

New policies to make immigrants' life easier

S'pore needs foreigners

SINGAPORE, Sept 13: To sustain economic growth, Singapore has to look to foreign manpower as it is unable to produce enough people for its workforce each year, reports said today, says AFP.

"Look at Microsoft. It grew from a small company to a software giant because of its people," Home Affairs Minister Wong Kan Seng was quoted as saying by the Straits Times newspaper.

"I hired talented people, regardless of their nationality. Singapore must be like that and attract talented people."

Wong said there were only 46,700 newborn babies in

Singapore last year when the island state needed 56,400.

This meant Singaporeans had an average 1.7 babies per woman, which fell short of the 2.1 each family needed to replace itself, he said, adding the figures showed Singaporeans could not even replace themselves, let alone increase population growth.

"Since Singapore cannot produce enough people to come into the workforce each year, we need foreigners to sustain economic growth," he said.

Wong said that over the past three years, between 12 and 15

per cent of Singapore's nominal gross domestic product stemmed from the contributions of foreign workers.

The current population comprises three million Singaporeans and 560,000 foreigners. Singapore has been growing at an average of six per cent in the past five years.

Wong also said the government would review the long-term population figure of four million as unveiled in the 1991 government manifesto, the next lap.

"We are looking at four, five million," he said.

In the 1960s, the Singapore government started a "stop at

two" policy, fearing that Singapore's fledgling economy would not support a large population.

But the policy proved too successful. In 1975, the figure slipped below the replacement level of 2.1 and hit historic low of 1.4 in 1986. In 1987, the policy was reversed to encourage people to have more babies.

In his August 9 national day rally speech, Prime Minister Goh Chok Tong announced new policies which would allow foreigners easier entry, as well as provide affordable housing and school and university places for their children.

Analysts warn

Indian wage hike to worsen fiscal deficit, fuel inflation

NEW DELHI, Sept 13: The Indian government's decision to increase the wages of four million employees will worsen the fiscal deficit and fuel inflation, analysts warned here, reports AFP.

The government agreed to the hike late Thursday after employees threatened a nationwide strike from September 24 to protest against discriminatory wage increase.

Finance Ministry officials said the decision would increase the government's wage bill by 67 per cent to 13.07 billion dollars for the fiscal year to March 1998.

In July, the government almost trebled salaries of 2.2 million senior government staff, including the military. Junior employees protested that they had been promised higher increases.

Suresh Tendulkar, one of the government officials who drafted the July pay increase, said the agreement on Thursday with the trade unions was "fiscal suicide."

"The original idea ... was to restrain the bad fiscal situation in the centre and even a worse condition in the states," he said.

"The government has shown itself in poor light as the negotiator."

India's fiscal deficit currently is about five per cent of gross domestic product (GDP) about 18 billion dollars, and the government has promised to bring it down to four per cent in the current fiscal year.

The Reserve Bank of India (RBI) warned this week that if the government failed to contain the deficit, lending rates, currently the lowest in 10 years, would soar.

"There are some indications of the likelihood of expenditure overshooting and a possible decline in revenues."

"Any overshooting of expenditure or reduction in anticipated revenue will put to severe test the government's ability to lower fiscal deficit."

The Federation of Indian Chambers of Commerce and Industry said the decision to increase the wages of government employees would spur inflation.

"It will lead to spiralling inflation and also widen the fiscal deficit," a spokesman said.

Another business grouping

the Associated Chambers of Commerce and Industry, also blasted the wage increase.

"It is big worry on fiscal deficit and surely it is going to have a compound effect, its Secretary General V Raghuram said, "we are going to have high inflation."

"Inflation is going to go up as government has promised to pay 1.4 billion dollars in hard cash, it will affect economic growth though there will only be a marginal impact on the purchasing power of the consumers."

Newspapers said Finance Minister Palaniappan Chidambaram absented himself from Thursday's meeting with the unions at which the chief government negotiator was Home Minister Inderjit Gupta, a communist.

Chidambaram, a strong advocate of free-market reforms, has been seeking steps to contain the galloping fiscal deficit.

"I think it has not got into the consciousness of the Indian political leadership that fiscal correction is a single most important goal," he said here Wednesday.

ADAB calls for environmental assessment of KJDRP

The Association of Development Agencies in Bangladesh (ADAB) has demanded for carrying out environment and social impact assessment by an independent commission before going to implement over Taka 200 crore Khulna-Jessore Drainage Rehabilitation Project (KJDRP), says BSS.

In a press release issued here yesterday, the ADAB said the local beneficiaries, environmentalists and grass-roots level activists of different voluntary organisations have already expressed their deep concern that instead of doing good the project may inject detrimental effects if its long term impact on environment and social situations are not properly considered.

Highlighting the importance of the project, the ADAB said that it relates the life and living of lakhs of people of the southern region of the country.

The project has been taken under Asian Development Bank (ADB) financial assistance in 1995 to save the huge population of this region from water logging problem.

In this connection the ADAB pointed out that in the sixties such a scheme was implemented through constructing embankment without taking into consideration the experiences of the local people, its geographical location and social condition and consequently instead of bringing welfare it had created permanent water logging problem for ten lakh people of the region.

"Any hastily taken decision may inflict severe injury on the country's mangrove forest which is rare in the world. The existence of Sunderbans may also be threatened, the ADAB said.

In response to the call of ADAB and the coalition of environmental NGOs (cen) to form an independent commission comprising representatives from water resources ministry, KJDRP authorities and the ADAB a number of meetings have already been held and a consensus was reached in this regard. The press release said.

EU, Jordan to sign association accord

LUXEMBOURG, Sept 13: The European Union and Jordan will on Monday finalise an association accord to lower trade barriers, Luxembourg's Foreign Minister Jacques Poos said, reports AFP.

Jordan is one of 12 Mediterranean region countries with which the European Union decided in 1995 to conclude accords aimed at reducing duties and easing imports.

Israel, Morocco and Turkey have already signed such accords. Poos said he expected the final round of negotiations with Jordan to end Friday.

"I think we will be able to finalise the accord in Brussels on Monday," he added, after a meeting here with Jordan's Deputy Prime Minister Jawad Anani.

Luxembourg currently holds the rotating presidency of the European Union.

Farmers pay Tk 100cr a year to fight pests

Regular pest attack on crops forces the country's poor farmers to spend over Tk 100 crore annually for buying pesticides, mainly in rice-farming sector, reports UNB.

This is an added burden to the hard-bitten farmers who struggle every year against the imbalance caused by high price of agri-inputs and low price of produce.

According to the statistics prepared by a leading insecticide-manufacturing and distribution company, the peasants buy pesticides worth Tk 112 crore every year.

They spend on an average Tk 775 per hectare per crop season for pest control, although they

usually apply less than 50 per cent of the prescribed dosage.

The farmers cannot afford full dosage of the costly pesticides, which is necessary for them, despite its harmful effect on health and environment in case of inappropriate use.

Rice is the most pest-affected crop in the country. Approximately 20 per cent rice is damaged every year by pests like stem borers, hispa, GLH, BPH, leaf roller and rice bug.

These pests are usually controlled by chemical insecticides which cover only 10-20 per cent cropped area of the country. The remaining areas are still free from pesticide use.

An official of Novartis

(Bangladesh) Limited, pesticide manufacturers and distributors in the country, said farmers mainly depend on chemical pesticides to control pests.

"About 90 per cent pests are controlled by insecticides and rest by mechanically and culturally," he added.

The Novartis official said use of pesticides was still minimum in Bangladesh in comparison with other countries like Japan, USA and the West European countries.

In Japan, farmers apply 114 kg insecticides on per hectare of land per crop season. American farmers use 14 kg per hectare while West European cultivators apply 25 kg.

On the other hand, farmers of Bangladesh use only 0.68 kg pesticides per hectare per farming season.

Indiscriminate use of pesticides causes health hazards to the users and low-standard ones have bad effect on the environment. But judicious use is totally pollution-free, the official said.

"The effect is very insignificant in Bangladesh as use is very low in comparison with other countries."

The country's net cropped area is 8.4 million hectare, but as many fields are used for cultivating more than one crops, the total cropped area stands at 13.44 million hectare.

MAGURA

Plan for intensive rice cultivation

From Our Correspondent

MAGURA, Sept 13: The Agriculture Extension Department (AED) has taken up an intensive programme to cultivate aman, paddy including 'ufsi' and local varieties.

The paddy will be planted on 1,85,006 hectares of land in the country's 10 south-western districts during the current season. The districts are: Magura, Jhenaidah, Jessore, Narail, Khulna, Bagerhat, Satkhira, Kushtia, Chuadanga and Meherpur.

Tofael leaves for Europe

Commerce and Industries Minister, Tofael Ahmed left Dhaka on Friday night on an eight-day official visit to Romania and Belgium, reports BSS.

At the first leg of his visit, he will go to Bucharest on a four-day visit where he will sign a trade agreement to boost trade volume between Bangladesh and Romania.

The minister will fly to Brussels on a three-day visit to Belgium on Wednesday next.

In Brussels, the headquarters of the European Commission, Tofael Ahmed will hold talks with the two vice presidents of the EC Manuel Marin Gonzalez and Sir Leon Brittan and a member of the EC, Mario Monti.

The whole gamut of bolstering Bangladesh export to EU countries including GSP issue and proposed plan of action for duty-free access according to the WTO declaration will come up at the discussions with the highest level EC executives.

He is expected to meet the EC importers association there.

The two-way trade between Bangladesh and Romania at present stands below five million US dollars despite huge potentials, scopes and mutually beneficial areas of economic and trade cooperation.

The main items of Bangladesh exports to Romania include raw jute and jute goods, readymade garments, leather and footwear, where as major imports from Romania include mineral and chemical products, textile articles, machinery and electrical appliances and electrical equipment.

During his visit, the minister will call on Romanian president Dr Emil Constantinescu and Prime Minister Dr. Victor Ciorbea.

He will also hold talks with his Romanian counterpart Calin Popescu Taricnau and Foreign Minister Adrian Severin.

The Commerce Minister will also have two discussion meetings with the Romanian Chamber of Commerce and Romanian National Association of Exporters and Importers. He will visit some historic places of Romania.

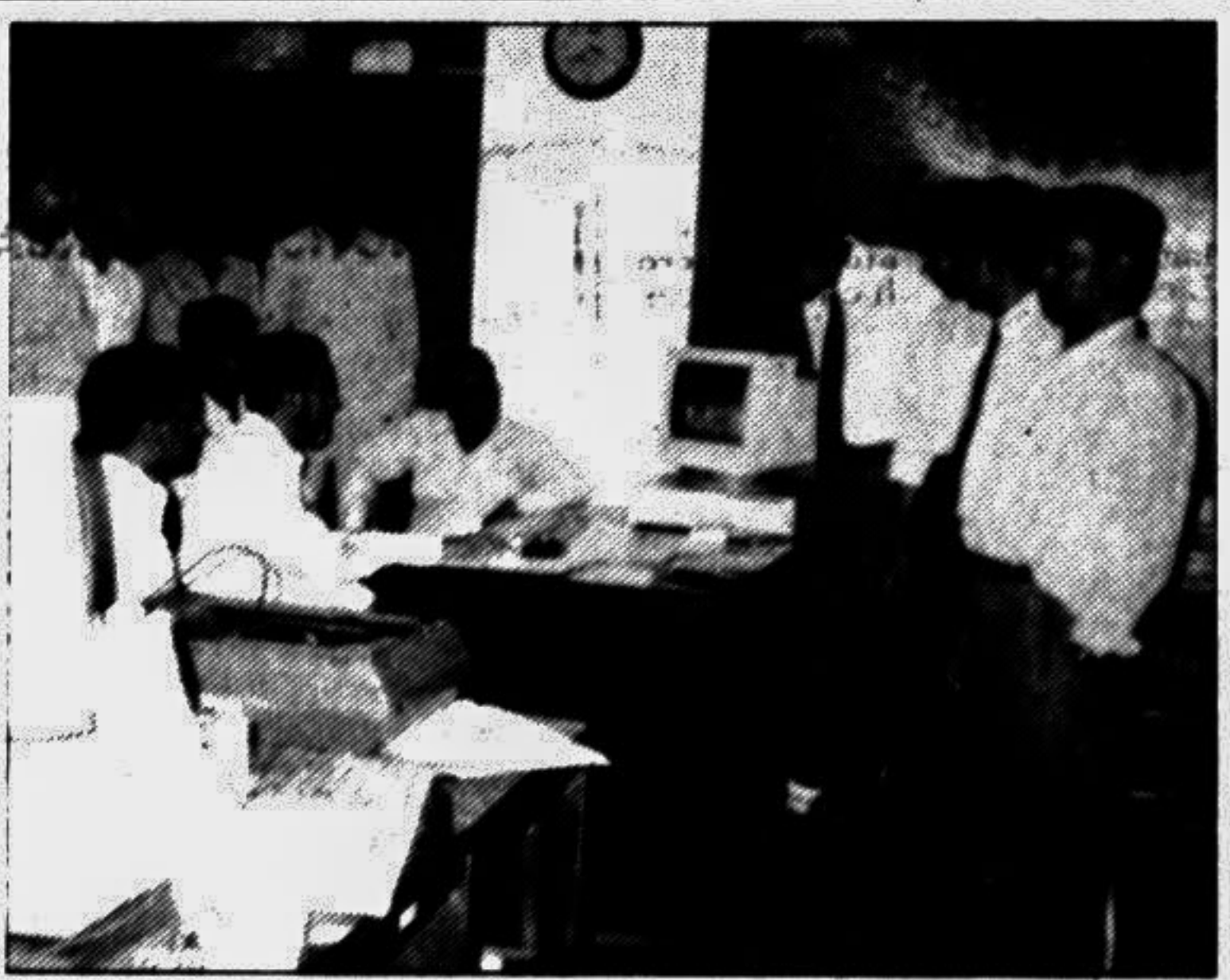
Indonesia's econ growth likely to slow down in future

JAKARTA, Sept 13: Indonesia's economic growth will probably slow down in the future but remain respectable, Foreign Minister Ali Alatas said yesterday, reports AFP.

Before the currency turmoil which has shaken Southeast Asian markets in the past months, the country's growth rate was fixed at more than seven per cent.

"Now at the worst (it will be) 5.5 but may be only six. This is still respectable and does not mean special difficulties," he told a meeting of the foreign correspondents' club.

He was also cautious about a World Bank report released on Tuesday which named Indonesia as one of "the big five" countries.



Managing Director of Social Investment Bank Ltd, M Azizul Huq, formally linked up the bank with Internet.

Thailand to get \$878m loan from Japan

BANGKOK, Sept 13: Thailand will sign a contract this month for low-interest loans totalling 105.9 billion yen (\$77.7 million dollars) with Japan's overseas development agency, the Finance Ministry said Friday, says AP.

The loans will be used to finance infrastructure projects, including the construction of the second international airport and the country's first subway system, a minister statement said.

Coedchai Khannabha, the ministry's loan policy and management director, said the loan period begins when the

money is transferred. The repayment period is 25 years, with an annual interest rate of 2.75 per cent.

The Japanese government has been extending credit for Thailand's projects regularly through Japan's overseas development agency, the Overseas Economic and Cooperation Fund.

Japan is Thailand's biggest foreign investor and was crucial in helping the International Monetary Fund arrange a 17.2 billion dollars loans package in August to bailout the faltering Thai economy.

India won't devalue its currency

NEW DELHI, Sept 13: Indian Commerce Minister BB Ramiah yesterday ruled out a devaluation of the country's currency, the rupee, which has depreciated 2.5 per cent against the dollar during the past two weeks, says AFP.

Ramiah told economic editors here that the government would "like the market to determine the realistic value of the rupee."

"There are advantages and disadvantages in having a weak rupee. But we are not advocating the cause, though it benefits exporters, as national interests come first," Ramiah said.

Indian exporters have been demanding the immediate devaluation of the rupee, pointing

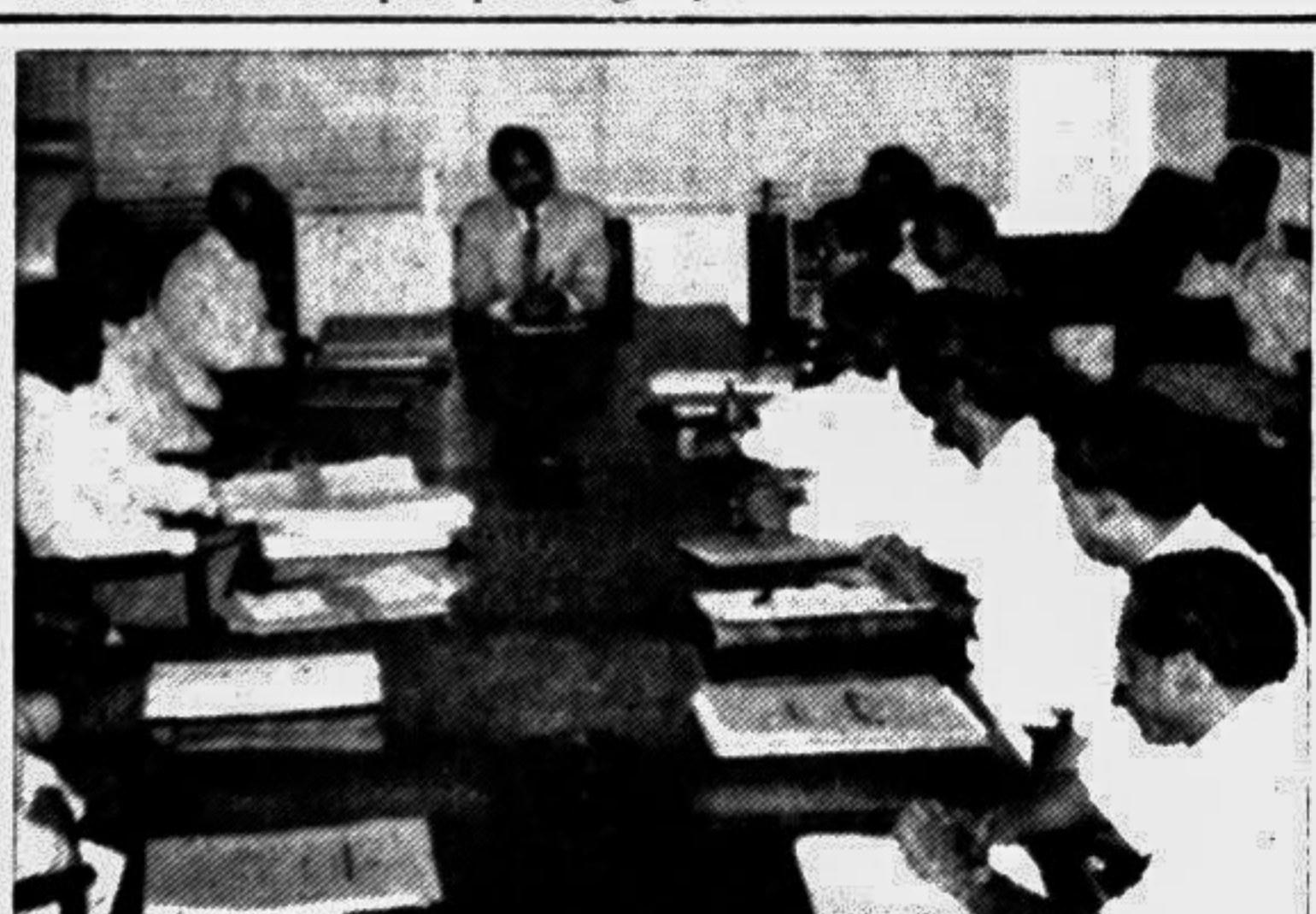
to pressure from rival markets in the region.

The Federation of Indian Export Organisations (FIEO) has said Southeast Asian nations had devalued their currencies after Thailand cut the value of the baht in July.

"These countries now have an advantage over India. They will outpace Indian products in the world market," FIEO chief said.

He said neighbouring Pakistan had also devalued its rupee by around 20 per cent.

India's exports grew in April-July by less than two per cent to 11.03 billion dollars from 10.83 billion dollars in the corresponding period last year.



The Managing Director of Sadharan Bima Corporation, M Lutfur Rahman, presides over a budget workshop in the city.

Will the Internet bring boom or bust?

By Wendy Lubetkin, USIA Correspondent

GENEVA, Sept 13: Depending on your perspective, the Internet may be a parasite feeding destructively on the existing telecommunications structure or it may turn out to be the biggest boon the industry has ever seen.

Either way, the Internet is bringing radical change to the telecommunications sector and may be about to challenge its very foundations, the International Telecommunication Union (ITU) says in a new report.

The ITU's report, "Challenges to the Network: Telecommunications and the Internet," focuses on the sometimes uneasy relationship between the century-old telecommunications sector and a relatively young upstart, the Internet.

"For the telecommunications sector, the growth of the Internet is arguably the biggest challenge that is being faced in the last years of the 20th Century," says the report's author, Tim Kelly, an official in ITU's Strategic Planning Unit.

But the Internet also represents "an immense opportunity," Kelly told a press briefing. "It is rare that a new market comes along that has grown so fast as the Internet and offers such opportunities."

The Internet and World Wide Web stole the show at ITU's last major trade exhibition, TELECOM 95. That event cast a spotlight on the convergence of the telecommunications, broadcasting and information technology industries. For the first time, computing industry giants such as Microsoft, Sun Microsystems and Intel Corporation participated fully in what had formerly been an exclusive gathering for the world's telecom operators.

This week ITU is launching the first edition of a new event, TELECOM INTERACTIVE, that will focus specifically on multimedia and the convergence between communications-related industries. The September 8-14 trade show-conference will bring together core elements of the telecommunications, computing, entertainment and

broadcasting worlds.

The ITU report, launched to coincide with the opening of TELECOM INTERACTIVE 97, asks whether the Internet can continue to co-exist with the telephony business on the same public network or whether it will cause the network to fragment.

Both services are offered over essentially the same public network of copper wire, fibre-optics and satellite connections, but the similarities stop there.

To begin with, Internet and telephone usage patterns differ substantially. While the average telephone call usually lasts under 10 minutes, an Internet session typically lasts from 20 minutes to several hours.

The methods of calculating costs are also different because the Internet has no formal mechanisms for international revenue sharing. "Whereas the telephone service has this system of accounting rates, whereby one operator compensates another operator for the

volume of traffic which they send and receive, with the Internet there is no formal mechanism for sharing traffic. It is based on a sender-keeps-all basis," Kelly explains.

"PTOs feel that the development of the Internet undermines their ability to establish rational price schedules for their services," the report says. "The pricing structure of the Internet, largely based on flat-rate charges, is at odds with the usage-based charging structure, based on distance, duration and volume, which is the main platform of PTO tariff structures."

One reason traditional Public Telecommunication Operators (PTOs) feel threatened by the Internet is simply that it is beyond their sphere of control, the report says. Internet services are primarily provided by companies outside the traditional telecommunications sector, creating a fear in some quarters that the Internet could undermine the established order.

PTOs also fear direct competition from Internet telephony.

The low cost of conversing over the Internet makes it a potential threat to regular telephony, the core business of the PTOs.

Nonetheless, the Internet represents a "once-a-decade" opportunity for the telecommunications industry to develop new markets and new applications, the ITU says.

For one thing, the growth in demand for Internet service from residential customers is likely to create a corresponding demand for new telephone lines.

Moreover, as Internet suffers grow impatient with the "World Wide Wait," PTOs will be able to sell them higher-priced high-performance links to the Internet. Evidence of this can already be seen in the provision of ISDN lines, the report points out. The actual growth rate of ISDN since 1990 has been "even more impressive than the explosive growth in the number of Internet host computers."

Furthermore, the projected growth of the Internet is expected to create new demand for

the PTO's leased-line services.

What does the future hold? One possibility is that the Internet and the public telecommunications network may converge with the Internet, leading to the adoption of some elements of usage-based pricing, while traditional telecommunications will move towards flat-rate pricing.

Another possibility is that an alternative information structure will ultimately emerge that will offer better performance than the Internet. But the report notes that no such infrastructure appears imminent. "The product life cycle of the Internet is nearer to its start than its end," it says.

ITU dismisses doomsayers who believe that the Internet will collapse or that the vital arteries of the public telecom network will become clogged with Internet use. It is more likely that the public network will successfully meet the Internet challenge, assimilate the changes it brings, and emerge stronger as a result, the report says.

Bangladesh Gas Fields Co Ltd
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Re-Tender Notice

Tender No BGFC/LTNG(SV)038(R) Dated: 11-9-97

- Description of work** : Procurement & supply of materials and construction & commissioning (P&C) of 6 inch DN 3.50 km gas gathering pipeline from wellhead Habiganj-9 to Habiganj Location 1 at Habiganj Gas Field.
- Qualification of bidders** : High pressure gas pipeline contractors enlisted with the companies of PETROBANGLA under category 1.4 for the year 1995-96 and having experience in the construction of high pressure (working pressure 1000 ± 15 psig) cross-country natural gas pipeline of 6 inch DN & above as a main contractor or a sub-contractor or as a member of consortium within last 10 (ten) years (1987-1997) shall be eligible to participate in the tender provided they have specified technical and financial capabilities to undertake the work on P&C contract basis. In the case of consortium bid, the prime bidder/contractor, as designated, must have enlistment under category 1.4 to meet eligibility requirement as above.
- Bidding system** : Interested bidders shall have to submit their Technical and Commercial Proposals, three copies each, in two separate sealed envelopes for the aforesaid work.
- Bid validity** : Bid shall be valid for 60 days from the date of bid opening.
- Bid security** : Bid security of Taka 4,00,000.00 (Taka four lac) only in the form of Bank Draft/Pay Order and valid for a minimum of 90 days from the date of bid opening from any scheduled bank of Bangladesh in favour of Bangladesh Gas Fields Co Ltd, Brahmanbaria, has to be submitted along with the Technical Proposal.
- Price of tender** : Taka 2,500.00 (Taka two thousand and five hundred) only which is non-refundable.
- Availability of tender document** : Tender document will be available from 16-9-97 between 0900 hrs & 1500 hrs on all working days at the following addresses:

(a) Bangladesh Gas Fields Co Ltd Liaison Office, 97 Purana Paltan (Bijoynagar), Dhaka-1000. (c) Petrobangla Accounts Division, 3 Kawranbazar C/A Dhaka-1215.	(b) Bangladesh Gas Fields Co Ltd Liaison Office, 97 Purana Paltan (Bijoynagar), Dhaka-1000. (d) Titas Gas T&D Co Ltd Finance & Accounts Division Titas Gas Bhaban, 105, Kazi Nazrul Islam Avenue Kawranbazar Dhaka-1215.
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No tender document will be sold on the day of bid opening.

- Place, date and time of bid receiving and bid opening** : Bids will be received at the Liaison Office of Bangladesh Gas Fields Co Ltd at 97 Purana Paltan (Bijoynagar), Dhaka-1000 up to 1100 hrs on 7-10-97 and only the Technical Proposals will be opened on the same day at 1130 hrs in presence of the bidders, if any.
- Bangladesh Gas Fields Co Ltd reserves the right to accept any or reject any or all bids at any stages without assigning any reason whatsoever.**

PRS-9042/TNG/97
GD-167