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Dhaka offers exclusive EPZ for Japanese investors

Prime Minister Begum Khaleda Zia yesterday offered to establish a special export processing zone near Chittagong exclusively for Japan besides the Japanese investment in and outside the EPZ, reports UNB.

She also offered various other facilities to Japanese investors in the country.

"We have opened up all our facilities to foreign investment... the single most important factor is that we are prepared to listen to investors in improving our services to them," she told a high-power Japanese investment delegation which arrived in Dhaka yesterday afternoon.

The Prime Minister extended the offers to the 40-member delegation, known as Keidanren mission, when it called on her at the International Conference Centre.

The four-day investment climate study trip of the delegation, led by Kazuo Haruna, Chairman of the Marubeni Corporation, is the follow-up to the invitation extended by the Prime Minister to the Japanese investors during her visit to Japan last March.

Keidanren, the Japanese Federation of Economic Organisations, is a private non-profit organisation representing all branches of economic activities in Japan. The delegation also includes representatives of major Japanese undertakings.

Begum Zia, in her introductory remarks, said Bangladesh has switched over to the free market economy to attract investment. Successful macro reforms have been put in place for liberalising the economy and encouraging the private sector to come forward more

rapidly, she added.

"These have already resulted in acceleration of private investment in the country," she said and pointed out that the Japanese private sector investments in manufacturing and other sectors had started deriving the desired results.

"We have perhaps the cheapest trainable labour in the region. Moreover, we have the generalised system of preference (GSP) and generalised system of trade preference (GSTP) facilities as a least developed country, which make investment more viable and attractive," Begum Zia said and called upon them to avail of the facilities and incentives.

The Prime Minister referred to some Japanese companies, including the KAFCO, which are operating in Bangladesh and said the dele-

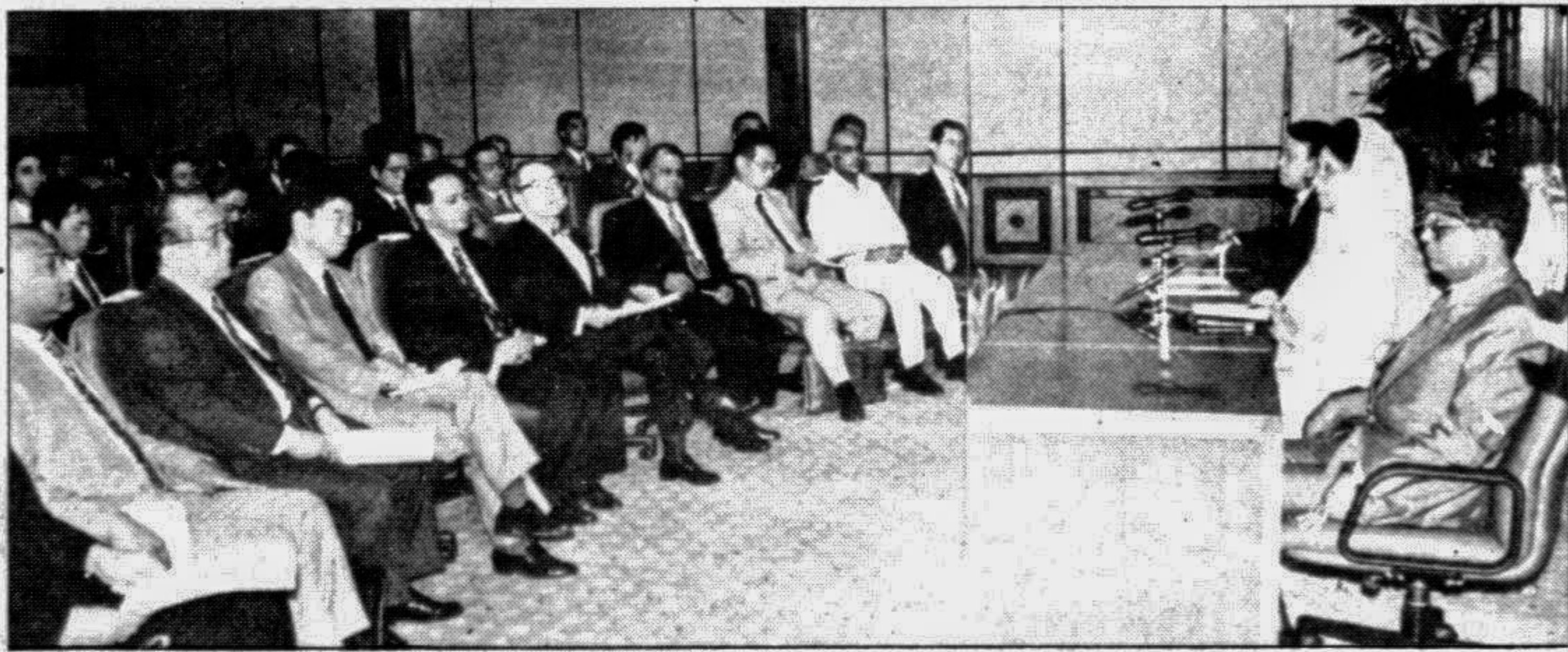
gation would find the areas most suitable for 100 per cent Japanese investment or joint venture.

Begum Zia observed that the 'sunset industries' in Japan, including textile and leather, might be operated profitably by relocating those in Bangladesh.

'Sunset industries' is a term the Japanese use for those industries which have become obsolete following innovation of high technology by the economic superpower.

"We are also equally interested in high-tech industries," she said and sought Japanese investment in energy, telecommunications, power generation, textiles and oil and gas exploration-the public sectors being planned to be privatised.

"These, I am sure, will be See Page 12 Col 1



Prime Minister Begum Khaleda Zia making her opening remarks at a meeting with the visiting Keidanren delegation from Japan at her office yesterday. Special envoy of Prime Minister M Morshed Khan and Principal Secretary A N M Eusuf are seen on the right and left of the Prime Minister. — PID photo

Commentary

Budget '94-95: Figure of Speech

By A Special Correspondent

The Finance Minister was very clear about it: Petrol will cost no more than what it does now. With this announcement his budget proposal for '1994-95 went through the first change. And, this change was made even before the Minister had completed making his budget speech!

In the first part of his two part budget speech the Minister for Finance announced reduction in the prices of kerosene, diesel and furnace oil. He then went on to say that the loss in revenue to the government will be made up in part by 'raising the price of petrol to taka 15 per litre' compared to the current price of taka 13.70.

After this there was a short recess. The recess over, the Minister resumed his speech. Rightaway he departed from the written text that had been circulated to say that the price of petrol will not be increased.

Obviously, the second announcement was not to correct a printing error. Nor is it a minor adjustment of the various numbers that lie behind the Finance Minister's budget proposal.

In fact a sense of the magnitude of adjustment that the quick change in Mr. Saifur Rahman's mind will involve

can be had from the budget speech itself. As mentioned earlier, in his speech Mr. Saifur Rahman said that the proposed reduction in prices of kerosene, diesel and furnace oil which are major sources of indirect tax revenue was to be compensated by an increase in price of petrol. Import value of petroleum and petroleum products in Bangladesh is around Taka 1300 crore per year.

Now that increase in price of petrol has been renounced as a means of covering up the loss in revenue due to lower-

ing of diesel, kerosene and furnace oil prices, how will the yet to be estimated gap in revenue earning be met? The Finance Minister is yet to say that however, it is most likely that there will be revenue measures additional to the ones disclosed in the budget. Ultimately it will mean that revenue collection through new measures will be more than Taka 55 crore that was announced last Thursday - unless projection of receipt from non-tax revenue is raised above its current optimistic level.

While the Finance Minister was clear about what the price of petrol is growing to be, his statements about current investment level is not as clear. Two figures for investment - GDP ratio have been mentioned in the Finance Minister's budget speech. In paragraph 15 of the written text the ratio is stated as 14 per cent while in paragraph 39 it is 14.5 per cent. This is not a minor discrepancy. The half per cent difference means investment of around Tk 500 crore which is not insignificant for Bangladesh. If the actual figure is the lower of the two then estimated GDP growth for current fiscal year may need downward revision.

Parliament resumes today after a two-day recess to initiate a general discussion on the national budget, reports UNB.

The Opposition which has been boycotting Parliament is unlikely to return to the House today.

"There is no development," said Opposition Chief Whip Mohammad Nasim when asked about progress of the move initiated by Speaker Shaikh Razzak Ali for a rapprochement.

Dialogue on national economy

Consensus on reforms necessary

Star Report

Speakers at a dialogue on the national economy in the city yesterday maintained that a national consensus on the reform programme was necessary to make it generally acceptable to the people.

The dialogue on moving the Bangladesh economy from stabilisation to growth: an agenda for 1994-95, jointly organised Centre for Policy Dialogue and the World Bank, was chaired by noted economist Prof Rehman Sobhan.

Finance Minister M Saifur Rahman, Commerce Minister Shamsul Islam and State Minister for Planning Dr Moeen Khan were present in the dialogue sessions.

It was divided into three sessions, looking at the macro-economy, financial sector and private sector development.

the aim of the on-going reforms was to bring competitiveness in the economy and eliminate waste.

"However, total consensus on reforms is not possible because of diverse conflicting interest groups," Saifur Rahman said, adding "in the last three years, I on my own have been trying to discuss the subject with a spectrum of people both within and outside Parliament."

"You have to have sincerity in implementing the policy," Rahman said. "Unless you really educate the people, the success of the reforms will be uncertain."

"The rent seekers will protest the reforms, but we have to face it," he insisted. "There is no soft option for reform."

"In the last 18 months, the economy has picked up substantially," he said. "However, I admit that the implementation of the ADP should have been much better."

SAMS Kibria, Member of Awami League advisory council, felt that the economic policy framework of the country should not be changed with the change of government. He pointed out that any consensus on the economic policies should be on specific issues of the reforms.

A M A Muhi, former finance minister, said there is unanimity that the country should follow competitive market economy, but what is lacking is the idea of how to do that.

Muhi felt that there should be wide-ranging dialogues on the impact of any liberalisation. "The entire government has been bred in a culture of regulation," he said. See Page 12 Col 3

Welfare-oriented budget, says FBCCI chief

By Staff Correspondent

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) has described the proposed budget for 1994-95 fiscal year as welfare-oriented. It welcomed the proposals to reduce import duties on raw materials and capital machinery.

Mahbubur Rahman, the president of FBCCI at a post budget press conference yesterday at the FBCCI auditorium said, the proposals for reducing the inflation rate and dependence on foreign assistance, increasing local savings and investment, and the re-

See Page 12 Col 7

AL rallies at dist HQs from June 22

Awami League will hold public meetings and demonstrations at district headquarters across the country on June 22-24 to spearhead their agitation for caretaker government, reports UNB.

The party's central leaders will be on the trail to address the rallies to drum up support for the demand of caretaker government to hold national polls.

The Opposition led by Awami League has been boycotting Parliament to press for an interim caretaker government and make the Parliament effective.

Awami League President Sheikh Hasina will address a rally in Netrakona on June 18 and another rally in Tangail on June 22 as part of the campaign.

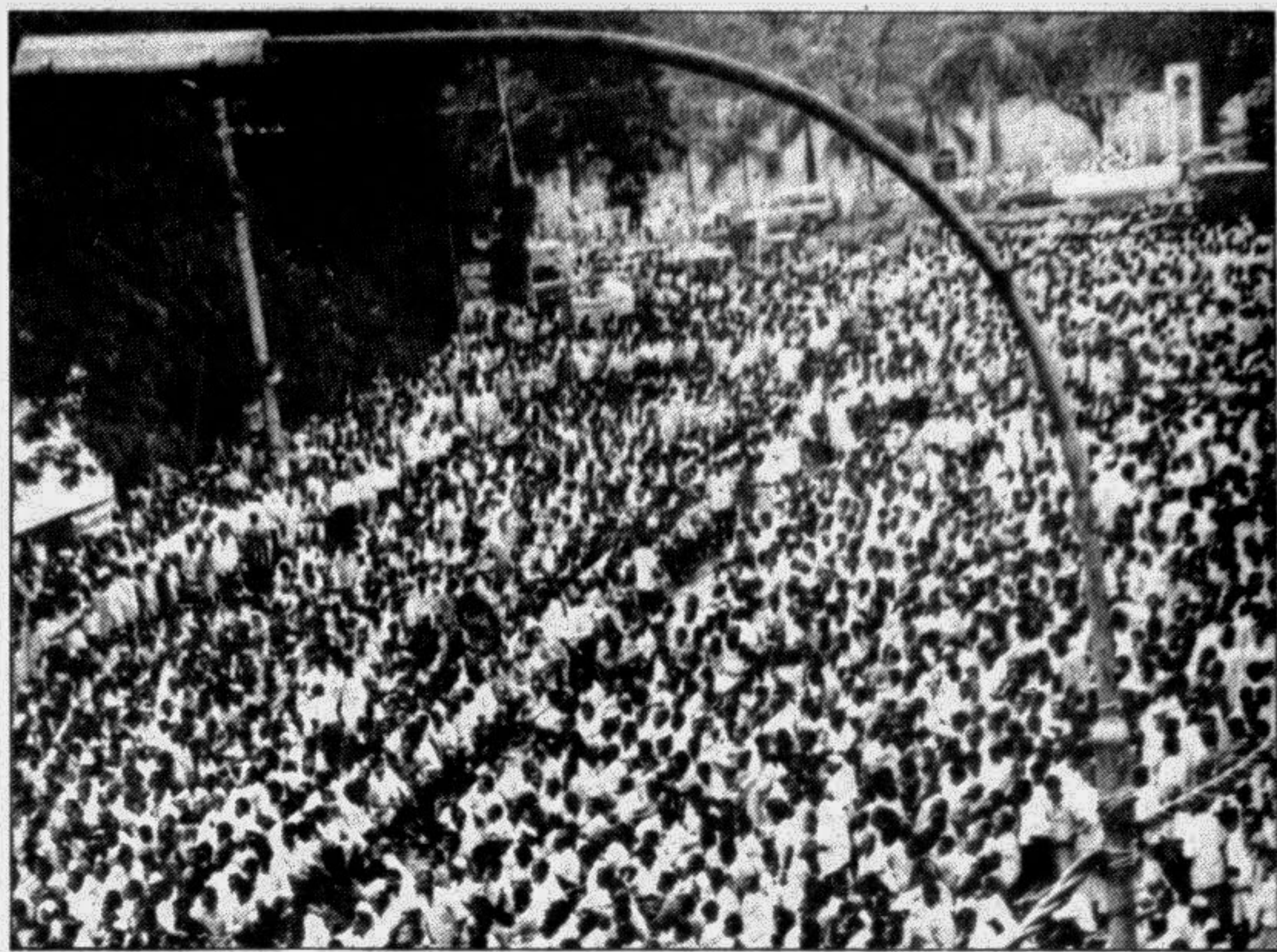
Bail prayers of two Janakantha editors rejected

The District and Sessions Judge court yesterday rejected the bail prayers of Advisory Editor Toab Khan and Executive Editor Borhan Ahmed of the Janakantha, reports UNB.

Judge Abdu Salam fixed June 15 for hearing the case, filed by the OC of Motijheel thana, Nurul Alam.

The case was filed amidst violent agitation and attack on the Bengali daily's office by a section of ulerna for publishing a post-editorial which they said sacrilegious Islam.

"It is an important case for public interest," the judge observed. See Page 12 Col 8



Thousands of non-government school and college teachers staged a sit-in in front of the National Press Club in the city yesterday. — Star photo

Indefinite sit-in by striking teachers

By Staff Correspondent

The striking teachers and employees of non-government schools and colleges began an indefinite sit-in on the Tophkhana Road adjacent to the Jatiya Press Club in the city yesterday morning to press their demands.

The Tophkhana Road was filled with the agitating teachers and employees coming from different areas of the country when the sit-in started at about 10.

The sit-in continued till the writing of this report late last night although the number of participants decreased considerably. Organisers said many of

the participants went to different schools in the city to spend the night and would join the demonstration again this morning.

The Central Liaison Committee of the teachers and employees, on strike since April 18 last, had organised the sit-in to press home the demands including implementation of the national pay-scale for them.

The demonstrators raised slogans in support of their demands and against the authorities. Several copies of the government press note on the

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Prokrichi calls 3-day strike from June 14

By Staff Correspondent

The professionals, now campaigning for democratisation of the bureaucracy, begin a three-day strike from June 14 (Tuesday).

The strike, sponsored by the Prokrichi-BCS Central Action Council, has been called to protest what they said the government's failure to outline the administrative reform.

"We expected that the government would announce its reform measures by June 10," said Dr. MA Majed, Chairman of the Central Action Council, at a press conference in Dhaka after a token strike yesterday.

"We regret that the gov-

See Page 12 Col 8

Gunshots on DU campus

By DU Correspondent

Students of the Dhaka University became panic stricken yesterday morning as some unidentified gunmen fired at least four rounds of shots near the Arts faculty building.

However, none were injured in the incident.

Meanwhile, the pro-Awami League Chhatra League brought out a procession and held a rally in front of the Arts faculty

See Page 12 Col 7

7 more units being set-up in CEPZ

From Nurul Alam

CHITTAGONG, June 11: Seven more industrial units are being set up in the export processing zone here.

The industries are likely to go into production later this year, sources said.

Of these, five are owned hundred per cent by foreign

investors, one is a joint venture enterprise and the other owned by a Bangladeshi entrepreneur.

Besides, more foreign investments are reportedly in the pipeline for setting up of industries in the Chittagong

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