

UAE to increase  
compensation to  
BCCI creditors

ABU DHABI, Mar 10: Abu Dhabi, majority stakeholder in the collapsed Bank of Credit and Commerce International, has agreed to increase its compensation offer to BCCI creditors, banking sources said yesterday, reports AFP.

The Emirate has agreed to pay 1.8 billion dollars to the 250,000 BCCI creditors, in place of its previous offer of 1.7 billion dollars, the sources said.

The agreement follows talks between Abu Dhabi and the British Accountancy Group Touche Ross, the liquidators appointed for the bank.

The agreement still has to be approved in Britain and by the Court of Justice in Luxembourg, the source added.

Last October, the Luxembourg Court rejected Abu Dhabi's offer. The plan would have meant that creditors were paid back between 30 and 40 per cent of their losses. Abu Dhabi owns 77.4 per cent of the capital in BCCI.

The bank's creditors living in Abu Dhabi will in principle receive larger compensation than creditors based elsewhere, the bank sources said.

Thirteen former BCCI employees are being prosecuted in Abu Dhabi for "mismanagement, embezzlement and fraudulent practices," leading to the collapse of the bank in 1991.

The case, which opened on October 9, is due for its next hearing on March 19.

BCCI was put into liquidation in 1991 by the Bank of England when it discovered widespread fraud in its operations.

The bank had branches in close to 70 countries and had assets of 20 billion dollars.

The Emirate is claiming 10.2 billion dollars in damages from the 13 former employees judged responsible for the fraud.

US firm going  
to enter Japan

TOKYO, Mar 10: Motorola Inc. and its Japanese partner, are near agreement in talks on expanding the US firm's access to Japan's cellular phone market — an issue US officials say symbolizes Tokyo's closed markets, reports AP.

US Trade Representative Mickey Kantor said Wednesday in Washington that the talks had showed welcome progress.

The two sides have roughly agreed on a plan for Motorola's partner, Nippon Ido Tsushin, or IDO, to build 159 new relay stations by March 1996, expanding services for Motorola-type phones in the Tokyo-Nagoya region, the Japan Broadcasting Corp. reported.

Motorola spokesman Koichi Yoshimura acknowledged the report, but said numbers may change depending on agreements regarding two key issues: relay station construction and frequencies.

Arnold Brenner, executive vice president of Motorola Inc., has been in Tokyo since Tuesday to join the talks with IDO, fueling media speculation that the two sides were on the verge of a compromise.

The United States Trade Representative's office accuses Japan of violating a 1989 agreement to open its cellular phone market.

If an agreement is not reached, the United States is expected to include cellular phones on a list, due March 17, of possible areas in which trade sanctions would be imposed against Japan.

Sino-Indian trade  
may reach \$1b  
in 3 years

NEW DELHI, Mar 10: Bilateral trade between China and India is expected to reach the one billion US dollar mark over the next three years, according to Chinese Ambassador to India Cheng Ruisheng, reports Xinhua.

As the Sino-Indian trade was already 670 million US dollars last year, it can grow to the level of one billion US dollars, Cheng said at a function here Tuesday.

The import bill could be much higher as our steel sector is growing by leaps and bounds. We will also need substantial quantities of coal in the near future," the Chinese ambassador said.

The main impediments in the way of a high growth rate in bilateral trade are the dearth of national shipping lines and banking clearance.

## Saifur tells Americans

## All areas open to investors

WASHINGTON, Mar 10: Finance Minister M Saifur Rahman said on Wednesday that the whole effort of the Bangladesh government was to make the country export-oriented and encourage foreign investments in all areas including oil and gas exploration, power generation, mineral exploration and tele-communications, reports BSS.

Addressing a press conference at the National Press Club here, the finance minister invited the American investors and said: "All areas of investments are now open to foreign investors. There is no area now reserved for the government."

Saifur Rahman, who is also the current Chairman of the Board of Governors of the World Bank and IMF told the journalists that there was no restriction on foreign investment in Bangladesh.

"The foreign companies can invest in the economy, they

can take the profit or dividend out and enjoy all other facilities necessary for the investors", he said adding that "With the reforms we have undertaken we are finding a gradual and encouraging trend in enquiries of foreign investment in our country during the last 18 months."

"If the flow of foreign investment in our stock exchanges continues and we can consolidate on our gains, Bangladesh will be able to make significant progress in this respects," he said.

Saifur said that Bangladesh's micro economic sector was one of the best managed in South Asia.

He said Bangladesh had undertaken massive reforms of the physical banking sector, agriculture, industry and trade sectors — in every area reform process was going on. To bring about a competitive environ-

ment in the country and to lead to the efficient use of resources, the finance minister said, Bangladesh was bringing down the tariff and trade barriers in a massive way. "We are doing more than the Uruguay Rounds have envisaged to be done," he added.

AFP report adds: Self-help is the key for developing countries, which should put their own house in order before seeking outside economic aid, the Chairman of the Board of the IMF and World Bank said Wednesday.

There was a perception during the Cold War years that perhaps money is easy to come by from multilateral institutions such as the World Bank and International Monetary Fund, said Saifur Rahman.

"Many of the Third World countries went in for extravagant projects, high-profile projects with no potential for

growth, and this was mistake", Saifur said.

His own country was struggling with a number of white elephant projects begun in the heady days of relatively easy access to money which, far from contributing to growth, were sapping at the resources of the country.

He noted that both the IMF and World Bank were now making efforts at reform, instituting programmes tailored to the needs of individual countries and talking in terms of poverty reduction, a concept not much considered in the past.

At the same time, Saifur said, the developing countries must take responsibility for themselves.

"They should manage their own resources in a better way and then ask for overseas assistance as a supplement."

Saifur arrived in Washington on Tuesday.

'Bangladesh ideal  
for development  
of software'

Bangladesh is an ideal country for the development of computer software because of its tremendous export potential.

This was stated by John Morrison, President of Transnational Technologies Incorporated, USA and consultant to UNIDO for regional study of software development, while addressing a half day seminar on "Software Export Potential of Bangladesh: Supply Factors" at BASC training centre in the city Wednesday, says a press release.

The seminar was organised by Business Advisory Services Center (BASC). It was attended by the country's leading professionals from various commercial software development houses, Bangladesh Computer Council, Bangladesh University of Engineering and Technology and Chambers of Commerce and Industry.

Morrison said Bangladesh has the potential to succeed in the world software market.

Shrimp fry shortage turns  
acute in Khulna

KHULNA, Mar 10: Shrimp fry shortage has turned acute in Khulna region which will hamper the target of production and deprive the country of huge foreign exchange, reports UNB.

Indiscriminate catching of fry and unfavourable weather were said to be the main reasons behind the fry crisis, official sources said.

There are about 4500 fishing enclosures in the district and the shrimps are cultivated on about 90,000 hectares of land under the enclosure. But the farming is mostly dependent on favourable climate, the sources said.

The crisis of shrimp fry in the current season has intensified due to catching of fry by current nets in the rivers of the coastal areas and in the areas of Sundarbans.

Farmers alleged that there is no hatchery in the district to produce fry as the country's lone hatchery is situated in Cox's Bazar.

The farmers, following the

situation, could not yet release shrimp fry in their farming lands despite the outset of the season. The price of fry this year was also reported to be high as the dishonest traders are trying to take advantage of the situation.

Shrimp fry is now being sold between Tk 1500 and 1600 per thousand as against the last year's price of Tk 400 and 500.

Minister visits  
irrigation  
project in Magura

MAGURA, Mar 10: The work on the Madhumati-Nabaganga Irrigation Project costing about Tk 63 crore is expected to be completed soon, reports UNB.

Agriculture, Irrigation, Water and Flood Control Minister M Majedul Haq recently visited the project which is being implemented with the financial assistance from World Bank.



WASHINGTON: A zoo employee helps a baby Komodo dragon break free of its shell as it hatches. The National Zoological Park is the site of a new breeding programme which is helping to restock zoos across the US with this endangered lizard. — AFP photo

## US opens trade talks with Japan

TOKYO, Mar 10: Secretary of State Warren Christopher opened what promised to be difficult talks with Japan on Thursday as a top aide conceded, in diplomatic understatement, that the economic relationship between the two economic powers "is not in good shape," reports AP.

"The secretary will be conveying a sense of urgency; we can't allow these problems to fester," said Winston Lord, assistant secretary of state for East Asian affairs.

Christopher struck a conciliatory note before his arrival, declaring that "it is certainly not the intention of the United States to have a trade war with Japan."

Lord said Christopher will

try to convince the Japanese that economic differences between the two countries need "urgent attention."

His visit to Japan takes place in an atmosphere of increasingly strong US measures designed to force the Japanese to open their markets and reduce the trade imbalance, now running 59.3 billion US dollar a year in Japan's favour.

In addition to the trade talks, Christopher addressed an international conference on aid to Cambodia and met with Cambodian officials.

He said the United States would contribute 73 million over the next two years to assist the "survivors of a succession of unforgiving conflicts."

The secretary of state said

the new Cambodian government elected last May "gave us a reason to believe that Cambodia's peace will last."

He cautioned, however, that "the future of democracy in Cambodia can hardly be taken for granted. The Khmer Rouge has not yet been disarmed."

More than a million Cambodians died two decades ago when the Khmer Rouge Communists held power in Cambodia.

"Events in Cambodia no longer make front-page news around the world," Christopher said. "But it is not a reason to shift our attention. As Cambodia moves from crisis toward normality, it is vital that we stay engaged."

Afil Jute Mills  
workers to get  
Eid bonus

A meeting to pay outstanding wages and bonus to the workers of Afil Jute Mills Ltd of Khulna was held in the Ministry of Jute here yesterday with Jute Minister A S M Hanna Shah in the chair, according to an official handout, reports BSS.

Arrangement has been made to pay wages of two weeks and Eid bonus to workers and one month salary and Eid bonus to the employees and officers of Afil Jute Mill with the allotted fund.

The Deputy Commissioner, Khulna, has been advised to ensure law and order. Management has agreed to withhold termination notice of the workers.

Govt to encourage private  
sector in power generation

SINGAIR (Manikganj), Mar 10: Energy and Mineral Resources Minister Dr Khondkar Mosharraf Hossain on Wednesday said the government was planning to encourage private sector in power generation, reports BSS.

Addressing the commissioning ceremony of 33-KV power sub-station under Manikganj Palli Biddut Samity here, the minister said there was no alternative to rapid rural electrification. "Therefore, the government for the first time this year has allocated Taka 100 crore from its own revenue for rural electrification through Rural Electrification Board (REB)," he said.

Former Industries Minister and Local MP Shamsul Islam Khan attended the function as the special guest, while Nizamuddin Khan MP, of the neighbouring Sataria constituency, REB Chairman Brig. Mohammad Enamul Haq, World Bank representative Arun Banarjee, deputy commissioner of Manikganj Mortuza Hossain Munshi spoke on the occasion, among others.

President of Manikganj Palli Biddut Samity Fazlul Karim Sharif chaired the function. Dr Mosharraf said so far 18 per cent of the rural areas had been provided with electricity and the government was determined to extend the facility to the other 82 per cent areas in a minimum period for developing the standard of rural life as well as increasing the overall production in the country.

In this connection, he referred to a BIDS study that found that overall production had increased by 27 per cent in a village where electricity had been extended besides rapid improvement of the standard of life there.

Speaking on the occasion Shamsul Islam Khan said Shaheed President Ziaur Rahman had realised that without the development of the rural areas national development could not be possible. The present government has taken up all-out measures for rural electrification to pave the way for the national economic growth, he said.

Khan appreciated the honest and sincere efforts of REB and its affiliated Palli Biddut Samities for the rapid electrification of rural Bangladesh.

He also commended the World Bank for financing the rural electrification projects in Bangladesh.

World Bank Representative Arun Banarjee said per head

power allocation in Bangladesh was only 80 KW per hour while, 14 per cent of the total population were getting the electric facilities which was lower than even the standard of the SAARC countries.

He, however, highly commended the government's initiatives for rapid electrification throughout the country and assured about cooperations of the World Bank in this regard.

Commissioning of the Singair power sub-station is part of the World Bank financed Taka 44 crore Manikganj Palli Biddut Samity project.

With the installation of this sub-station, 1,390 new power connections would be provided to commercial and irrigation projects and households in 30 villages under Manikganj Palli Biddut Samity.

Delhi keen to expand  
trade ties with Tokyo

NEW DELHI, Mar 10: India is eager to expand commercial ties with Japan and learn from the experience of the Asian giant in restructuring its economy, Finance Minister Manmohan Singh said here yesterday, reports AFP.

Singh, the architect of sweeping reforms of the Indian economy begun in 1991, told a 51-member Japanese trade delegation that the government was committed to its market liberalisation programme.

Singh said political stability in India and the government pledge to create a "vibrant

market-friendly and industry-friendly economy" expanded the scope for foreign investment.

"India fervently seeks to widen and deepen its relations with Japan at the political, economic and cultural levels," Singh told the 25th session of the India-Japan Business Cooperation Committee.

"We want to learn things from Japanese experience and knowledge to give a boost to our economic growth and prosperity," the former World Bank economist told the mission led by Eme Yamashita, Chairman of the Cooperation Committee.

Munshiganj town  
protection  
project opens

MUNSHIGANJ, Mar 10: State Minister for Local Government, Rural Development and Cooperatives Mohammad Abdul Hai inaugurated the 915 metre-long Munshiganj Town Protection Embankment Project on Wednesday, reports UNB.

The embankment, from Lathaghat to Mukhtarpur, is expected to be completed within four years at a cost of Tk 19 crore, official sources said.

The State Minister addressing a meeting on the occasion said the BNP government had undertaken a massive development programme in the country to ensure the welfare of the people.

He said the Prime Minister Begum Khaleda Zia committed to fulfil the two demands of the local people — the earth filling of the Jubilee Khal and construction of the Munshiganj town protection embankment — in 1988. The two commitments have now been fulfilled, he said.

The internal resource mobilisation during the autocratic regime stood at about zero level while the BNP government mobilised about 27 per cent internal resources in ADP during the last year and it will stand at about 30 per cent during the current year, the State Minister told the gathering.

The development which has been achieved during the three years of BNP government that could not be possible in the nine years of autocratic regime, Mohammad Abdul Hai said.

## France experiments with Grameen Bank model

As the number of people out of work in France is said to be hitting the four million mark, Grameen Bank model steps in here to generate self employment.

A slipped disc landed Chadad Taleb in hospital in 1987 — the beginning of a nightmare that deprived him of a job, a steady income and sense of self-esteem. The 40-year-old Tunisian immigrant had four operations on his spine in next three years. "I felt useless for four years. A sense of insecurity and frustration used to haunt me at that time of illness. Because he was in and out of hospital, working for employers in a salaried job would be impossible. Self employment was the only solution.

The answer seemed to come from a friend who told him about a small food shop available for rent in Northern Paris. With 15 years' experience in the wholesale food business, he thought running a neighbourhood grocery with his family would be ideal.

But the shop-owner demanded a huge sum, far beyond Taleb's savings. To scrape up the funds, he sold his property in Tunisia as well as his wife's gold jewellery. But still he did not have enough. It was then that he read in the newspaper about ADIE (Association pour le Droit a l'Initiative Economique), a non-government organisation which lends out money to unemployed without security.

Things then started to roll into a favourable direction.

Taleb got 30,000 francs and bought the possession of the shop in March, 1993. Now the average monthly turnover of his small shop at Chateau Rouge area is about 25,000 francs and he makes a net profit of 8,000 francs, enough to run his five-member family.

Jacqueline Lhomere had a similar story. Frustrated by over-worked but less-paid jobs, one after another, Jacqueline wanted to be a self-employed designer. She went door to door of banks for a small amount of credit to start a design centre, but in vain. Jacqueline had been refused every time because she did not have the required guarantee.

Like Chadad Taleb, she suddenly came to know about ADIE. Out of curiosity, she phoned them and she got immediate response. In a few days she got the required amount. Jacqueline now has her own design centre in a busy outskirts of Paris.

One may hear similar kinds of stories from all the 600 people who received credit from ADIE, a non-profit Paris-based organization, lends up to 30,000 francs without guarantee to unemployed people. The idea is to create jobs — an alternative approach in France, in fact, in Europe, at a time when unconventional means are needed to tackle an unemployment rate of 12 per cent.

"We have about four millions of jobless people in France," said Christophe Paquette, Secretary-General of ADIE, in an interview at its Paris head-

quarters in Paris. "We have to try new ideas."

A Third World idea for  
the First World

The idea for ADIE was inspired by the phenomenal success of a special bank for the rural people in Bangladesh. Grameen Bank transformed hundreds of thousands of illiterate and impoverished villagers into small-time entrepreneurs by giving them access to no-guarantee credit.

The women whom it inspired was Mme Maria Nowak, a director of a French development bank (Caisse Francaise de Developpement) which works for the development of former French colonies in Africa.

A chance meeting with Grameen Bank founder Prof Muhammad Yunus at a seminar in Brussels in 1985 first exposed Mme Nowak to the unique income generating model. Two years later, in 1987, Nowak visited Bangladesh to see the functioning of the Grameen Bank model. She returned home impressed.

First, she applied the model in many of her bank's projects in Africa and the effort clicked very well. "The outcome was very satisfactory," said M Christophe.

As the unemployment problem was gradually turning worse in her own country, Nowak approached charitable organisations like Caritas and Medecins Sans Frontieres to try the idea in France. When they refused, she decided to do it herself, applying a Third World

Model in a First World country to generate self-employment.

So the ADIE was launched in 1990 with donations from private foundations and a small help from some government ministries. In the first year, it financed 39 small ventures in and around Paris.

Since then, the number of projects funded by ADIE has more or less doubled annually. To date, it has given loans to some 600 ventures, disbursing a total of 11 million francs.

These "micro-enterprises" cover a wide variety of businesses: the breeding of eels, earth worms and rabbits; second hand junk shops and scrap metal dealers; market stalls and street vendors; butchers and bakers; distributor of sports clothing and fryers of chips.

## Lending money and trust

The average loan for a project is 20,000 francs (maximum 30,000) and the average repayment period is 18 months (maximum two years).

The money has to be paid back in monthly instalments with 10 per cent interest — about the same rate charged by commercial banks.

"Like in Bangladesh and other Third World countries the problem here is not the interest rate but the access to credit," explained M Christophe. Many of the people who approach ADIE have tried and failed to get bank loans because they are unable to provide guarantee or their loan requests are too small for

banks to bother with.

"Probably for the first time in France we said people that even if you are jobless, penniless, you have the right to credit like any other person to do something for survival," said M Christophe. "Giving credit is not just lending money. It's also telling the person 'we believe in you, we trust you'."

The trust is vindicated because ADIE recovers the bulk of its loans. Repayment rate is about 70 per cent which is better than the rate of the commercial banks in France.

M Christophe claimed that at least 75 per cent of the ADIE funded projects are running profitably, some even spectacularly. "We are satisfied. We have demonstrated that we are not throwing away money, that this can be a cheap way to fight unemployment."

## Constant follow-up

ADIE constantly provides technical and marketing help to its borrowers.

Loan applicants, who are either jobless or receiving unemployment benefit, call ADIE to make an appointment. The credit officers analyse the applicant's business proposal and help him think through. The proposal is then presented to ADIE's credit committee for approval. But loan approval and disbursement is not the end of the story.

Credit officers then help the borrower set up his business, advises him on adminis-

trative matters, puts him in touch with local aid associations, calls him regularly to check on progress.

ADIE now has seven full-time and three part-time credit officers. Each is in charge of about 80 borrowers.

In the past three years it has expanded its operations outside Paris to Bordeaux, Lyon, Valence and Marseille. Encouraged by the success in the past three years, ADIE plans to finance 600 projects in 1994.

Its main problem now, according to M Christophe, is getting stable financial support.

"We are in the transition from being an experimental project to becoming a full fledged institution like what the Grameen Bank is now. We need institutional financing. Right now we have to go hand in hand to each ministry begging for some money to finish the year."

ADIE would seem to be a worthy for funding, only a couple of years back, lending thousands of francs without collateral to an unemployed person sounded like money down the drain. But ADIE proved it is not. Rather, it has shown that self-employment with small credits can be a cost-effective way to fight the staggering unemployment in France and in Europe.

(The author is a Bangladeshi journalist, currently on a 10-month fellowship programme of Fondation Journalistes En Europe, living in Paris).