

Strong political will needed to implement privatisation

By Staff Correspondent

Economists and business leaders at a workshop on privatisation yesterday stressed the need for a strong political will as well as consensus on the issue to implement the privatisation programme of the government.

They observed that the resistance from the employees may not be a problem if appropriate policy decision and package of benefits is ensured with sincere efforts.

Held at the Hotel Sonargaon in two sessions, the workshop was organised jointly by the World Bank Resident Mission in Dhaka and the Privatisation Board of the government.

Head of Privatisation Task Force of Malaysia, Abdul Hamid Sawal, former chairman of the Privatisation Commission of Pakistan, Saeed Qadir and Director General of the Commercialisation Division of the Finance Ministry of Sri Lanka, Tissa Jayasinghe presented papers on their respective countries' experience in privatisation in the first session while senior economist of the World Bank M Ramachandran and Chairman of the

Privatisation Commission of Pakistan Naveed Qamar, MP, presented papers on the macro-economic aspects of privatisation in the second session.

Deputy Chairman of the BEXIMCO Group, Salman F Rahman and Secretary of the Industries Ministry, Hasnat Abdul Hye chaired the two sessions respectively.

Revealing the Sri Lankan experience of privatisation, Tissa Jayasinghe said the Sri Lankan government recognised the need to make the privatisation process attractive to the employees of state owned enterprises (SOEs), who apart from fearing retrenchment, regarded the substitution of private sector employment as a traumatic experience filled with apprehension of an unknown future.

He said in the first transaction, 5 per cent shares of the company were offered to the employees, which was subsequently increased to 10 per cent with very few exceptions. These shares were allotted on the basis of length of service of each employee in the enter-

prises, he disclosed.

"The need to win social acceptance for the programme and the objective of broad-based ownership of shares in SOEs find expression in 30 per cent of the shares being offered for sale on a public issue, where allotment is on a simple bottom-up formula which is weighted in favour of the small investor. The balance 10 per cent shares are gifted to employees", Jayasinghe said and added that this new strategy was adopted after two subsequent experiments of privatising the public enterprises.

He said it was also based on the idealistic notion of 'people-ization' and the establishment of a share-owning democracy through widespread ownership of shares in privatised ventures.

Narrating the methods and stages of privatisation followed by the Malaysian government, Abdul Hamid Sawal said the problems which the country had to face while implementing the privatisation programme included resistance by the government employees and the consumers, legal con-

straints and the need for a regulatory framework at the post-privatisation stage.

The resistance from the employees was managed by adopting a number of policy decisions including a five year guarantee of job and attractive package of benefits for the employees.

"Another form of resistance arises from the anxiety of consumers on the likelihood of increased tariffs and lowering of standard or quality of goods and concern for continued supply of services, particularly in the case of privatisation of monopolies," Hamid Sawal said adding that the problem was, however, solved through the government's efforts in educating the people on the benefit of privatisation.

He said the government took up a very pragmatic step by amending the relevant laws and regulations to facilitate the implementation of the programme and overcome the legal constraints.

Sawal also said although privatisation entails deregulation and lifting of barriers in order to allow market forces to dictate economic activities

and, thereby, improve efficiency and productivity, an appropriate regulatory framework was necessary in respect of natural monopolies. This is to ensure that consumers' interests are protected, specially in terms of price, quality and availability of services, he said.

The regulatory framework was responsible to protect consumers' interests and public safety from monopoly power, promotion of social objectives and the creation of healthy competition in related industries, he added.

The government established the regulatory bodies mainly to cover the telecommunications, postal, electricity and gas, railways, airports and sewerage sectors of the country, Hamid pointed out.

The factors, which contributed to the success of the privatisation programme of Malaysia, as stated by Hamid, were strong commitments and determination of the government, transparency in the privatisation process and a sensitive approach to the views and responses of the public with regard to the privatisation programme.

Justifying the need for privatisation, N Ramachandran said despite more than a decade of attempted reforms, the state owned enterprises of Bangladesh have continued to register huge losses (Tk 20 billion a year), equivalent to almost one-half of Bangladesh's annual project aid disbursements. The four biggest money losers have been the Power Development Board, Jute Manufacturing Corporation and the Railways.

The argument applies equally to the state enterprises that show profits, as the WB economist observed, the enterprises could do so for having a near-monopoly situation.

Dwelling on the poor progress in implementing the privatisation programme, the WB official said a suitable enabling and regulatory environment is required for the full benefits of a privatisation programme to be reaped. But the current enabling environment is weak and the regulatory environment is ineffective, he observed.

He also described complete transparency in the sale of state enterprises as another

basic requisite for implementation of the programme.

Refuting the arguments of the World Bank economist, Prof Rehman Sobhan, who took part in the discussion in the second session, said there is no empirical evidence that the privatisation is needed for the country. The World Bank has arbitrarily selected some indicators of the economy, reached in conclusions arbitrarily and prescribed the privatisation programme for Bangladesh, he said.

Evaluating the privatisation programme implemented earlier by the previous governments, he said the people of the country will have to be convinced that privatisation is a must. But no such attempt has so far been made, he lamented.

Salman F Rahman, however, said the earlier 'privatisation' should not be called as privatisation, rather it should be called denationalisation. Owners of the nationalised industrial units were given back their enterprises with surplus staff and huge liabilities. So how can those units run profitably, he questioned.

He also said although there is no empirical evidence that the privatisation is needed, the business community as well as the people feel the programme is good for the country. Even the labour leaders are being convinced that there is no alternative to the privatisation programme.

He stressed the need for more disclosure of the company affairs at the time of privatisation and said some policy issues relating to the privatisation have to be resolved immediately.

In this regard he referred to the recent embargo on import of petroleum products and said some unnecessary government measures often sound bad signals to the private sector.

Among others, President of the Metropolitan Chamber of Commerce and Industry (MCCI) Latifur Rahman, President of Bangladesh Chamber of Industries A M Subed Ali, Managing Director of Kobiinor Chemical Company Obaidul Karim and Director General of BDS Latifur Reza took part in the discussion.



Daudur Rahman, Director of Bangladesh Rural-Development Board and Ansar Uddin Ahmed, General Manager of Bangladesh Bank for Rural Poor under RD-I project, signed an agreement of Tk 15 crore recently. Ayub Quadri, DG of BRDB and Shah Abdul Hannan, Deputy Governor of Bangladesh Bank, are also seen in the picture.

India hopes to reenter Japanese rice market

NEW DELHI, Apr 30: India is hopeful to be back on Japan's rice market after more than two and a half decades, according to rice exporters who visited Japan last week, reports Xinhua.

Officials of the Food Agency of Government of Japan (JFA) have agreed to consider including India in their list of sources for rice import, said VK Bhasin, Executive Director of All India Rice Exporters Association.

Indian rice exporters were hopeful of a decision in their favour soon, he said.

The rice delegation had urged the JFA authorities to allow import of basmati as this long-grain rice does not compete with the domestic short-grain varieties which are the staple diet of the Japanese, he said.

At present there were only 20 countries in Japan's rice shopping list including US,

China, Australia and Thailand. Net external aid repayment rises

Another report says: India has a net external aid outflow of 13.8 billion rupees (444 million US dollars) during April-February 1993-94, compared to 9.49 billion rupees (309 million dollars) in the same period of 1992-93.

The increase in the outflow in a direct outcome of increased amount of repayment of principal aid interest payment during 1993-94.

Total aid receipts during April-February 1993-94 were estimated at 73.19 billion rupees (2.36 billion dollars).

But the outgo on principal repayment and interest payment was 48.8 billion rupees (1.57 billion dollars) and 38.19 billion rupees (1.23 billion dollars), respectively.

In 1992-93 the total external aid receipt was estimated at 72.83 billion rupees (2.35 billion dollars).



State Minister for Finance Mojibur Rahman is seen exchanging views with Dhaka Stock Exchange Chairman Khurshid Alam at the DSE Board Room yesterday. DSE honorary General Secretary Md Abdul Huq Howlader, Khwaja Abdul Quddus, Aminul Islam Khan, Md Shahiq Khan, M A Quayum, Md Rakibur Rahman — councillors and ex-chairman and member Hemayetuddin Ahmed are also seen in the picture.

California seeks \$2 b for imprisoning illegal aliens

SAN DIEGO, Apr 30: California, following Florida's lead, filed a lawsuit against the federal government Friday seeking nearly 2 billion dollars for the cost of imprisoning illegal immigrants, reports AP.

The lawsuit seeks 377 million dollars to cover the state prison costs this year of about 16,700 illegal aliens who have committed crimes.

It also argues that California should get compensation for the prisons already built to hold illegal immigrants. Governor Pete Wilson's administration estimated the prisons cost 1.6 billion dollars.

"California has had enough, and it's time to stop illegal immigration," Wilson said after the lawsuit was filed in US District Court.

Wilson, a Republican, is seeking re-election. His Democratic critics say he failed to aggressively pursue federal immigration funding for California under the Bush administration and has now seized upon the issue for political purposes.

Last week, President Clinton proposed spending 350 million dollars to help ease the burden on states with large numbers of illegal immigrants. But that money would be divided among several states and Wilson said it won't be enough.

California's lawsuit is similar to one Florida filed April 12. That lawsuit seeks 1.5 billion dollars or roughly what Governor Lawton Chiles said it will cost the state over two years to provide prison beds as well as education, health care and other services to an estimated 345,000 illegal immigrants.

New York plans to file a lawsuit in a few weeks focusing on education and health care costs of illegal immigration. Texas, New Jersey and Arizona are considering joining Florida's lawsuit.

Wilson is expected to file additional lawsuits later to make California's challenge as broad as Florida's. The governor contends California is owed about 3.6 billion dollars in federal money for immigration-related programmes.

The California lawsuit also seeks immediate deportation of illegal immigrants who have completed state prison sentences.

About two dozen protesters held signs and chanted during Wilson's news conference, calling the governor a "racist" and a "liar."

"We are opposed to scapegoating by the governor in regards to the numbers and how much impact undocumented taxpayers have," said activist Jose Bravo.

Later Friday, Wilson visited the California-Mexico border to announce he would triple the number of California National Guardsmen assisting the US Border Patrol. He challenged the federal government to do likewise.

Under Wilson's order, an additional 127 Guardsmen will perform functions such as repairing roads and manning observation posts.

Seminar on South Asian Economies May 4

A seminar on 'South Asian Economies in the 21st Century' will be held on May 4 at National Economic Council (NEC) auditorium at 10:00 am, reports UNB.

Minister for Foreign Affairs A S M Mostafizur Rahman will inaugurate the seminar as chief guest while Dr A Moyeen Khan, State Minister for Planning will be the special guest.

The seminar will be jointly organised by Metropolitan Chamber of Commerce and Industry and World Bank Resident Mission.

Lord Meghnad Desai of St Clement Danes, Member, British House of Lords and Professor of Economics, London School of Economics will be the keynote speaker in the seminar.

Bank holiday

The Bangladesh Bank and all other scheduled banks will remain closed on the occasion of the May Day, said a Bangladesh Bank press release, reports UNB.

Indian team meets Shipping Minister

The visiting Indian delegation on Inland Water Transit and Trade led by S Tripathi, Economic Minister, Indian High Commission in Dhaka Saturday had a meeting with Shipping Minister M K Anwar in Bangladesh Secretariat, reports UNB.

Shipping Secretary Wallul Islam and senior officials of Bangladesh and India were present on the occasion, says an official source.

The members of the Indian delegation discussed different aspect on the existing protocol on inland water transit and trade between the two countries. They also explained the progress of the ongoing 5th meeting of the standing committee under the protocol.

Industrial workers enjoying golden week of public holidays in Japan

TOKYO, Apr 30: Japanese started heading for the hills in record numbers yesterday with a golden week of public holidays providing a rare chance to forget the country's political and economic troubles, reports AFP.

Four days of national holidays added to weekends means workers will be able to take 10 days off and lose only two days from their leave account — hence the title golden week.

About 66 million people were expected to go away for at least part of the holiday and a record 455,000 were booked to go abroad, according to police and travel industry estimates.

Some factories will take the opportunity to slow down or halt production lines so they can reduce stocks.

Auto firms, which have suffered badly in the Japanese recession, have been most generous with staff. Honda is closing for 12 days, Mitsubishi Motors 11 days, Nissan 10 days and Toyota nine days.

But because of good demand for one of its small cars, Suzuki is only offering six days off.

Steel workers will also have a bumper 10-day break, some department stores in Tokyo

will also be closing — for the first time — because of lower sales. But the micro-processor industry is hoping to keep golden week celebrations to a minimum.

The police say, however, they expect a record number of travellers, 13.2 million up on last year.

"This ideal disposition of holidays has not occurred since 1988," said a Japanese Travel Bureau (JTB) spokesman, who added that the number of people heading abroad was 20.5 per cent up on last year.

Tokyo-Narita airport was expecting 43,000 people to pass through on Friday, twice the normal traffic. There is not a seat available. Even though European companies have laid on extra flights — some of which are arriving empty to pick up Japanese tourists.

Hawaii is the favourite foreign destination, followed by Hong Kong, South Korea, Guam and Saipan, the American islands just three hours flying time from Tokyo.

Japan Airlines (JAL) has 23 extra flights going to Honolulu. "Last year we had only 10 extra flights to Hawaii. This is a terrific increase," said a spokesman for the airline.

But while there may be more travelling, they will be spending 15 per cent less than last year leaving the country, said the JTB spokesman who put average spending at 2,125 dollars per person.

Some 2,000 Japanese are expected to head for France over the next week and 18,000 to Switzerland. But most will be staying closer to home, according to the national police agency.

Tokyo zoo expects nearly two million people during golden week. A figure that will only be beaten by the traditional Hataka Donmitaku festival on Kyushu island with 2.5 million people.

The news is not all good, though.

Prices in restaurants, hotels and leisure centres will explode over the next week. And if Japanese thought they could hide from their government's political troubles by going abroad then they were badly mistaken.

Tsutomoto Hata, who has just formed the country's first minority government in 39 years, will be leading a ministerial rush abroad.

The Prime Minister will be going to Italy, France and Germany beginning Monday on an official three-day visit.

Foreign Minister Joji Kakizawa will kick off his diplomatic offensive with a tour of the Middle East from Monday through May 8.

London-Kuala Lumpur trade row British media stops negative reporting

KUALA LUMPUR, Apr 30: The British press has stopped writing negative stories about Malaysia and that could be good news for British business, reports Reuter.

Deputy Foreign Minister Abdullah Fadzil Che Wan dropped the strongest suggestion that Malaysia would eventually lift a ban on public contract for British companies when he said the lack of critical reports lately in the British media was "a good beginning."

"If the British media continues to be responsible in their reporting (about Malaysia), there may come a time when we will consider lifting the ban," Fadzil was quoted as saying by the National News Agency, Bernama.

"If they (the British media) choose to do the thing we expect them to do, we would reciprocate with the right things," he said. "We are sensible, practical and pragmatic people."

arms deals were tainted with corruption, Malaysia barred British companies from government contracts two months ago.

British businesses have estimated the potential losses from the ban at four billion ringgit (1.5 billion dollar).



Mir Muhammad Nasir-Uddin, Chairman, Board of Directors of Janata Bank opened the 898th branch of Janata Bank at Teknaf on Thursday. Ali Ahmed, Director, Muhammad Taheruddin, Managing Director and General Managers of the bank are also seen in the picture.

US trucking strike to halt for a month

WASHINGTON, Apr 30: The Teamsters Union Friday said it would suspend its 24-day-old nationwide trucking strike by some 70,000 workers for at least a month while its members vote on whether to accept a tentative settlement, reports Reuter.

Teamsters President Ron Carey said the strike against 20 major trucking firms would end at 11 pm EDT Saturday (0300 GMT Sunday).

On a vote, the 400 local union leaders to suspend the work stoppage, but withheld their endorsement of the tentative settlement, leaving it for union members to collectively decide.

If the members want to reject this agreement and try to win more by reannouncing the strike, that is their democratic decision, Carey said.

Carey said it would take about a month to complete the vote on the new four-year national master freight agreement which was reached with trucking industry officials late Thursday.

The strike, which began on April 6, has taken a heavy financial toll on the international brotherhood of teamsters as well as the trucking companies and has disrupted the normal flow of goods for thousand, of shippers by truck and by sea.

Readers Views

1. I draw your attention to a news item published recently in your esteemed daily in respect of purported flight of capital through the stock market. It has been stated in the said news that through 'profit-seeking' by foreign equity investors and through local racketeers capital flight may take place. It has also been suggested by certain 'experts' that the government must strengthen the monitoring system etc.

Your reporter may, perhaps, have access to certain information which we, in the stock exchange, do not have and, as such, I am taking this opportunity to state some facts and concepts as we understand it in our market.

1. Foreign investors are free to 'fly in' and 'fly out' capital within the structure of the banking system. If we want foreign investments that we must be prepared to give the investor safe exit whenever he wants.

2. It is news to us that racketeers have entered our highly speculative market leaving behind a more lucrative and profitable trade of racketeering. Black marketing and racketeering are the hand maidens of undue government control which is generally much easier to control than a free market.

3. Honesty is not the sole prerogative of the bureaucracy. In fact it is generally believed that red tape, real or imaginary usually means greasing of the palm.

4. Laws and regulations must be simple with the objective only to benefit the people and these must be made in the parliament and not in the offices of bureaucrats.

How can we achieve economic progress if our minds remain saturated with suspicion without any cause or our freedom is limited by autocrats either political or bureaucrat. Imtiyaz Husain
Dhaka Stock Exchange

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
জেলা রেজিষ্টার এর কার্যালয়, রংপুর

দরপত্র বিজ্ঞপ্তি

রংপুর জেলা সদর ও মফস্বল দাবা-রেজিষ্টারী অফিসসমূহের রেকর্ড ক্রমের সূচীভুক্ত বাল্য ও সূচী বই পুনঃ বিধায়ের জন্য ১,৫০,০০০/০০ (এক লক্ষ পঞ্চাশ হাজার) টাকার প্রকল্পের কাজ করিতে ইচ্ছুক প্রকৃত বই বিধায় কারক প্রকৃতির নিকট হইতে সীলমোহরযুক্ত খামে দরপত্র আহবান করা যাইতেছে। দরপত্র রংপুর জেলা রেজিষ্টারী অফিসে রক্ষিত "টেন্ডার বাগে" আদায়ী হই ৫-৫-৯৪ দুপুর ১২ ঘটিকা পর্যন্ত গ্রহণ করা হইবে। উক্ত নির্ধারিত তারিখ ও সময়ের মধ্যে প্রাপ্ত সীলমোহরযুক্ত দরপত্র হই ৫-৫-৯৪ তারিখে অপরাহ্ন ১২-১৫ ঘটিকার খোলা হইবে। খোলার সময় দরপত্রাভা অথবা তাহাদের প্রতিনিধি উপস্থিত থাকিতে পারিবেন। দরপত্রের শর্তাবলী নিম্নস্বাক্ষরকারীর অফিসে পাওয়া যাইবে।

মোঃ আনহার আলী
জেলা রেজিষ্টার, রংপুর।

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