

Quick implementation of World Bank reform programmes suggested

Speakers at a seminar yesterday differed on the actual pace for carrying out the on-going structural reforms and privatisation process but acknowledged the need for continuing with the reform process.

Speakers advocating faster implementation of the World Bank-funded reform programmes argued that otherwise the objective of rapid industrialisation to accelerate growth would not succeed.

Others, however, called for adjusting the reform programme in line with the prevailing socio-economic conditions of the country.

On the question of privatisation of the public enterprises, some of the participants at the seminar strongly advocated for speeding up the process while others cautioned to go slow and even questioned the ability of the private sector to absorb all the divested units.

However, all participants agreed on the importance of bringing about labour reforms, improving the law and order situation and activating the capital market, to boost investors' confidence.

The speakers addressing a day-long seminar jointly organised by the Metropolitan Chamber of Commerce and Industry (MCCI) and the World Bank Resident Mission at the National Economic Council (NEC) auditorium, entitled 'Implementation of Structural Reforms', the seminar was divided into three sessions where six papers were presented on different aspects of the reform programme, after it was inaugurated earlier by Finance Minister M Saifur Rahman.

Information Minister Nazmul Huda chaired the first working session of the seminar on 'Industrial de-regulation and trade liberalisation'. Charles Draper, World Bank senior economist, and Dr. Abdul Rab, a long-term national consultant with the Ministry of Industries, presented separate papers at the session.

Both speakers strongly advocated for speeding up the on-going reform process and also called for bringing about necessary reforms in the legal and regulatory framework.

In his opening remarks, Barrister Huda pointed out to the socialist economy followed after independence and the initial privatisation process which

was initiated after 1975. He said the law and order situation improved 'tremendously' after the introduction of the anti-terrorism ordinance while the government has set up a Labour Reform Commission to improve the labour relations and the government is also following a policy of non-interference in the private sector along with the corresponding contraction of the public sector, particularly in manufacturing.

In his paper Draper said, 'If the pace of trade reform can be

actual objectives of the whole process. They also advocated for providing protection for some import-competing industries. The question of opening up the markets of the developed nations for Bangladesh's export products also has to be considered along with the opening of the internal market through trade liberalisation, he said.

On the other hand, some participants at the discussions brushed aside any doubt about the ability of the private sector and the entrepreneurs to take

Tobacco Company and Major General Amjad Khan Choudhury (retd).

In the second session, N Ramachandran, senior economist, the World Bank, in his presentation in the second working session on privatisation process observed that the sales process of the public units must be made completely transparent and the labours must be motivated for a quick divestment success.

There are perceptions among

divested units. Siddiqui also stressed the need for developing an efficient financial system and identified red tapism, demoralized and underpaid workforce, excess liquidity and non-performing loans as the main reasons for the backwardness of the financial institutions.

He also suggested for government's guarantee of deposits, deregulation of bank rates, a stronger central bank role and permission of more banks as a means of improving the situation.

The session chairman, State Minister for Textiles, Abdul Mannan, in his opening address said the privatisation programme has become a political compulsion for the economy right now.

'But weak capital market and socio-political realities blocked its progress,' the minister commented adding that the market limitation and public attitude towards privatisation also hampered its pace.

A K M Kamaluddin Chowdhury, Chairman of the Privatisation Board, highlighted the reasons of slow privatisation pace and said the limited absorption capacity of the market has been resulting in poor participation in the divesting process.

Md Mamun-ur-Rashid, Managing Director of Bangladesh Shilpa Rin Sangstha, observed that the privatisation programme could be decentralised and the concerned ministries could directly take part in it to expedite the process.

Mahbubur Rahman, President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) said that investments by private entrepreneurs in the purchase of public units should be made tax free and called for simplifying the process of privatisation. Mahfuz Anam, the Executive Editor of The Daily Star, participating in the discussion said the privatisation programme should be based on the confidence of the entrepreneurs, public, labour unions and others related. He observed that a vibrant media can play the role of confidence building focusing on the major players of the economy.

Sheikh Ansar Ali, MP, said

establishing rule of law is vital for success of the privatisation process.

Azimur Rahman, Vice-President of the MCCI, said the government should sell off the public units without wasting further time for better bids. He said a good captivity is now the imminent need of the moment.

Dr A K M Mashiur Rahman, Secretary, Railway Division, Communications Ministry, observed that there is a very little difference of opinion regarding the privatisation programme among the politicians.

Dr Rahman also suggested foreign equity participation in selling of the units.

Abdus Samad Azad, Deputy Leader of the Opposition in Parliament, presiding over the third session on 'Efficient Labour Market', felt that serious dialogue on the issue of privatisation and labour management must be on between the treasury bench and the opposition, both inside and outside the parliament.

He pointed out that privatisation is now the need of the hour. The society should now move towards that goal, he further said.

Owaise Saadat, chief of the industry and finance unit of the World Bank Mission, observed that the inefficient functioning of the labour market has been a major factor in constraining the growth of the manufacturing sector.

He said the structural inefficiencies of the labour market must be tackled urgently to overcome the situation.

Saadat stressed the need for a reliable labour market information system for taking decisions about fast changing market conditions.

He maintained that the government's direct role in labour management issues should be done away with and the existing labour laws be streamlined.

The World Bank expert also called for delinking the labour activities from political influence and emphasized improving the institutional mechanism to ensure industrial peace.

Saadat pointed out that centralised wage fixation process must be stopped as it has serious negative impact on profitability of the manufacturing sector.

Talking on the social safety net aspect of the reform pro-

gramme, Saadat said labour retrenchment, redeployment and fresh hiring are all essential parts of the economic restructuring process. Skill development of manpower, establishment of a severance fund and a mechanism for protection of termination benefits can work as a safety net for retrenched workers.

Dr Moustaf Uddin Ahmed of Economics Department of the Dhaka University also presented a paper and called for politicising the labour force.

M Anisuddowia, former presi-

dent of Bangladesh Employers' Association called for linking wages to productivity and said rule of law must be established for maintaining productivity.

Dr A K M Mashiur Rahman said all claims about productivity implicitly means labour suppression. Others who also addressed the discussion were Abdullah Sarkar, President, Jatiya Samik League, Altamash Kabir, Executive Editor of the Sangbad and M Noorul Quader of Desh Group of Industries.

Castro legalises 18 more small-scale private occupations

MEXICO CITY, Oct 23: Cuba has legalised bicycle taxis, florists, jewelry repair and 15 other previously banned private occupations, reports AP.

The loosening of limits on small-scale private enterprise was announced Friday by state radio in Cuba and by the government's Prensa Latina news agency, monitored in Mexico City.

Prensa Latina said President Fidel Castro legalised 18 small-scale private occupations in addition to 117 legalised in September.

Cuba, one of the world's last remaining communist systems, had long banned almost any form of private enterprises, although a squeeze on state rations created a booming black market.

But an economic crisis caused by the loss of aid and trade with former socialist countries and aggravated by the U.S. economic embargo has forced Castro to make economic reforms that are sweeping by Cuban standards.

Prensa Latina reported that 1,469 agricultural cooperatives have been created on former state-run farms.

The 18 newly authorised occupations include several intended to help Cubans cope with economic hard times. Reporters in Cuba said Cubans will now be allowed to make home-made soap - factory-made soap is hard to come by - and to operate bicycle taxis

to make up or the shortage of gasoline.

Umbrella and jewellery repair were also approved, as was the making of funeral wreaths.

Private activity remains limited, however, business people aren't supposed to hire employees or to steal state supplies - a chronic problem - and the government said it will crack down on illegal street vendors and middlemen.

College graduates, managers and professionals are banned from private jobs 'because they should give their knowledge to the needs of the country and to benefit all society, which has paid for their training,' Prensa Latina reported.

The agency said the reforms were aimed at people in lower-ranking positions, people who have had their work hours reduced due to energy or material shortages, people who have had to work outside their chosen fields, and retirees.

Mary Cuban offices and factories have closed for all or part of the day due to lack of air conditioning or raw materials.

Cubans can now own and spend foreign currency, and the government has eased controls on currency imports, hoping to draw donations from relatives abroad.

Cubans have gone still further than the government has allowed, opening still-banned private businesses such as restaurants, some of which now offer menus and home delivery.

Stocks close higher in New York

NEW YORK, Oct 23: The stock market applied the brakes to its advance Friday after bonds resumed their retreat but blue chip issues managed to maintain gains and the Dow Jones Industrial average finished higher, reports AP.

A strong stock rally on Wall Street inspired by growing confidence in the U.S. economy and generally healthy quarterly corporate income reports lost momentum in the afternoon as bond prices slumped, sending interest higher.

The bond selloff started after Federal Reserve Chairman Alan Greenspan indicated in a Washington speech that forces holding back economic growth have eased.

Greenspan's views tended to reinforce market perceptions spawned by recent government readings, including regional statistics released Thursday by the Federal Reserve Bank of Philadelphia which indicated improved growth in the Mid-Atlantic states. The report was taken as a sign that things might be perking up elsewhere in the country.

The Fed chief's remarks raised concern among bond market participants that accelerating economic growth could intensify inflationary pressures. Inflation is the arch enemy of the bond market because it erodes the value of fixed interest-rate investments.

Earlier Friday, stability in the bond market after a steep slide on Thursday had encouraged stock investors to buy.

Foreign markets provided a good backdrop for U.S. trading. Stocks gained in most major financial centers amid continuing optimism in the wake of Germany's decision announced Thursday to cut key interest rates. The rate cuts were expected to stimulate the sluggish European economies.

The Dow Jones Industrial average rose 13.14 to 3,649.30. Declining issues narrowly outnumbered advances on the New York Stock Exchange, with 979 up, 1,044 down and 622 unchanged.

NYSE volume totaled 301.31 million shares as of 4 p.m. (2000 GMT), against 287.23 million in the previous session. The NYSE's composite index fell 0.85 to 257.06.

International seminar in Jeddah Saudi-Bangladesh cooperation in trade, investment sought

JEDDAH, Oct 23: The immense possibilities for increased Saudi-Bangladesh cooperation in the fields of trade, industry and investment need to be fully explored and utilised, reports BSS.

This was the consensus reached at an international seminar on 'Trade and Investment in Bangladesh' organised by Bangladesh Society, Jeddah, held recently here.

The seminar was chaired by Mohammed Jameel Hassouboh, Vice-Chairman, Dallah Al Barakah Group and Chairman Al Barakah Bank, Bangladesh, Abdullah Jawad, Assistant Secretary General, Jeddah Chamber of Commerce and Industry was the chief guest and Dr Abu Reza, senior economist Islamic Development Bank, the co-chairman.

The seminar, attended by 300 participants including representatives from reputed Saudi business houses and multi-national corporation, was addressed by guest speakers from Bangladesh. Among them were Salahuddin Quader Chowdhury, MP, M Morshed Khan, Chairman, Arab-Bangladesh Bank and Pacific Group of Industries, A K M Ziauddin, industrialist and former vice-president, Federation of Bangladesh Chambers of Commerce and Industry and Dr Mizanur Rahman Shelley, Chairman of Centre of Development Research Bangladesh (CDRB) and former minister consultant-general of Bangladesh at Jeddah, S K Sarjil Hassan, President and General Secretary of the Bangladesh Society, Jeddah, D A N M Salahuddin and engineer Anisul Huque also addressed the seminar.

Speaking on the occasion, Moshed Khan pointed out that there was rich return on investment in various fields of industry and business in Bangladesh including sectors such as energy, tele-communication and health care. Salahuddin Quader Chowdhury, stressed that consensus now existed among all political quarters in Bangladesh that uninterrupted economic development of the nation should take place with safe, secure and rewarding foreign and national investment. Ziauddin elaborated the

eral and effective measures adopted by the government to attract and utilise foreign investment.

Dr Mizanur Rahman Shelley observed that the politico-economic impact of the recent transformation of the global order made it imperative for the Muslim world to unite and cooperate for their total, especially economic, development.

The resources of the oil-rich Muslim countries such as kingdom of Saudi Arabia should be blended with the rich human resources of Bangladesh to strengthen the Muslim world.

US workers more productive than German, Japanese

WASHINGTON, Oct 23: US workers generally are more productive than their German and Japanese counterparts, according to a study by the international consultancy McKinsey Global Institute, reports AFP.

With the U.S. wage-earner set at the 100-point mark on the study's productivity scale, the Japanese worker scored an average of 83 points, and the German 79, the report said.

Int'l seminar on foreign exchange dealing begins

By Staff Correspondent

A two-day international seminar and workshop on foreign exchange dealing began in the capital yesterday.

The objective of the workshop is to introduce and explain the workings of international money and foreign exchange markets to the local participants from various banks and financial institutions.

Organised by the Equity Resources Limited at Hotel Purbani, the workshop is dealing with interest and exchange rates, the relation between money and foreign exchange markets, bid and offer rates and foreign exchange markets, forward and swaps, the dealing room support function and accounting and revaluation.

Dr. Ousep Mathen, Senior Manager of Client Investment Services of the Riyadh Bank, Saudi Arabia and Ananda P. Bhoumik, Consultant, Foreign Exchange and Treasury Management, Laem Thong Bank, Thailand are conducting the course.



Industries Minister A M Zahiruddin Khan and FBCCI President Mahbubur Rahman jointly inaugurating an Audio-Video plant of Singer Bangladesh Limited at Savar yesterday.

Singer opens audio-video plant

By Staff Correspondent

Singer Bangladesh Limited has entered the local electronics market with the inauguration of its audio-video plant where 'Singer television' is being assembled.

Industries Minister A M Zahiruddin Khan opened the plant at Hemayetpur, Savar, yesterday at a simple ceremony. Mahbubur Rahman, President, Federation of Bangladesh Chambers of Commerce and Industry was present as special guest.

Established at a cost of Taka five crore with 66 per cent local integration, the plant can produce a colour TV set in every four and a half hour process.

Initially it will market 14-inch, 16-inch and 20-inch colour television sets. Singer has two other plants - sewing machine and fan plants - in Chittagong. The multi-national company started its Business in Bangladesh in 1979.

Speaking on the occasion Industries Minister Zahiruddin Khan said a macro-stability is now prevailing in the country and the government is committed to create more congenial environment for investment.

He said there should be one commitment development of nation irrespective of all parties and individuals adding that public opinion should be formed against those which are detrimental to investment.

'Bangladesh deserves better leadership for economic and industrial growth and BNP can provide that leadership,' the Minister said.

'It is already proved that multi-nationals can contribute a lot to the country's economic growth,' he added. He urged Singer management to export Bangladesh-assembled products to other countries.

Mahboob Zamil, Chairman and Managing Director for the Singer Bangladesh, said 'It is a humble beginning to enter the electronics market.'

He said Bangladesh is in the priority list of Singers' corporate management.

Two Cambodian companies are negotiating to import Singer's colour television sets from Bangladesh, he added. Singer has also marketed imported CD player, Sansul, at a comparatively lower price.



Ananda P Bhoumik, Consultant, Foreign Exchange and Treasury Management, Laem Thong Bank, Thailand is seen conducting an international seminar and workshop on foreign exchange dealing. Equity Resources Limited organised the two-day workshop at Hotel Purbani yesterday.

Notice Inviting Tender Tender Notice No EE/B. Baria E/M-2 of 1993-94 1. Sealed tenders in Bangladesh Form No 2911 are hereby invited from the Special Class-1 (one), Contractors of PWD/1st class enlisted E/M, contractors of PWD having valid ABC Supervisory & Contractors Licence from Licensing Board, Govt of Bangladesh who have previous Sub-Station work certificate. Tenders will be received by the undersigned as well as by the Executive Engineer, PWD Division, Comilla/Chandpur/Noakhali/Feni/Lakshmipur in their respective offices up to 1.00 PM on 31.10.1993 and will be opened on the same day at 1.15 PM in presence of the tenderers who may like to remain present. Each tender shall be in a sealed cover with the name of work superscribed on it.

Corrigendum Notice Against Tender Notice No 1 & 2 of 1993-94 This is for information of all concerned that the dates for receiving of tenders against Tender Notice No 1 & 2 of 1993-94 for improvement of road from Natore to Mollapara by Bituminous, Carpeting and for HBB work on the embankment from Taherpur to Mohangah under Barnai Project during the year 1993-94 as circulated vide T.O. Memo No 2239 (4) dated 30.9.93 and No 2241(4) dated 30.9.93 were fixed on 26.10.93, 27.10.93 and up to 12-00 hours of 28.10.93. Now the dates for receiving the tenders have been shifted to 2.11.93, 3.11.93 and up to 12-00 hours of 4.11.93 due to some unavoidable circumstances. The tenders will be opened at 12-30 hours of 4.11.93. The last date of purchasing the tender documents has also been shifted from 27.10.93 to 3.11.93 and tender documents shall be available from the specified banks as mentioned in the tender notices.