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DHAKA, SUNDAY, OCTOBER 13, 1996

Three-day expert consultation begins

## Matia urges scientists to find out alternative use of jute

Agriculture, Food, Disaster Management and Relief Minister Matia Chowdhury has stressed the need for finding out alternative uses of jute to increase its demand and make the fibre more competitive in the international market, reports UNB.

Research for boosting production and improving quality is not enough. If we cannot increase the demand of jute, all research would go in vain, she told scientists at the inaugural session of the Expert Consultation on Jute Agriculture here yesterday.

The three-day consultation, arranged by International Jute Organisation (IJO) is being participated by some 25 scientists and professionals from seven countries, including Bangladesh, and the Food and Agriculture Organisation (FAO). In her inaugural address, the agriculture minister said since many years, jute has been passing through an unstable market condition and fluctuation of price at the growers' level. The situation has further been aggravated by competition from synthetic fibre.

Despite these problems, she expressed the hope that as a result of increasing environment consciousness in the present days, jute would have a bright future. The development of new uses of jute can usher a new era, she added.

Matia Chowdhury also emphasised on increasing per acre jute production, improving its quality and better realisation of the diversification potential of jute fibre.

"Farmers are always guided by the market force," she said adding, "We have to ensure fair remuneration to the farmers as well as to find out international market."

Termining jute as the lifeblood of the country's economy,

Matia said although it has been losing ground over the past two or three decades, jute still contributes nearly 30 per cent of GDP and around 10 per cent of export earnings.

The agriculture minister also stressed the need for regional and international cooperation and collaboration to achieve a real breakthrough in the research and development (R&D) activities in jute agriculture sector.

Speaking as special guest, Ambassador and Head of Delegation of the European Community in Dhaka Michael Drury said recent concern on global environment has put jute into a relatively better position owing to its environmental-friendly characteristics.

He informed the meeting that jute sector projects in Bangladesh on its production and internal market, funded by the European Commission,

were bringing very positive results in increasing yields and improving the quality of jute.

IJO Executive Director KM Rabbani said the aim of jute agriculture research was to reduce cost of cultivation and primary processing of jute and also to make it more remunerative to the farmers and more acceptable to the consumers.

IJO Director Henri L Jason delivered the welcome speech while IJO Senior Officer (Agriculture) Dr M Ayubur Rahman read out a statement on the background, aims and objectives of the expert consultation.

Taking part in the consultation, scientists from Bangladesh, China, India, Indonesia, Nepal, Thailand, the United Kingdom and the FAO will technically review the R&D problems, generate new ideas and set priorities afresh on global basis.

## Donors praise Dhaka's capacity to repay debt

FRANKFURT, Oct 12: Finance Minister Shah AMS Kibria has said that Bangladesh's capacity to repay debt was highly appreciated by the donor countries who were encouraged to commit higher level of aid by the economic and social policies and reform programmes planned by the present government, reports BSS.

The minister was talking to the German Radio Deutsche Welle at Frankfurt airport on Tuesday while coming back to the country after attending the Commonwealth Finance Ministers' Conference at Bermuda and the World Bank meeting in Washington.

Replying to a question whether Bangladesh was one of the countries which were exempted by the donors from paying their debt liabilities, the minister said that Bangladesh was not included in such list because its economic performance was better than those countries in the list and its repaying record was good.

He, however, said volume of Overseas Development Assistance (ODA) to Bangladesh would not decrease in the next year.

"This was a success for us which reflects donors' confidence in the new government," he said.

The minister said he was selected one of the five spokes person to address the press conference after the Commonwealth Finance Ministers' meeting at Bermuda.

## Minister seeks ideas from chamber leaders

State Minister for Law, Justice and Parliamentary Affairs Abdul Matin Khasru has said the government is actively considering to enact the consumers right protection act-1996 within the shortest possible time, according to an official handout, reports BSS.

The State Minister was addressing as chief guest a seminar on consumers interest protection act here yesterday. Organised by the Dhaka Chamber of Commerce and Industry (DCCI), the seminar was also addressed by the DCCI President Ali Hossain.

He said, "mere enactment of certain law will not be sufficient to preserve the interest of the consumers, we have to develop a pragmatic and effective mechanism including proper enforcement of the said law of safeguard the interests of the consumers."

The State Minister invited suggestions from the chamber leaders regarding the proposed act so that it could be readily referred to the Law Commission for necessary vetting.

He mentioned that provisions were included in the proposed consumers right protection act to set-up a national consumers right protection commission headed by a retired judge of the Supreme Court. The national commission will supervise and monitor the activities of the district commissions which will be given the power of a court to try the cases relating to the violation of the consumers rights.

The State Minister also spoke about the control of essential commodities act-1956, essential articles (prices control and anti hoarding) act 1957, food grains supply (prevention of prejudicial activity) ordinance 1979, essential commodities (price and distribution) control order 1987 which are in force now and are enacted to protect consumers interests.

## BWDB workshop begins in Cox's Bazar

A two-day launching Workshop on Coastal Embankment Rehabilitation Project, Phase-II, will begin at Hotel Saibal at Cox's Bazar on Tuesday, says a press release.

Minister for Water Resources, Abdur Razzaq, will inaugurate the workshop as chief guest.

Secretary of the Ministry of Water Resources Dr A.T.M. Shamsul Huda, Chief of Agricultural and Natural Resources Division, RMB, World Bank, Jan Wejbenberg, Chief Conservator of Forest Dr Shamsur Rahman will attend the function as special guests.

The workshop will be presided over by the Chairman of Bangladesh Water Development Board M.A. Salam.

The project will be implemented by Bangladesh Water Development Board (BWDB) in cooperation with Forest Department with the financial assistance of World Bank and European Commission.

The workshop is intended to help reach a common understanding about the project purpose and goals, the roles of project officials belonging to different agencies involved in the implementation and establish agreements about how the project will be managed and to draw up an agreed plan of action, of the project implementation.

## WB President to visit Bangladesh in Feb/March

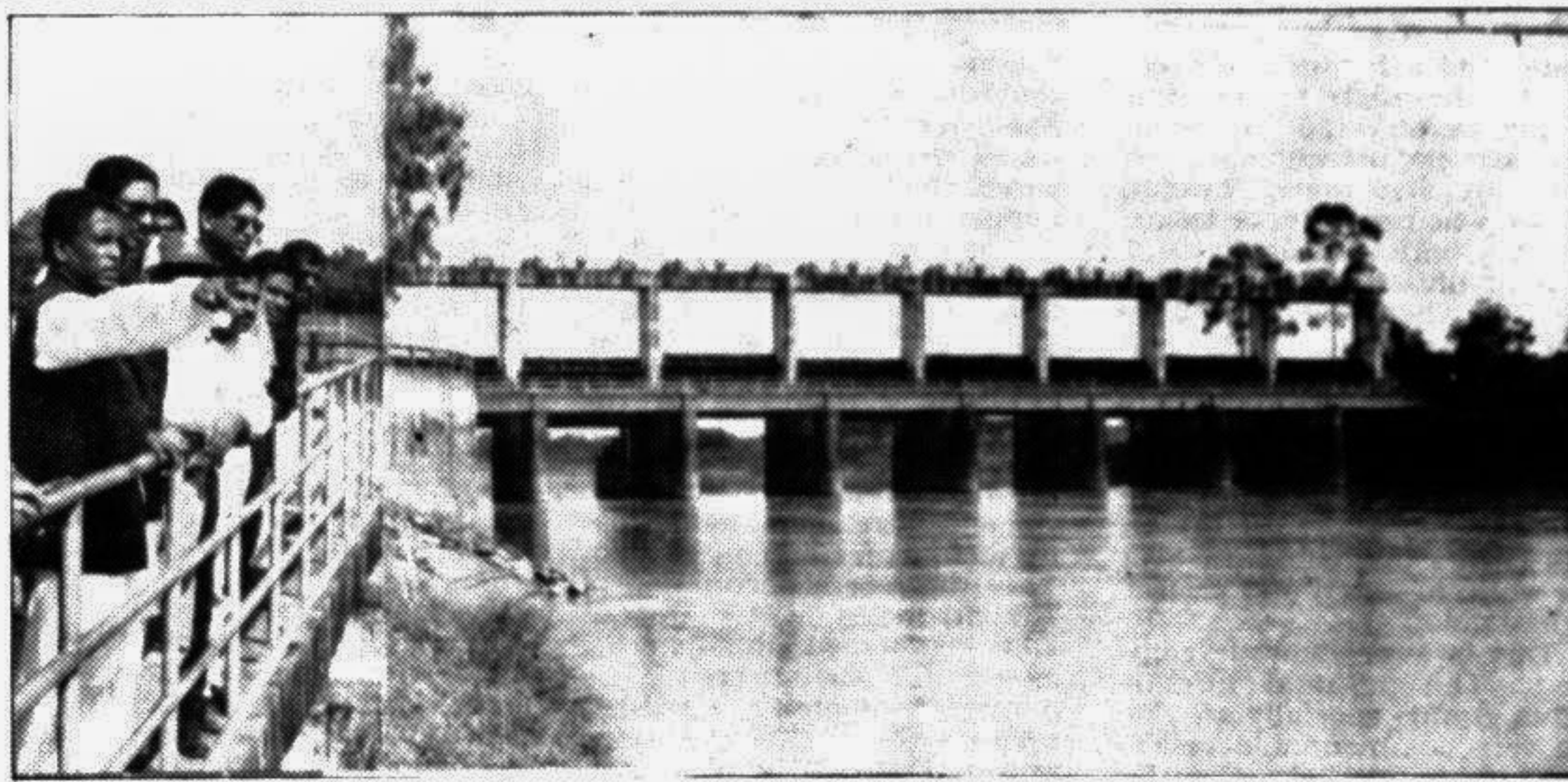
World Bank President James Wolfensohn will be visiting Bangladesh next February or March to expedite disbursement of aid from the pipeline to finance development projects, reports UNB.

Disclosing this in a press conference, Finance Minister Shah A M S Kibria yesterday said the World Bank chief has expressed his personal interest to visit the country to expedite aid disbursement.

Wolfensohn will talk with the Prime Minister and the Finance Minister about the ways for expediting aid disbursement and overall development of the country.

"It's a positive development," the minister said, briefing newsmen about his recent trip to Washington for attending the meeting of the Board of Governors of World Bank-International Monetary Fund Group.

During the visit, Kibria met with the World Bank chief who appreciated the developments in Bangladesh and wanted to facilitate aid disbursement that remained low, increasing resources in pipeline.



Abdur Razzaq, Minister for Water Resources, viewing BWDB's Monu River Barrage Project on Thursday.

## ADB proposes to prepare Bangladesh Bank reform project

The Asian Development Bank (ADB), showing interest in the ensuring banking sector reform programme, has proposed to prepare a project for reform intended for the country's central bank, reports UNB.

The ADB made the proposal for participation in the planned reforms, still uncertain as the World Bank is not yet sure about its coverage of the reform programme, official sources said Friday.

As of now, they said, the World Bank is not sure whether its programme will concentrate only on restructuring of commercial banks, or will also include strengthening the Bangladesh Bank.

The government is also yet to approve the technical assistance project paper (TAPP) for the project which is expected to commence at the end of 1996 and finished by the end of next year.

Findings of the technical assistance by the World Bank, the key fund-supplier for the project, will be used to determine components of the proposed project to reform commercial banks and the central bank.

As the ADB showed interest to participate in the project, the Finance Ministry indicated two alternatives: Either it provides a programme loan in parallel with the World Bank's loan for reform or to improve the performance of Bangladesh Bank.

Reforms in the central bank include supervision of commercial banks, organisational restructuring, human development, computerisation, and development of the Bangladesh Institute of Bank Management (BIBM).

An ADB mission, which visited Dhaka from September 21 to 30, found that the form and scope for the ADB's participation in the project is not clear, and the project processing itself is unlikely to be finished before end of 1998.

"In the circumstances, the Bank participation in this project could be determined only by end 1997 or early 1998," the ADB said in its aid memoir to the Finance Ministry recently.

## PDB Central Zone collects Tk 11cr revenue in September

Revenue amounting to Taka 11 crore 40 lakh 94 thousand was collected by the 'Central Zone' of Power Development Board (PDB) during the month of September '96, says a press release.

Of the total amount, Taka 3 crore 71 lakh 80 thousand was collected in Mymensingh Circle, Tk 5 crore 32 lakh in Sylhet circle and Taka two crore 37 lakh 14 thousand in planning and development circle of the zone.

## Corrigendum

The Chittagong Stock Exchange has identified some printing mistakes in The Daily Star Special Supplement on CSE published on October 10. In the CSE Members' List carried by the supplement, MASCO Shares & Securities Ltd has been printed as Maxim Ltd, JM Overseas International Corp and Mr Fazle Alam as Brothers Securities and Consultants Ltd. We regret the mistakes.

## 3 Sonali Bank branches abroad soon: Kibria

The government will soon open some branches of Sonali Bank abroad to extend banking services to the non-resident Bangladeshis, said Finance Minister Shah A M S Kibria, reports UNB.

"Our policy is to expand banking service abroad," he told a news conference here yesterday, disclosing government plans for establishing at least three branches of the state-run bank to facilitate remittance transfer.

The new branches are likely to be opened in Malaysia and West Coast of the United States and in London where a large number of Bangladeshis live and send a substantial amount of remittances.

Besides, one of the branches of Sonali Exchange in New York will be converted to a full branch of bank, the minister said, briefing about his recent US visit that included opening of a branch of Sonali Exchange in Brooklyn.

The Sonali Bank has already a branch in London. With the opening a new branch of Sonali Exchange, a money transfer subsidiary of the bank, the number of such institutions rose to two in the US.

The finance minister said he had asked the managing director of Sonali Bank, who was in New York on the occasion, to introduce investment advisory service to facilitate investment by NRBs back home.

I was flooded with queries from Bangladeshis who want to invest in the country... we have to respond to it, he said.

## SCB chairman leaves for Bangkok today

M R Ali, Chairman of Shippers' Council of Bangladesh (SCB), leaves Dhaka for Bangkok today to attend the 19th Annual General Meeting of the Federation of ASEAN Shippers' Council FASC, says a press release.

The three-day meeting of the council will be held in the Thai capital from Monday.

## Emirates Holidays' major boost for Malaysian tourism

Emirates Holidays, the leisure management division of Emirates Airline, is intensifying efforts to promote Malaysia as a tourist destination to the Gulf and Middle East, with the launch of the airline's thrice weekly flights to Kuala Lumpur in October, says a press release.

A wider selection of holiday programmes for Malaysia with departures from Kuala Lumpur has been confirmed for release across the Gulf and Middle East from April 1997, targeting both the Arabic and expatriate communities residing in the region.

This is an expansion of the current Emirates Holidays' Malaysian range, which has been marketed since 1993 and features programmes for Peninsular Malaysia and Sabah. These are sold as extensions from Singapore to which Emirates offers 12 weekly flights.

Year-to-date, bookings for Malaysian programmes comprise four per cent of Emirates Holidays total volume — an encouraging response for an off-line destination.

The current range of programmes, called Malaysian Magic by Emirates Holidays, features Kuala Lumpur, Malacca, Penang, Pulau Langkawi and Kota Kinabalu in Sabah.

A golfing holidays section offers programmes at three premium golf courses — the Saujana Golf and Country Club in Kuala Lumpur, the Bukit Jambul Country Club in Panang and Datal Bay Golf and Country Resort in Pulau Langkawi.

Emirates Holidays also promotes rail journeys across Malaysia on the exotic Eastern and Oriental Express.

## 3-day ICMAB professional course ends

A 3-day professional course on company secretariat functions conducted by the Dhaka Branch Council of the Institute of Cost and Management, says a press release.

Accountants of Bangladesh ended at ICMA Hhaban in the city yesterday.

The course which began on Thursday was inaugurated by Habibur Rahman, a past president of the Institute while A S M Shaukhat Islam, Chairman of Dhaka Branch Council of ICMAB spoke on the occasion. AKM Delwer Hussain and S R Khan, the Vice Chairman and Secretary respectively of DBC were also present.

# Uruguay Round: Its impact on Bangladesh, other LDCs

By Dr M Zahid Hossain

limits have been defined between initiation and final determination.

**Agreement on Subsidies:** Like other LDCs, Bangladesh is exempt from the prohibition of export subsidies. But Bangladesh (and other LDCs) is required to phase out subsidies on the use of domestic inputs over imported inputs within 8 years.

**Market Access of Bangladesh Goods in Trading Partners**

**Tariff Reduction:** According to a study on market access, tariffs in developed countries will reduce by more than 2 (affecting 81 per cent of total exports to developed countries) percentage points and those in selected developing countries by 6.1 (affecting 20 per cent of total exports to selected developing countries) percentage points for the exports from Bangladesh. The reduction of tariff rates for Bangladesh's exports of agricultural products to developed and developing countries will be 3.5 (affecting 58 per cent of agricultural exports) per cent and 6.2 (affecting 33 per cent of agricultural exports) per cent respectively. For textiles and clothing, rate reduction will be respectively 3.9 (affecting 64 per cent of garments exports) per cent and 6.0 (affecting 26 per cent of garments exports) per cent. The decline in tariffs will help Bangladesh expand its exports. But the reduction may also mean some trade dislocation because of increased global competition.

The reductions of Most Favoured Nation (MFN) tariffs will reduce prices in the import-

ing markets and increase total import demand. However, for markets where Bangladesh already faces zero tariffs the reduction will not have any trade creation effects. The MFN reduction of tariffs in importing countries will mean erosion of GSP (Generalized System of Preference) margin on Bangladesh's exports (if it enjoys this facility there) leading to a possible loss of market share and consequent loss of exports.

**Removal of QRs:** Before the UR, Bangladesh faced quite high QRs in the developed countries, compared with its South Asian neighbours. With the conclusion of UR, the situation is going to improve quite significantly. Thus, according to the above study, the coverage under QRs for all exports from Bangladesh will reduce from 58 per cent to 11 per cent. For manufactured goods, the coverage will reduce from 74 per cent to 13 per cent. Thus, UR will create a good opportunity for Bangladesh to expand its exports to the developed countries. In order to exploit this opportunity, Bangladesh would need to expand its supply capacity, improve competitiveness and enhance productivity in respect of different export items.

**LDCs' prospects under UR**

Recognising the plight, as well as the special needs of the LDCs, the developed countries reaffirmed their commitments on differential and more favourable treatment of the LDCs in the UR negotiations. A separate decision in the UR was made on measures in favour of the LDCs. This decision provided that although the LDCs would be re-

quired to comply with the general rules set out in the different UR agreements, they would only be required to undertake commitments and concessions to the extent consistent with their individual development, financial and trade needs, and their administrative and institutional capabilities.

It was also agreed in the UR that:

All special and differential measures taken in favour of the LDCs would be expeditiously implemented;

As far as possible, agreed MFN concessions on tariff and non-tariff measures on products of export interest to the LDCs would be implemented autonomously and without staging.

Considerations would be given to further improve GSP and other schemes for products of particular export interests to LDCs.

The rules set out in the various agreements, instruments and transitional provisions in the UR would be applied in a flexible and supportive manner for the LDCs. To this effect, sympathetic consideration would be given to specific and motivated concerns raised by the LDCs in the appropriate councils and committees for the different agreements and

LDCs shall be accorded substantially increased technical assistance in the development strengthening and diversification of their production and export base including those of services as well as in trade promotion to enable them to maximise the benefits from liberalised access to markets.

It was expected that the progressive implementation of the



A computer simulation handed out by Sony on Friday of what Berlin's Potsdamer Platz will look like at the turn of the century, when the Sony Centre in the German capital is scheduled to be completed. The Japanese entertainment electronics concern plans a complex for its European headquarters featuring offices, apartments, cinemas as well as restaurants and shops for an estimated cost of 1.5 billion German marks. — AFP/UNB photo

The UR has thrown up both tremendous challenge and opportunities as well as generated sufficient anxieties for the LDCs. It has also exposed the countries with weak domestic policies to considerable risks. On the negative side, at the current state of affairs, these countries are not well posed to derive any meaningful benefit from the UR, because of their limited capacity to participate in the global trade with their very limited range of tradable products and difficult constraints on the supply side. These countries also have poorly developed administrative and institutional capabilities. As in the case of sustaining the countries' own development efforts, these capabilities are not strong enough to ensure due observance of the new rules and disciplines introduced by the UR. Even the administrative costs of fulfilling the obligations under the UR might prove burdensome for some of the LDCs.

In general, the LDCs are expected to suffer in the immediate future, in respect of erosion of preference margins, higher import prices for food, pharmaceuticals and machinery. According to different estimates, the collective short run annual losses for the LDCs are expected to be quite large. It has been argued that for protecting them from being marginalised, these countries would need financial support from the developed countries at least up to the medium run. But in this context it has to be borne in mind that the capabilities (and willingness) to provide financial support to the LDCs are fast on the decline. There are also more

candidates now for a much reduced sum of external assistance. Thus the conclusion of the UR negotiations might have served an important message to the LDCs that time has finally come for them to take full charge of themselves.

On the positive side however, the UR has opened up scope for the economic development of LDCs through planned restructuring of their economies, designing of well thought out reform programmes, dedicated hard work, reduction of wastage and leakages and quick increase of efficiency both in the public and the private sectors.

The transitional period has provided some respite. The LDCs could try to best utilise this period to rapidly develop their capabilities and abandon their undignified status of being LDCs. For UR or no UR, these countries need to develop quickly in their own interest. This would no doubt involve making hard decisions on their part, specially that of their governments: in many cases, this might require reaching difficult political consensus to push through the desired reforms and balancing conflicting interest groups.

The UR has thrust upon the LDCs an opportunity to interlock their own development efforts needed to improve upon the present highly dismal living standards of their peoples, on the one hand and the reforms mandated by the UR, on the other. One could identify many points of intersections between them. These countries could thus utilize this opportunity to carry through long pending reforms in the areas of land ownership, finance, privatiza-

tion, private sector development and downsizing the government. The UR could as well give them an opportunity to mobilize opinion and support to implement difficult reforms. For this, the LDCs could also endeavor to make the full implications of UR agreements transparent to their peoples. Rather than remaining in the dark, it would be much better if the people knew these implications. That way, the UR could be looked upon as a blessing in disguise for the people of these countries.

**Conclusion:**

Studies by the GATT economists indicate that world income would grow by 235 billion US dollars annually by 2002. The gains would be directly proportional to the degrees of liberalisation of different countries. Studies also show that developed countries would be the biggest gainers followed by the relatively advanced developing countries. For the LDCs, some may gain or lose a little more than the other depending on the relative change in opportunities for them in the wake of the UR.

The post UR life may be very different for the peoples of the LDCs. The full implementation of UR will have profound influence on their lives, their thinking patterns and their ways of doing things. For better or worse, the UR is going to expose the LDCs to a more difficult and challenging life. If the LDCs could live up to this challenge, they could surely survive in the assembly of nations with dignity and honour. If not, they could gradually slip back into the primitive age, through a reverse process (also built into the UR) of underdevelopment!

(The writer is an Additional Commissioner of Customs and presently working on lien as a consultant to the Ministry of Finance.)