

\$6.51m IDB aid for Bangladesh

KUWAIT, Feb 3: The Islamic Development Bank (IDB) agreed to provide 169 million US dollar in funding for development and trade support in Asian, African and Middle Eastern countries, a statement said, reports Reuter.

Executive Directors of the Jeddah-based bank agreed the allocations at a three-day meeting in Kuwait that ended on Tuesday, a statement made available on Wednesday said.

The bank announced funding for development projects in Algeria (18.2 million US dollar), Iran (10 million US dollar), Pakistan (8.5 million US dollar), United Arab Emirates (11.45 million US dollar), Syria (14.67 million US dollar), Tunisia (9.77 million US dollar), Bangladesh (6.51 million US dollar) and Guinea (970,000 US dollar).

The bank agreed technical assistance worth 964,000 US dollar to Mali, 964,000 US dollar to Senegal, 399,000 US dollar to Guinea and 440,000 US dollar to Burkina Faso.

The IDB agreed five other grants worth a total of 1.743 million US dollar to finance five projects in a number of Islamic communities in unidentified non-member states.

2.66 lakh new tele connections by '95, assures Tariqul

Post and Telecommunication Minister Tariqul Islam yesterday laid high emphasis on technology transfer for the development of telecom sector in developing countries including Bangladesh to realise the dream of a "global village," reports BSS.

He said this at the inaugural session of a three-day telecommunication development conference for developing countries of west and south Asia at a city hotel here.

Secretary General of International Telecommunication Union (ITU) Dr Pekka Tarjanne inaugurated the conference while Secretary of Post and Telecommunication Dr A M M Shawkat Ali and Chairman of Bangladesh Telephone and Telegraph Board Fazlur Rahman also spoke on the occasion.

The minister said problems of providing telecommunication connections is not the problems of the developing countries alone. "The necessity for introduction of technology

and training of staff are also immense which could be achieved by ensuring technology transfer," he said.

Islam noticed with regret that technology transfer is still a mere slogan and stressed on more cooperation between developed and developing countries to translate it into reality.

Referring to the development of the telecommunication sector in Bangladesh, the minister said the number of telephones in the country stood at 2,06,000 on the year 1990 since it was introduced in the country. "While we are going to provide another 2,66,000 telephone connections by the next year," he said.

Besides, another one lakh telephones including cellular phones will be introduced in the rural areas by the private sector, he said.

The minister also referred to the newly introduced 300 card phones all over the country "which are being used by 20,000 subscribers everyday."

"More card phones shall be

installed in future so that the people can enjoy telecommunication facilities without having a costly telephone at their premises," he said.

The minister hoped that the conference would contribute significantly in promoting the telecom service in Bangladesh as well as other developing countries and help particularly in formulating recommendations in the forthcoming world telecommunication conference in Buenos Aires.

Speaking on the occasion, the ITU Secretary General said the gap between developed and developing countries had been a long standing concern of his organisation and hoped that the conference would have an important contribution to development planning of telecom sector in the developing countries.

Tarjanne felt that telecommunication could optimise the use of human resources, particularly through decentralisation of operations and cre-

ation of job opportunities and counter-act social displacements and disorder.

"This will also enable the reduction of economic migration between rural and urban areas which is very important in the context of the developing countries," he said.

In his address of welcome, Secretary of Telecommunications Ministry Dr Ali felt that the resource-poor countries of the West and South Asia would need foreign investments on a non-protective and non-discriminatory basis.

"At the same time, these countries will also need local skills development, industry ownership and control to allow in-country wealth creation to the maximum appropriate degree," he said.

A total of 20 foreign delegates from nine countries including India, Pakistan, Nepal, Bhutan, Iran, Sri Lanka, Maldives, Singapore and Germany are taking part in the conference.

Traders assure to keep prices of essentials steady during Ramadan

Representatives of various trade bodies in different markets of Dhaka City have assured to keep prices of essential commodities steady, reasonable and within the buying capacity of the commonman, particularly during the holy month of Ramadan, reports UNB.

The assurance from the traders' representatives came during a review meeting on demand, supply and prices of the daily necessities in the coming Ramadan.

Commerce Minister M Shamsul Islam presided over the meeting held at the Commerce Ministry conference room Wednesday an official handout said.

The meeting suggested sale of milk powder during the month of Ramadan by the Trading Corporation of Bangladesh on special arrangement.

Traders' representatives informed the Commerce Minister that sufficient quantities of sugar, edible oil, onion, pulses, potato and other essential commodities were in ready stock to meet the demand for several months.

Need for human development

By Kazi Abdul Mazid

Quite often we hear various governments taking pride in better macro-management of economics, about increase in export earnings, positive balance of payments, increase in Foreign Reserve etc.

What does that mean to a common man? What good does the good economic management do to a hungry? Unless economic development is translated into the lives of people, it has no meaning. The "quality of life" must improve with improvement in real purchasing power, income, education and health. That would be the real indication of better management of economics.

I recently read in a newspaper that if you ask an American which of the world countries offer the best quality of living and you are likely to be told "the good old USA" but ask this question to a neutral party that has access to worldwide social and economic data like the United Nations and you get a surprisingly different response.

The USA ranks only sixth in the latest human development index published by the UNDP behind Japan, Canada, Norway, Switzerland and Sweden. If only white American are considered USA jumps up to the top spot. On the otherhand if only conditions of black America is measured the US ties for 31st with Trinidad & Tobago behind Barbados, Greece, and Hungary.

In many countries, there are population sub-groups that live like separate nations within their own border wherever those borders may be, are the poor, resident of rural areas and women. Not a single country treats its women as well as it treats its men. Women are less likely to be literate; they have fewer job opportunities and in some countries they are not allowed to vote.

In a recent report published by the World Bank, it has been suggested that investment in girls' education will result not only in social benefits but in enormous economic benefit in the developing world.

The UNDP's human development ratings are based on a formula that considers real purchasing power, education and health. Mahbub-ul-Huq, a former Finance and Planning

Minister of Pakistan and now a Special Advisor to the Administrator of the UNDP, pointed out in a recent report that the basic message of human development is that growth must be translated into the lives of people.

The central issue of our time, says the UN report is "people's participation" and the overwhelming majority of people around the world at least nine out of 10, do not actively participate in the event and processes that shapes their lives.

"Income is essential," says Huq but it is only a means, not the sum total of human life. People make many choices besides making money which affect their lives.

The "good news," UNDP reports, is that many new windows of opportunity are opening. It urges changes in priorities and approaches to emphasise the human aspect of human development.

For example, concept of security must stress the security of people not just nations. It is shameful that there are eight times as many soldiers in poor nations as there are doctors, notes Huq.

And warns UNDP, the form of international co-operation must be developed that focus directly on the needs of people rather than on the preference of nations. In 1991, more than half of the \$20 billion given by US in bilateral foreign assistance was military aid and 60 per cent of the remainder went to five strategically important countries — Israel, Egypt, Turkey, The Philippines and El-Salvador.

"Poverty is becoming internationalised without our knowing it" warns Huq. It travels across borders without passport and threatens the disintegration of societies. This is the real threat to the world, not the military might.

Huq's report emphasises that the world's nation must invest in human infrastructure — education, family planning, basic social services as well as in physical infrastructure.

Only through development of human resources can a country really benefit in its effort for economic development.

(The author is the Managing Director of the Pubali Bank Ltd.)

City Bank branch managers' confce held

The annual managers' conference of the City Bank Limited was held at a local hotel yesterday. Anwar Hossain, Chairman of the bank, presiding it over, says a press release.

The Adviser of the bank SB Chaudhuri, ex-Governor of Bangladesh Bank, inaugurated the conference.

The conference reviewed the bank's overall activities of the year 1993 and discussed the strategy for this year.

ABM Feroze, Vice-Chairman, Directors, Managing Director, Deputy Managing Director and all executives were present in the conference.



Anwar Hossain (3rd-R), Chairman of The City Bank Ltd, addressing the branch managers conference '94 at a city hotel yesterday. S B Chaudhuri, Adviser, and Quazi Baharul Islam, Managing Director of the bank also seen in picture.

First newsprint mill in Pakistan

KARACHI, Feb 3: A newsprint manufacturing plant, first of its kind in Pakistan, will be set up in Sindh province with the assistance of the International Finance Corporation, it is reliably learnt, reports AFP.

It will be established in the private sector as a joint venture between IFC and a local entrepreneur. Capital cost of the project will be around fifty million US dollars if it is based on old machinery to be imported from abroad.

The new machinery will cost around one hundred million dollars.

According to official sources, the IFC will engage the services of a well-known consulting firm of Finland, Jaakkooyry Consulting Group. Finland is quite advanced in paper production all over the world.

The project will be based on imported waste-paper from European sources especially Germany, where the cost of handling and storing the paper has increased tremendously. The international price of newsprint is US 480 dollar per tonne, where as the waste paper will be imported at a negative price costing US dollar fifty only.

Public sector still smothering stock markets in Arab world

ABU DHABI, Feb 3: The domination of the public sector is still smothering stock markets in the Arab World despite attempts to develop the exchanges as part of economic reforms, officials said yesterday, reports AFP.

Although most Arab nations have embarked on large scale reforms to end decades of state control, the private sector has remained limited and the economy lacks diversity needed for attracting investment, they said.

"Arab states are now more convinced than ever of the need to develop their stock markets to attract investment and increase economic growth rates," said Jassim Al-Manai, Chairman-designate of the Arab Monetary Fund (AMF).

"But there are several obstacles blocking development

of the markets, especially the limited role of the private sector. It has remained marginal and without giving it a greater role in mobilising economic resources, development of the Arab stock markets will not be possible."

Manai, a Bahraini who takes over the Abu Dhabi-based fund in April, was speaking at a conference on Arab Economic Reforms and stock markets held in the United Arab Emirates (UAE) last week. His remarks were carried by the UAE semi-official daily Al-Ithhad on Tuesday.

He said accelerating economic reforms, mainly privatisation, would sharply boost activity in Arab stock exchanges.

"Economic ownership has a crucial role in upgrading stock markets whether in the Gulf or other Arab countries," he said.

"But what is required is that we should reduce the public sector's ownership not only its role."

Several Arab states have embarked on reforms to revive their economies that have been wrecked by decades of government domination, instability, faulty planning and mismanagement of funds.

But officials attending the economic conference last week admitted such reforms have failed to attract overseas Arab funds, which they estimated at around 650 billion dollars in 1992.

Outgoing AMF chairman Osama Al-Faqih, a Saudi, blamed the undeveloped Arab stock markets for the capital flight. He said markets lacked proper legislations, market makers and other specialised institutions.

French fishermen seize crates of Scottish fish

BREST, France, Feb 3: About 100 French fishermen and their wives seized and dumped crates of Scottish fish that was part of a 20-tonne shipment that arrived in the Brittany Port of Roscoff from England, police said Wednesday, reports AFP.

The protestors stopped the truck carrying the fish as soon as it left the Brittany ferry that arrived from the English Port of Plymouth late Tuesday en route for delivery in Spain.

It was one of two incidents Tuesday by French fishermen, after other clashes with riot police when fishermen sacked refrigerated warehouses in the southern Brittany Port of Lorient.

Seventeen police were injured in the clashes and four were treated in hospital. Nine protestors were arrested and later released, but only after a battle between police and fishermen at the police station where the nine were being held.

The fishermen are angry over falling prices for their catches and called a strike last weekend in protest at imports

of cheap frozen fish. Most vessels operating out of Atlantic and channel ports are observing the strike.

The Roscoff protestors said the fish in the crates, salmon, whiting, turbot and others, were not regulation size.

Other fishermen blocked the ferry terminal at Roscoff in northwestern France, where seven other trucks loaded with fish were waiting to leave, though police managed to free the exit late Tuesday.

One stock of fish that was not destroyed in the incident was loaded on to three trucks and delivered to charitable organisations in the area.

In the Lorient incident, about 1,000 fishermen sacked port warehouses and threw imported frozen fish and meat to the ground.

Prime Minister Eduard Balladur and Agriculture and Fisheries Minister Jean Puech are to meet a delegation of the strikers in Rennes on Friday.

Fishermen said Tuesday's "spontaneous demonstration" would be nothing compared with the welcome they were preparing for Balladur.



M Moyeedul Islam, Chairman, United Insurance Company Limited, seen delivering speech at the concluding session of the two-day annual conference of the branch managers at the company's head office in the city yesterday.

DPRK's steps into Chinese-style reform taking off

SEOUL, Feb 3: North Korea's first steps into Chinese-style economic reform, "processing-on-commission" facilities, are finally taking off and Japanese manufacturers are the main beneficiaries, a report said Wednesday, reports AFP.

The Korea Trade Promotion Corporation (KOTRA) report for February said Pyongyang's first tentative steps, similar to those taken by China in 1979, were in processing on commission - where foreign companies provide North Korean factories with raw materials and buy back the finished product.

Japanese textile enterprises, especially those with ties to Chochongryon - a pro-North Korean resident organisation in Japan - had been the first to profit from the facilities.

They were introduced in 1984 but were virtually unused until the late 1980s, the report said.

Budget deficit forcing Chinese leaders to sell off shareholdings

SHANGHAI, Feb 3: Faced with a mounting budget deficit, Chinese leaders have abandoned socialist scruples and are mulling how to sell off the state's huge shareholdings in listed companies without sinking the stock markets, reports Reuter.

Only about 20 per cent of shares in the 250 or so companies listed on China's two stock exchanges in Shanghai and Shenzhen are owned by private investors and traders.

About 30 per cent are held by institutions and fully one half by the state, a formula that once allowed headline ideologues to cling to the idea of socialist ownership while promoting the use of markets to raise industrial efficiency.

Money is now talking louder than politics as Beijing decides how to proceed with what will be one of the world's most ambitious privatisation programmes.

Chinese economists say a debate over how to realise potentially huge profits by selling state-owned shares into the market is focused purely on

practicalities.

"Ideology is no longer a consideration. The debate is very pragmatic - it's about cash," said Chen Qiwel, a professor of International Finance at Shanghai's Huadong University.

Rising budget deficits, largely the result of government handouts to crumbling state industry, are fuelling inflation and have given urgency

700,000 jobless in China

HONG KONG, Feb 3: China has officially adopted the word "jobless" to refer to the 700,000 unemployed registered in the first 10 months of 1993, it was reported here Wednesday, says AFP.

The number of unemployed during the January to October period was more than the accumulated total for the past seven years to 1992, the Beijing-funded Hong Kong China News Service was quoted by newspapers here as saying.

to the privatisation debate. Beijing desperately needs the money.

The trouble is that China's legion of small stock punters don't like the idea. They fear a flood of new scrip that will swamp the markets.

Rumours over the past several weeks about how Beijing will proceed with its privatisation plan have rocked market confidence. And although exchange authorities have promised no rash moves, investors are suspicious.

Chinese securities industry leaders are counselling a step by step approach.

"You can't list the shares in a single morning. It would be bad for all shareholders," said Tang Renrong, General Manager of Shanghai Hai Tong Securities.

"Perhaps you should list three per cent, or 10 per cent, that would limit damage to the index. You have to look at the ability of investors to absorb the issue," he said.

So far, no consensus has emerged about whether state shares or institutionally-held

shares should be listed first, according to well-informed Chinese sources.

It was always Beijing's intention to list shares held by institutions - so-called "legal person" shares. The enterprises who bought these shares are also anxious to make their valuable assets liquid.

Setting a timetable will depend on a battle between vested interests in the Chinese bureaucracy, the sources say.

Meanwhile, economists say listing more company scrip is essential if China's stock exchanges are to mature.

Speculators are now taking advantage of thin markets to ramp prices and manipulate the indexes.

The move would also help shake up management - one of Beijing's original goals in launching its experiment with stock markets three years ago.

Private investors have little clout over how listed companies are run. They buy and sell on rumour and speculation, with almost no regard to corporate balance sheets.

Russian govt against price, wage control measures

MOSCOW, Feb 3: The Russian government and Prime Minister Viktor Chernomyrdin are against Soviet-style economic measures including fixed prices and wages suggested in a recent report, Deputy Premier Antoly Chubais said, reports Reuter.

The report was drawn up by Soviet-era economists Stanislav Shatalin, Leonid Abalkin and Nikolai Petrakov. They suggested stronger price and wage controls and payment of all debts and overdue wages.

But Chubais told a news conference the plan would not be accepted: "neither Chernomyrdin nor the government can accept these recommendations to freeze prices."

He said the government has not discussed the report seriously. "I am telling these distinguished Soviet academicians: Come back to earth," Chubais said. "If prices are frozen, the costs would continue to increase under the inflation rates we have in Russia, but prices would remain the same."

Trade experts warn Aussie farmers must fight to receive benefits of GATT

CANBERRA, Feb 3: Trade experts warned Wednesday that Australian farmers will have to fight to receive the full benefits of a recent world trade deal, reports AFP.

World leaders in December signed a deal to complete the Uruguay Round of Trade liberalisation talks under the General Agreement on Tariffs and Trade (GATT).

The considerable longer term benefits will not fall to us automatically, they will have to be won," foreign affairs and trade department principal negotiator Graeme Thomson told a conference here.

"We should not imagine the rural industries in major markets, or our competitors will simply sit on their hands while structural adjustment imposed by new disciplines takes place."

"Trade would be fairer and freer, he said, but it will also continue to be fiercely competitive."

Australian Bureau of Agricultural and Resources Economics (ABARE) commodities economist Ivan Roberts said the benefits from

GATT may be large but they were still many years off.

"As the implementation of the agreement is to be phased in over six years commencing in 1995, and it will take a further period for full adjustment of production, consumption and trade to occur, the full effects will not be evident until well into the next decade," he told.

Roberts also warned the benefits for Australia would be lower if the United States or European Union substituted domestic support programmes in place of existing export subsidies for their growers.

US fast food chain forced to delay entry into India

NEW DELHI, Feb 3: Indian poultry just isn't right for Kentucky Fried Chicken, reports Reuter.

The US based fast food chain has been forced to delay its entry into India because it cannot find the right sort of chickens the Pioneer Daily said on Wednesday.