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US negotiators see progress in global trade talks

BRUSSELS, Dec 2: US trade negotiators said Thursday they were closer than ever to resolving an acrimonious farm dispute with the European Community that is threatening to wreck global trade talks, reports AFP.

"We're closer than we've ever been" said Mike Espy, the US Agriculture Secretary as the two sides resumed talks.

Espy said the farm trade negotiations could be concluded Thursday or Friday. But he cautioned, "We're not there yet."

He joined a US team headed by Trade Representative Mickey Kantor that met late into the night Wednesday on the first day of a last-ditch attempt to settle quarrels over farm goods, films and other trade issues.

The negotiators are racing against a December 15 deadline for wrapping up a seven year round of talks by 116 nations to overhaul the world's trading system.

Arriving for talks with EC Trade Commissioner Sir Leon Brittan, Kantor said, "We're making progress."

An EC official described Wednesday's talks as "intensive" and "aggressive." He added, "there's nothing stage-managed about this."

France, a powerful force in the European Community, is resisting pressure to cut subsidies to its one million farmers, saying it could wipe out many of them.

US Secretary of State Warren Christopher appealed Wednesday...

day flexibility to get the global trade talks, known as the Uruguay Round, finished by the self-imposed deadline.

The Uruguay Round, the most ambitious attempt ever to eliminate many of the world's trade barriers, has been stalled for nearly three years by the bitter farm fight.

The Clinton administration has indicated it might be willing to compromise with France.

And French President Francois Mitterrand said Wednesday he took, was prepared to compromise.

An easing of the nations...



US GATT representative Mickey Kantor (L) is welcomed by the European Union Commissioner for commercial policy Sir Leon Brittan at the Breydel EU building in Brussels Wednesday as they start a series of crucial negotiations to seek a last-minute breakthrough in GATT world trade talks.

hard-line positions could help clear the way for conclusion of the negotiations by the deadline set by the General Agreement on Tariffs and Trade.

Taipei vows to protect farmers' interest

AFP reports from Taipei: A top official vowed Wednesday to protect the interests of farmers amid their uproars and threats to stage island-wide protests against rice imports.

It is our bottom line of not opening our rice market, and we will never sacrifice the interests of farmers just for the sake

of joining the General Agreement on Tariffs and Trade (GATT). Sun Ming-Hsien, Chairman of the Council of Agriculture (COA), told reporters.

The government stood by its policy of not permitting rice imports for the moment. Sun said, stopped short of saying whether the policy would change under international pressure.

Taiwan, which has applied to join GATT, faces pressure from the United States and some European Nations to open its rice market.

Taiwan farmers said they would stage island wide protests, including strikes if foreign rice were allowed in.

EC farmers' leaders meet Sutherland

Reuters adds from Geneva: European Community farmers' leaders on Wednesday met GATT chief Peter Sutherland to urge him to drop provisions for subsidy cuts to agriculture from the draft of a new world trade treaty.

The group, from the Committee of Professional Agricultural Organisations (COPA), argues that alternative versions of the accord would unfairly penalise European farmers and favour United States efforts to capture more world markets.

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94 tonnes wheat for 53 projects sanctioned

NATORE, Dec 2: Government has sanctioned 94 metric tons of wheat against 53 projects under Test Relief and Food for Works Programmes in Sadar thana and pourashava area, reports UNB.

According to the officials, 24 metric tons of wheat were sanctioned under Test Relief for the pourashava while 70 metric tons of wheat would be disbursed under the FWP for Sadar thana.

The projects include, reconstruction of mosques and graveyards, cleansing of poura areas, construction and repair of roads, tree planting and other uplift works.

Meanwhile, works on 50 projects have been completed and the rest are expected to be completed by December 15.

Agri rehabilitation plan in six southern districts undertaken

BARISAL, Dec 2: Barisal Regional Agriculture Extension Department has undertaken an agriculture rehabilitation programme in six southern districts under the region during the current season, reports BSS.

According to an official source, government has sanctioned Taka 68.04 lakh for the implementation of this programme in the districts of Barisal, Patuakhali, Barguna, Bhola, Rajbari and Faridpur under the region.

A total of 5,310 acres will be brought under cultivation of different variety of crops in these districts under the programme this year, the source said.

Altogether, 430 power pumps, 100 power tillers, 22 tractors, 10,000 hand spray machines, and 2,000 paddle threshers will be supplied to the farmers for making the programme a success.

Bangladesh Agriculture Development Corporation (BADCO) will sell 76.72 metric tons of seeds of boro, wheat, mustard and vegetable among the farmers for the purpose.

Besides, BADCO will supply 263 metric tons of Urea, 235 metric tons of TSP, 115 metric tons of MP, 36 metric tons of Zipsam and five metric tons of zinc among the farmers.

Meanwhile, 350 farmers of the districts were given training for the implementation of the programme, the source added.

Tk 58 cr Danish grant for rural infrastructure project

Under an agreement signed in the city yesterday Denmark would provide to Bangladesh a grant of 97.90 million Danish kroner equivalent to approximately Taka 58 crore 45 lakh for the "Barisal Rural Infrastructure Project, Phase-1", reports BSS.

The objective of the project under the Local Government Division is to contribute to social and economic development of Patuakhali and Barguna districts.

M Sirajul Islam, Joint Secretary, Economic Relations Division, Ministry of Finance ad KK Nielsen, Charge D' Affaires of the Danish Embassy in Dhaka, signed the agreement on behalf of their respective governments.

Indian pesticides flood N-dists

SIRAJGONJ, Dec 2: Despite government ban, Indian pesticides are abundantly available in different markets of northern region, reports UNB.

The farmers are using these sub-standard and spurious Indian pesticides like Thioding, and Thirid DDT in their lands due to its low prices causing adverse affect on standing crops.

They are reportedly not interested to buy the indigenous pesticides at a comparatively high price, sources said.

According to agri-scientists, extensive use of spurious smuggled pesticides decreases production capacity of the land due to adverse affect on the fertility of soil.

Raw jute prices increase in West Bengal

CALCUTTA, Dec 2: Low procurement by the Jute Corporation of India (JCI), stepped up activities of middlemen and dwindling stocks in the JCI godowns have raised the price of raw jute in West Bengal market, the state's Labour Minister Santi Ranjan Ghatak, said yesterday, reports PTI.

Expressing concern over the raw jute scarcity, Ghatak told newsmen that "poor production was also another factor of the jute price rise."

The chief Minister, Jyoti Basu, he said, had already expressed his concern to the union agriculture minister in this regard.

Israel wins EC support for new trade deal

BRUSSELS, Dec 2: Israeli Prime Minister Yitzhak Rabin, in his first official visit to the European Community, won broad EC support on Wednesday for a new trade deal with the Jewish state and endorsed plans to help the Palestinians, reports Reuters.

Rabin said after meeting European Commission President Jacques Delors that he hoped Israel would soon be rewarded for its role in the Middle East peace process by the updating of a 1975 co-operation agreement with the 12-

member bloc.

"This (new accord) is a justified demand... we want quick negotiations so that our people can realise that our efforts in the field of peace are understood not just by beautiful words but by deeds," Rabin told a news conference.

Rabin has in the past slammed the 1975 accord as discriminatory, causing a trade deficit with the EC that reached five billion US dollar last year. Delors said the EC wanted to help Israel boost its exports and create more jobs.

BIBM workshop on women ends

The three-day workshop on 'Self-employment of Women - Role of Credit Giving Agencies' concluded in Dhaka yesterday, says a press release.

The Bangladesh Institute of Bank Management (BIBM) conducted this workshop.

It aimed at discussing the need and importance of self-employment of women and their access to credit and its impact on the country's economy.

The Director General of BIBM, A H M Nurul Islam Chowdhury, presided over the concluding session and distributed certificates among the participants.

Good demand leads tea prices to remain firm

By Staff Correspondent

All round good demand led tea prices to remain firm to occasionally dearer at the week's auction sale held in Chittagong on Tuesday last.

According to a Unity Brokers market report, bolder brokers gained as the buyers from Russia were more active at the sale. Well made smaller brokens and fannings were sharply dearer and local traders were also active for the cleaner varieties.

The major buyers at the sale were Poland, Russia, Pakistan and Jordan. Withdrawals at the sale were lower at 22 per cent of the total offerings as against last week's 26 per cent.

In the leaf category 21,508 packages were offered at the sale, of which, the export buyers accounted for 52 per cent while the internal trader purchased 27 per cent and 21 per cent remained unsold.

In the dust category 3,098 packages were offered, of which, the local traders bought 61 per cent while the export buyers purchased 17 per cent and the remaining 22 per cent of the offerings was withdrawn.

Following is the category-wise market performance report as prepared by Unity Brokers:

CTC: Bold brokens were fully firm to dearer by around .50 poisa per kg. Smaller brokens move up further with the well made types gaining substantially, often between Taka

one and two. Selective lines realised between Taka 53.50 and Taka 55.00 per kg.

Fannings were fully firm to dearer, often sharply by around Taka one and two per kg particularly the well made, good liquoring and cleaner sorts. Popular lines sold between Taka 55.50 and Taka 58.50.

ORTHODOX: Six packages of clonal whole leaf and brokens grades sold between 150.00 and Taka 210.00 per kg.

GREEN TEA: A total of 260 packages were on offer and these sold between Taka 55.50 and Taka 58.00 per kg.

DUST: A total of 3,098 packages were on offer. Except for the internal popular lines and powdery types which were firm to dearer, others eased by about Taka one per kg or were barely steady.

UNIDO symposium on LDCs opens in Cameroon

An eight-day second ministerial symposium on less developed countries (LDCs) opens in Cameroon from today, says a press release.

The symposium is being sponsored by UNIDO. Industries Secretary A H M Abdul Hye has already gone to Cameroon to participate in the seminar.



Dr A T M Shamsul Huda, MD, Bangladesh Krishi Bank addressing the managers' and field-workers' conference of Gazipur division of the bank held at Gazipur on Tuesday. S M Chowdhury (L), General Manager, Dhaka region and M Fariduddin (R), Chief Regional Manager of the region are also seen in the picture.

New consensus on democracy and competitiveness

by John D. Sullivan

Business people throughout the world are finding that their fortunes are tied ever more closely to the rapid political and economic transitions that seem to be occurring in nearly every corner of the globe. As investors scan the globe for investment opportunities, they are finding that a lot of countries are coming around to the view that democracy is essential to sound economic and business development. This view is especially prevalent in countries like Poland and the other formerly communist regimes. The view in most of these countries was that economic reform couldn't begin until the system itself changed to remove a small minority who had exercised a form of political and economic dictatorship to the ruination of the rest of society. In the cases democracy became a vital part of the rebirth of society, the people, and the economy.

Africa, where many countries that lacked democratic institutions and traditions were run as though they were the personal property of dictators. As reformers in South Africa are well aware, closed societies cannot compete effectively against open ones in today's global economy. For example, South African businesses still spend just one per cent of their payroll cost on training, far less than the five per cent or more common in Asia and the West.

But the winds of change are blowing in Africa, too. In South Africa, black entrepreneurs like Mohale Mahanyele, chairman of National Sorthum Breweries, are beginning to make their mark. After purchasing the loss-producing brewery from the state, Mahanyele nearly doubled its sales volume in three years, at the same time selling more than 10,000 shares to local black shareholders. Stronger democratic institutions in Africa will enable its entrepreneurs to break out of the informal sector and join the formal economy, helping to improve their countries' competitiveness.

Thus, democracy doesn't just mean periodic elections. The area where the relationship

between business and democracy is the most important is institutional reform and democratic governance. Most of the institutional reforms—including

- Major Foreign Investment Criteria: Local market characteristics, Market access, Labour force, Currency risk, Capital repatriation, Protection of intellectual property rights, Trade policies, Government regulation, Tax rates and incentives, Political stability, Macroeconomic policy framework, Infrastructure and support services

regulatory hearings, freely flowing information, and even anti-trust law—are products of fundamental reforms in the practice of day-to-day government.

Institutional reform in government is important not only at the federal level, but increasingly also at the state and local level. As power becomes decentralized, effective local governance will have a significant

impact on investment and competitiveness. In countries like Russia and India, reformers at the state and local level have played a major role in advancing reform.

The trend toward openness affects not only the competitiveness of individual firms, but also the overall competitive position of national economies. In the recent World Competitiveness Report 1993 issued by the World Economic Forum in Switzerland, we can see the importance of stable government policies in determining the competitiveness of a nation.

Under the Report's scoring system, policies that are supported by public consensus earn higher ratings, as do anti-trust laws that prevent unfair competition, fiscal policy that treats all enterprises in an equitable manner under law, government that successfully communicates its intentions, and investment that is free from government intervention. Not surprisingly, then, the government that have achieved the greatest levels of competitiveness for their citizens are democratic.

Interestingly, we at the US Chamber of Commerce have arrived at the same conclusion through another path. One of

the US Chamber's functions is to provide support for bilateral business councils, and a few years ago the US-Brazil council decided that something had to be done to convince the Brazilian government to open up its economy to the international arena. The council took a survey of its members to identify the factors involved in a multinational corporation's investment decisions. The survey's findings are listed in the accompanying chart.

As you will notice, the list combines three basic categories: Business factors—including the size of the market, the export potential, labour, and raw materials; The policy domain—including economic management issues, regulatory freedom, remittance of funds, and the like; Governance issues—including things like political risk, protection of intellectual and other property, freedom of access, etc.

Although this list uses the example of the multinational firm's decision-making factors, domestic investors have a very similar set of decisions to make. Each company or investor obviously weighs these factors dif-

ferently, depending on their tolerance for risk, their ability to use new tools like strategic alliances, and the type of business they are in.

The general point is that those countries which provide a fair business environment, including a sound institutional structure, will do much better in terms of domestic and foreign investment, job creation, and economic growth. More and more countries are finding that they have to harmonize their laws and rules with the increasingly democratic and open global economy in order to attract investment and new business opportunities. This is what competitiveness is all about: not just meeting the bottom line from one quarter to the next, but creating a truly stable economic environment in which everyone can participate, openly and freely. Competitiveness, both politically and economically, is the foundation of democracy.

(This article appeared in the recent issue of Economic Reform Today magazine published by USIS. The writer is the Executive Director of the Centre for International Private Enterprise, an affiliate of the US Chamber of Commerce.)

Government of the People's Republic of Bangladesh Ministry of Food Bangladesh Secretariat, Dhaka Invitation for Bid for Import of Wheat. Includes details on quantities, prices, and submission procedures.