

Pak privatisation programme free from stiff opposition

Senator Saeed Qadir of the Pakistan Muslim League and Syed Naveed Qamar of the Pakistan People's Party are closely associated with the privatisation process in Pakistan. Both of them attended a two-day seminar on Privatisation organised by the World Bank Resident Mission in Dhaka and the Privatisation Board of the Government.

While Senator Saeed Qadir, a retired Lt General, served as the first Chairman of Pakistan's Privatisation Commission, Naveed Qamar as the chairman of the Privatisation Commission enjoys the rank and status of a cabinet minister. In an exclusive interview with The Daily Star, they offered their candid views not only on the continued privatisation programme but also

dwell on some political aspects. Pakistan's privatisation programme has not faced any stiff opposition either from the people or the industry since its beginning in November 1990.

This was stated by Senator

By M Anwarul Haq

Pak-China Fertilizer Factory.

The process of selling the State Owned Enterprises (SOE's) was made through public tender to the highest bidder. However, after the valuation of an enterprise that was to be sold was completed, it was decided that the government would not sell if the bid fell below 90 per cent of the reserve price.

Afterwards even the reserve price was waived, as the government was keen to dispose of the losing concerns and the public opinion was also against the reserve price.

Saeed Qadir, a senator from the Muslim League and a former Lt General in the Pakistan Army, said the waiving of the reserve price helped sell the units at a faster pace and the sale of nationalised industries fetched some 900 crore Rupees.

He, however, pointed out that a cement plant alone was sold at Rupees 240 crore which was above the reserve price.

Explaining the payment plan of disinvested industries, Senator Qadir said the buyer had to pay 26 per cent as downpayment, 14 per cent within 30 days of the sale and the balance in either half yearly or in annual instalment in three years. An interest of 14 per cent had to be paid on the instalments.

The first Chairman of Pakistan's Privatisation Commission informed that 63 per cent of the payments had been received within the stipulated time. There were no cases of large scale retrenchments and nearly 10,000 workers in 65 disinvested industries had left voluntarily under a 'golden handshake' programme, he said.

In case of two concerns, both banks, among them Muslim Commercial Bank had actually provided additional employments of 1000 persons each. The Muslim-Commercial Bank would also be opening a

branch in Dhaka shortly.

There were some cases of litigation where former owners went to court but the Privatisation Board won 30 verdicts in their favour out of the 40 cases instituted.

Qadir said although there was an absence of newly framed legal laws for the dis-

investment process, it did not really slow down the pace of privatisation given the political will of both the government and the people.

The former three star general who retired in 1985 is now serving his second term as a Senator from the Punjab's Rawalpindi constituency. The former soldier was not in favour of army rule, nor did he visualise the army intervening in Pakistan's political arena. About Kashmir, his view was that there was no immediate threat of war between India and Pakistan over the valley. He said the UN resolution on Kashmir should be implemented.

On the current boycott of Parliament, he said "I am not going back." When asked what next, the retired general replied, "The Muslim League will be back in power shortly, Inshallah."

"A major thrust in privatisation will be made once the railways, the airlines, the

shipping and the telecommunication sectors are disinvested. This may take some time, but we intend to off-load a major chunk of shares in these sectors as early as possible."

Syed Naveed Qamar, an MNA from Pakistan People's Party and now the Chairman of Pakistan's Privatisation Commission, expressed his firm determination in quickening the process of privatisation in his country. An MBA and a software engineer working in California's Silicon Valley, Qamar returned to Pakistan to join Benazir Bhutto in her democracy restoration movement in 1986. This is the third time he has been elected from his own constituency — Hyderabad in Sind.

Qamar, a former Information Minister of the provincial government of Sind, said the government should not be in the business of controlling production and monopolising industry. He said, "We want to sell off even the National Press Trust now composed of The Mashriq and Pakistan Times if we get a buyer" adding that "their losses have been staggering."

Qamar said, "No information is worth anything if it lacks credibility." The Chairman of the Privatisation Commission said the off-loading shares of the telecommunications sector, the PIA, the National Shipping Corporation and Pakistan Steel Mills would, indeed, be a challenging task but it would revitalise the economy and will open it up to bring more investments both from home and abroad.

Qamar said previously 10 per cent of PIA's shares were sold out and another ten per cent will be disposed of. He said inflow of foreign aid is drying up fast and the government must act fast to take out money from losing and unproductive sectors.

Qamar felt that selling off State Owned Industries (SOEs) not making profits would allow the government to invest in infra-structural projects.

"Government cannot and should not continue giving subsidies to loss-making areas," he emphasised. He said at present there are less than 50 companies which are state owned in the manufacturing sector of which 31 have already been listed for immediate sale.

Privatisation of gas companies and power distribution is being considered seriously to rid the economy of whopping system loss. The PPP MNA said rapid privatisation and selling out stocks in government industries have already revitalised the stock markets in Karachi, Lahore and Islamabad.

He informed that the stock market capitalisation has doubled in the last four months and there has been an enormous inflow of foreign funds.

Naveed Qamar said a most encouraging feature is the setting up of Pakistan fund in various places. The Asian Development Bank and the Morgan Stanley have set up Pakistan funds.

Explaining about the Pakistan fund, he said, these institutions buy a percentage of shares, which become a basket and they quote in the New York Stock Exchange. This is happening since December last year, he said.

On the political front, Qamar felt that the PPP would continue to be in power, and the Muslim League did not have a chance to return "shortly".

About the reported resignation of opposition member from Pakistan Parliament, the young MNA commented: "It may act as a bargaining weapon to threaten to resign. But one should not actually resign."

Qamar confided that he had conveyed the same advice to Deputy Leader of the Opposition Abdus Samad Azad when he had met him at a party.

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5. Chartered Accountants:
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 - b) persons trained as systems analysts
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 - d) hardware specialists.
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Recently qualified MBBS doctors and higher degrees in medicine or public health from national and/or international institutions; preference will be given to those who are interested in initiating health programmes in rural areas and who already have experience in this field. Applicants who have the capacity to take on the responsibility of running a programme of this kind on a national level will be given priority.
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Master's degrees in Library Science or Master's degrees in any other discipline with a diploma in Library Science; retired librarians or librarians willing to take a part-time job.

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11. Paramedics (Female applicants only):

Applicants should have a minimum of a 2nd division in SSC examinations in science, with at least 3 years of training in paramedics; field experience will be considered an added qualification.

A complete curriculum vitae, copies of certificates, detailed description of experience and a passport size photograph will have to be submitted with the application. The last date of application is 31 May 1994.

Managing Director
Grameen Trust



Saeed Qadir

Saeed Qadir who was entrusted with the responsibility of heading the first Privatisation Commission in Pakistan created by the government of Nawaz Sharif.

Saeed Qadir said that the idea of Privatisation Commission emerged only after a committee on economic reforms submitted a report on what was popularly known as three D's which stood for Disinvestment, Denationalisation and Deregulation.

Once the process of privatisation was initiated, a total of 145 industries were selected for disinvestment. The Privatisation Board succeeded in selling off 65 industrial units in six rounds till April 1993, Qadir informed.

The disinvested units included banks, insurance companies, engineering and chemical plants, auto units, ghee plants and cement factories.

Among the major units sold were the Muslim Commercial Bank, National Polyester and



Naveed Qamar

vestment process, it did not really slow down the pace of privatisation given the political will of both the government and the people.

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President opens seminar on food markets, policy

President Abdur Rahman Biswas Monday said the government was committed to ensuring growth in private sector marketing of foodgrains suiting the objectives of national food security and free trade, reports UNB.

"As a member of international community, and that of SAARC in particular, we remain committed to the objectives of food security and free and open international trade of foodgrains," he said opening a three-day seminar on "Evolving food markets and food policy in Bangladesh" at a local hotel.

"We have liberalized food-grain import and export and suspended local legislation inhibiting private foodgrain trade," the President told the seminar, sponsored by donors.

To ensure structural adjustments, he said, the government is called upon to play still a larger role in the public foodgrain management and operation.

"We have a responsibility to target programmes for the section of people living under subsistence level, maintain

farm price support, price stabilization and also maintain national food security."

Food Minister Lt Gen (Rtd) Mir Shaukat Ali, Food Secretary Islam Uddin Malik, US Ambassador to Bangladesh David Merrill and International Food Policy Research Institute (IFPRI) Director General Dr Per Pinstrup-Andersen also spoke at the opening session of the seminar, organised jointly by the Ministry of Food IFPRI and USAID.

Lauding the role of development partners towards improving the quality of life in Bangladesh, President Biswas called upon people concerned to put in their best efforts for improving nutritional standard of commonman.

"We have moved from the brink of disaster, 20 years ago, to the verge of foodgrain self-sufficiency today. Our foodgrain production has almost doubled since independence, with record harvests in recent years."

He said the government had opened up access to modern inputs such as irrigation

equipment, fertilizer and pesticides. Together with unstinting support of agricultural research, these policies have laid the foundation for our steady gains in foodgrain production, he added.

Both farmers and consumers have benefited from our promotion of new agricultural technology, Biswas said. Increasingly, productive agriculture has enabled farm incomes to rise, as yields have increased considerably.

The Food Minister told the function that the government had reduced the cost of subsidy in the current public food management system by taking several steps, including pruning away costly and leaky ration channels which resulted in a reduction of subsidy to the tune of around Tk 127 crore in recent years from over Tk 600 crore in the late 60's.

The US Ambassador spoke highly about the country's progress in the staple food production. "Bangladesh is virtually self-sufficient in food... It is a tremendous achievement of the country," David Merrill said.



French fashion mogul Pierre Cardin and Indian colleague Anjali Mendes answer questions during a news conference in New Delhi yesterday. Cardin hopes to add Cuba and Vietnam to his global empire after storming India which he intends to turn into a production base for exporting tropical clothes. — AFP photo

Most Asian currencies finish the week stronger against US dollar

HONG KONG, May 2: Most Asian currencies finished the week stronger against the US dollar, following its slide against the Japanese yen and the German mark this week, reports AFP.

Japanese Yen: The Japanese currency rose sharply this week following a Group of Seven (G7) financial meeting which failed to convince investors that joint action would be taken for currency stabilization.

The currency closed the week at 102.38 yen to the dollar on the Tokyo foreign exchange market, up 1.39 yen from the previous week's finish of over 103 yen. There was no trading in Tokyo on Friday this week and the market will be closed Tuesday through Thursday next week for national holidays.

Australian Dollar: The Australian Dollar closed about half a US cent weaker at week's end and moved in a narrow range. The domestic currency, fell to 71.20 US cents from the previous week's finish of 71.71 US cents.

A report by Schroders Australia cited the Greenback's weakness against the yen and nervousness ahead of Australian current account data due May 4, the same day as a major government statement on industry and employment programmes.

On the reserve bank of Australia's trade weighted index, a basket of major trading currencies, the Australian dollar closed at about 52 points from the previous week's 53.5 points.

Hong Kong Dollar: The Hong Kong dollar gained Friday against US dollar.

The effective exchange rate index, finished Friday at 124.4, down 0.8 points.

Indonesian Rupiah: The Indonesian currency closed the week at 2,149 rupiah, unchanged from the previous week's finish after opening the week's trading Monday at 2,150 rupiah.

Malaysian Ringgit: The ringgit closed the week 82 points higher against the US dollar, at 2.6808 from 2.6890

previously. Dealers said the return of foreign equity investors to the Kuala Lumpur stock exchange had resulted in the stronger demand for the local currency.

The ringgit, however, fell against both the yen and sterling, dipping 568 units against the Japanese currency to 2.6477 and 476 points against the British currency at 4.0456.

New Zealand Dollar: The New Zealand dollar strengthened through the week, closing at 57.62 US cents, up from last week's close of 57.31 cents.

The Kiwi has been reacting through the week to the much lower than expected inflation figures — zero inflation in the March quarter.

Singapore Dollar: The Singapore dollar hit a new high against the US dollar at 1.5339 Friday from 1.5598 the previous week in very feeble trading throughout the week, dealers said.

South Korean Won: The won remained unchanged from a week ago at 807.30 won per dollar.

Taiwan Dollar: The Taiwan currency advanced slightly to close at 26.415 to the US dollar in active trading, up two Taiwan cents from the previous week's finish of 26.435.

Thai Baht: The bank of Thailand's exchange equalisation fund Friday fixed the official mid-rate at 25.16 baht to one US dollar, down sharply from the previous week's close of 25.24 baht.

The Greenback fell after first quarter growth was reported at 2.6 per cent. Far below the prediction of 3.2 per cent and because of the political turmoil in Japan, which will prevent more talks on the huge US trade deficit, an official at the Thai Military Bank said.

Philippine Peso: The Philippine peso appreciated from 27.535 pesos to the dollar on April 22 to 27.055 pesos to the dollar at week's end amid preliminary reports that dollar remittances to this country had increased in the first quarter of 1994.

NOTICE

In the Court of Sub-Judge & Artha Rin Adalat No. 3, Dhaka
T. S. No. 315/91

Pubali Bank Ltd. Sadarghat Branch, Dhaka Plaintiff

Versus

1. Abdur Rahim, S/o. Late Abdul Karim Prop. M/S. Rana Cable Industries
2. Rahjma Khatoon, W/o. Late Abdul Karim both residing at 56, Nabadip Basak Lane, P. S. Sutrapur District- Dhaka. Defendants.

By this notice the above named defendants are notified that the plaintiff Bank has filed the above suit for realisation of Tk. 2,66, 416.50 (Taka Two lac sixty six thousand four hundred sixteen and Paise fifty) only as on 30-9-91 against you. Therefore, you are notified to appear in the court in person or through appointed Advocate on 6/5/94 to reply if any, otherwise the above suit will be disposed of exparte.

Given under my signature and seal of this court this the day of 17th April 1994.

By Order
Sign/ Illegible
Sheristader
Sub-judge & Artha Rin, Adalat No.3, Dhaka.