



Potential traders should explore world market for farm products

Start Report

The Export Promotion Bureau (EPB) has suggested that the country's potential traders should explore world market for agricultural products.

According to official sources, vegetables, fruits and pomegranates have bright trading prospects in the international market.

Bangladesh has its own ethnic community markets in the Middle East, Europe and North America. Exporters can earn a high profit margin from these areas.

Potatoes, tomatoes, onions, lemons and limes, bananas, pineapples, mangoes, litchies and papayas have high demand abroad. The country must develop its export infrastructure to utilise those potentials.

An EPB official said due to difficulties in augmentation of supply in the internal market, the other procedures like grading, packaging and air transportation can not be done properly.

He spoke of some other problems about export activities, like lack of sufficient air freight space, cold storage facilities for perishable fruits and vegetables.

According to an official statistics, Bangladesh produces one lakh metric tons of tomatoes, ten lakh metric tons of potatoes and five lakh metric tons of sweet potatoes.

The most lucrative market for potato may be Netherlands, Belgium, France, Spain and UK. The EPB official said some four million Bangladeshi ex-

ports are living in different countries of Asia, Europe and North America and they constitute the major consumers of Bangladeshi vegetables and fruits.

Bangladeshi traders generally export these items almost in an informal way. They procure vegetables, pack and take them to the airport where storage facilities are yet to develop. They bind these goods with ropes and strings.

Meanwhile, MA Rahim, Director of EPB told this correspondent that Bangladeshi frozen foods, specially shrimps, tortoise, crabs could be made popular in the Western and American markets by adopting an aggressive marketing policy by the exporters.

Rahim, hoped that the ex-

port of frozen foods could be increased more than double within a decade.

He said our exporters should maintain quality of frozen foods which are being exported to USA and EU countries. "USA and EU countries are specially concerned about the quality of our shrimps," he said adding USA wants to introduce a new Sea Food Safety Control System which will cost high to implement in this country.

The Director, has suggested that we should increase the exportables surplus of vegetables and fruits, diversify our products, undertake adequate research and development programmes to tap the opportunities of the global markets.

Child labourers in garment factories to be eliminated by Oct 31: Redwan

CHITTAGONG, Aug 30: Redwan Ahmed, the President of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) said Thursday that the association in cooperation with UNICEF and ILO would totally eliminate child labour from Bangladesh garment sector by October 31 next, reports BSS.

Addressing a press conference at a local hotel he said that a joint survey conducted by UNICEF, ILO and BGMEA in 1821 garment factories in Dhaka, Narayanganj, Chittagong and Khulna identified 10,547 child labourers and those child labourers were absorbed in the education programme.

He said, 130 schools for child labourers have been set up in Dhaka, Narayanganj, Chittagong and Khulna with the help of UNICEF and by now 2015 students have been enrolled in those schools. UNICEF, ILO and BGMEA have been financing the education programme for child labourers, he added.

He said the education programme for child labourers is being implemented on the basis of a memorandum of understanding signed by BGMEA, UNICEF and ILO. He said the child labour issue has become a matter of concern as importers of Bangladesh ready made garments have been pressing for abolition of child labour from garment sector. He said, education programme for child labourers may continue for three years.

State minister for labour says Steps soon to make life of Tokais meaningful

State Minister for Labour and Manpower M A Mannan yesterday said that the present government would take necessary welfare measures so that the life of poor children and Tokais become meaningful, reports BSS.

He addressing at the 'Consultation session on education, rehabilitation and future of child labourers in Bangladesh' organised by Bangladesh Garment Manufacturers Federation at Jatya Press Club here in the morning. Former Minister Barrister Rabeya Bhuiyan MP, Brother D'Suza, Jatya Sramik Party President Shah Mohammad Abu Zafar, Red Barnet Country Representative Rina Sen Gupta, UCEP Director Dr Alimullah Mian and Bangladesh Garment Sramik Federation President Mohammad Khurshid Alam also spoke.

"I am not in favour of child labour but can you cite a country where there is no use of child labourers? We have to play our social role so that the society can take welfare measures for alleviation of root causes of birth of child labourers," the statement minister said.

Mannan emphasised the need for bringing the poor children and Tokais into the mainstream so that they can be reared up for a decent life.

Barrister Rabeya Bhuiyan underscored the need for making uniformity in our labour laws. She also favoured formation of a watch dog body to look after the children programmes.

Shah Zafar acclaimed the Food for Education Programme for the poor students initiated by the previous government of Begum Zia and called upon the present government for expanding this welfare-oriented programme for the improvement of the education of the poor children.

Paddy price down in Habiganj

HABIGANJ, Aug 30: The price of paddy abruptly has come down in the district due to failure in current procurement drive, leaving the local farmers in financial constraints, reports UNB.

Only 62 tons of paddy have so far been procured from two out of 10 thanas of the district till Sunday against the procurement target of 500 tons from the district.

The price of paddy per maund was Taka 278 in the month of May and now it has come down between Taka 190 and Taka 210.

The local farmers alleged that they were interested to supply paddy to government godowns against government fixed rate of Taka 7.35 per kg but the local officials refused to procure paddy as per the fixed rate on various excuses.

Handloom project of Tk 57.57 lakh taken up at Ctg hill dist

BANDARBAN, Aug 30: A coordinated development and rehabilitation project for handloom industries have been taken up at a cost of Taka 57.57 lakh in the Chittagong Hill districts, reports UNB.

Chairman of the Bangladesh Handloom Board (BHB) Dilip Biswas told UNB that a total of 360 tribal men and women will be trained in these courses under the Integrated Development and Rehabilitation Projects in the hill tracts region this year.

As part of the round-the-year training programme, a three-month training course for the tribal women began at the BISCIC centre at Balaghata this week. Some 60 tribal women are taking part in the training course organised by the BHB.

Each trainee will be given a handloom and Taka 10,000 cash as interest-free loan after completion of their training.

BHB will organise two separate training courses in two hill districts of Rangamati and Khagrachhari town.

Malaysia imports cattle from Cambodia for beef

KUALA LUMPUR, Aug 30: A shipment of 287 cows arrived Thursday in Malaysia, the first among the tens of thousands planned for import from Cambodia, a news agency reported, says AP.

The locally slaughtered cattle will provide fresh beef for buyers more accustomed to imported frozen beef, the Pahang state chief minister Khalil Yaakob was quoted as saying by Bernama news agency.

Bernama said Pahangbif Private, a subsidiary of the government-owned Pahang State Development Authority, has signed a contract to import 50,000 to 80,000 heads of cattle, every year.

Khalil was quoted as saying that Pahang state and Cambodia are also keen on boosting bilateral trade and economic cooperation.



Mohammad Yunus, Vice Chairman, Board of Directors of Islami Bank Bangladesh Limited, addressing the inaugural ceremony of a two-day long branch managers conference of Dhaka zone of the bank on Thursday in the premises of Islami Bank Training and Research Academy.

India rejects Opposition demands to review all telecom deals

NEW DELHI, Aug 30: An Indian minister Thursday rejected opposition demands to review all telecom deals awarded during the last three years by his predecessor who is now facing corruption charges, reports AFP.

Communications Minister Beni Prasad Verma told parliament that while he would ensure transparency in future contracts, any review of the earlier deals "would not be useful."

"We want to maintain transparency in all telecom tenders," he said, adding that the government was keen on private sector participation in telecommunications sector to meet the growing demand for telephones.

Verma's comments followed a call by opposition MP Nawal Kishore Rai for the government to review telecom deals awarded by former minister of state of communications Sukh Ram since 1993.

Ram, who led the communications ministry in the government of former premier PV Narasimha Rao, has been under a cloud since detectives allegedly found huge amounts of cash from his homes about a fortnight ago.

The Opposition Bharatiya Janata Party (BJP, Indian people's party) and the Communist Party of India-Marxist (CPI-M) meanwhile demanded a par-

liamentary investigation into Ram's alleged corrupt dealings.

"Ram has violated all norms of the department of telecommunications as he has given

Boeing may sell up to 50 of its new 747s

NEW YORK, Aug 30: Boeing Co has orders from Asian carriers for more than 30 of its new larger and longer-range 747 jumbo jets at an estimated value of more than \$5.5 billion dollars, The Wall Street Journal reported Thursday, says AP.

The orders could grow to 50 planes by the time Boeing announces the launch of the new models, expected at the biennial Farnborough Air Show that begins Monday in Britain, the newspaper said, citing executives familiar with the company's sales.

Japan Airlines, Malaysian Airlines and Singapore Airlines have already agreed to place orders for what will be Boeing's largest plane. All Nippon Airways of Japan and Cathay Pacific Airways of Hong Kong were still negotiating with Boeing.

Deliveries of the jets would begin in the year 2000.

away (deals worth) millions (of dollars) to some companies, and these display favouritism and corruption," said Basudev Acharya, a communist MP.

Acharya said the government should also publicise any action it takes against Ram and other telecommunications ministry officials who were in league with him.

A BJP MP, Ram Naik, said the parliament should probe the tainted former minister's dealings because Ram, an MP, had brought disrepute to the house.

The Congress (I) party of former premier Rao, which has already suspended Ram, said it had no objection to any investigation.

Runu Ghosh, a communications ministry official who reported directly to Ram, has been arrested here, allegedly with large sums of unaccounted money. Both Ram and Ghosh allegedly promoted select telecom companies.

Ram oversaw the opening of India's mammoth telecommunications sector three years ago in line with sweeping free-market reforms.

Matsushita to start sale of digital video disc in Nov

TOKYO, Aug 30: Japan's Matsushita Electric Industrial Co announced Thursday it will start selling digital video disc players in Japan on Nov. 1, says AP.

A sales date in the United States hasn't been announced yet, but Matsushita spokesman Takayoshi Tachibana said, "We're aiming for the Christmas season."

Two models will be available in Japan, priced at 79,800 yen (739 dollars) and 98,000 yen (907 dollars). The company sells its products under the Panasonic, National, Quassa and Technics brand names.

DVD players are billed as a major home electronics product that will eventually replace CD and videotape players. They offer higher sound and picture quality, and their discs can store seven to 14 times more information than CDs.

With its announcement Thursday, Matsushita gets a head start on other Japanese competitors. Archival Sony Corp. said Wednesday it won't start selling DVD players until next spring, citing lack of software. Toshiba Corp. is aiming for the Christmas season but hasn't given a date yet.

Tachibana said about 40 or 50 DVD titles including movies will be available when the players go on sale in November. Matsushita plans to produce 30,000 DVD players a month, and another 10,000 TV sets with an internal DVD player.

Many companies in the movie industry are worried about protecting their software since the digital technology of DVD players allows near-perfect reproduction of sound and pictures.

France will take part in EMU, says Chirac

PARIS, Aug 30: France will meet the Maastricht Treaty criteria for Economic and Monetary Union (EMU) and will participate in 1999, French President Jacques Chirac said forcefully on Thursday, reports AFP.

Addressing a conference of French Ambassadors here, Chirac declared "France will be at the rendezvous and will respect the timetable."

The same point had been made earlier in the day by Prime Minister Alain Juppe, addressing the same ambassadors.

Chirac said "the single currency will permit low interest rates and thus more growth and more jobs adding that monetary union would put an end to competitive devaluation's on condition that strict rules are fixed as we are demanding for relations between the Euro and the other European currencies."

The president insisted on the need to build a more stable and more just monetary order, saying that the Euro would at last permit Europe to count, on an equal footing with the United States in the major financial negotiations.

Juppe said that taking part in EMU is in our interest and looking beyond that, this relates to the political project that France and Germany have together for 21st century Europe.

To take part in EMU and the European Union's single currency, slated to start up on January 1, 1999, countries must meet strict standards laid down in the treaty covering government deficits, inflation and interest rates.

There has been speculation that France might find it difficult or impossible to reconcile

the austerity measures required by the Maastricht criteria with the need to boost the flagging French economy and fight high unemployment. The French jobless rate now standing at a hefty 12.5 per cent.

French unions are expected to fight some austerity measures, and most observers expect a 'hot autumn' on the labour scene.

There has recently been international debate on whether the Maastricht time-table for EMU can be met, and whether the tough convergence criteria should perhaps be toned down."

China's top policymaker invited to visit Taiwan

BEIJING, Aug 30: Taiwanese business leader Kao Ching-Yuan has invited one of China's top policymakers to visit Taiwan, reports Reuters.

The spokesman said the invitation was offered to Wang Zhaoguo, Director of the Chinese cabinet's Taiwan affairs office, in a private capacity, but there was no definite commitment to accept.

An official of Taiwan affairs office in Beijing denied Taiwanese newspaper reports that Wang had accepted Kao's invitation.

Kao is heading a delegation of nearly 80 Taiwanese business leaders and politicians who arrived in Beijing on Tuesday. Taiwanese economic officials have joined the delegation in a private capacity.

BSFIC imports sugar

Nearly 50,000 tons of sugar imported by Bangladesh Sugar & Food Industries Corporation (BSFIC) reached the country last week, reports UNB.

Besides, another 25,000 tons of sugar is expected to be here in the first week of September in two shipments which will be followed by another 37,500 tons of sugar in three consignments in October next.

The BSFIC will import a total of one lakh 12 thousand and 500 tons of sugar.

Yugoslavia accepts conditions for return to IMF

BELGRADE, Aug 30: Yugoslavia on Thursday appeared to have accepted the International Monetary Fund's conditions for membership, according to the state news agency Tanjug, reports AP.

Yugoslav membership in the Fund was discontinued as a result of the Balkan war. The country's readmission as a full member would enable it to obtain badly needed credits.

The government of ramp Yugoslavia consisting of Serbia and Montenegro, published a decree announcing its acceptance of the IMF conditions. Parliament then approved the decree without discussion.

The decree said that Yugoslavia "agrees with the membership in the IMF... under conditions and deadlines given in the decisions by the Board of Executive Directors of the fund."

Yugoslavia has refused so far to accept some of the IMF terms, chiefly the recognition that it is not the sole successor to the former Yugoslav federation and, hence, cannot not receive all financial benefits the federation enjoyed before it broke up.

"The talks (with the IMF) were intensive... and we cleared all economic issues regarding the renewal of our membership," Tomica Raicevic, the Yugoslav finance minister, told the deputies in parliament.

However, Raicevic said that Belgrade's attitude toward the continuity and status of Yugoslavia being a successor to the former federation remained the same. That raised doubts about whether its acceptance of the IMF terms was indeed unconditional.

BIBM course on lending risk analysis ends

A 12-day course on Lending risk analysis conducted by the Bangladesh Institute of Bank Management in the city Thursday, says a BIBM press release.

The course highlighted the various aspects of lending risk analysis, such as borrowers' balance sheet analysis, credit scoring, business risk, security risk etc.

Dr Bandana Saha, Faculty Member, BIBM, presided over the concluding session of the course.

Speaking on the occasion she said lending risk analysis was a tool for quality control of credit.

The concluding session was marked by distribution of certificates among the participants.

The course was coordinated by Liaquat Hossain Moral and Ms Fahmida Chowdhury, members of the Faculty of BIBM.

A total of 39 officers from different banks participated in the course.

Education accountability and social loan: Privatisation of higher education

By Dr MA Mannan

It is important to draw a distinction between the public enterprises of commercial nature and other elements of public services which are not normally provided through market.

Generally, non-commercial activities are kept outside the scope of privatisation in most developing countries whereas many of these services have been privatised in developed countries.

It is important to pinpoint some of the areas where privatisation of education, health, administrative services are possible in order to improve the economic efficiency of the economy. There is a growing evidence of the developing countries such as Bangladesh, Pakistan where public sector is over-expanded.

A fine case can, therefore, be made for selective privatisation of non-commercial activities which are expected to produce positive results in terms of improved efficiency, lower fiscal deficits and better allocation of resources.

Privatisation of education and social loan

In most of the developed countries such as the USA education particularly higher education is greatly privatised.

In the context of socio-economic realities of many developing countries, the role of privatisation of higher education deserve serious considerations. Perhaps, it would not be a mistake of privatisation of a part of

the higher education under which either students pay the full cost of education or he receives public subsidized higher schooling on condition that he will be required to repay this "social loan" in one form or another.

Most of the Third World planners and politicians do not fully appreciate that unless social sector entitlement programmes such as free education, health care, etc are linked to social repayment schemes or projects in one way or another, the entitlement programmes tend to be misused, become inefficient and are expected to put burden on the future generation, which amount to mortgaging children's future, not for healthy social investment but to support a system of education which is not capable of producing cadre of people with a clear sense of civic pride and commitment to public service.

In the light of the present alarming trend of emigration by the educated and skilled personnel from countries like Bangladesh, Pakistan and India, the critical question arises as to whether the third world universities are providing highly subsidized education and training to their local people who would eventually leave the country to settle abroad at the first available opportunity, fill up the gap of manpower shortage of developed countries and become a source of relatively cheap labour.

Is it not a distortion in allocation of resources? For example, remittance of Bangladeshis

working in different foreign countries become the largest foreign exchange earner of the country in 1994. Ironically, a vast majority of these workers are unskilled or semi-skilled. The point is that these unskilled people having little or no education are the ones contributing to the development of the country, whereas the people received the higher subsidized education in the country are opting for settlement abroad.

The fact is that unless education grants, subsidy and loan are made contingent on a term of community or social service at a local and national scale, they would not produce the desired result. In such a situation educational grants and subsidy must not be seen as an end in itself.

The current entitlement programmes in their present forms are designed to improve the quality of individual life and their upward mobility, thereby making the recipients selfish and individualistic.

It is not geared in a way that will increase the level of their social awareness and commitment to public and community service. Thus, the concept of educational accountability, social cost and social reciprocity must be integrated into the very concept of educational subsidy or grants or loans in Bangladesh in particular and elsewhere in the third world in general.

There is an imperative need to calculate national social debt involving calculation of cost incurred by the state in offering educational facilities to its citi-

zen particularly in the areas of higher education where the return on education appears to be very low under the present circumstances. It is to be examined as to who are the real beneficiaries of such an expensive higher education?

Since education, formal or non-formal, is a complex social product, the measurement of the rate of return is highly complex. Unlike dams or steel mills, it is not possible to calculate the rate of financial return on educational projects because of the difficulty of determining how much is really consumption, how much represents investment, and how much is a social and political good.

Besides the purposes of the education are likewise complex and may be different in different societies depending on priorities. But in the context of subsidised education, the programme of human resource development must be designed to provide the knowledge and critical skill required by the economy and the society.

Therefore, the return on education in terms of increases in individual income and welfare alone cannot be taken as the only test of the effectiveness of educational programmes. The fact is that the measurement of rates of return on national educational investment have both individual and social dimensions. Similarly, in the health sector also, there is a need to minimize the effects of "free-

rider".

Privatisation of non-commercial services

It follows then that there is a case for privatisation of a part of the social sector activities undertaken by the government. In this context the privatisation of a great number of non-commercial services provided by the government bureaucracy needs to be reviewed.

There is an over-whelming evidence that despite curtailment of activities of the government in the state-owned enterprises that there is no corresponding decrease of the functions of the bureaucracy. Many activities of the government of developing countries were never exposed to serious scrutiny having the legacy of the colonial past including Pakistan, Bangladesh and many African countries.

In this context, the question of reducing the services provided by the government through various Ministries and Departments such as Ministries of Social Welfare, Ministry of Religious Affairs, Information, Foreign Affairs, etc. need to be reviewed along with the question of revival of Islamic Socio-economic institutions (i.e. Awqaf) and Islamic tools of redistribution of income.

A close review of the current activities of the government would reveal that there is a vast scope of reducing the govern-

ment expenditure. For example, as a general rule *Hajj* and *Auqaf* should be self-managed subject to the broad governmental guidelines.

In a recent study, it was shown that the prospect, possibilities and potentialities for development of *Waqf* properties in Bangladesh are very great, indeed. It has been demonstrated that income generated from *Waqf* properties can support social sector activities. This will help the government to develop appropriate fiscal measures for efficient resource allocation having bearing on all public taxation and spending activities of various income groups.

When fiscal austerity becomes inevitable to combat inflation and to stabilise prices and bring budget closer to balance, in such situation reduction of public expenditure in social sector, resulting from the contribution made by the Institution of *Auqaf* makes it relatively easy to attain the goal of fiscal restraint.

Despite budget constraints, this would lessen the pressure on government to accomplish more with same or fewer resources. It is demonstrated in the study that it should be possible to develop action programmes for the development of *Waqf*, involving the utilisation of surplus labour on a voluntary basis. The various types of *Waqf* properties indicate their development in diverse ways. Through appropriate planning, the Institution of *Waqf* can play a very important

role in socio-economic development of Bangladesh.

There are non-commercial services of the government which can be curtailed. For example, it is to be reviewed whether a part of diplomatic services provided by Ministry of Foreign Affairs in the third world developing countries can be privatised.

The reciprocity in diplomatic services between rich and poor nations appear to be contradictory and unrealistic in the context of harsh socio-economic realities of the developing countries where their development are heavily dependent on foreign aid, loan and grants. It is to be further examined whether a part of consular and other related services can be performed by the nationals of their own countries living abroad on an honorary basis.

If it is consciously designed, it would not only reduce the expenditure of the government but also create a climate of awareness of public service among the expatriates of respective countries. These measures may motivate them to return to their country of origin. In an important sense, it may be seen as repayment of their social debt as mentioned earlier. However, these are examples where expenditure can be reduced.

What is important is that all the services provided by the government need to be carefully reviewed to see whether a part of them can be privatised to curtail government expenditure and reduce fiscal deficits.

In this context, it is interest-

ing to mention that in early 1994, new privatisation strategy was initiated in Turkey. It appears that this new initiative has been considered as a key element of the new economic policy designed to reduce the public deficit, increase tax revenue, control the accelerated rate of inflation, and reduce the size of the government sector. With the new law, the scope of privatisation is expanded to include all majority and minority state and municipal shareholdings, except public services and state monopolies, and the transfer of management rights of production or service units of public services and state monopolies (e.g., dams, highways, airports, seaports, hospitals, telecommunications, postal services, railways), together with their non-operating assets, to the private sector.

Though it is too early to evaluate the impact of the new privatisation strategy in Turkey, yet Turkey's privatisation attempts in social sectors such as health and education, is among others deserve attention and worth further exploring.

At this stage, it is important to mention that despite mixed results of privatisation programmes around the world, there is a definite trend towards further privatization in almost all the Muslim countries. It is, however, felt that there is a need to evolve different privatisation parameters for different Muslim countries.

(The author is the founder chairman of Social Investment Bank Ltd.)