

Sundarbans Urgency

On Monday morning the BBC World Service ran a feature-report on the situation in the mangrove forests in the Bay estuaries. The causes of the top-dying disease have not been properly identified till date. So there is still no question of healing the afflicted trees. Some official was quoted as saying that the diseased trees are being segregated so that others are not infected. But this is meaningless. How can you segregate unless you know what to segregate and how? How do you at all know segregation — of whatever kind would indeed help? The look of the spread of the disease does not say it is propagating through infection. The trees are not falling prey to one another's sickness but may quite be attacked directly by some common cause. Say, salinity in the estuaries which has risen phenomenally due to the fall in the pace of water discharge in the Ganges and also as a result of fast growing shrimp cultivation throughout the entire Sundarbans area. One pertinent question is whether the disease has also affected the other and contiguous part of the Sundarbans in West Bengal. This can be ascertained in a moment but still the answer is not known to many among the people to whom it should matter.

The nation must be made aware of the cost this top-dying disease can exact. The green cover over this land has shrunk in six decades from an ideal and real 25 per cent of the thirties to a horrific five per cent, the government figure being highly suspect at more than eight per cent. And if suddenly the Sundarbans canopy is reduced by a half, this nation will have crossed its last hurdle to desertification. But the biggest mangrove forest in the world, Sundarbans in other words, cannot possibly be saved by Bangladesh's lone effort. Perhaps an international expedition against this tree epidemic will be necessary. And there is no reason why nations of the world would hesitate to swing into active co-operation in the matter. The mangrove reserve in our southern districts has been declared a global natural heritage and it is imperative for all mankind to save it, patently because its loss would affect the whole planet and very adversely for humanity.

All that will be tangible only if we get the distress message right and decide to act on it appropriately. We propose that in a week's time a task force get on with the job of formulating a comprehensive strategy involving best of international scientific prowess presaging an effective engagement of the problem not later than three months from now. Bangladesh is still continuing in its glorious tradition of ignoring unsolicited counsel such as the present one. Please, don't do it this time.

Holiday Killings

Just how itchy the rogues can get in a languid vacation-time to be on a killing spree was proved to the hilt during the Eid holidays riddled as these were with nine murders within the city-limits.

A couple of new instructions in criminology are fluttering fiercely in the wings for an instant inclusion into our law enforcement manual whose texts based on normal-time calisthenics have gone obsolete. With a money-collection fever hotting up the social scene at the festival-times, greed and lust become the order of the day with the parasitical goons craving for a piece of action of their own. And, what could be a better slot for them to try and execute their plots in than an Eid respite when there is a slack in the law and order grip rendered apologetic with a skeletal and rotative police presence. The fact of the matter is that the policemen's energetic vigil and the special squad-led actions peak and come to an exhaustion-point a day or two before the Eid festival and thence these dip into a decline during the prime festival-time customarily viewed as a sober spell.

Leaving out time for prayer and other religious do's there ought to be contingency security arrangements made with patrolling as the central element to be adequately responsive on a short notice to unforeseen criminal offences. Such vigil is enforced in most other metropolitan cities of the world at their festival times.

As an essential part of this dispensation, the police stations will have to be staffed enough to promptly take up cases for investigation without any excuse for Eid holidays. Just as they should not lower their guard, their gears too need to be in undiminished readiness to do the preemptive job on a scale more manageable than in normal times. Under special arrangements, the metropolitan magistracy can also be skeletally and rotatively at work.

A sore-point that we also want removed during national holidays is a near-complete standstill in medical attention to the critically wounded or ill.

Prices

The meaty surfeit has had us fall head over heels for fish and vegetables. If we had weathered the storm of demand-push inflation prior to Eid, we are now having to face a crooked shot at prices taken by the sellers of non-meat proteins. That the substitutes for meat will sell at a premium as the buyers' craving for them has grown from an overindulgence in goshit is hardly a surprise. But this is not to say that the rationale for it is unsalvageably strong. Whilst the prices of fish, eggs and vegetables soared due to snappy transportation during the holidays, the countervailing thing to take into account is that it will take some more days for Dhaka's population to be brimful as before. So, the demands have been generally low for a week or so. Yet the prices got speculatively raised from day one of the absence of three million people from their city homes.

An awkward twist to the price-line was given by the jacking of prices of even non-food consumer items. Why should that have happened when stocks were built up in advance to cater for the demand surge during the Eid? By all accounts, Eid sales of consumer items kept below the supply levels. The surplus left behind should now stand us in good stead before all the buttons for economic activation get pressed after Eid. The authorities need watch out for artificial price rises and stem the tide.

Foreign Direct Investment—Destination Bangladesh

by Dr Mohammed Farashuddin

TODAY we live in an interdependent world connected by the spectacular information superhighway and other such revolutionary phenomena in the field of communications. Very justifiably the present-day world has been likened to a 'Global Village'. Bangladesh as one of the least developed countries of the world is seeking to benefit out of the revitalized foreign direct flow of external resources. It is not easy for a country which has not been benefiting from an assured flow of Official Development Assistance (ODA) of around \$1.7 billion every year. ODA is on the decline in a consistent manner and countries such as Bangladesh must strive hard to make up for the loss in ODA by (a) increasing domestic savings for investment (b) attracting an increasing flow of foreign direct investment (FDI) and (c) substituting aid by trade to the extent possible.

According to the latest Bangladesh Bank Annual Report, the GDP growth recorded by the economy in 1995-96 has increased to 5.4 per cent compared to 4.4 per cent in 1994-95. Investment as a percentage of GDP increased to 17 per cent in 1995-96 compared to 16.6 per cent in the previous year. However, domestic savings recorded a decline to 7.5 per cent of GDP in 1995-96 as opposed to 8.2 per cent of GDP in 1994-95. Needless to say, the Savings-investment gap has to be in general bridged by external savings, which typically shows up as ODA flows and FDI streams.

The World Bank reports that 1996 has been the banner year as far as foreign direct investment is concerned. Whereas ODA declined in the year by \$1 billion in 1996 to barely maintain the level of 1990, FDI recorded an increase of \$1.4 billion to reach an impressive figure of \$11 billion in 1996. This FDI flow was only \$31 billion in 1990 and \$80 billion in 1993. Thus FDI is now more than twice as much as ODA, what is more significant is that FDI flow is increasing within an atmosphere of overall expansion in the private flows. As a purely market driven phenomenon, FDI has been flowing more to the relatively developed amongst the developing countries which offer better return possibilities. If Bangladesh is to successfully compete for this expanding flow of funds, major

overhaul in economic policy, macroeconomic management and overall investment trade, industry and infrastructure would have to be geared up.

When the world around us is growing fast, there is every reason for Bangladesh to aspire for a rapid economic growth for improving the standard of living of its people. The annual growth rate target of 7.5 per cent in GDP set by the government for achievement in the next couple of years would seem highly justifiable and even realistic. A GDP growth rate of 7.5 per cent would necessitate an investment of 21 per cent or so of GDP. Given the present trend, domestic savings may rise up to 10 or 11 per cent of GDP leaving a gap of 10 per cent or so of GDP to be mobilized from a declining ODA and to be attracted from an expanding FDI.

Let us now see what factors are necessary to attract FDI providers, what Bangladesh has been doing and what more needs to be done. Needless to say, any external flow including private capital flows, FDI in particular, would not even look at an economy which does not operate in a market-oriented environment. It is essential that there is security of the in-

- no ceiling for investment;
tax-holidays of upto 12 years;
tax-exemption and duty-free importation of capital machinery and spare parts for 100 per cent export-oriented industries;
residency permits for foreign nationals;
capital, profit and dividend repatriation facilities;
100 per cent foreign equity allowed;
income tax exemption upto three years for expatriate employees;
term loans and working capital loans allowed from local banks;
treating of reinvestment of repatriable dividends as new investment with all the attraction benefits;
elimination of double taxation in cases where bilateral agreements already reached;
open exchange controls;
multiple-entry long-term visa for the foreign investors;
all investors including foreign ones can benefit from the GSP which allows duty free access to the North American, European and

atmosphere. And how does that environment come about? There is a need for a collective political will of the society including determined resolve of all shades of opinion and a conducive infrastructure. The government of the day is firmly committed to a market oriented development strategy; it has declared in most unequivocal terms that the country is prepared to offer the best terms to attract FDI. In fact, the impressive package that is already on the cards is the best in Asia and perhaps one of the best in the world. There is a general eagerness in the country to grow fast in economic terms so that the poor can get a better deal for an honourable standard of living. The country is also on a firm path to a sustainable democratic rule.

As is normal in a democracy in its early stages, political differences are taking occasional violent forms. It is here that the government and the major opposition need to do very serious soul searching in putting the interests of the country before everything else. In these days of expanding foreign direct investment, we can-

would facilitate the sound legal framework that FDI entrepreneur would be looking for.

Physical infrastructure is perhaps the most serious bottleneck in an accelerating foreign direct investment scenario. And Bangladesh has done a lot in this respect although a lot more is needed to be done. Successive regimes have contributed to the improvement in the road network as to quote a senior government official, "Road construction brings equitable benefits to wider segments of politicians and other groups." With the commissioning of the Jamuna Bridge next year and construction of several other bridges now on a five-year planning/construction phase, integration of the Bangladesh economy with the port outlets would be significant. With the projected expansion of the Chittagong Port and the construction of the Deep Sea Port with external assistance from the Republic of Korea and other friendly donors, ports passage will be sufficiently greased up to meet the infrastructural needs of the FDI entrepreneurs.

Perhaps the most serious constraint now facing the

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vestment, guarantee of its profitability and productivity via an optimal size of the market, certainty of repatriation flows without hindrance of the returns to capital and the usual tax holidays, imports privileges of machineries, raw materials and the like. On top of all these, a legal guarantee against nationalization which is credible is a sine qua non for the FDI to consider a particular country to invest in.

According to the Board of Investment of Bangladesh, the country now provides a most attractive haven for the investors from home and abroad. The policy makers, the Prime Minister in particular, have been most explicitly and emphatically seeking to bring about policy changes and reforms to encourage the FDI to operate in a most market friendly environment in Bangladesh. The following listing shows the extensive package of incentives offered in Bangladesh for the foreign direct investors:

- Japanese Markets;
convertibility of Taka for current account transactions;
portfolio investment in publicly listed companies through the Stock Exchanges;
outright purchase or purchase of shares of state-owned enterprises (SOEs) which are being privatized.
In addition, very competitive labour costs, availability of a highly trainable workforce totalling 50 million, a large domestic market of 120 million people whose purchasing power and consumption habits are increasing with economic expansion, legal protection to foreign investment against nationalization and expropriation very low land and energy costs are some of the other advantages foreign investors would enjoy in Bangladesh.
The most important assurance that a foreign direct investor would be wanting from a receiving country is a congenial

not let the flow bypass us in Bangladesh, for that would be the most fatal wound to be inflicted on our budding economy.

The term infrastructure has been used here in a comprehensive sense to include law and order, physical infrastructure and social infrastructure. Bangladesh is a firm believer in the rule of law. A comprehensive set of actions including the establishment of a permanent Law Reforms Commission, setting up of an Administrative Reforms Commission and a recently undertaken determined effort to root out terrorism from society should result in restoration in the peaceful law and order situation in the country. Relatedly, vast improvement would be needed in the efficiency, transparency, honesty and accountability of all those dealing with public funds. Special mention is warranted in improving the Customs Administration about which complaints are mounting. Separation of judiciary from executive

Bangladesh economy is the precarious power situation. And in my view, not only the government but the friends of Bangladesh should all make a strong and determined bid to bring about transformation of the power sector. Any marginal effort would be self-defeating. In the short run, private sector investment including FDI should rush with more costly barge-mounted type plants to not only ease the situation but also to cash in on the tremendous goodwill that has been gathering momentum in the prospect of potential improvement. It is worth remembering that optimal infrastructure such as assured supply of energy reduces costs of production and adds to the return to capital. In the long run, advantage should be taken of the mounting proven gas reserve of superior quality. This is an area where political consensus should be sought for expediting decisions on the type, technology, size, location and other aspects of power plants as well as on the quickest possible decision making in awarding contracts. There are enough people of highest integrity in the energy sector and elsewhere in the country to put full confidence in making decisions on the type of technology and awarding of contracts. We are here talking of extraordinary time, and problems and decisions should certainly be sought outside the routine process. It appears that there is significant response from the US, Japanese and Canadian investors in the energy sector to justify the above-mentioned changes.

On a further long-term basis, Bangladesh economy is the precarious power situation. And in my view, not only the government but the friends of Bangladesh should all make a strong and determined bid to bring about transformation of the power sector. Any marginal effort would be self-defeating. In the short run, private sector investment including FDI should rush with more costly barge-mounted type plants to not only ease the situation but also to cash in on the tremendous goodwill that has been gathering momentum in the prospect of potential improvement. It is worth remembering that optimal infrastructure such as assured supply of energy reduces costs of production and adds to the return to capital. In the long run, advantage should be taken of the mounting proven gas reserve of superior quality. This is an area where political consensus should be sought for expediting decisions on the type, technology, size, location and other aspects of power plants as well as on the quickest possible decision making in awarding contracts. There are enough people of highest integrity in the energy sector and elsewhere in the country to put full confidence in making decisions on the type of technology and awarding of contracts. We are here talking of extraordinary time, and problems and decisions should certainly be sought outside the routine process. It appears that there is significant response from the US, Japanese and Canadian investors in the energy sector to justify the above-mentioned changes.

To the Editor

Letters for publication in these columns should be addressed to the Editor and legibly written or typed with double space. For reasons of space, short letters are preferred, and all are subject to editing and cuts. Pseudonyms are accepted. However, all communications must bear the writer's real name, signature and address.

Power crisis

Sir, We like to bring to your kind notice that we started trial production of our newly-established Billet Casting Plant at Chittagong on 15.12.96. Our production capacity is 150 tons per day. However, due to power crisis prevalent in the country till-date we have only produced 500 tons in 37 days whereas we could have produced 3500 tons in the same period. This huge loss of production due to frequent power break-downs has left our company on verge of bankruptcy. The government has lost Tk 4 million as power revenue while Customs has lost Tk. 7 million as VAT in just 37 days! This shows how power shortage is eating away the country's resources loosing huge potentials for development.

It seems very strange to us that while our newly-elected government has been able to get decades-old thorny issues settled, why can't it settle the power crisis? Power from India will also take 2 years as reported in some newspapers. For years we have peak hour power shortages. Steel melting units are supposed to run for 24 hours a day, but due to disruption in peak hours almost all industries have to close down daily for 6 hours.

It is a well-known fact that nearly 42 companies are in line for setting up power projects in the country. It is beyond our comprehension and imagination as to why our government cannot set the policy for entrepreneurs to come forward, like India and Pakistan have done.

Today the government is asking foreign companies for investment. Does it realise what awkward position they will be in if large investments come in and they find it takes 2 years to get 10 MW power?

All the export zones, industrial parks, employments, increased export earnings, GDP growth rates of 7 per cent etc., will be a far cry if power is not available.

Alhussain Akborali, FCA Chittagong

Unattractive politics

Sir, Our political parties do not seem to be interested in the people. When they hold their party rallies, the newspapers report only their abuses and opponents parties (DS, March 31 or AL meeting). The people did not vote the politicians to carry on their partisan business 24 hours a day, and forget about our struggling lives. 'Conspiracy' and 'anti-state activities' are cheap and worn-out political cliches, considering that each one of us suffer from the 'holier-than-thou' syndrome.

What a party thinks about the other parties should be the last item of the agenda, and

take no more than 10 per cent of the time and energy, instead of 99 per cent as present.

Who can change our abysmal political culture? Looks like we, the voters, have to maintain a shuttle service for another generation; may be more.

A Zabr Dhaka

Do it now, please

Sir, Without a stadium, specially meant for cricket, we have won the ICC Trophy and now it is the time to take necessary steps to construct a cricket stadium. We are one of the poorest countries in the world but in the cricket arena our Tigers have proved that we are a bit rich and to maintain this status, a cricket stadium is needed. This is a must and please do it now—before 1999. This is my earnest request to the authority concerned.

Rafat Gazipur

Eligibility of MPs

Sir, To be eligible for election as an MP, a candidate: a) has to be a national of his/her country, b) not involved in subversive and anti-national activities, c) not accused in a criminal case and a criminal on a convict, d) not a lunatic, but be in a sound state of mind, e) must be a literate person and he/she must not be a defaulter of a loan in a bank, a condition as imposed recently in some countries. These are some of the basics, more or less, in almost all democratic countries of the world, including Bangladesh.

Now coming to Bangladesh, the procedure is that a candidate intending to be an MP via election, has to submit an application duly filled in, along with requisite fees, to the Deputy Commissioner who acts as a Returning Officer (RO) from his/her constituency. The RO then verifies, scrutinises and vets the papers of a candidate and accepts the application if the conditions as listed above are duly covered. Otherwise, the RO or Assistant RO, rejects the application.

Could any one of the learned readers throw any light as to what our Constitution lays down rules, when a convict on corruption charges and serving a jail term, file his/her application as a candidate for an MP from inside the jail, and the RO or Assistant RO accepts the application and declares the candidate to be eligible for contesting the election to the Parliament? If the candidate is elected and enlarged on bail for an in-

Separation is good for transparency

Sir, The intellectuals rightly advised the Prime Minister recently to keep the State and the party separate formally and officially. This may further improve the image of the party in power, giving less handle to a section of the Opposition forces bent on creating mischief. Another suggestion may be examined in the local context: the Prime Minister may not head the party (it has been tried in some other countries).

Our political transparency does not glitter like diamonds. Therefore its enhancement is the need of the day. The pressured citizens at all levels would appreciate large doses of it. Why not try new ways of doing things, from time to time?

Change is a part of any development cycle. Our old style of doing politics needs to be analysed, and evaluated for updating, because it is getting stalled time and again. The effects are more confined to noise and smoke than real positive, quick results. It is a healthy exercise, and nobody loses: the party, the opposition, the state, the country, and the people. Mandala said something in Dhaka, certainly not confined to literature, but applied practically and politically. The political leaders have not reacted publicly, for reasons not clear to the laymen.

The society has more pressing problems than multifaceted political sensitivities, in the areas of morals and ethics, discipline, violence, law and order, and respect for authority. It is not necessary to shout from the rooftop at all times.

We have to fine-tune three blunted senses: conscientious direction and goal. The goal is apparent, but the yellow light is not changing to green. We seem to be going round and round—in a vicious circle, which means, we come back to the starting point in an endless loop.

A Husnain Dhaka

Strengthening friendship

Sir, On the occasion of the Commonwealth Day on March 10, 1997, Queen Elizabeth II, Head of the 53-nation Commonwealth, had for the first time delivered her Commonwealth Day official message on the Internet. The queen in her message said: "Talking to one another is not a one-way process. We can explain our points of view but we should also listen to the views of others. Commonwealth countries have an advantage in doing this."

Meanwhile, the Association of Bangladesh Commonwealth Scholars (ABCS) in its recently-held executive committee meeting at the Officers' Club, Dhaka under the Chairmanship of its president, Mr Mohammad Faizullah, a former Secretary to the government, has taken up an elaborate programme to promote friendship, cooperation and understanding among the scholars of the Commonwealth countries.

M Jahangir Alam, M Phil, Research fellow, DU & Mrs. Khurshida Begum, RAJUK UMS College, Dhaka

No more air pollution

Sir, Public concern about environmental problems is uniformly high around the world, dispelling the myth that rich countries can afford to care about these issues. Recently air pollution has become a major public health problem in Dhaka. Black smoke, suspended particulate matter, sulfur dioxide (SO2), nitrogen dioxide (NO2) etc., may be increasing alarmingly day by day in Dhaka city. And this air pollution results should be interpreted as a whole rather than pollutant by pollutant.

Many researchers clearly demonstrate a statistically significant association between certain air pollution indicators and health status indicators in different countries. The relation between air pollution and health is one with no threshold — any increase in pollution represents an increase in health risks. Therefore, the government should establish a permanent public health air pollution surveillance system to provide an information base for pollution management in Dhaka and other major towns of Bangladesh.

This would help to dispel many of the current uncertainties about the health effects of air pollution. Such a system should make it possible to do the following: (i) conduct ongoing evaluation of the health risks of background pollution levels and high pollution episodes, (ii) verify pollution monitoring for public health purposes and guide its evaluation, (iii) evaluate control measures and prevention activities, (iv) propose local health protection reference values, and (v) provide the components needed to design an air quality information system which includes health implications, with easy access for the general public, professionals and decision-makers.

Ultimately, the goal is to include measurable health considerations in policies aimed at reducing air pollution, and provide guidance in implementing preventive measures.

M Zahidul Haque, EC Member, Editor, Newsletter, ABCS Dhaka-1207

Crisis Deepens in Zaire

by A S M Nurunnabi

As the two sides wrangled over political issues, Zaire's vast jungles offered up more haunting visions of human misery from the civil war.

ZAIREAN rebels are now in a frenzy of territorial gains. They continued their advance on Lubumbashi, Zaire's second largest city which the rebels call the 'economic lung' of the government in Kinshasa, raising the stakes ahead of the peace talks already under way in Johannesburg, South Africa. Meanwhile the fall of Kisangani was a huge psychological blow for the shreds of President Mobutu's government. With his forces largely in control of Zaire's second largest city, rebel leader Laurent Kabila said that the rebel army would continue its advance so that President Mobutu could respond to his offer to leave power and withdraw to his village home.

After half a year of fighting, the rebel forces now control more than a third of the country, including two of its three largest cities, and have vowed to move on to the capital. In Kinshasa, Mobutu, who held sway over Africa's third largest country, since seizing power in 1965, discussed his course of action with his new military prime minister General Lukulia Bolong. The city looked deserted with the advance of the rebel army. In this situation, most Zaireans moved on to guessing what kind of leader the flamboyant rebel would be: would he be a real reformer or simply a new brand of authoritarian?

It was widely known that Kabila had always been a man of deep contradictions. Back in 1960, the youthful fighter marched alongside Soviet ally Patrice Lumumba as he led Zaire to independence from Belgium. Five years later, when he was back in the jungle struggling his revolutionary struggle, Kabila eagerly embraced the ideas — and camaraderie — of Ernesto (Che) Guevara, the Latin American revolutionary known for his Marxist-Leninist ideology. In his rhetoric and actions, Kabila shows signs of ruthless old-style revolution. Kabila has banned all political parties except the rebels' Alliance of Democratic Forces for the Liberation of Congo-Zaire (AFDL).

To his credit, Kabila's regime has instituted some real reforms. Across the countryside new roads are being built and electricity is being restored. In Gomo, Kabila's headquarters, residents no longer have to drink fetid water from Lake Kivu, because a water-purification system has been put in place. While Mobutu's retreating troops reportedly engaged themselves in raping and pillaging, the rebels claimed that they largely restrained themselves. They have made bribes illegal. In the short run, however, rebel idealism is finding it a tough match in the grim economic realities of today's Zaire. The rebel army would continue its advance so that President Mobutu could respond to his offer to leave power and withdraw to his village home.

Meanwhile, Zaire's embattled president Mobutu decreed nationwide state of emergency in the face of a relentless advance by rebel forces controlling more than a third of the country. Mobutu's decree did not make clear what restrictions would be imposed under the state of emergency or the implications for Kinshasa and its more than five million people.

A virtual news blackout on the talks between Zairian government and rebel delegations made it difficult to glean a thorough description of what was happening. Kabila, however, was of the opinion that face-to-face talks between himself and Mobutu could go much further, faster than the discussions that are taking place. "It was felt that such a high profile meeting would increase Kabila's stature as a leading figure in Zaire. Rebel strategy seems to centre around talking while fighting and fighting while talking.

As the two sides wrangled over political issues, Zaire's vast jungles offered up more haunting visions of human misery from the civil war, whose end is still as likely through a rebel military victory as through peace talks.