

Pakistan, IMF reach accord

ISLAMABAD, Mar 31: The Pakistan government and the International Monetary Fund (IMF) have reached an agreement on the broad parameters of the programme for 1995-96 and readjustment in the programme for 1994-95, reports Xinhua.

This was stated by V A Jafarey, Adviser to the Prime Minister for Finance and Economic Affairs, at a press conference here yesterday.

Jafarey said the talks between the government of Pakistan and IMF was held in February 1995 in Washington and the programme was focused on macro economic stability, economic reforms and restructuring of the economy to make it more market-oriented.

There was a certain target of reduction in budget deficit but due to revenue shortfall, the deficit would be slightly higher than what was aimed at and it has been agreed to relax the target, he said.

Replying to a question, IMF representative Brock Short, who was also present at the press conference, said that the programme addressed economic stability, good foundations for structural adjustments, tax reforms, reforms in financial system, improvement in efficiency of the economy.

Delhi govt presents budget

NEW DELHI, Mar 31: The Delhi government today presented a moderate 1995-96 budget exempting 13 items from sales tax, reducing tax rates on nine others but hiking the tax on petrol by one per cent and on marble tiles by five per cent, reports PTI.

Presenting almost the entire budget amidst uproarious scenes, the Delhi Finance Minister, Prof. Jagdish Mukhi, said the total budget estimated of 3271.39 crore rupee from the next financial year was aimed at providing basic amenities to the Delhi like housing, water

and power supply, transport, additional health facilities and opening of more schools and colleges.

To check the alarming growth of air pollution in the capital, the minister proposed to increase the present rate of tax on petrol from seven to eight per cent claiming to be less than in other states. He said, the collection of tax on account of this increase would be spent on pollution control schemes.

Stating that a fund of three crore rupees to subsidise the installation of catalytic conver-

sors in vehicles would be set up adding that financial assistance would be provided to vehicle owners to fit these converters to make the exhaust harmless.

Near pandemonium prevailed almost throughout Prof Mukhi's over 100 minute budget speech with the Opposition benches charging the ruling BJP with having leaked the budget. On several occasions, opposition Congress (I) legislators continue reading some eveningers claiming that the budget proposals had already been published.



Ambassador of the Netherlands to Bangladesh Robert A Vornis called on Commerce and Information Minister M Shamsul Islam at his office in the city on Thursday. —PID photo

US-Japanese trade rift heats up again

WASHINGTON, Mar 31: The United States stepped up pressure on Japan to lower barriers to the purchase of autos and auto parts, but the Japanese government issued its own warnings about US economic reports AP.

US Trade Representative Mickey Kantor called the huge automotive deficit "an enormous and growing problem." He told a Washington audience on Thursday that it was critical for both nations to achieve market-opening agreements over the next several weeks.

But in Tokyo, the Japanese government warned that excessive US pressure on Japanese industry to buy foreign-made parts could result in a case being brought to the United States before the new World Trade Organization.

In the report on unfair trade practices, Japan's Ministry of International Trade and Industry said that if the United States resorted to intimidation or pressuring of companies in such a way that would deprive them of their free judgment over parts purchases, this would amount to "virtual coercion" in violation of free trade principles under the WTO.

The war of words was heating up as negotiators resumed their discussions in an effort to break a 20-month stalemate on autos and auto parts, which account for 60 per cent of the US deficit with Japan, which last year hit a record 65.7 billion dollars.

Kantor said that the US side presented new proposals during two days of talks this week in Tokyo. The United States is seeking increased sales of cars and trucks plus increased purchases by Japanese manufacturers of

original equipment parts and expanded opportunities for US companies to sell replacement parts in Japan.

"I would say we did not make great movement over the past two or three days, but you don't expect to at the first meeting between two sides," Kantor said in a speech to a trade conference sponsored by the Economic Strategy Institute.

Officials from both countries said they expected the talks to resume late next week in Washington.

N Korea orders farmers to grow opium?

SEOUL, Mar 31: Impoverished North Korea is encouraging farmers in mountainous regions to grow opium to raise state funds, a defector from the isolated communist country said on Friday, reports AP.

In the first eyewitness account of drug cultivation in North Korea, Pak Chul Man, 28, said many North Koreans have become addicted to the drug they harvest.

South Korean intelligence officials have said North Korean authorities are widely involved in opium, heroin and other drug trafficking in China and Russia.

"Sometimes, whole villages become addicted to opium," Pak told a news conference. "Because they have no medicine, sick children are given opium. Of course, they become even sicker."

Pak, a sericultural supervisor, defected on Monday, along with five other North Koreans, after swimming across a river bordering China.

Asian stock markets close mixed

HONG KONG, Mar 31: Asian stock markets closed mixed Friday, with share prices slumping in Tokyo as the US dollar fell to a new low against the Japanese yen, reports AP.

Tokyo's 225-issue Nikkei Stock Average fell 372.27 points, or 2.25 per cent, closing the week at 16,139.95. The average has gained 51.49 points, or 0.31 per cent, on Thursday.

The Tokyo Stock Price Index of all issues listed on the first section closed at 1,307.89 points, or down 11.56 points, or 0.88 per cent. On Thursday, the average had risen 6.36 points, or 0.48 per cent.

Traders said share prices rose more than 300 points early in the session but fell

back after the central bank, the Bank of Japan, appeared to have put off a cut in Japan's discount rate, the amount charged commercial banks for borrowing funds.

The dollar dropped to 87.40 yen in the late afternoon, down 0.88 yen from Thursday's close. It was the dollar's lowest level in global trading since the modern exchange rate system was set up in the late 1940s.

In Hong Kong, share prices closed lower for the third straight day on profit-taking. The Hang Seng Index, the Hong Kong market's key indicator of blue chips, fell 88.45 points, or 1.0 per cent, to 8,587.72. On Thursday, the index had lost 56 points.

Brokers said investors continued to take profits after sharp gains in the market early in the week.

They said prices also were dragged down by the weaker futures market.

The market was closed in Indonesia for a holiday.

TAIPEI: Share prices closed higher for the second straight day despite some profit-taking. The market's Weighted Index rose 9.45 points to 6,524.00.

WELLINGTON: New Zealand share prices closed higher in moderate trading, with brokers expecting the market to remain firm in line with major overseas markets. The NZSE-40 Capital Index rose 6.77 points to 1,997.60.

MANILA: Share prices closed higher for the fourth straight day in active trading, boosted by the overnight's rise on Wall Street.

The Philippines' unified composite index of 43 selected issues rose 19.90 points to 2,392.25.

SEOUL: Share prices closed mixed in thin trading. The Korea Composite Stock Price Index rose 4.85 points to 831.78.

Donations to charity fall in Britain

LONDON, Mar 31: Donations to charity have plummeted in Britain since the country launched its first — now hugely successful — national lottery last November, a report released on Friday said, reports Reuters.

Figures showed the amount of Britons giving to charity had fallen to 67 per cent of the population from 81 per cent, the survey by Britain's National Council for Voluntary Organisations (NCVO) said.

Individual donations had fallen by 71 million pounds (114 million dollars) since the start of the lottery and if the pattern continued for the rest of the year, charities would have lost a staggering 212 million pounds (340.4 million dollars), it added.

LOTTERY ORGANISER: Camelot has disputed claims about its effect on charities, saying it is still too early to tell.

(The following article by Peter Montagnon was published in the London-based Financial Times on March 24 last as part of a four-page special supplement on Bangladesh brought out by the newspaper).

Aid donors to Bangladesh could be forgiven for asking whether their efforts are worthwhile. Despite years of dependency on foreign aid, the country remains desperately poor with per capita income this year estimated at only around \$240.

Since secession from Pakistan in 1971, aid totalling an estimated \$26 bn has been pumped in. Disbursements are now running at some \$1.7 bn a year and new commitments are in excess of \$2 bn. Given its slow development progress Bangladesh looks vulnerable to donor fatigue as aid budgets are cut in the West and the new Republican Congress in the US starts to question the value of development assistance.

The heart of the issue, though, is not so much the change in the international climate. Rather it is the strong perception among donors that their efforts are continually bogged down by bottlenecks and inertia inside the government. In the donor community Bangladesh is seen as a classic example of a country whose development is held back by weak public administration rather than lack of funds.

Stories abound of projects held up and money unspent for lack of government action. "Our top priority as donors,"

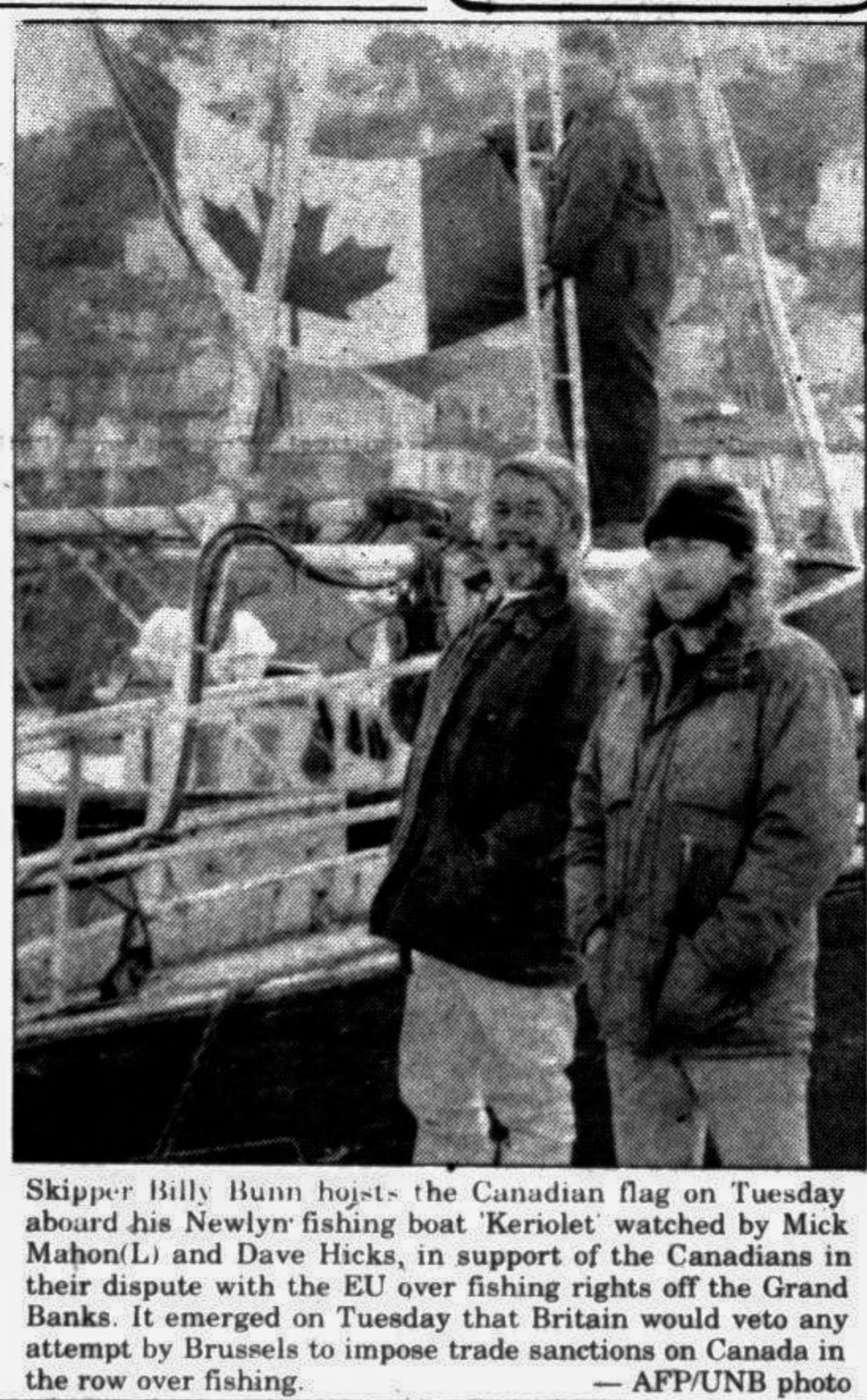
says one Western official, "is human resource development, but the real challenge for the country itself is to reform public management."

That said, most donors also accept that neither history nor nature have been kind to Bangladesh. A whole generation of administrative talent was decimated by the civil war that preceded separation from Pakistan in 1971. A slump in education standards and retreat into state planning during the early years of independence has left a severe shortage of the kind of administrative skills required to run a modern outward-looking economy.

Over the years, Bangladesh has had to contend with a succession of natural disasters from cyclones and floods to drought and famine. Internal communication is hampered by its many rivers and its environment problems have been made worse by India's diversion of the waters of the Ganges. Its problems would be a challenge for even the most competent administration.

Against that backdrop, the development record has not been all bad. Over the last 20 years the fertility rate (number of births per woman) has dropped from seven to four.

Population growth has slowed to 2 per cent from 2.6 and though malnutrition has



Skipper Billy Bunn hoists the Canadian flag on Tuesday aboard his Newlyn fishing boat 'Keriolet' watched by Mick Mahon (L) and Dave Hicks, in support of the Canadians in their dispute with the EU over fishing rights off the Grand Banks. It emerged on Tuesday that Britain would veto any attempt by Brussels to impose trade sanctions on Canada in the row over fishing. — AFP/UNB photo

Foreign aid donors show signs of fatigue

Bangladesh switches to self-help

not been eradicated, Bangladesh has become virtually self-sufficient in food.

In fairness, too, the donors' record is not perfect. A multi-billion dollar plan designed to protect Bangladesh from flooding — most of the country lies very close to sea level — has been under discussion since 1989. But it has produced nothing more than \$150 m worth of studies and controversy about the environmental impact of interfering with the complex ecological balance created by its network of rivers.

The continual struggle for donors, though, is to find ways of making their contributions effective, both at the level where they are offering to provide expensive infrastructure and at the level where their efforts are directed at alleviating absolute poverty. For both types of assistance the essential requirement is to limit the involvement of government as far as possible.

Despite the bureaucratic frustrations, donors continue to finance major projects. Work is under way on a \$700 m bridge across the river Jamuna in central Bangladesh which will open up communications to the northwest of the country. The \$510m Karnaphuli fertiliser plant, a joint venture between the govern-

ment, donors and a consortium of companies led by Marubeni, came on stream in December. Bangladesh thus made its first exports of liquid ammonia.

But there has also been an increase in policy-related assistance by major institutions such as the World Bank. The bank, for example, is helping finance the restructuring of the largely state-owned jute industry. It is also pressing the government to reform the civil service, not only through improved training but, more importantly, also through the introduction of better incentives and greater differentiation in wage scales.

Where poverty alleviation is concerned, donors rely heavily on voluntary agencies to channel funds to the poorest people. Given the government's short comings in the provision of basic social services, it is probably no accident that Bangladesh is world famous for its voluntary organisations.

The Grameen Bank, which provides credit for small farmers and whose clients are mostly women has been singled out for praise more than once by Mrs Hillary Clinton, most recently at last month's social summit in Copenhagen. It no longer relies on foreign grants, though it has served as a model for others in the provision of small credits.

Shipping Intelligence

Chittagong Port
Berth Position and Performance of vessels as on 30.03.1995.

Berth No.	Name of Vessels	Cargo/Last Port	Call	Local Agent	Date of Arrival	Leaving
J/1	Perline	Rice (P)	Kar	Seacom	27/3	2/4
J/2	Amer Shanti	G	Sing	Prog	19/3	1/4
J/3	Banglar Asha	Wheat (G)		Bsc	R/A	2/4
J/5	Handy Viking	M. Seeds	Sing	Rainbow	22/3	2/4
J/6	Severen	C. Clink	Sing	Rml	15/3	2/4
J/7	Banglar Sampad	Wheat (G)		Bsc	R/A	2/4
J/8	Pipe Beauty	Wheat (P)	Kala	Prog	23/2	31/3
J/9	Safar	Rice (P)	Hald	Asl	20/3	3/4
J/11	Mowlav	Salt (Teb)	Kand	Gel	18/3	26/3
J/12	Young II (a/e O. Mentor)	Wheat (G)		Litmond	R/A	31/3
J/13	Brest (Roro)	Spl. Cargo	Mad	Mmi	24/3	31/3
MPB/1	Banglar Moni	Cont	Sing	Bsc	27/3	30/3
MPB/2	Lhotse	Cont	Sing	Rsl	27/3	30/3
MPB/3	Banglar Robi	Coat	Sing	Bsc	26/3	30/3
CGJ	Dan Yang	Cement	Lian	Psal	21/3	30/3
GSJ	Bratanavis	Wheat (G)	Roue	Ll	17/3	1/4
TSP	Wana Naree	R Sulp	Puck	Seacom	4/3	1/4
DOJ	Banglar Shourabh	Repair		Bsc	R/A	31/3
DDJ/1	AJI (Attach: 30/3)	Repair	Const	Ambh	2/3	2/4
RM/9	Banglar Urmi	Repair	Pena	Bsc	2/3	30/3
BB	Matsu Maru		Puke	Jaycee	23/1	
BB	Nichi Asu Maru-2		Herb	FFA	26/2	

Vessels Due At Outer Anchorage

Name of Vessels	Date of Arrival	Last Port	Local Agent	Cargo	Loading Port
Bovec	30/3	Sing	Seacom	Wheat (P)	
Jiu Jiang	30/3	Kara	Otbl	Rice (P)	
Zita	31/3	Dama	Mbl	Wheat (P)	
Blue Ocean	2/4	Hald	Litmond	Rice (P)	
Freedomship-L	31/3	S. Kore	Otbl	In Ballast	
Cadmus	31/3		Ustc	Cement	
Fong Shin	31/3	Sing	Bdship	Cont	Sing
Nikolay Morozov	31/3		Baridhi	Cont	Sing
Sergey Erenshstein	1/4		Karna	GI	
Meng Yang	1/4	Sing	Aml	Cont	Sing
Kaptai	1/4	Kara	Karna	GI	
Panglina	1/4	Kara	Ca	Rice (P)	
Good Fast	2/4	Col	EclWooden	Sleeper	
Rafah	2/4	Cal	MMH	Bunkering	
Optima	2/4	Sing	Rsl	Cont	Sing
Alam Selamat	4/4	South	Ll	Wheat	
Imke Wehr	4/4	Sing	Api (B)	Cont	Sing
Yannit	5/4	Bomb	Msa	Wheat (P)	
Bhavabhuti	5/4		Ssl	GI Utk. Cont.	
Lanka Mahapala	5/4	Col	Baridhi	Cont Mong. Col	
Fong Yun	6/4	Sing	Bdship	Cont	Sing

Tanker Due

Romina-G	31/3	Rasi	Eastwest	Crude Oil
Aurora Sky	31/3	Sing	Tsl	Tallow
Concord	2/4	Sing	Mspj	Hsd
Wawasan Setia	2/4	Sing	Mspj	Sko/Ms

Vessels At Kutubdia

Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival

Vessels Ready

Ready On

Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival
Morakot Naree	M. Seed	Sing	Royal	27/3
Sintra	Cont	Sing	Cts	27/3
Ultima	Cont	Sing	Rsl	28/3
Banglar Doot	31/3 Rice (P)	Mali	Bsc	29/3
Komsomolets Pravda	30/3 Wheat (P)	Kati	Cncl	27/3
Kota Bintang	Cont	Sing	Cts	30/3

Vessels Not Ready

Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival
Mando	31/3 Cbso	Braz	Seacom	24/3
Lassa	31/3 Cement	Qing	Psal	27/3
Nani	3/4 Wheat (P)	Darb	Oswl	29/3
Chao Yang	Cement	Lans	Jaycee	29/3
Taxiaris-P	31/3 Wheat (G)	South	Ltl	16/3

Vessels Awaiting Instruction

Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival	
Banglar Jyoti			Bsc	R/A (29/3)	
Banglar Baani			Bsc	R/A (21/3)	
A. Goncharov			Q	R/A (22/3)	
I Yamburenko			Q	R/A (27/3)	
Tug Swiseco-99			Sing	lla	28/3
Al Shaymma	31/3 Rice (G)	Bang	Setl	28/3	

Movement of Vessels For 31.3.1995 & 1.4.1995

Outgoing	Incoming	Shifting
	31.3.1995	
J/8 Pine Beauty	MPB-3	Kota Bintang J/6
MPB-3 Banglar Robi	J/8	Taxiaris P/8
DOJ: Bahglar Shourabh	NB: Fong Shin	
	NB: N. Morozov	
	1.4.1995	
J/2 Amer Shanti	Rm-4	Mando J/8
J/12 Brest	J/12	Banglar Doot
J/13 Young II	Dq	Banglar Shourabh
MPB-2 Ultima	Rm-3	A. Sky
GSJ Betanavt	MPB-2	Fong Shin
TSP W Naree	J/13	N. Morozov
	NB	Lassa
	J/8	Al Shaymma
	J/2	Kaptai

The above were the shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

sanitation and a water pump."

But, he says, there are limits. Grameen bank cannot become responsible for alleviating poverty across the whole of society. That is the responsibility of government. We have shown that it can be done with little wastage and that we can reach the target."

As for big ticket infrastructure items, privatisation looks an increasingly attractive answer. Bangladesh is almost certainly too poor to consider the kind of toll roads that are now being built in countries like Indonesia, but few doubt that involvement of private capital would do more than aid to help improve the performance of both telecommunications and power utilities.

Gradually in that case foreign direct investment might become a substitute for aid. Decision-making in areas such as privatisation has been held up by the political crisis. It remains to be seen whether a reduction in the scope and reach of government will be more successful than keeping the government supplied with cash.

But with remittances from overseas Bangladeshis increasing too, it is dawning on at least some people in government that aid is not the only answer.

In the past the country suffered from a kind of auto-intoxication, says Saffur Rahman, Finance Minister. "That was bad. It destroyed the nation's commitment to develop its own resources. We should learn to depend more on ourselves."