



More funds from donors sought for agri-research

Development partners should provide more funds for agricultural research to get rid of present stagnation and broaden production base in farm sector to ensure food for the burgeoning population of the country, reports UNB.

Agriculture and Water Resources Minister M Majid-ul-Haq viewed this while opening a 2-day round-table conference on 'Bangladesh Country Portfolio Evaluation' yesterday.

The Economic Relations Division (ERD) and the International Fund for Agricultural Development (IFAD) have jointly organised the conference. Government officials, representatives of IFAD, donor agencies and NGOs are participating in it.

"We are reaching the point of stagnation in agricultural production as fund shortage hampered agricultural research for further development," Haq said and called for drawing action plan to face future challenges of the country.

Portraying a grim picture, and hardship of rural poor, the minister said natural calamities like drought, flood and desertification in the north and southern parts of the country must be tackled to fulfil the IFAD's mandate of poverty alleviation in Bangladesh.

A major constraint to the development of our agriculture, he said, is inadequate transfer of available technology to the marginal and small farmers for the yet underdeveloped two-way extension-research linkage, together with smaller farmers' inability to absorb technology in a sustained manner.

The minister said human inability to win over the vagaries of nature caused a shortfall of production target this year. The situation calls for measures capable of providing adequate cushion against uncertainties associated with our production environment and system.

"We require ways and means to harness existing resources to the advantage of the major segment of our population. We require to broaden our production base by crop diversification keeping in view the specific land-water regime of each area."

Chaired by ERD Secretary M Lutfullah Majid, the inaugu-

ral session was also addressed by ERD Joint Secretary A K M Rezaur Rahman, IFAD member of the Executive Board Hugo Smith and IFAD Director of Evaluation P Spitz.

The ERD Joint Secretary informed that Bangladesh, one of the largest recipients of IFAD's concessional loan, had received assistance worth 210 million US dollar to date for 13 projects, 8 of which have already been completed.

A new project under the name and style of employment generation for the rural poor has been recently approved by the IFAD Executive Board, the estimated cost of which is more than 14 million US dollars. Four more projects are also in the pipeline, he said.

IFAD programmes, said Rahmam aims at combating hunger and rural poverty in the low-income region of the world through increase of agricultural productivity and generation of employment.

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NASA to cut 28000 jobs

CAPE CANAVERAL, Florida, May 20: The US space agency NASA announced cutbacks Friday that will eliminate more than 28,000 jobs for civil servants and contractors, reports AFP.

NASA Director, Daniel Goldin, said the cuts were necessary to meet President Bill Clinton's goal of cutting five billion dollars from NASA's budget by the year 2000.

The decision will affect 3,500 jobs at NASA, whose staff will be cut from 21,060 to 17,500 between now and the year 2002. Goldin told a news conference. The remaining 24,500 job cuts will affect NASA contractors.

NASA's 10 major field centres and major programmes will be unaffected by the cutbacks, Goldin said.

But he added that a Republican plan to cut NASA's annual budget from its current level of 14.4 billion dollars to 11 billion dollars by the year 2002 might require such action.

The White House wants NASA's annual budget at 13 billion dollars by the end of the century.

"I don't know how to cut much below that and maintain the vitality of the agency," Goldin told a news conference that was broadcast at NASA centres, across the country.

BUDGET '95-96: Business leaders speak out

Separate tax policy needed to ensure growth sustenance in SCI

Small and Cottage Industries (SCI) should get some protection from the government and there should be a separate tax policy to ensure sustainable growth of this sector, says Anul Huque Shohel, president, National Association of Small and Cottage Industries of Bangladesh (NASCIIB).

He was interviewed by Rafiq Hasan.

Following is the full text of his interview.

The Daily Star (DS): What is your sector's expectation from the next budget? Do you think the priorities in the last budget were implemented properly?

Anul Huque Shohel (AHS): We expect that Small and Cottage Industries (SCI) sectoral products will get preference regarding direct and indirect levy of taxes over others. No separate priority was given for SCI products in the last budget. Only duties and taxes were reduced on some goods (SCI, mid-level and large industries products) equally where SCI products are facing uneven competition. So, the question of implementation of priorities does not arise.

DS: Do trends in your sector show a growth or decline? Why?

AHS: It appears to be in stalemate condition or stagnant as before, mainly due to non-availability of sufficient credit from banks/financial institutions for their rigid and age-old complicated procedures. Unreasonable fiscal policy of VAT, tax structure and tariff duties without making any difference among SCI, medium and large industries.

DS: Have you any suggestions for any major policy changes to bolster the econ-

omy?

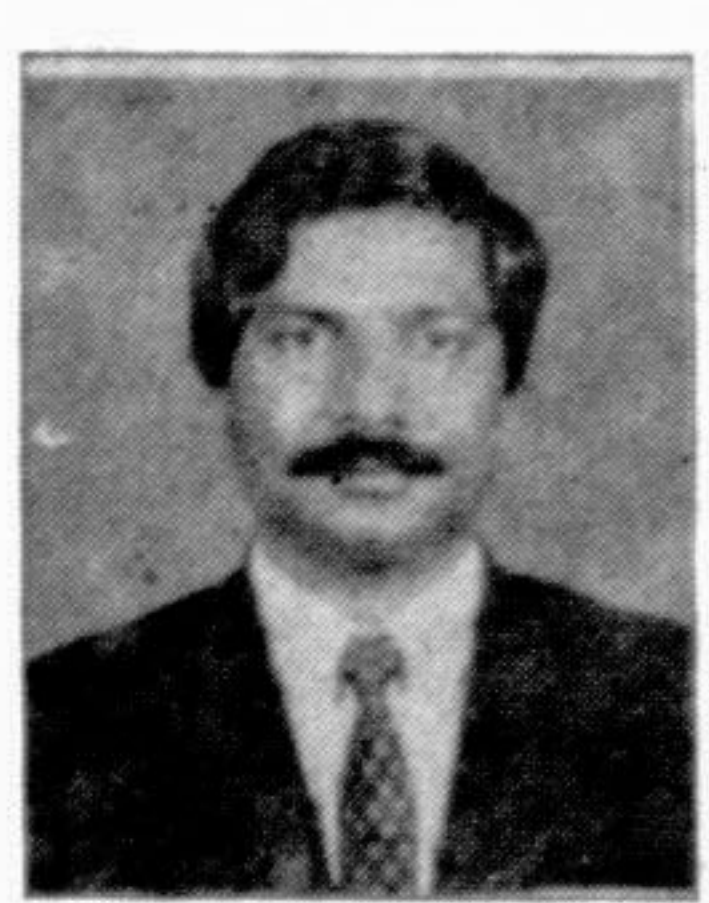
AHS: At this implementation stage of economic reform policy we do not like to offer any major policy change. But the SCI sector should get some preferential treatment.

DS: What is your opinion about the current political situation? How is it affecting the economy?

AHS: The present political uncertainty and instability is affecting business community very adversely, including the SCI sector. The political parties should solve the problem immediately.

DS: How do you view the overall economic scenario and what are your suggestions to improve it?

AHS: The overall economic situation seems to be improving. As the economy is largely dependent on agriculture, this sector should be improved rapidly through extensive mechanised cultivation and irrigation. Industrial sector should also be developed, spe-



Anul Huque Shohel

cially the SCI sector which is potential sector for employment generation at a lesser investment. Besides education, health, family planning and housing sector should also be given proper importance for overall development.

DS: How many members are there in your association? When was it formed?

AHS: Presently the NASCIIB has over 6000 members scattered throughout the country. It is a nation-wide organisation, having branches in all 64 districts. Our aim is to protect interest of SCI entrepreneurs as well as to develop skills for faster growth of this sector. NASCIIB was established in 1984 and registered by the Ministry of Commerce.

DS: What was the estimated annual turnover of your sector last fiscal and how much is it likely to be in 1994-95? What was the estimated contribution of your sector to the national exchequer in the form of taxes and duties?

AHS: The overall turnover of the industrial sector in last fiscal year was Tk 98660 million (tax revenue 1993-94). GDP growth in industrial sector is about 11 per cent and SCI sector contributes about 4.75 per cent and workforce comprises 80 per cent of the total workforce in industrial sector. Current revenue (94-95) in GDP is 11.9 per cent estimated in industry.

Contribution of SCI sector in national exchequer is around Tk 4230 million (estimated) in 1994-95.

(Readers are invited to send their views on the next budget along with passport size photographs.)

Shippers' Council concerned at raising shipment charges to USA

"Shippers' Council of Bangladesh has expressed concern and resentment of the exporters to the Asia North America Eastbound Rate Agreement (ANERA) for increasing Common Origin Receiving (CFS/CSC) charges from Tk 65/- to Tk 170/- per CBM for shipment to USA, in spite of its strong opposition," says a press release.

ANERA consists of 9 leading Shipping Lines operating between Asia and North America. Prior to incorporation of our Sub-Continent into ANERA, these shipping lines used to realise CFS cost from shippers at the rate of about Tk 65/- per CBM. But after extension of their jurisdiction

over this region, ANERA enhanced this rate to Tk 170/- per CBM on the plea of achieving trade stability in the area.

Shippers' Council of Bangladesh immediately protested against this decision and requested ANERA to reconsider it in the interest of our export to USA. Such high escalation in CFS/CSC charges, without consultation with shippers, was not justified, as the CFS costs were not changed here warranting such high increase, except that ANERA extended its jurisdiction in the region. Shippers, therefore, considered this action of ANERA as their monopolistic policy to earn extra revenue from out of this levy, rather

than a cost recovery device. This restrictive policy of ANERA was also not compatible with the competitive open market economic and shipping policies now being pursued the world over.

But in spite of our strong protest and request for its postponement, ANERA went ahead in implementing their decision to increase these charges unilaterally. Then Shippers' Council again requested ANERA to either rescind their decision for increasing these rates, leaving it to the individual members lines to recover their actual CFS costs as before, or bring it down to the original level of Tk 65/- per CBM. But they have not yet agreed to reconsider their decision in the matter.

In this context, Shippers' Council of Bangladesh would like to assure our exporters to USA that it will continue its efforts with ANERA to find a satisfactory solution to this issue and keep the shippers informed about the progress made in this regard in future."

President Biswas said Bangladesh achieved remarkable macro-economic stability through various structural reform programmes.

"Government has been encouraging direct foreign investment by offering a variety of incentives."

The President told the envoy that the relations between Bangladesh and Norway had developed steadily and satisfactorily over the years to the mutual benefit of the two nations.

MOU on dev cooperation with Norway soon

A Memorandum of Understanding on development cooperation between Bangladesh and Norway will be signed very soon, reports UNB.

The new Norwegian Ambassador, Arne Roy Walther, stated this while presenting his credentials to President Abdur Rahman Biswas at Bangabhaban yesterday, expressing the hope that the MOU would further strengthen bilateral relations.

Accepting the credentials, the President appreciated the important role being played by Norway as country's development partner and said Norwegian economic assistance had been a great help to our people.

"The government has been trying to bring about qualitative changes in the life of people of the country, particularly in the rural areas," he mentioned in this regard.

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আমাদের স্বাস্থ্য

সর্বসাধারণের স্বাস্থ্যের জন্য আমাদের কাছে যে অম্লী ব্যাংক, বাংলাদেশের সর্ববৃহৎ স্বাস্থ্য সেবা, ২৮২ নং সলহী (হোয়াডের মোড়) হতে ১০৬ নং সলহী (বনিকপাট) বাংলাদেশ-এ গত ২০-০৯-৯৫ই তারিখে স্থানান্তরিত হয়ে নতুন ভবনে ব্যাংকিং কার্যক্রম শুরু করেছে।

পূর্ব প্রধান অম্লী ব্যাংক
বাংলাদেশ স্টেট ব্যাংক
ফোন নং ২৮২, বাড়ি নং ৮-৬৬
১০৬ নং সলহী (বনিকপাট)

নতুন প্রধান অম্লী ব্যাংক
বাংলাদেশ স্টেট ব্যাংক
ফোন নং ১০৬, বাড়ি নং ৯২-২০
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অম্লী ব্যাংক
১২, ১০৬/১০/৯৫ই

Training course on double entry accounting system

A six-day training course on double entry accounting system for the officers and staff of Bangladesh Water Development Board has got underway yesterday at Audit & Accounts Training Academy, Segunbagicha, says a press release.

The course has been jointly sponsored by the Audit & Accounts Training Academy and Bangladesh Water Development Board.

Presided over by Asif Ali, Director of the Training Academy, the inaugural function was attended among others by Mohammad Nazrul Islam, Secretary, Ministry of Water Resources as chief guest and Fazlul Huq, Controller General of Accounts, Govt. of Bangladesh as special guest.

Abdur Rouf Chowdhury, Member, (Finance) of the Water Board and MM Ali Chartered Accountant also spoke on the occasion.

ROK telephone workers suspend strike threat

SEOUL, May 20: Concern that South Korea's phone system could be paralyzed eased Saturday as union workers at the nation's state-run telephone monopoly suspended their strike threat, reports AP.

The decision came after President Kim Young-sam declared the threat from the militant Korea Telecom Labour Union to be a "challenge to national security" and pledged a resolute government response.

The labour dispute at Korea Telecom, which monopolizes domestic phone service and

handles most international calls, is the latest to hit public services here.

Striking train and subway workers virtually paralyzed rail service for a week last year until a police crackdown, costing South Korea hundreds of millions of dollars in export delays.

Fearing that homes and businesses could lose phone service, the government Saturday revealed plans to dispatch military personnel, including 1,500 communications experts, as replacements if

5,000 unionized Korea Telecom workers struck.

The unusual show of determination led the union Saturday to suspend sit-in protests at 300 local Korea Telecom outlets. On Friday it postponed a strike threat, proposing a cooling-off period until Wednesday in an effort to resolve the dispute through dialogue.

Workers had threatened to strike unless the government retracts plans to punish union leaders, but on Saturday Communications and

Information Minister Kyong Sang-hyun reaffirmed that 60 unionists will be punished.

Korea Telecom union members say they have suffered low wages for many years because the company has been quicker than private-sector firms to accede to government pressure for wages to be held down to control inflation.

South Korea competes with Japan in several key industries, including autos, semiconductor and shipbuilding.

Commodity market: Prices of coffee, gold, tea down tin, lead up

LONDON, May 20: Coffee market sulked this week over the announcement that Brazil and Ivory Coast would join the world export retention plan, thrashed out in March by the Association of Coffee Producers (ACP), reports AFP.

The prospect of a fall in the volume of coffee from Brazil, the world's leading producer, and from the Ivory Coast, the world's second largest producer, failed to impact on the market, which had already factored a fall in the world production into prices.

Elsewhere, commodities were generally quiet during the week.

Cocoa lifted slightly after sliding in previous weeks, while rubber was weaker. Grain continued to firm, while both oil and vegetable oils fluctuated irregularly, and the precious metals were weakened by the dollar's recovery.

GOLD: Decline. The precious metals were weaker this week as investors withdrew from the market to switch to the rising dollar. Gold fell by between one and two dollars to 383 dollars per ounce.

The announcement of a record drop in world mining production, down 0.6 per cent to 1,899 tonnes, its lowest level for 20 years, had no effect on the market, dealers said.

SILVER: Depressed. For the last two weeks, silver has hovered around 5.35 dollars per ounce, hit by the decision by US Investment Funds to leave the market.

Last month, prices rose to six dollars per ounce, their highest level since March 1989.

An annual study by London specialists GFMS stated that a growing world production deficit was the root of the price rise, and that declining mining production will no longer satisfy demand and stocks will fall.

precious metals lower, falling by around seven dollars to 435 dollars per ounce — its lowest level since March.

Analysts Johnson Matthey said the melt, mainly used in the manufacture of catalytic converters, was increasingly used for speculative investment.

Demand for platinum in ingots, used mainly for investment, rose by 30 per cent in 1994.

COPPER: Easing. Copper slipped some 16 dollars to 2,742 dollars per tonne, easing, despite stock draws, as dealers remained cautious ahead of the arrival of more Chinese material in Singapore.

A second shipment of metal is now widely expected to arrive in Singapore warehouses around May 20, although estimates of the tonnage of copper on board vary from 20,000 tonnes to 28,000 tonnes.

One such shipment has already arrived in Singapore, and up to four are expected.

Weekly stocks on the London metal exchange fell by 12,775 tonnes to 198,500.

LEAD: Higher. Lead rose around six dollars to 604 dollars per tonne, generally underpinned by news of a force majeure at MIM Holdings' Mount Isa mining operations in Australia.

Mount Isa declared force majeure on zinc and bulk concentrates at the copper-lead-zinc operations late Monday, boosting lead and zinc prices.

Workers at Mount Isa on Thursday backed a peace plan put forward by the Australian Council of Trade Unions, but they are still awaiting a response from the company.

While this is quite likely in the near term, those expecting a deluge of Russian material may be disappointed.

"History shows that a flood of summer material from Russia is not necessarily always the case, and there is some talk that they have been relatively efficient this year," GNI added.

Weekly stocks fell by 5,100 tonnes to 260,875.

ZINC: Stable. Zinc ended the week marginally lower,

around 60 dollars during the week to end at 5,820 dollars per tonne.

Dealers at billion metals said the market had benefitted from a combination of positive factors — improving demand, continued low western production and, most importantly, lower Chinese exports to the west.

It would appear in that in the present environment, the stock consumption ratio, currently, at around 12 weeks, will fall further in the near to medium term, they said.

Weekly stocks fell by 735 tonnes to 17,635.

COCOA: Higher. The price of cocoa rose by around 20 pounds during the week to around 960 pounds per tonne in calm trading, with no particular news on the market, dealers said, adding that cocoa supplies remained plentiful.

British broker E D and F Man revised upwards its estimate for the production deficit for this season to 165,000 tonnes from 89,000 tonnes previously estimated.

The revised figure was due to forecasts for a weaker 1994-1995 harvest (October to September) in Malaysia, at 155,000 tonnes compared with 190,000 tonnes, and in Brazil, at 220,000 tonnes from 280,000 tonnes.

COFFEE: Lower. The announcement that Brazil and the Ivory Coast would join an export retention plan from July 1 failed to support coffee prices, which slipped to 3,050 dollars per tonne.

Brazil and the Ivory Coast had signed an export limitation plan introduced by the Association of Coffee Producers (ACP) in March but failed to implement it.

Dealers said the news had already been factored into the market and that prices were generally at a high level.

reference price began the week at around 298 dollars per tonne — is lowest level since February 1994 — after large harvests were forecast in several producer countries.

But buying by Poland and Turkey, and rumours of Chinese importing, pushed prices up to 301 dollars per tonne.

The market was also helped by delays in delivery of sugar from Brazil, due to the exceptionally large harvest in 1994-1995, which caused blockages in the ports.

VEGETABLE OILS: Higher. The vegetable oils generally moved higher on the Rotterdam market, lifting in line with soya prices in Chicago, which were in turn boosted by humid weather — a negative factor.

Soya prices then fell as the weather improved, and the vegetable oils subsequently eased on the Dutch market. Prices later rose as torrential rain hit plantations in the United States.

Sunflower oil fell despite prospects of a fall in 1995-1996 production to 22.8 million tonnes compared with 23 million tonnes in 1994-1995, the specialist oil world-review said.

OIL: Calm. The oil market remained calm this week, with the Brent Crude reference price for delivery in July trading around 18.5 dollars a barrel.

At the beginning of the week, prices were supported by a strike by oil workers in Brazil, and by a rise in petrol prices on the New York market.

Disappointing stocks figures midweek from the American Petroleum Institute later caused prices to slip from 18.8 dollars a barrel to 18.35.

The strike by Brazilian oil workers continued despite an offer of talks by Brazilian President Fernando Collor.

production had been reduced to below 300,000 barrels a day compared with 720,000 barrels in normal conditions.

RUBBER: Stagnant. Prices remained around 1,120 pounds per tonne as buying slowed in Europe and North America. Tyre manufacturers are waiting for prices to go lower before buying in stocks, a dealer with Lewis and Peat said.

Prices on the Singapore market fell midweek, after Southeast Asian producers sold rubber stocks.

Production in the Asian region, which provides 75 per cent of the world's production, has recovered from its falls last year, dealers said.

GRAINS: Firm. The prices of wheat and barley remained firm on the London market as British stocks ran dry and European Union reserves were extremely low, dealers said.

Wheat settled around 122 pounds per tonne after a high of 14 pounds, while barley rose to 112 pounds per tonne.

French grains were helped by the low level of the franc.

In Chicago, prices fluctuated after turbulent weather conditions. The winter seedlings have not been affected by torrential rain that has hit plantations. But spring seedlings are lagging compared with the previous year.

TEA: Decline. The average price on the London auction market fell by two pence to 103 pence per kilo after large quantities of poor quality tea arrived from Sri Lanka and Kenya.

COTTON: Irregular. The cotton outlook price indicator fluctuated around 1.14 dollars per pound. The futures market declined as speculators withdrew from the market and demand appeared weak.

WOOL: Strong. The reference price in the market in Bradford Northern England rose by five pence to 525 pence per kilo, boosted by Asian buying on the Australian market.