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**HYUNDAI**

CARS THAT MAKE SENSE

BJMC bid to bailout farmers

By Rafiq Hasan

**JUTE JIBE:** Will they get their hardwork paid for?

The Bangladesh Jute Mills Corporation (BJMC) has decided to buy 20 lakh bales of raw jute worth Tk 275 crore in a latest government bid to help farmers — hard hit by low prices — across the country.

Government officials said they had begun buying jute for a week now but prices did not pick up due to lack of support from private sector buyers. "Private mills and raw jute exporters didn't really come up this year," a BJMC official said.

Twenty-eight BJMC-controlled jute and spinning mills will use the jute, they said. Prices plummeted because of a

bumper production this year and a falling demand. The Corporation will buy about one-third of the total production estimated at about 60 lakh bales, and the rest should be purchased by private jute or spinning mills and raw jute exporters.

So far, since August 18, BJMC has procured 1.62 lakh bales, worth Tk 20.23 crore, the officials said.

There are 177 BJMC purchasing centres located in different jute producing areas in the country this year. But ensuring fair price to

farmers has still remained a problem. "There is no provision of fixing prices of jute permanently in the market. BJMC centres fix a rate after examining the prevailing prices in nearby markets. So prices vary from centre to centre," the BJMC official explains.

The latest BJMC report says the prices of white jute range between Tk 185 and 200 a maund in Dinajpur, Tk 175 and 205 in Rangpur, Tk 210 to 225 in Bogra, Tk 200 to 225 in Pabna, Tk 240 to 260 in Faridpur, Tk 230 to 250 in Tangail and Tk 230 to 245 in My-

mensingh.

However, prices of some high-quality fibres like *tossa*, used to produce jute yarn, are still quite high as it is being sold in between Tk 400 and 500.

This type of jute is produced mainly in greater Faridpur and Jessore districts. *Tossa* is still not quite available in the market as the late September is the real time for it.

Grassroots farmers do not get this price because the BJMC does not purchase jute with cash. As a result, a BJMC official admitted, the middlemen make money as jute coming to

BJMC centres is passed through at least three other stages.

"We buy jute with a voucher from the wholesalers who later encash the voucher from the bank. So we cannot buy from the farmers directly."

Over the years, BJMC's purchasing powers have reduced because of privatisation of a number of jute and spinning mills. BJMC had about 25,000 looms in 77 mills; the number has now been reduced to 15,500, of which some 12,500 are operational. The situation is worse in private sector; out of 10,000 looms, only 3,700 are active.

According to government estimates, private mills under Bangladesh Jute Mills Association and Bangladesh Jute Spinners Association were supposed to buy 12 lakh bales raw jute this year.

The government also expects better exports this year because of a production shortage in some jute producing countries, particularly in

China due to natural calamities including flood and drought.

A high-level government mission headed by a state minister already left for China to discuss exports to the country.

Government expects China will buy at least 10 lakh bales this year.

Last year, Bangladesh exported about 20 lakh bales. After dissolving Bangladesh Jute Corporation (BJC) in 1993, the government has no mechanism of buying jute for export, leaving the jute growers dependent on private traders.

BJC would buy jute and stockpile when there was such a bumper crop, a policy that would ensure fair prices for farmers.

The traders' body, Bangladesh Jute Association, however, gives figures that do not match market prices.

A BJA market report says the price of white jute was Tk 445, *tossa* Tk 480 and *meshta* Tk 365 per maund on August 20.

Farmers find their 'noose'

By Delwar Kabir

For farmers in Jhenidah district, their jute crops will make the rope that hangs them.

"The golden fibre will be our noose," says Ator Ali Biswas, a 45-year-old farmer from the village of Karatipara. "We won't cultivate it next year if we can't even pay for labour."

Sources with the Agriculture Extension Department (AED) agreed. They say farmers grew jute on over 10,000 hectares in the district, but that area might decrease dramatically next year if the price remains low.

Idris Ali, a farmer of Pirojpur village, says farmers throughout the district will lose money on jute this year, leaving their futures in doubt. It costs him Tk 2,500 for seeds, fertiliser, pesticides and labour, he says, to produce seven maunds of jute. But, he says he'll be

lucky to even get Tk 1,600 for his crop if the prices stay between Tk 195 and 240 a maund.

Another farmer agreed. He says many farmers return home without selling their crop, while others strike out for the markets in Khulna. But, shippers and buyers aren't interested in buying jute for more than Tk 250 per maund over there, he says.

Other farmers are so angry that they don't want to talk about jute, anymore. "Why should I tell you about my sorrow?" ask 51-year-old Manwar Ali. "Will you be able to solve our problems? We've seen so many journalists in the past couple of weeks but nothing's been done. You literate people have been conspiring together for years to cheat the innocent farmers."

CBA leaders flex political muscle

Star Business Report

Awami League-backed Sonali Bank CBA leaders have protested the recently-formed "Task Force" on banking sector and called it a "conspiracy" against the present government.

Under the so-called Commercial Banking Restructuring Project, the task force has been assigned to look into trade union interference in the functioning of banks and suggest an action plan.

The Awami League could not provide big loans in its one-year tenure, so the question of interference by the CBA in loan disbursement is irrelevant," said Zamal Uddin, a top trade union leader at Sonali Bank.

Speaking to The Daily Star, he said that a section of AL leadership was conspiring against the government. "We protest it," he said but added the task force should investigate all the irregularities in the banking sector in the last 21 years.

A Daily Star team which visited the Bank headquarters Thursday saw a big gathering of employees in the CBA office on the seventh floor. CBA leaders from state-owned Janata, and Agrani Banks were also there to attend a meeting.

In presence of his fellow trade unionists, Zamal Uddin tried to phone Finance Minister SAMS Kibria. He asked colleagues to get the minister on the line. He was also trying to reach Amir Hossain Amu, AL president member.

Later he told Star reporters that he had talks with Amu who assured him of re-designing the Task Force. Amu was scheduled to go to Sonali Bank office, the CBA leaders said. "But he could not come due to unavoidable circumstances."

Zamal Uddin, along with CBA president Aminul Hoque Farooque, also had talks with Managing Director of the bank Ibrahim Khaled Thursday.

They asked the MD to rewrite the task force agenda. The CBA leaders had another talks with Bank Chairman Asafoddowlah.

Shop owners want banks open Saturday, business beyond 7 pm

By Staff Correspondent

Bangladesh Dokan Malik Samity, an association of shop owners, has demanded that the government keep open banks on Saturday (for three hours) and withdraw its order to shut down the shops at 7 pm.

The association has also demanded withdrawal of Value Added Tax from retail sales and empowering the banks to renew the trade licenses at the district levels all over the country.

At its executive committee meeting on Saturday at the Federation of Bangladesh Chamber of Commerce and Industry (FBCCI), the association also urged the government to review its decision of price hike of petroleum products, like diesel and petrol. Association members strongly criticised the charter programme and threatened to resist it in future.

Union criticises UNICEF's lay-off plan

UNITED NATIONS, Aug 24: A union representing United Nations workers criticised plans Friday by UNICEF to cut nearly 1,000 jobs accusing the organisation of discriminating based on age and sex, reports AFP.

Bid to boost food output in Chuadanga

From Our Correspondent
CHUADANGA, Aug 24: Agricultural Extension Department has some initiatives to increase food production in the district.

According to a AED source, a total of 28 thousand hectares of land have been brought under cultivation this season which is expected to yield 32 thousand tonnes of paddy.

Another 2800 hectares of land will be brought under transplanted aman cultivation with a target of producing 5280 tonnes of paddy.

Four thousand hectares of land with a target production of 50 thousand tonnes of vegetables will be brought under cultivation, the source added.

Darshana Land Customs revenue crosses target

From Our Correspondent
CHUADANGA, Aug 24: Darshana Land Customs and Immigration Department set a record in revenue collection in 1996-97.

The department realised revenue of taka 58 crore 86 lakh 86 thousand 114 as against the target of Tk 38 crore 88 lakh in the fiscal year. The amount exceeded the target by Taka 20 crore.

If a full-fledged land port is established at Darshana, revenue earning will increase many times, informed sources said. It is reported that a customs office was established here in 1947 and at that time Hilsa fish, raw jute, poultry birds, eggs were exported through this border route.

Till date, only railway is used for import and export.

Informed sources said in addition to railway establishment of road link through Darshana will help importers and exporters and revenue income will increase to Tk 200 crore.

Workshop on sales management

A four-day workshop on 'sales management' last week exchanged views on how to develop professional skills of sales executives and sales managers, says a press release.

It was organised by Business Advisory Services Center (BASC).

The workshop began on last Monday.

Renowned marketing and sales professional experts of national and multinational companies facilitated the workshop sessions and shared their experiences with the participants.

The participants viewed the workshop very effective as it helped them upgrade their professional skills.

'Managing people is the problem'

Star Business Report

Bangladesh lags far behind in human resources management. From a micro view, a greater use of technology can bring higher return to growth which is going to come from a kind of increase in consumption and not in increase in investment.

That's where Forrest Cookson, president of American Chamber of Commerce in Bangladesh, believes the problem lies. Speaking as special guest at a seminar on "Human Resource Management Day" yesterday in the North South University premises.

Cookson said it was a legacy of the long imperial rule by the British. They deliberately encouraged a system that did not provide good human resource management. This target was just to keep control on everything.

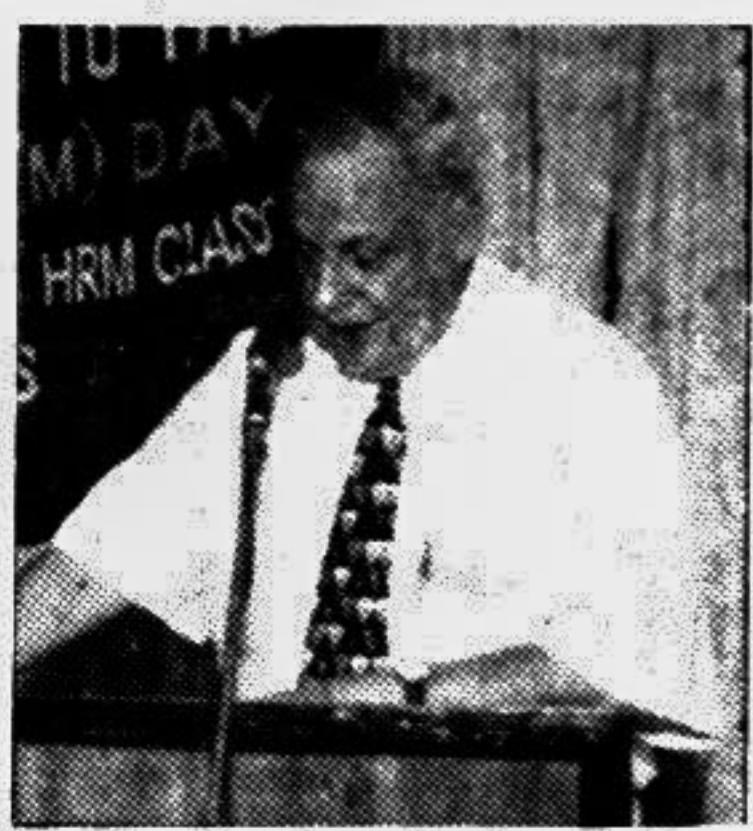
After independence, he said, the new rule maintained the same tool — control of power. Poverty forced the nation to turn to foreign donors. And, as a result, Bangladesh has not been able to make much use of productive resources.

Donors' money are going to non-government organisations which he called profit-making enterprises. "That really is not helping the government."

The combination of all these factors — long history of imperialism, use of donor resources, promotion of NGOs — basically eroded the need for good human resource management.

Finally, according to Cookson, human resources means persons working in the organisations be rewarded and corruption leveled to the ground. "This is what is missing in most organisations in the country," he said.

The seminar's second session dealt with "Human Resource Management Practices



for the Coming Century: Can Bangladesh Meet the Challenge? An hour-long exciting question-answer session also brought in NSU students from its School of Business. It was organised in association with NSU's Department of Career Services.

One of the panelists observed that catastrophic disasters in financial and economic sectors were just around the corner if the challenges ahead were not faced. "We are not yet ready to absorb the new century."

An executive from Sonargaon Pan Pacific Hotel, another of the panel discussants, said, "Be small and be more efficient." He cited an example of his organisation which has introduced skill development programme. "Our job manner as well as pattern has been changing ever since we introduced the idea."

Chief guest Dr Hafiz G A Siddiqui, a former Dhaka University professor, spoke of vision and ideas. "Without them the nation will not survive. It will not be able to keep up with the changing world where high technology business is replacing labour-intensive business. Without innovation there will be no place in the competition."

KL to talk currency at C'wealth meet

KUALA LUMPUR, Aug 24: Malaysia will seek support from Commonwealth nations to curb "rogue speculators" hurting its currency, Deputy Prime Minister Anwar Ibrahim said Sunday, reports AP.

Anwar, who is also finance minister, said he will seek the support at the Commonwealth Finance Minister meeting in Mauritius next month.

"I am confident due consideration will be given to discuss the issue as it had degraded the currencies of many countries," he said, according to the national news agency Bernama.

The currencies of several countries in the region, including Thailand, Malaysia and the Philippines, have recently grown sharply weaker against the US dollar. Malaysian lead-

ers have said international currency speculators are to blame. "We are firm in our stand to ensure there are joint efforts to fight rogue speculators who meddle with international currencies," Anwar was quoted as saying.

Anwar said a series of discussions are being held with the finance ministers of the affected countries to reach a consensus on how to fight the speculators.

He said Bank Negara had started discussions on the issue with the central banks of the Association of Southeast Asian Nations member countries.

The Malaysian ringgit, which was about 2.51 to the US dollar seven weeks ago, is now about 2.77 to the dollar.

TSP crisis poses problem for aman

From Our Correspondent
GAIBANDHA, Aug 24: Farmers in the district fear an acute shortage of phosphate fertilizer, coupled with a glut of cheaper Indian blends, will stunt aman crops this year.

In recent weeks the price of a bag of 50-kg TSP fertilizer has jumped from about Tk 600 to Tk 750, out of reach of many farmers. Aman rice especially high yield varieties, needs a balance dose of TSP during land preparation to grow properly.

Sources say contaminated Triple Super Phosphate from India has flooded the markets to take advantage of the price hike. Some traders sell the inferior fertilizer to farmers at high prices after changing the bag's label, sources allege.

However, fertilizer traders counter that they couldn't provide farmers with enough TSP during the peak season because the factories aren't supplying enough to the distributors.

3-nation jt venture to make vans, trucks in Malaysia

KUALA LUMPUR, Aug 24: Vans made with technology from Renault of France will be manufactured here soon by a joint venture company among Malaysia, France and South Korea, reports AP.

The vehicles will be made by Industri Otomotif Komersial Malaysia (Inokom), and will be on the streets here in October, director Tengku Adnan Tengku Mansor said Sunday.

Sixty per cent of the van's content will be local, but the engine, transmission and some other parts will come from Renault. The vans will be the second to be manufactured here. The first were made three years ago with technology from Daihatsu of Japan.

The price of the vans has not been set. The same joint venture will also soon manufacture trucks with South Korea's Hyundai technology by the middle of next year, he said.

Inokom's shareholders comprise Berjaya Group Bhd, with 35 per cent, Koperasi Polis Diraja Malaysia subsidiary Pesumal (M) Sdn. Bhd. with 30 per cent, and Hyumal Motor Sdn. Bhd. with five per cent. The remaining 30 per cent is equally shared by Regie Nationale Des Usines Renault SA and Hyundai Motor Co.

China records growth in oil production

BEIJING, Aug 24: China's petroleum industry will enjoy sustainable growth with the maximum annual oil production probably reaching 200 million tons by the year 2010, according to a senior Chinese oil official, reports Xinhua.

FREE TRADE

Bangladesh must get its act together

A business leader says both bureaucracy and businesses need to be trained to reap gains from new global trade order

By Mahbubur Rahman

After more than two centuries, the world is coming to terms with what Adam Smith wrote in 1776 in his "Wealth of Nations". Free Trade, which he so ardently advocated in his classic book, is now getting close to reality.

While many would say the Uruguay Round and WTO accords are something towards that direction, cynics would say the old barriers are only taking different shape.

Today, when WTO gives a chance to transform the world into what Smith philosophised, the developed nations are at the same time busy devising means to deny their poorer counterparts the right the new body is all about.

They have suddenly become fond of issues such as eco-labelling, social-labelling, health and sanitation, environmental standards, labour standards, competition law, investment law, extortion and bribery, corruption in government procurement. The issues are new, not really envisaged in the historic agreements that the world took so many years to reach.

The issues being brought in by the OECD and other developed countries will perhaps provide bigger bottlenecks to free flow of, and fairness in, international trade that what even the Uruguay Round faced.

The negotiation on cumulative New Issues will perhaps last for longer period before agreements are reached, especially among the developed and the developing countries. Until that time, it is anybody's guess when the world-wide environment for free and fair trade will be created, if created at all!

The developing countries have two major stakes in the globalisation of international trade — protecting their economy from premature and unfair competition as well as having the benefits of a vast market world-wide for their goods and services in the developed economies. They must try to understand the implications of the Uruguay Round Agreements and the services of WTO in settling their trade complaints against non-conforming countries on an equitable basis.

The Uruguay Round Agreements envisage zero tariff for exports from LDCs to developed economies in order for the poor nations to improve their overall capacity to respond to the opportunities offered by the

multilateral trading system, which is unfortunately still remaining unimplemented. This should be taken care of without any further loss of time.

The multilateral agreements also envisage product diversification of LDCs to help build up their export capacity for ensuring market access in developed economies, which can only happen if foreign direct investment (FDI) is granted fiscal and other incentives by their governments to encourage FDI flows to the LDCs. The zero tariff and substantial flow of FDI from developed countries to LDCs are yet to be made effective, which are pushing the LDCs towards marginalisation at a time when ODA is on the decline.

The World Bank and IMF have made the LDCs, particularly Bangladesh, lower their tariff to an extent that their industries are now facing tough competition from imports. The situation of Bangladesh is more critical as it has lowered its tariff even more than its immediate neighbours have. The reason may be that the country is strong enough to ignore the dictates of the multilateral funding agencies. Bangladesh may incur irreparable losses because of this forced opening up at a time and in a manner, which has not suited it.

In such a scenario, LDCs especially Bangladesh have to take a number of measures, detailed in the following paragraphs. Needless to say that in order to enable Bangladesh to take such measures, technical assistance to carry out research studies, under funding from multilateral sources, is an imperative.

The LDCs like Bangladesh can only gain from globalised market under condition of fair competition where it has comparative advantage — natural bounty and endowment, craftsmanship, productivity and quality for instance. The studies, both country-wise and commodity-wise, have to be done from the short-term as well as long-term perspective. This is needed to determine the market accessibility in global market and comparative advantages in order to boost exports and attract new ventures including FDI.

As WTO recognises that countries at lower stages of their development may have to

have higher levels of protection than that is existing in developed countries. The studies should determine the levels of protection Bangladesh should maintain with reference to a particular commodity and particular country.

The reductions in tariffs in industrial sector made by Bangladesh are unilateral measures taken in pursuance of its Structural Adjustment Programme (SAP). In agricultural sector, where the negotiating procedures required all countries (including least developed ones) to bind their tariffs, Bangladesh has given binding at "ceiling rates" which are considerably higher than the existing applying rates.

From the legal point of view Bangladesh has, therefore, considerable flexibility to raise tariffs and to provide increased protection to deal with sectoral problems in the industrial and agricultural fields.

Bangladesh exporters and trade officials must understand the concessions offered by the multilateral trading system including zero tariff in respect of particular export to a particular country or group of countries, and the opportunities must be tapped bilaterally, if need be, through the WTO. In order to achieve these objectives, training under technical assistance programme should also be organised for executives of export houses and officials of trade ministries on issues involving interpretation and analysis of WTO rules as well as negotiating technique to secure better terms bilaterally and multilaterally.

The concessions available for LDCs upto 2005 including unrestricted market access which is now hindered by several unilateral measures including non-tariff barriers must be availed of by negotiations bilaterally and multilaterally through UNCTAD and WTO.

Efforts for product diversification must be made through fiscal incentives to local entrepreneurs as well as by attracting FDI, which now seems to be more said than done.

Access to information is another grey area for businesses in Bangladesh. Businessmen also need to be kept informed of what is happening and what advantages and disadvantages there are in today's fast-changing world.

Rahman is president of the Bangladesh chapter of International Chamber of Commerce and a former president of FBCCI.