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Sarwari opens musical instruments exhibition

State Minister for Women and Children Affairs Begum Sarwari Rahman yesterday inaugurated an exhibition of local musical instruments at a local hotel, reports BSS.

In observance of Tourism Month-94, the 25-day exhibition was organised by Sonargaon Pan Pacific Hotel. It will help increase foreign tourists attraction in Bangladesh.

State Minister for Civil Aviation and Tourism Abdul Mannan and General Manager of the hotel, Yoji Hamano were also present on the occasion.

The Musical instruments displayed in the exhibition include 96-year-old harmonium and different kinds of flute, sitar, ektara, dotara, guitar, dhol, dugi, dhak, tobla and nupur.

Begum Rahman also inaugurated a sight seeing tour programme from Sonargaon Hotel in Dhaka to historical place Sonargaon under Narayanganj district.

Rly snacks, drinks for Parabat passengers

Bangladesh Railways will serve cold drinks and snacks among the passengers of the intercity train 'Parabat' that ply between Dhaka and Sylhet, reports BSS.

The arrangement will be effective from November 21, a press release of Bangladesh Railway yesterday said.

Passengers travelling in air conditioned and first class will be given a bottle of cold drink, a bottle of mineral water, one piece of cake and a piece of tissue paper. Passengers travelling in "Shovan" class will be given a bottle of cold drink and a packet of biscuit, the press release added.

Kuwaiti oil minister starts Asian tour

KUWAIT, Nov 16: Kuwaiti Oil Minister Abdul Mohsen al-Mudej left for Thailand on Tuesday on the first leg of a five-nation Asian tour, the Kuwait news agency reported, reports Reuter.

Mudej visits Indonesia from November 18-24 for a meeting of the Organisation of Petroleum Exporting Countries (OPEC) and will also travel to Singapore on November 24-26, Japan on November 26-30 and China from November 30 to December 3.

Twelve-member OPEC will decide 1995 output policy at the meeting in the Indonesian resort island of Bali.

Steps underway to intensify tea export campaign abroad

From Nurul Alam

CHITTAGONG, Nov 16: Authorities are planning to step up campaign abroad for boosting exports of Bangladesh tea, sources said.

Already Bangladesh sent a tea delegation to some foreign countries to explore tea markets. The four-member team headed by a Joint Secretary of Commerce Ministry, which left for abroad on October 29, returned on November 6 after visiting Pakistan, Poland, and CIS countries, the major buyers of Bangladesh tea.

Meanwhile, Bangladesh also took steps to activate its trade missions abroad to campaign for raising tea exports, sources informed.

Continuous depressing trend both in prices and export sales in the auctions held here every week, prompted the authorities to take steps for such campaigning, officials informed.

Due to absence of most foreign traditional buyers in the auctions of the current season, the tea exports of Bangladesh in July to September (94-95 fiscal) came down to five million kilograms from seven million kilograms in the same period of previous fiscal showing a fall of 2 million kilograms, official reports said.

The average price of tea also fell to Tk 38 per kg in the auction markets while in the previous season the average price recorded at around Tk 50 per kg, reports added.

The average cost of production per kg tea stands at Tk 45. Brokers and officials informed that the tea growers might sustain a huge loss for selling tea at such a lower price this season.

A British owned company James Finlay's General Manager Qamrul Islam echoing the sentiment said "our losses against tea may cross Tk ten crores at season's end if the present trend persists." Finlay produces yearly about 11 million kgs of tea in all 30 gardens owned by it, Islam added.

Most of the Bangladesh tea planters are now facing severe economic constraints due to dull trading this time forcing them to cut their gardens' development and other incidental expenditures, growers' sources said.

Mahmoud Bayat, Ambassador of Iran in Bangladesh, called on Salman F Rahman (R), President of the Federation of Bangladesh Chambers of Commerce and Industry, at the FBCCI yesterday. They reviewed existing commercial and economic cooperation between the two countries and discussed various issues for expansion of bilateral trade and opportunities of investment.

Country can shift from rice production to cash crops

Bangladesh has the economic potential to shift out of rice production into other food and cash crops, speakers at a day-long workshop said, reports UNB.

They felt that farmers will be better off by diversifying their agricultural activities.

Experts said crop diversification has emerged as priority because the country has approached rice self-sufficiency and domestic rice production has grown up to an extent that domestic prices are now below import parity levels, and rice imports have virtually ceased.

The workshop on "Bangladesh Agricultural Diversification: Issues and Prospects" was jointly organised by the Ministry of Agriculture and the World Bank at BARC auditorium in the city yesterday.

A study carried out by the World Bank on the topic was the main theme of the workshop, participated by some 80 representatives from the government of Bangladesh, donors, NGOs and entrepreneurs.

Split into four sessions, the workshop was addressed, among others, by Principal Secretary to the Prime Minister ANM Eusuf, Agriculture Secretary M Akhtar Ali, World Bank mission Chief Pierre Landell-Mills, WB mission leader Benson Ateng, Executive Vice-Chairman of BARC Dr MSU Chowdhury, Jeffrey Metzel and Lynn Slinger of WB, former Planning Minister Dr Fasiuddin Mahtab, Prof Wahiduddin Mahmud of Dhaka University, Additional Secretary of the Agriculture Ministry Mohammad Ahsan Ali Sarkar.

The participants of the workshop said crop diversity can be assumed to increase the number of different crops grown as well as the relative importance of each crop in production.

ROK needs 2 lakh more foreign workers

SEOUL, Nov 16: South Korea, which enjoys virtually full employment, needs more than 200,000 extra foreign workers to cover shortfalls in dirty, difficult and dangerous jobs, a survey published today found, reports Reuter.

The Korean Federation of Small Businesses said it based its estimate on a survey of more than 16,000 small and medium-sized companies.

The survey found the companies preferred workers from China, the Philippines and Vietnam, in that order, and most said their need for extra labour was greatest in the final quarter of the year.

About 25,000 migrants work legally in South Korea, the majority being ethnic Koreans from China, but the justice ministry estimates more than 52,000 people work illegally.

Labour rights activists say many work long hours in often poor conditions and change their homes regularly to evade immigration investigators.

Workers from countries like the Philippines, Pakistan, Bangladesh and China come in search of wages averaging between 400,000 and 500,000 won (500-600 dollars) a month, far more than they could expect at home.

Most labour intensive industries in South Korea face stiff competition from other cheaper Asian producers.

But the prospect of the further influx of foreign workers in politically sensitive in racially homogeneous South Korea.

Unions and pro-labour groups oppose the importation of foreign workers, arguing it will undermine wages for unskilled workers and could lead to local unemployment.

Labour minister addresses day-long seminar

Promotion of safety-mechanism in industrial enterprises stressed

Labour and Manpower Minister Abdul Mannan Bhuiyan yesterday called for closer cooperation between the government, employers and employees for the promotion of health and safety mechanism in the industrial enterprises, reports BSS.

He made this call while addressing a day-long seminar on "Industrial safety and health and their impact on productivity" organised by Bangladesh Employers Association in collaboration with International Labour Organisation (ILO).

Held at the Metropolitan Chamber building here, the inaugural session of the seminar was addressed by President of Employers Association Laila Kabir, Director of ILO area office in Dhaka Werner K Blenk and Secretary General of Employers Association C K Hyder.

The minister said the government has already initiated a number of programmes for improving the health and safety measures in mills and factories in the fourth five year plan. A project on occupational health analysis and accident prevention training centre has started functioning while programmes have been taken up for strengthening the labour inspection machinery of the government, he said.

The minister said it has been proved that the country's industrial workers are not less productive compared to any standard. What is really needed is a clear mechanism and a good environment which can ensure reward to the disciplined and productive workers, he said.

Mannan appreciated the arrangement of the seminar and expressed the hope that the participants will get sense of direction and necessary guidelines towards promotion of industrial safety and health.

Delta Life Insurance Company Ltd arranged a cultural show on the occasion of reception to Shafat Ahmed Chowdhury, Managing Director & Actuary of the company at its office at Sadar Road in Barisal recently. — Star photo

APEC sets 3-year timetable to improve product standards

JAKARTA, Nov 16: The Asia-Pacific Economic Cooperation (APEC) forum has set an ambitious three year timetable to improve regional product standards under an internal framework adopted by APEC ministers.

A declaration on the framework for APEC standards and conformance, obtained by AFP, was to receive further backing from leaders of the 18-member group at their informal summit in Bogor near here on Tuesday.

"Greater commonality of approach to standards and conformance arrangements will facilitate more rapid trade flows, reduce costs and encourage greater integration of production networks," the declaration said.

APEC leaders identified standards issues — such as the harmonisation and mutual recognition of products — as a priority for boosting regional trade and investment at their first-ever summit in Seattle last year.

The framework adopted at the weekend calls for this obscure and complex issue to be dealt with by a special sub-committee of all members which will meet three times a year before being dissolved after three years.

The five-page document sets out the objectives, scope, operation and terms of reference for the new sub-committee, whose establishment was endorsed by APEC trade and foreign ministers in a joint statement Saturday.

APEC wants to ensure that standards, technical specifications, inspections and testing procedures and certification requirements do not create unnecessary obstacles to international trade," the declaration said.

No member should be prevented from taking measures to ensure export quality or protect human, animal or plant life or health and the environment. Nor should the avoidance of deceptive practices be prevented.

Jiang's proposals supported

Another report from Hong Kong adds: Many Asia Pacific economic cooperation forum members expressed support for proposals by President Jiang Zemin at the two-day informal summit in Indonesia, the official Chinese news agency Xinhua said.

Reform vs unemployment: How Bangladesh is reshaping its future

(This article, based on an interview with Finance Minister M Saifur Rahman, was published as a cover story in the November issue of Asia Today, a monthly business magazine published from Australia. The Finance Minister was interviewed by Florence Chong, Editor of the magazine, during the annual meetings of the International Monetary Fund and the World Bank — which Rahman chaired as the immediate past governor of the boards of the two Brettonwoods sister institutions — in Madrid, Spain, last month.)

Saifur Rahman understands all about the pain caused by economic reform.

In Bangladesh, one of the world's poorest countries, the pains are especially acute. But it is a necessary task if Bangladesh is to keep in step with its neighbours, which have also discovered the urgency of economic reform.

As Minister for Finance, Rahman is confident that Bangladesh will not turn back, despite the considerable social costs — notably unemployment. For the bottom line is that Bangladesh simply must be competitive in the world market. For developing countries like Bangladesh, the urgency is to provide an attractive destination for much-needed foreign investment.

Although recognised as the "workshop" of Asia (because of its low wages), Bangladesh has not been able to catch up with giants like China and India in attracting foreign investment. And until the Zia government brought in new rules to encourage foreign investors, the only foreign investors in the country were — surprisingly — North Koreans, who had explored for granite and other rock.

However, the government is encouraged by a gradual change in investor sentiment towards Bangladesh and the growing number of investment inquiries from overseas. Today, there are more foreign investors from South Korea, Singapore and Hong Kong, running factories from export processing zones, than three years ago.

Japanese investors are showing interest, following the visit of a "high-powered" mission recently. "We'll give the Japanese a complete city - an industrial estate - at the coast near Chittagong port," says Rahman. "They intend to bring in intermediate raw materials for processing at the park."

The commercial arm of the World Bank, the International Finance Corporation (IFC), and another organisation, says Rahman, are investing in a comprehensive integrated textile mill. The idea, he says, is to provide "backward linkages" to the garment factories. Until now, he says, almost 80 per cent of raw material for the garment industry - the largest export earner - has been imported. The mill will be able to start with spinning, and produce fabrics ready for use in garment factories.

The government wants more investment in the textile sector to benefit from the implementation of the new multilateral trade agreement. Major importing countries, especially the United States, will have to gradually phase down protection of textile imports by removing the Multi-fibre Agreement, which sets quotas for exporting countries.

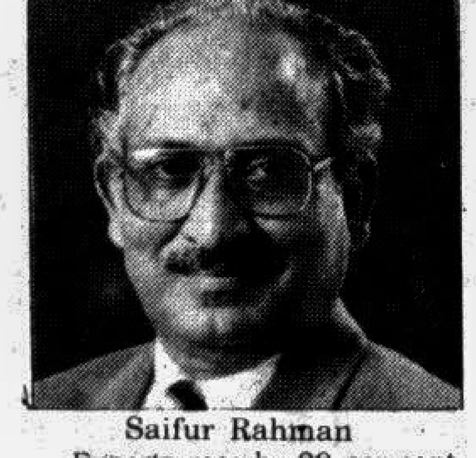
Bangladesh wants to broaden its industrial — and export — base by encouraging investors to build up a consumer electronics and computer industry. As well, there is an urgent need to increase the number of traditional industries — ceramics and leather.

Sectors once held by the public sector — telecommunications and energy — are being privatised. Rahman says the government has divested its interest in the energy sector. Australia's BHP Ltd is investing around US$500 million in the oil and gas sector. US companies are looking at exploration opportunities.

"Telecommunication is one area that we (the government) ought to get out of. It won't be easy because unions are protecting jobs," says Rahman. Still, the government has given three contracts to foreign investors, including one for cellular telephones of the Hong Kong-based Hutchison group. In time, he says, Bangladesh will go down the same route as Pakistan and India in opening up state-owned telecom services to the private sector.

The Zia government has removed restrictions on foreign investment, allowing total foreign ownership. It has also floated the taka to make it much easier for the foreign investor. The currency is now fully convertible, inflation is under control and, more significantly, the momentum for economic growth is expected to be sustained.

Rahman told Asia Today that Bangladesh is aiming for six per cent growth in the current financial year — "the highest in recent times". It would be export-based growth. Once Bangladesh almost totally relied on the former Soviet Union to take its exports, but since 1991 has diversified its markets to include Japan, Europe and the United States. With the economies of these countries improving, he hopes demand for Bangladesh agricultural and marine products, leather goods, ceramics, garments and handicrafts will increase.



Saifur Rahman

Exports rose by 20 per cent in 1992/93. That came from a low base, says Rahman. Still, last year saw a rise of 16 per cent. He expects the same rate this year — or a touch lower at 15 per cent.

Currently, Bangladesh export earnings total around US$3.5 billion. By the year 2000, says Rahman, he certainly hopes the figure will be US$5 billion, if not more.

"We have achieved excellent macro-economic reform. Our currency is stable, and the current account deficit is just two per cent. Inflation is down to two per cent," Rahman says foreign reserves have improved to a level equal to seven months of imports. Bangladesh receives about US$1 billion from worker remittances from overseas.

Rahman says strong investment from Hong Kong in the Dhaka Stock Exchange is evidence of growing confidence in his country. "This year we do not have sufficient stocks for offshore investors. Last year, we had a total inflow of about US$150 million in portfolio investment. It may not sound like a lot of money, but you've got to consider that we had nothing in the past."

The industrial sector, he says, contributes 15 per cent of gross national product (GNP), with the services sector (mainly construction and hotels) contributing 40 per cent. The balance comes from agriculture, which is the biggest private sector employee.

If Bangladesh succeeds in attracting foreign investment and contains inflation; then Rahman says he can "look forward with optimism toward a relatively-accelerated growth phase in the agricultural and industrial sectors."

What about natural disasters such as floods, which seem to occur at frequent intervals? These floods, says Rahman, are both a curse and a blessing. Floods soften the land, fertilise the soil and replenish fish resources. "We are getting three crops a year and, although our population is doubling, we are still able to feed ourselves."

Rahman is adamant: there is no role for the government in industry or even to intervene. "Government will murder industry. The government is getting out — the sooner it can get out of industry, the better it will be for industries."

He agrees that government intervention — or more appropriately planning policies — have been successful in countries such as South Korea and Singapore. But in Bangladesh, he says, what is desperately needed is (private) ownership and marketing skills — these can only come from the private sector. For many years, he says, the government has tried to work on a South Korean model but "we made a mess of it".

Rahman sees government involvement as the biggest "misuse of resources" which would otherwise be used for the promotion of economic growth in general. Over the years, the only product of government involvement has been the employment of hundreds of thousands of people in the public sector.

Bangladesh hopes to get about US$600 million in loans from the World Bank this year. This is a 25 per cent increase on last year's US$450 million.

In most years, Bangladesh receives up to US$1 billion in aid from multi-lateral agencies and bilateral arrangements. Debt servicing, he says, is down to 15 per cent of export income (from 25 per cent in the early 1990s.)

Rahman believes that, increasingly, the World Bank should concentrate on the poorest developing countries and graduate relatively rich developing countries such as Brazil, China and India to free up funds. He says that China and India are attracting the largest amounts of foreign investment aided by their economic reforms. By contrast, he says, the poorest countries have a weak resource base and are still struggling with their economic reforms. The countries, he says, are unable to attract foreign investment and, consequently, will have to rely on multi-lateral agencies to help them develop infrastructure.

He says the World Bank is emphasising social issues and human resource development. It has realised that while it is important to concentrate on "hardware" (roads, power plants, bridges and other infrastructure), the most important resource of all is human beings. He says it would be hard to imagine where Singapore and Hong Kong would be today without educated manpower. "Vietnam's progress will be fast because of its educated population. Our people are educated and disciplined — just like those in Singapore and Hong Kong, so we want to invest in our people — to improve the lot of women, the health of our people."

It is for this reason that Rahman is deeply concerned about the impact of unemployment, in particular among "the boys from colleges and universities".

"Unemployment is staggering. The rate is quite high especially among educated youth."

Unlike developed countries which offer support programmes such as unemployment benefits, Bangladesh is experimenting with the use of credit to encourage the unemployed to go into business. These loans are given without collateral and, in some instances, the government guarantee lenders repayment until the borrower is able to stand on his feet. The government also runs programmes for youth vocational training. Once trained, they are given seed-money to set up business. Seed money is also given to utilise an under-used resource.

Bangladesh has a programme for training and to provide credit "to empower women to look after themselves." Many non-government organisations (NGOs) are enlisted to disperse credit in rural areas to women for seed capital to undertake all forms of economic activity. Millions of women, says Rahman, are involved in various programmes.

The growth in unemployment has slowed down urgently-needed restructuring of the public service. Unions are resisting further shedding of jobs. Rahman told Asia Today that in some government departments the overcapacity is 100 per cent. Fifty per cent over-staffing is common.

It is difficult particularly in a country with a plural democratic set up, he says, to have unemployment. "Although they also want Bangladesh to move to a market-based economy, our opponents are making political capital out of the labour situation. They are pandering to the sentiments of the unions." As a result, he says, even if the government offers handsome compensation packages to the retrenched, it cannot be insulated from political backlash.

The government, he says, is continuing to educate the people on the need to increase efficiency and sweetening its action with special financial assistance — in the form of credit — to help them establish small businesses.