The Daily Star BUSINESS

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Proshika plants 50m trees in 5 yrs

About 50 million seedlings and saplings were planted during the last five years ('89-94) covering 3,846 kilometer wayside and embankment and 27245.9 acres of land of various categories by "Proshika Manobik Unnayan Kendra", reports BSS.

The annual report of the Kendra said this significant achievement had been possible following signing of a memorandum of understanding (MOU) with the Forest Department and the assistance from World Food Programme (WFP) besides the efforts by its group members.

The trees were planted under various schemes including homestead gardening, nursery development, forest protection, strip's plantation, agro-forestry, wood-lot forestry and massive plantation drive under 91 post cyclone rehabilitation programme.

A total of 2,27,759 people belonging to 13,517 societies of the organisation upto grass-root level took part in this drive to increase forest resources as well as protect environment by creating ecological balance.

The species of the trees planted by the organisation include mehogony, sissio, raintree, mango, jackfruit, neem, bokain, eucalyptus, mangium, ipil-ipil, segun, gaam, akashmoni, koroi, babla, chambol, arjun, chhatian, jalpai, amloki, gamar and amra.

The organisation also plans to make the plantation double (100 million) in the next five years. The plan envisages to triple the roadside embankment plantation (10 thousand km) and double the acreage (58,500).

Among the major heads, the organisation planted 32,00,000 seedlings and saplings under homestead gardening, 1,29,991 under nursery development, 1,12,506 under strip's plantation, 31,84,200 under agro-forestry, 2,35, 05,460 under wood-lot scheme and 2,61,778 under thana level strip's development activities.

Under the social forestry schemes, programmes have been taken to raise plantation in different categories like agro-forestry, wood-lot forestry, forest protection and road-side plantations.

Under the wood-lot programme, the forest department and the growers on completion of the term period (seven years) will share the total products on 60:40 basis. As per terms and conditions of agro-forestry the cultivators and the Forest Department will enjoy 50:50 benefits of trees while the growers will get the entire inter-crops to be produced under the scheme.

For roadside plantation, the growers will get 60 per cent of the products while the rest 40 per cent will go to the local administrations like Union Parishad, Thana Parishad and Zila Parishad.

The report said that social forestry can be employed as a strategy to alleviate both rural poverty and forest depletion. This must be implemented under a participatory approach, where rural and poor people actively take part in planning, implementation and benefit-sharing aspect of the scheme.

The organisation has undertaken its programme to raise nursery establishment with an objective to keep up supply of seedlings and saplings required for the community afforestation programme and to contribute to the income volume of the poor directly. Nurseries are raised mainly on homesteads of group members having a marginal amount of land and generally owned by the groups jointly.

With the assistance from World Food Programme, 1450 Proshika groups have brought 2940 km roadsides under plantation. Along with vegetables and pulses most common fast growing trees species had been planted in such areas.

Besides, the benefit on short and long term, group members find a regular employment from this programme as World Food Programme supplies wheat on regular basis for plantation and maintenance of trees.

The growing imbalance between supply and demand of wood and timber has led the organisation to take up the task to reinvigorate the poor group members to be aware of the situation. This programme is carried out by 1,70,000 group members planting 32,00,000 predominantly of fruits and timber species like jackfruit, raintree and mahogany.

In the face of indiscriminate depletion of trees and forest resource and increasing encroachment upon sal forest areas in Dhaka, Gazipur, Mymensingh and Tangail, Forest Department has introduced the agro-forestry modules with the assistance of Proshika for reforestation in different denuded forest plots.

The agro-forestry scheme being jointly carried out by the Forest Department and the Proshika has been proved as a finest example of joint collaboration between the government and non-government organisations, said the annual report.

The report said that rural poverty and deforestation in Bangladesh are critical and inter-related problems, accelerated by over-population, land scarcity, insecure land tenure, natural disaster and inadequate remedial responses.

It, however, said that as a fertile country Bangladesh situation is "hopeful". There is every optimism of further expansion of the schemes to the other areas of the country, the report said.

WB team happy over country's development activities

The visiting two-member World Bank (WB) delegation led by Task Manager Kam Kalala called on Food Minister Showkat Ali at his residence in the city this afternoon, reports BSS.

During the meeting, the WB delegation discussed with the Food Minister the progress of various development programmes assisted by the bank in Dhaka city, particularly at Kamrangir Char and Lalbagh areas.

The delegation expressed satisfaction over the development activities now being taken place in Bangladesh under the able leadership of Prime Minister Begum Khaleda Zia.

Kalala assured continued World Bank support and assistance in further accelerating the pace of uplift activities in the country.

The Food Minister sought the cooperation and assistance of the World Bank in constructing a ring embankment at Kamrangir Char and connecting bridge between Lalbagh and Kamrangir Char to ensure full utilisation of a good number of metalled roads being constructed at Lalbagh area.

The other member of the delegation was its consultant Mac William.

GCC non-oil sector grows by five per cent last year

ABU DHABI, Aug 29: The non-oil sector in six Gulf Arab states grew by an average five per cent in 1993 as governments pursued economic reforms to offset low oil prices, according to a former World Bank expert, reports AFP.

Growth is expected to continue this year, extending a steady increase over the past 15 years, Louis Hubeika said in a study published in the United Arab Emirates (UAE) newspaper Al-Khaleej yesterday.

A breakdown, quoting World Bank and Gulf sources, showed the non-oil sector grew by 4.2 per cent in Saudi Arabia, five per cent in Kuwait, seven per cent in Oman, four per cent in Qatar, six per cent in Bahrain and 4.5 per cent in the UAE.

The six states make up the 13-year-old Gulf Cooperation Council (GCC), which controls more than 40 per cent of the world's proven crude reserves and reduces around 20 per cent of the total world oil supplies.

Hubeika gave no figures for the total GCC gross domestic product (GDP) in 1993 but according to the UAE central bank, it stood in current prices at around 204.8 billion dollars in 1992 and 181.3 billion dollars in 1991.

The oil sector contributed 73 billion dollars in 1992, accounting for around 35 per cent. This compares with 62.5 per cent in 1980, indicating the oil sector is steadily losing round to other sectors.

GCC states have launched drives to develop their non-oil sector and diversify their economies. The focus has been on the industrial sector as other sectors like farming and tourism are limited given their desert land.

The drive picked up after oil prices began to decline in the mid-1980s, pushing their revenues to around 65 billion dollars in 1993 compared with more than 180 billion dollars in 1981, when prices were above 30 dollars a barrel.

As prices continued to languish at below 20 dollars, most of them have announced privatisations and other reform programmes.

"GCC states will likely continue this policy of depending more on the private sector so it will become the driving force in industrial development in the coming period," Hubeika said in his study.

Expecting oil prices to remain low, most GCC states slashed projected spending in 1994 to cut the deficit.

According to Hubeika, the deficit was expected to be lower by around 1 per cent in Saudi Arabia and the UAE, 3.2 per cent in Bahrain and Qatar, 14 per cent in Oman and 31 per cent on Kuwait.

The study, which was distributed to Gulf economy ministries, said GCC states would largely benefit from the recent deal by the General Agreement on Tariffs and Trade. Only Oman and Saudi Arabia are still not members.

"Among the positive effects of the GATT accord on the GCC is that it will lead to higher growth rates in industrial countries and this will in turn boost demand for oil and industrial products," it said.

Bamboo products boom in China

HANGZHOU, Aug 29: In the east Chinese province of Zhejiang, using bamboo to replace wood has emerged as new, rapidly developing industry, reports Xinhua.

Bamboo is now mainly used for paneling, instead of wood.

Zhejiang is one of the four largest bamboo-producing provinces in China, with its bamboo reserves being the highest. The province is also a large wood-consumer, but almost two thirds of its wood comes from other provinces.

China denies report of food crisis

BEIJING, Aug 29: Chinese officials on Monday denied an American environmentalist's prediction that China was facing a food crisis that could have worldwide ramifications, reports AP.

"Perhaps in international circles, they use different criteria. But based on our normal conditions, we can achieve this standard" of self-sufficiency by the year 2000, Deputy Agriculture Minister Wan Boarui said at a news conference.

Environmentalist Lester Brown said last week that by the year 2030, China would need 490 million tons of grain to feed its growing population but would only be able to harvest 263 million tons. That would mean a 216-million-ton shortfall — more than the current 200-million-ton level of total annual global grain exports.

He said his prediction was based on an expected 20 per cent drop in China's grain production as a result of "inexorably" shrinking cropland and declining air, water and soil quality.

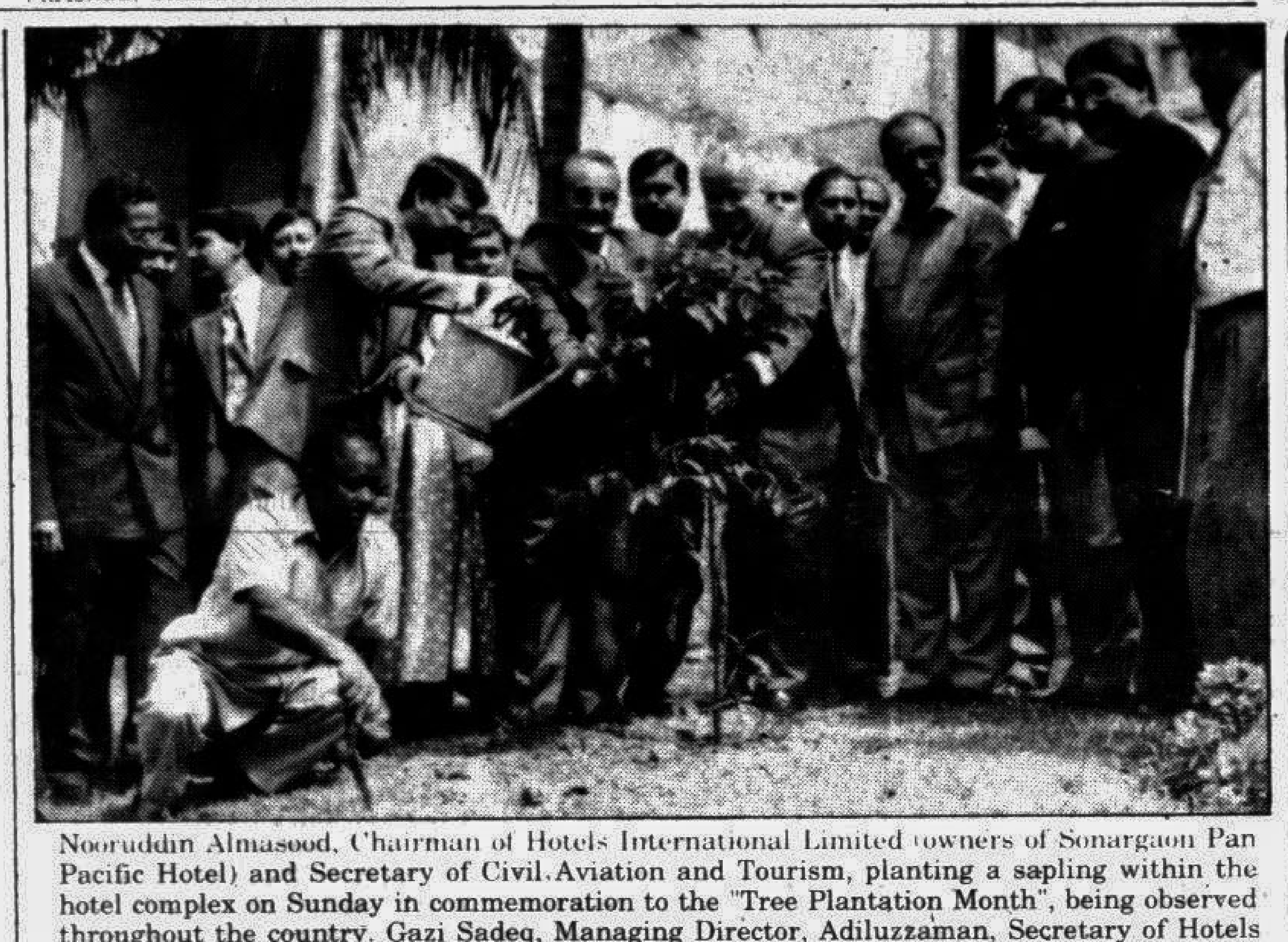
But Wan presented much more optimistic calculations.

He said that by the year 2000, China's grain harvest would reach 500 million tons, and by the year 2025, it would be 750 million tons.

Wan said that means each Chinese would get 400 kilograms (880 pounds) of grain by the year 2000, and 450 kilograms (990 pounds) by 2025.

He discounted the need for China to import any grain, except seed grain to improve Chinese strains, and said the forecast takes into consideration the loss of cultivated land, declining soil quality as well as improved yields as a result of scientific advances.

Zou Yuchuan, director general of the State Land Administration, said that the Chinese government planned to limit loss of cultivated land by the year 2000 to 200,100 hectares (494,250 acres) annually, and in the next century to 133,400 hectares (329,500 acres) annually.



Nooruddin Almasood, Chairman of Hotels International Limited (owners of Sonargaon Pan Pacific Hotel) and Secretary of Civil Aviation and Tourism, planting a sapling within the hotel complex on Sunday in commemoration to the "Tree Plantation Month", being observed throughout the country. Gazi Sadeq, Managing Director, Adiluzzaman, Secretary of Hotels International Limited, Richard Vrijimoet, General Manager and Shahid Hamid, Asstt. General Manager of Sonargaon Pan Pacific Hotel with other hotel executives are also seen in the picture.

World's most costly airport opens in Japan

TOKYO, Aug 29: Over budget and behind schedule, a much-touted new international airport in western Japan was formally inaugurated Monday amid tight security, reports AP.

Japan's Crown Prince Narhuito and Princess Masako were among the dignitaries on hand for ceremonies marking the opening of the new Kansai International Airport on a manmade island in Osaka Bay.

Osaka, 410 kilometers (255 miles) west of Tokyo, is Japan's second largest city and a major commercial center. Authorities hope the airport will become an Asian regional hub.

The project ran 50 per cent over original projections. Its final cost of 1.5 trillion yen (15 billion dollars) made it the world's most expensive airport.

Construction was plagued by problems. The airport's opening was delayed 18 months after engineers discovered the artificial island that served as the site was sinking into the bay. More soil was hastily added to solve the problem.

There was also controversy over landing fees at the airport, set at 2,400 yen (24 dollars) per ton. Those are the world's highest landing fees, along with similar costs at Tokyo's Narita airport.

Airline executives have blamed the high fees for the airport's failure to attract as many airlines as had been originally projected.

About 300 international flights a week are scheduled, along with 470 domestic flights. The airport will be Japan's first to be open around the clock.

At the inaugural ceremonies, police took special precautions against possible sabotage. Radicals opposed the construction of this airport, as they did Narita, saying it detracts from the livelihood of farmers and fishermen.

Russian PM forecasts grain harvest over 100 m tonnes

MOSCOW, Aug 29: Russian Prime Minister Viktor Chernomyrdin said yesterday this year's grain harvest could be over 100 million tonnes, a higher figure than previous estimates, Interfax news agency reported, says Reuter.

He also said he wanted to sell much of Russia's grain abroad to raise much-needed hard currency.

Chernomyrdin made his harvest forecast to reporters in the southeastern agricultural town of Orsk.

Russian officials previously put this year's harvest at 90 to 95 million tonnes, down from 99 million in 1993.

Chernomyrdin, responding to farmers' frequent complaints that ministers are ignoring the crippling financial and technical problems besetting the country's agriculture, said the government was doing all it could.

The state had already spent 1.3 trillion roubles (604 million dollars) to help with the harvest, he said.

"We had to take the money away from someone else but we did this without embarrassment because the main thing today is to bring in all the threshed grain," Interfax quoted him as saying.

Interfax said Chernomyrdin told local officials in Orsk that the grain procurement price this year would be from 160,000 to 210,000 roubles (74 dollar to 98 dollars) a tonne.

"Here there are people who are very keen to set a price considerably above world levels. This is not normal and the state is unable to buy grain at that price," Chernomyrdin said.

Farmers, reluctant to sell grain to the state because of uncertainty over new procurement prices, say they were short-changed by the state for last year's crops.

The premier also said he was "a convinced supporter of selling a significant amount of Russian grain abroad for hard currency" because of the country's chronic lack of suitable storage facilities.

$13.2b Polish private debt to be cut by 45 pc

WARSAW, Aug 29: Foreign commercial banks have agreed to slash Poland's 13.2 billion dollar private debt by around 45 per cent and will sign a rescheduling arrangement on September 13, Polish Television reported yesterday, says AFP.

Prime Minister and Finance Minister Grzegorz Kolodko called the agreement "historic," saying it would "bring to and end 14 years of abnormal financial relations" between Poland and the rest of the world.

Asian stock markets close higher

HONG KONG, Aug 29: Asian stock markets closed mostly higher Monday, with share prices rising in Tokyo despite thin trading, reports AP.

Tokyo stocks posted gains as dollar strength and a paucity of sellers allowed arbitragers to push the Nikkei index higher before profit-taking nudged it back down, brokers said.

Tokyo's 225-issue Nikkei Stock Average closed at 20,600.42 points, up 128.93 points, or 0.63 per cent. On Friday, the index had edged up 28.20 points.

The Tokyo Stock Price Index of all issues listed on the first section was up 4.39 points, or 0.27 per cent, closing at 1,640.08. The Topix closed at 1,635.69 on Friday, up 1.92 points, or 0.12 per cent.

Meanwhile, the US dollar closed at 100.20 yen on the Tokyo foreign exchange market Monday, up 0.65 yen from Friday's close.

WELLINGTON: New Zealand shares finished sharply higher in moderate trading. The NZSE-40 capital index climbed 35.40 points to 2,141.28.

TAIPEI: Share prices surged in early trading and maintained those gains throughout the session. The market's Weighted Index rose 87.48 points to 7,040.52 points.

MANILA: Share prices fell for the second straight day with the market in a consolidation stage. The Philippines' unified composite index of 31 selected issues dropped 6.62 points, closing at 3,092.27.

SYDNEY: Australian share prices closed sharply higher prompted by strong gains in share price index futures and strength on overseas markets. The all Ordinaries Index gained 34.7 points to 2,111.8.

SEOUL: Share prices closed lower, hit by concerns over tightened liquidity. The Korea Composite Stock Price Index tripped 5.17 points to 936.01.

SINGAPORE: Share prices ended mixed in quiet trading. The 30-share Straits Times Industrials Index gained 12.29 points to 2,305.80.

KUALA LUMPUR: Malaysian share prices ended higher in slow dealings. The Composite index, which is biased towards big-capitalization issues, rose 8.59 points to 1,120.37 points.

China, Japan remain divided on size of yen-denominated loan

BEIJING, Aug 29 : China and Japan remain divided on the size of a giant yen-denominated loan Tokyo is to provide, the China Daily said on Sunday, reports Reuter.

Like other Asian countries, Beijing also wants relief on its existing yen debt, the newspaper said.

It quoted an official of the Ministry of Foreign Trade and Economic Cooperation as saying that, during talks on the 1996-2000 loan last month in Tokyo, Beijing proposed 69 projects, but Tokyo accepted only 31. He gave no yen figure.

Japanese diplomats said China was asking for a 1.5 trillion yen (15 billion dollars) low-interest loan. This compares with 1.68 trillion yen (16.8 billion dollars) that Tokyo has provided since 1979 in three tranches.

The official said Tokyo was demanding that nine environmental projects be included in the loan agreement. There were no such projects in the previous tranches.

The projects Beijing has put forward are mostly UN priority sectors such as telecommunications, transportation and energy and in the poor west of the country, he said.

Like other Asian countries, China has been hit by the yen's rapid appreciation and wants relief measures, such as lower interest rates and longer repayment periods, he said.

The paper also quoted another official of the ministry as saying China should limit textile exports to Japan to avert possible quota restrictions.

Some 25 per cent of Japan's cotton cloth imports and 74 per cent of its cotton knitwear imports come from China, leading to calls by Japanese makers for import restrictions, it said.

In the first half of this year, Japan was China's biggest trading partner. It exported 11.1 billion dollar worth of goods, up 28.8 per cent from the same 1993 period.

Biggest Aussie firm set to increase Asian investment

Vincent W Stove writes from Sydney

Australia's largest corporation is set to increase by 30 per cent its global investment spending or about 800 million US dollars and is looking closely at prospects in Asia.

It will increase expenditure in Australia by 25 per cent and investment in offshore projects by 35 per cent.

The Broken Hill Proprietary (BHP) announced recently record sales, record exports, record level of investment and record profits for the year up to May 31.

As part of its Asian investment programme, the company is investigating the possibility of exploring for oil in the Philippines, following a joint Australia-Philippine seismic survey identifying 16 new oil and gas prospects in four areas.

The company has been given approval to set up steel coating and painting operations at Selangor in Malaysia at the cost of 80 million US dollars.

BHP is also keen to invest in a raw steel-making plant in Southeast Asia.

Reports published here indicate that the decision to proceed with this plan depends on the outcome of company research into what has been described as the innovative thin strip-casting technology.

A full-scale research plant will be in operation by the end of this year. But it could take an additional two years to prove its financial viability.

BHP is Australia's only steel maker. It has extensive oil and gas reserves in the country, and owns vast mineral deposits, including coal and iron ore. It has manufacturing, brewing and shipping interests.

It already has interests or operations in 50 countries, and employs about 50,000 people.

BHP is one of the biggest foreign investors in Viet Nam. It heads a consortium which is developing the country's rich offshore Dai Hung oil field, involving a total investment of 1,800 million US dollars.

The big Australian company has exploration contracts with China covering the offshore Bohai field.

In recent years the Australian government has actively encouraged its companies to invest in Asian resources, infrastructure and manufacturing activities.

Just like the world's other trading nations, Australia realizes the enormous potential of the expanding Chinese market.

One exporter commented: "Unrestricted trade with an open and growing Chinese market is good for business and good for Australia."

Australian exporters and investors are impressed with China's economic performance compared with their own country's sluggish track record, and an increasing number of them are keen to be part of the action.

China's gross national product rose by 13 per cent in real terms last year over that of 1992. Industrial production increased by almost 24 per cent and agricultural output was up by about 40 per cent.

So it was not surprising that the United States' recent decision to renew Most Favoured Nation status to China was strongly applauded by the Australian government.

Chinese goods now continue to flow into the US under the lowest available tariffs.

American President Clinton decided to abandon the linking of trade privilege status with the advancement of human rights in China.

Latest trade figures indicate that roughly one-third of China's exports go to the United States, a vital market for the People's Republic.

Australian trade officials realize that without low-tariff access to the giant US market, China would have to restrict its imports. The reduction in hard currency from sales in the US would affect its ability to buy from other countries.

China's current growth rate would slow and its need for the types of raw materials Australia supplies would diminish.

China currently enjoys a trade surplus with Australia, but the Australian government still regards the People's Republic as the country's major export prospect for future growth.

Australia's exports to China last year totalled 650 million dollars, an increase of just over 22 per cent on the previous year's. Australia's imports from China last year were worth 2,090 million dollars 26 per cent more than that of 1992.

Chinese goods flowing into Australia have grown five-fold in the past decade, and China's share of Australia's total imports has increased by over 300 per cent.

According to latest estimates, there are at least 600 China-Australia joint ventures in the People's Republic, involving Australian capital in excess of 700 million dollars.

Australia supported the recent admission of China to the Pacific Basin Economic Council — a business-oriented organization consisting of about 1,000 corporations in 17 countries of the Asia-Pacific region.

Meanwhile, Australia's biggest bank is interested in buying three or four banks in several parts of the world but not in Asia.

The National Australia Bank (NAB) believes the Asian banking scene is just too tough.

NAB is not only Australia's biggest bank, it is also the country's most profitable — and it intends to stay that way by steering clear of Asia.

Like most other big Australian corporations, the NAB recognizes the economic activity taking place in Asia and the enormous growth potential that is yet to be unleashed in the area. But it has serious doubts about its own ability to compete in the region.

—*Depthnews Asia*

New Lankan govt slashes price of wheat flour

COLOMBO, Aug 29: Sri Lanka's new government Sunday slashed the price of wheat flour by 40 per cent and the price of bread by 30 per cent in line with a campaign pledge, Information Minister Dharmasiri Senanayake said, reports AFP.

"This is a pledge we made from the platform and we are keeping it," Senanayake said. His People's Alliance party won the August 16 parliamentary polls that ended the 17 year rule of the United National Party.

Senanayake said the price of wheat flour will be reduced from 11 rupees (22 cents) to 6.65 rupees (13 cents) per kilogram. The price of bread, the staple of the urban middle class, will be lowered from five rupees to 3.50 rupees.

Heavy rains mar Thai rice crop

BANGKOK, Aug 29: A senior Thai official has voiced concern that torrential downpours saturating northern and northeastern provinces here have jeopardised this year's rice crop, a local daily reported Sunday.

Deputy Interior Minister Chamni Saksdises said that the rainy season floods which saved the capital from a water drought crisis earlier this year had ruined much of the country's rice land in the Bargain, the Bangkok Post said.

Some 23 provinces scattered across Thailand's north and northeast, an area of roughly 400,000 acres (160,000 hectares), have been hit by heavy rains, a Thai interior ministry officials told AFP Sunday.

Worst hit has been the ancient capital of Sukhothai, where some 80,000 acres (50,000 hectares) have been submerged at least three times since May, he said.