

## Daily Star Round Table

## Pro-poor planning in Bangladesh: How seriously are we pursuing it?

The country needs at least seven to eight per cent growth in Gross Domestic Product (GDP) to fight poverty. For such growth, the investment ratio to GDP must be increased to between 17 and 20 per cent from the existing 13.5 per cent.

These estimates came from the Finance Minister M Saifur Rahman and other participants in The Daily Star roundtable on "Pro-poor planning" held on Tuesday.

"The best way to eliminate poverty is to create jobs," Rahman said, "and investment is the prerequisite to growth."

"The inwardness of the economy has created poverty in the SAARC region," the Finance Minister said adding the economy has to be competitive, efficient and outward oriented to pull and use resources.

Rahman strongly recommended the reform programmes in the economy stating that this eliminate inefficiency and waste which would be reallocated to priority sectors.

The Round-Table on 'Pro-poor Planning in Bangladesh: How important it is and how seriously are we pursuing it?' moderated by the Editor of The Daily Star Mahfuz Anam was participated by Finance Minister M Saifur Rahman, Convener of the Task Force on Poverty Alleviation, Planning Commission Dr SK Maqsood Ali, Matia Chowdhury MP, Rashed Khan Menon MP, World Bank Representative Owase Sadaat, Grameen Bank Representative Khaled Shams and ADAB Chairperson Khushi Kabir.

Also present on the occasion were BIDS Representative Dr Ferdous Murshed, UNDP Resident Representative Emie Watanabe, UNDP Sub-Regional team leader Shoaib Sultan Khan, IBA Associate professor Dr Faisal Siddiqui, GSS Executive Director FR Mahmood Hasan, BRAC Director Dr Salahuddin Ahmed, Caritas Executive Director Jeffrey Perera, Task Force on Poverty Alleviation Deputy Chief Kazi Priya Barua and Trust for Voluntary Organisation of Pakistan Representative Anis Ahmad Dani.

The discussion was divided into two sharp line of opinions. One group — the pro-World Bank thinkers said that growth was the key to reduce poverty. The other group said, reducing poverty was the key to increase growth.

Dr Maqsood Ali told the Round-Table, the SAARC commission for poverty alleviation entertained the view that the structural adjustment policies of the country could not provide the guide line of poverty alleviation or eradication.

The structural adjustment policy also could not penetrate the informal sector. It could neither mobilise the efficient poor class in the development process. He said, in addition to the five basic rights of the people in the country, the poor should be given right to resources and right to information.

"Since there is no representation of the poor class in the Parliament, the production or the import policies do not reflect

their demands," Maqsood said.

Grameen Bank Deputy Managing Director Khaled Shams pointed out that the resource allocations, no matter how big they were, could not reach the poor. He also contradicted the Finance Minister's

view that temporary job opportunities would alleviate poverty.

"Experience tells us how we can ensure sustainable resource utilisation. In order to do that, we should identify market

By Staff Correspondent

opportunities. For instance, the weavers of the country can be mobilised and their joint effort can make significant production for exports," Khaled Shams added.

"But incentive should be given to poor weavers. In this connection, the Macro level policy is important. Unless such policy is pro-poor, our effort will not yield any result," he remarked.

Khushi Kabir laying empha-

sis on creating link between Micro and Macro level policies said, "The most crucial factor is the implementation. Whatever plan we may frame, persons implementing those having no perspective of the planners, frustrate the implementation process."

BRAC Representative Dr Salahuddin Ahmed opined that allocation could not reduce poverty. The mind-set of the planners should be changed. They should focus on sustainable means rather than allocation in order to eradicate poverty, he suggested.

He said, "BRAC does not believe in poverty, neither does it believe in social safety net concept." He further suggested that allocation could only complement the effort of the poor to become independent.

Faisal Siddiqui, Associate Professor of IBA said the subsidy given to the richer people must be taken away and that resource must be allocated to the poor.

"We are providing subsidy in the university to the middle and rich section," he insisted saying that this indicates the poor do not get subsidy.

Matia Chowdhury, MP, of Awami League said the fund meant for the poor in the rural areas are ripped away by the rich. "In the implementation level, the pilferage of fund is massive. Chowdhury charged, the poor have to pay bribe to get loans or any other facility meant for them."

Citing specific examples of pilferage she said this practice must be stopped for growth.

Rashed Khan Menon, MP, of Workers Party of Bangladesh said more allocations are needed for the poor in the budget. "We see figures of allocations in the budget for the social sectors but the implementation picture is not that rosy," Menon claimed.

Dr Ferdous Murshed of the Bangladesh Institute of Development Studies (BIDS) said stress must be laid on investment in health and social structural sectors. He said the World Bank approach of growth does not take along the poor and therefore, safety net programmes for the left overs must be taken up.

Dr Murshed said the recent trend suggests some improvement of moderate poverty situation, but the hardcore poverty situation remained unchanged. He said those who are not part of the labour force and growth fall in the hardcore poverty group.

Owase Sadaat of the World Bank said the bank's experience worldwide suggests that growth is the key to poverty elimination. He observed that Bangladesh will take 25 years at current per capita growth rate to cross poverty line and said even a six to seven per cent growth will take ten years to eliminate poverty.

He, however, said the present growth rate minus population in the last decade is only 1.6 per cent.

Sadaat also stressed on surging investment rate and Macro-economic stability for a rapid growth.



## MCCI seeks efficient tax admin role

By Staff Correspondent

The MCCI viewed the role of the tax administration not only in the implementation of tax laws and collection of revenue but in the overall development of the country.

This was expressed by Latifur Rahman, President of Metropolitan Chamber of Commerce and Industry while addressing the newly recruited officers of the National Board of Revenue (NBR) at the exposure meeting with the MCCI members at the chamber conference room yesterday.

Latifur Rahman mentioned that over 90 per cent of the country's indirect tax come from trade and industry, of which import duties and VAT have the lion's shares.

"Such dependence on trade related taxes shows that business activities are taxed quite heavily and sometimes short-sightedly, as over 80 per cent of the imports are raw materials and capital goods."

Rahman state that a begin-

ning has been made to shift such a pattern of taxation, adding that the pace is quite slow in comparison to the country's requirement.

Latifur Rahman said that success of the policy shift was very crucial for our industries in the current phase of industrial development, which is often marked by the often-quoted words "level play-field."

Latifur Rahman observed that our industries have to compete with those of other countries, as we "hardly have any resource base." The current indicators, Rahman pointed out, show that both domestic market and export oriented industries are in critical problems.

"At this rate, a quick turnaround of the economy will be difficult if industries are not helped to achieve competitive efficiency of resource use. Revenue mobilisation will increase when the efficiency of resource use improves"

Rahman explained.

The MCCI President, while addressing the newly recruited officers of NBR said: "It is our expectation that as new-generation tax officials, you will take a 'development' view instead of the traditional tunnel view of maximisation."

Latifur Rahman expressed the hope that the meeting with the NBR officers, is the first of many more expected inter-actions in the future.

He informed them that MCCI is the oldest and most representative trade organisation in the country having in its membership roll all the prestigious and established commercial and industrial organisations, including almost all the sector corporations.

The MCCI was established in 1904.

Saiful Islam, Member VAT, other high officials of NBR and C K Hyder, Secretary General of MCCI were present at the meeting.



Latifur Rahman (2nd-L), President, MCCI, addressing the newly recruited officers of NBR at the chamber conference hall yesterday.

## BIBM workshop on convertibility of Taka held

A three-day workshop on "Convertibility of Taka" conducted by Bangladesh Institute of Bank Management (BIBM) concluded here yesterday in the city, reports BSS.

A total of 35 officers of different banks and financial institutions participated in the workshop which dealt with a number of topics like exchange rate management system, convertibility of currency and deregulatory measures, a press release said.

Nurul Islam Choudhury, Director General, BIBM who chaired the concluding session of the workshop after a brief analytical exposure about convertibility of Taka said it was a commendable step (convertibility) in the right direction. He said convertibility of Taka would eventually ensure steady economic growth and create transfer of technology into the country.

The BIBM chief asked the participants to equip themselves with practical knowledge in dealing with foreign exchange under convertibility regime.

## Smuggled cigarettes flood Ctg port market

From Nurul Alam

CHITTAGONG, Mar 1: Smuggled cigarette flooded the port city market as the anti-smuggling drive slackened during the past one month, market sources said.

Price of a 20-stick famous brand, Benson and Hedges, was being sold at Tk 50 which went up to Tk 120 two months ago, one trader said that smuggled cigarettes were being transported to other parts of the country from Chittagong.

Due to "free-style" smuggling the government would lose a huge sum of revenue since the local companies had to curtail their production to a sizeable amount.

Bangladesh Tobacco Company (BTC) which meets 50 per cent of the country's 110 crore sticks monthly demand, had curtailed its production by 20 million in February against the preceding month.

BTC's 555 and Gold Leaf are the main competitors of Ben-

son, Rothman and foreign-made, manufactured 555 in Bangladesh.

The government earned a total of Tk 740 crore revenue from cigarette companies, of which BTC alone pay Tk 650 crore, 70 per cent of which came from Gold Leaf and 555, one BTC source said.

If the smuggling is not checked most of the cigarette companies should have to cut their production further," the source added.

Deduction of monthly 20

**\$1.35 lakh aid for SAIC**

The SAARC Secretariat has assured the SAARC Agricultural Information Centre (SAIC) of 1,35,000 US dollar in regional and international assistance, reports UNB.

Of the total, the SAARC Regional Institution Fund will provide 1,15,000 dollar and the SAARC-Japan Special Fund another 20,000 dollar.

million sticks would make a loss of Tk 3 crore which may increase in future.

Although cigarette is an importable item, since last budget not a single stick was imported commercially because of heavy duty. The authorities fix 474.25 per cent duty on imported cigarette.

According to the sources in coastal areas, an organised smugglers ring were using the outer anchorage to smuggle in cigarette along with other contrabands.

Anwara, Kutubdia, Sitakunda, Patanga and Muralighat are the main spots for taking over the illegal consignment and then it channelled through Haitya, Chandpur and Barisal.

The illegal traders group also use some inland roads to pass the cigarette to other parts of the country.

Law enforcing agency sources however officially claimed that they took all-out measures to check illegal trades.

## Minister detects flaws in NGO activities

A minister admitted in parliament Tuesday that there are flaws in the activities of certain non-governmental organisations in the country but assured that the government remains alert about them, reports UNB.

State Minister for Social Welfare Fazlur Rahman said the government is monitoring the activities of these NGOs so that they are not involved in any activities against the interest of the people and their religious sentiments.

He was replying to a supplementary question from Aziz Lama of Jatiya Party during the question hour.

Responding to Sheikh Harunur Rashid (AL), the state minister also agreed that some voluntary organisations having only the sign boards were getting government grants in the name of social work. So long, there has not been any control over these organisations.

He, however, said that recently the matter was discussed at inter-ministerial meeting and at the meeting of the parliamentary standing committee on Social Welfare Ministry.

## Prospects of soyabean output discussed

Prospects of soyabean production in Bangladesh, farming systems research and crop diversification in collaboration with Chinese Academy of Agricultural Sciences (CAAS) were discussed in a meeting in the city Monday, reports UNB.

The discussion was held when CAAS President Prof Wang Lianzheng visited the Bangladesh Agricultural Research Council.

Prof Wang, here on a three-day visit, met with Dr M Sujayet, Ullah Chowdhury, Executive Vice-Chairman, and other senior scientists of the BARC.

A press release said possible collaboration between BARC

and CAAS was discussed during the meeting.

Prof Wang will also visit Bangladesh Agricultural Research Institute (BARI) at Joydebpur, Agricultural Extension Department, Grameen Bank and Soyabean Fields of MCC at Sakhipur in Tangail.

Meanwhile, visiting Director-General of International Crop Research Institute of Semi-Arid Tropics (ICRISAT) Dr J G Ryan called on the BARC Executive Vice-Chairman.

They discussed possible areas of mutual understanding and collaboration to strengthen the existing relation between ICRISAT and BARC.



Ghulam Mohiuddin, Managing Director, CITech Co Ltd signed an agreement with Donald L Conover, President, Transcription International, on February 27 at the CITech office in Dhaka.

## CITech signs data entry contract with US firm

Transcription International, an US based software company, has issued a letter of intent to CITech Co Ltd to import data entry job from CITech, says a press release.

Donald L Conover, President and Stephen Poorman, Director of Transcription International visited Bangladesh and were very impressed with the facilities of CITech. Conover said, "Bangladesh is definitely ready for data entry job."

This data entry job involves medical information in the form of audio voices to be inputted into text. It is a high tech data entry job and the turnaround time is between one to 24 hours.

The information has to be received and transmitted at a very speed electronic mail communication system called Internet, where data, audio and video can be transmitted at the rate of 64 KB/sec at a very negligible cost.

Unfortunately, Bangladesh does not have Internet facilities. "Cost effective communication is the fundamental requirement in the IT industry. Unless Bangladesh offers Internet, it will be very difficult for CITech, or any other company to compete internationally," Ghulam Mohiuddin, Managing Director of CITech said. "This data entry job can evolve to a multimillion dollar project and can earn foreign exchange much more than the garment sector and can create thousands of new jobs."

## Energy Ministry hopes to fulfil 97 pc ADP

The Ministry of Energy and Mineral Resources expects that 97 per cent of the current year's Annual Development Plan (ADP) under the ministry will be fulfilled, reports BSS.

Ninetytwo per cent of the ministry's ADP target for last year was attained, a high level meeting of the Ministry was told Sunday. Energy and Mineral Resources Minister Dr Khandakar Mosharraf Hossain presided over the meeting on the progress of ADP.

The meeting was informed that 48 projects in the power sector are being implemented at a cost of Taka 1279.30 crore which included Taka 695.82 crore as project aid.

## Dhaka needs indepth study on GATT

Bangladesh, as a least developed country, needs an indepth study on every area of General Agreement on Tariff and Trade (GATT) to avail the opportunities emerged through the agreement, reports UNB.

The Economic Minister of Bangladesh Mission in Geneva, Syed Jamaluddin, said yesterday that a group of experts should study the agreement for its proper utilisation to make the country's economic diplomacy a success.

He told a discussion on "Uruguay Round and Bangladesh" that the agreement provides some special provision for the LDCs and stressed full realisation of those provisions

for the success of economic diplomacy.

The agreement should be circulated to all concerned, including ministries, agencies and private sector, and units of the commerce ministry and other concerned agencies dealing with its implementation should be strengthened, he suggested.

Inaugurating the discussion at the auditorium of Dhaka Chamber of Commerce and Industry (DCCI), Commerce Minister M Shamsul Islam said the agreement is important for Bangladesh because it will make the whole world a free market.

He said the impact of the agreement will be very significant

on business and economic activities of the country in the coming years with the gradual phasing out of Multi-Fibre Arrangement (MFA).

"We have to examine the agreement very consciously because we are far behind compared to total world trade. It will be very difficult to do our export business if we fail to explain the agreement," he said.

"We have to identify the measures to be taken for exploiting the opportunities of the Uruguay Round talks," he said calling upon the business community to come forward in the respect.

Referring to possible impact of the agreement, the

minister said the country should lay emphasis on agriculture sector as its value addition is higher than that of ready-made garments.

Organised by Export Promotion Bureau (EPB), the discussion was also participated by Commerce Secretary A H Mofazzal Karim, EPB Vice Chairman Anisul Haq Chowdhury and representatives of government departments, sector corporations, scholars and members of business community.

Syed Jamaluddin, who is the Chairman of 47-member LDC group in the GATT talks, said the agreement aims to bring about further liberalisation and expansion of world

trade and improve the multi-lateral trading system based on the principles and rules of GATT and bring about a wider coverage.

It is also designed to increase the responsiveness of the GATT system in the international trade and foster cooperation and action at the national and international trade, he said.

Dwelling on general principles of the agreement, he said transparency, single undertaking, differential and more favourable treatment to the developing countries, balanced concessions, and financial and trade needs are the major principles.

The areas on which agree-

ments were signed included agriculture, sanitation, textile and clothing, investment, subsidy and services.

All the members have to cut down their subsidies on agriculture. Tariff equivalent would have to be established for all agricultural products. Jamaluddin said adding that Bangladesh and other LDCs would not have to reduce their existing subsidies.

Speaking on non-agro-products, he said the members should not grant or maintain subsidies while the LDCs might grant subsidies for export. But subsidies cannot be given to cover operating loss of an industry.