders have high hopes.

"The income from tourism will certainly rise, foreign companies will want to conduct business here and the range of economic activity will be greater," Finance Minister Abraham Shohat forecasts.

Israel already has special trade terms with the United States. And last week Foreign Minister Shimon Peres won a pledge from the European Community to upgrade a 1975 pact which Israel said had hampered trade.

Businessmen from Israel, Jordan, Egypt and Saudi Arabia are making plans for a riviera-like tourism centre along their shared Red Sea coastlines. Other blueprints include regional railways and shared electrical systems.

Health and Family Welfare Minister Chowdhury Kamal Ibne Yusuf unveiling the name plaque of the Renata Limited (Formerly Pfizer Laboratories (Bangladesh) Limited). William B Milam, US Ambassador in Bangladesh and S H Kabir, Chairman and Managing Director of Renata Limited also seen in the picture.