

## Govt to build up buffer stock of jute

The government has decided to build up a buffer stock of jute, if necessary, to ensure fair price to the marginal farmers, reports AP.

The decision was taken at a high-level meeting at the Bangladesh Secretariat yesterday. State Minister for Jute and Textile AK Faezul Huq chaired the meeting.

Bangladesh Jute Mills Corporation (BJMC) has fixed a target of procuring 18 lakh bales of jute for the current season. If necessary, a buffer stock of 10 lakh bales will be built up in addition to the target, a PID handout said.

The government has already made arrangements to procure jute from farmers through 192 purchasing centres across the country.

The meeting discussed the issues of jute production, latest price situation, quantity of jute purchased by BJMC, and the fund for purchasing jute released from various banks.

BJMC Chairman Lt Col (retd) Abu Osman Chowdhury was present at the meeting.

## Accord with New England to set up power plant

The energy ministry here yesterday signed an implementation agreement with New England Power Company Consortium for setting up a Barge Mounted Power Plant (BMPP) in the private sector at Haripur near Dhaka, reports UNB.

The agreement was signed by joint secretary of the ministry Mirza Tasaddiq Hussain Beg on behalf of the government and president of New England Power Company Bhupi Verma, president of Wartsila NSD, Thomas M Carbone and Fortune Ltd. Managing Director Md. Noor Ali on behalf of the Consortium.

An amount of about Tk 450 crore will be invested for the construction of this BMPP.

Earlier this month, agreements were signed for the two BMPPs involving an estimated investment of Tk 900 crore. Each BMPP, with capacity of about 100 MW power generation, will be commissioned within 10 months of signing of the agreement.

The signing ceremony was attended, among others, by Chairman of Power Development Board Noor Uddin Mahmud Kamal, General Manager and Design Engineer of Wartsila NSD SJ Saxena and Matti Nuutila and AK Feroze Ahmed of Fortune Ltd.

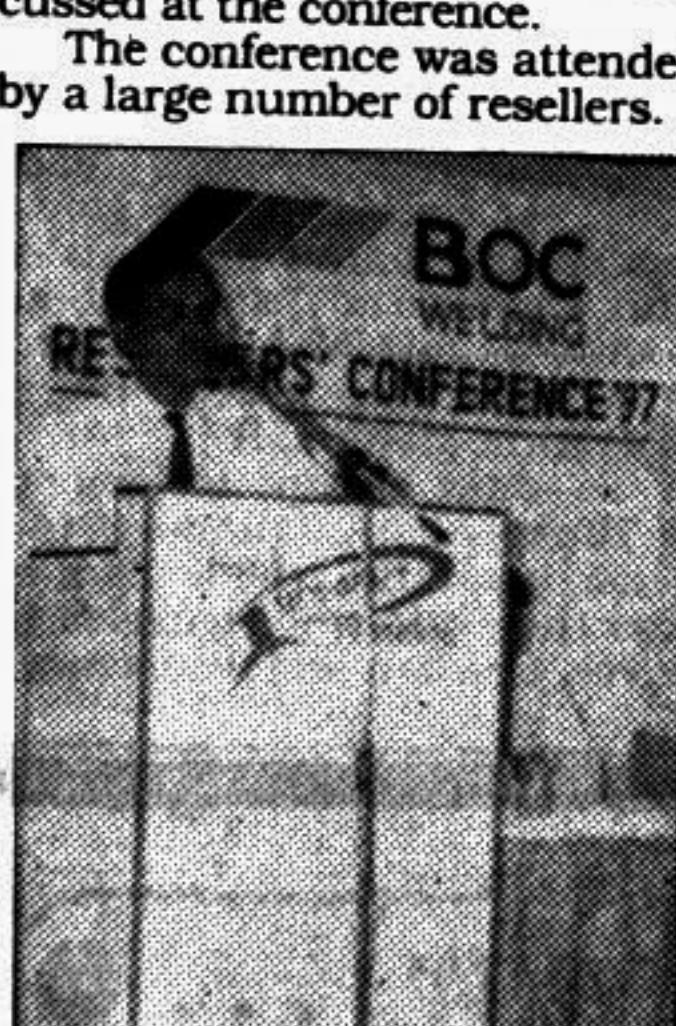
## Resellers' Confce of BOC held

A conference of resellers of BOC Bangladesh Limited was held at a local hotel recently, says a press release.

The conference was inaugurated by Wali Bhuiyan, Director (Welding) of the company.

Matters relating to marketing and sales of welding products of the company were discussed at the conference.

The conference was attended by a large number of resellers.



Wali Bhuiyan, Director (Welding) of BOC Bangladesh Limited, addressing the Resellers' Conference '97 of the company.

## Southeast Asian currencies rebound

SINGAPORE, Sept 24: Southeast Asian currencies rebounded as regional markets took a breather and Malaysia moved to end a row between Prime Minister Mohammad and his remises, US billionaire George Soros, reports AFP.

The Malaysian ringgit closed at 3,0600, up from 3,1000 at the end of Asian trading on Monday and an overnight dip to 3,1300 in New York. The Malaysian stock market also recovered on a technical rebound, closing 2.7 per cent higher.

"Today was a very well-behaved day," said Al Son Seng, an economist with US research house Standard and Poor's MMS in Singapore adding that there was profit-taking across the region on the dollar after its surge the day before.

Earlier, Mahathir had accused Soros of leading speculative attacks on the ringgit, which has lost some 22 per cent of its value against the US dollar since July.

## Developing countries' call to take national differences into account Dhaka, others voice concern over drop in ODA

HONG KONG, Sept 24: Developing countries took the podium Wednesday to urge caution on the International Monetary Fund and World Bank in their new crusades to fight corruption and free up the global flow of capital, reports AP.

Speaking on the second day of the sister institutions' annual meeting, officials from Iran, Pakistan, the Bahamas and other countries said national differences must be respected and weaker economies must be protected from sudden large movements of foreign funds in currency and stock markets.

Bangladesh, Egypt and India were among countries worried by the recent drop in official aid from richer countries. The World Bank estimated official aid of all kinds at dhs 40.8 billion in 1996, down from dhs 65.6 billion in 1991.

The World Bank which funds development, and the IMF, which oversees global debts and currencies, have used this year's meeting to highlight ambitious new agendas that include promoting honesty, openness and social justice among member nations.

Both have insisted the new policy makes sound economic sense. World Bank president James Wolfensohn told the gathering Tuesday that corruption undermines development and wastes aid, and finance ministers from rich countries generally agreed.

IMF Managing Director Michel Camdessus argued that freeing capital markets offers the best hope of prosperity.

The world's poorer countries, which dominated the stage Wednesday, agreed in principle with the new goals. But they voiced extensive concerns about implementation.

Iranian Finance Minister Hossein Namazi asked if the two institutions would discourage rich countries from letting their businessmen take tax deductions on bribes they pay in the Third World.

"The briber and the bribee deserve hell," Namazi said adding, "Despite all the constructive intentions that might have been behind the idea of requiring good governance, there is a major concern regarding its abuse — that it may serve as a tool to impinge on national sovereignty."

The IMF has argued that the investors were responding to

fundamental weakness in the economies, including overly high government spending on bit projects, risky bank practices and a dip in exports. The IMF organized a dhs 17.2 billion bailout of Thailand, but is demanding austerity measures and reforms in the Thai banking system.

William C Allen, minister of finance for the Bahamas, said the lesson of the Southeast Asian crisis should be that developing countries need more technical assistance from the fund in building sound financial systems.

He said Caribbean nations are willing to support the fund's open-market drive if it allows countries "to take measures to protect themselves."

Ethiopian Finance Minister Sufian Ahmed summed up another major concern when he voiced deep regret over the steady fall in officials development aid from the industrialized world.

"This decline makes it difficult for our countries to successfully complete the ambitious reform programmes being implemented in priority areas of our economies," he said.

The budget deficit and external current account deficits as a percentage of GDP have narrowed, GDP growth has risen to 5.7 per cent while inflation remains moderate at an annual rate of less than 5 per cent, Kibria told the meeting.

Maintaining stable macroeconomic conditions and a prudent stance of financial policies will be essential to attract significant levels of external private capital. This is particularly for foreign direct investment, he said.

He informed the WB-IMF that the government has taken initiatives for creating conditions for more efficient and transparent governance, promoting domestic and foreign investment and private economic activities in the country.

For many countries, the availability of ODA will remain a major determinant of their ability to undertake vital long-term public investments in social and economic infrastructure and in human capital, he said.

Expressing concern at the overall trend in flows of Official Development Assistance (ODA), he said despite the increased requirements of the economies in transition, the total pool of ODA resources has not expanded in real terms.

For many countries, the availability of ODA will remain a major determinant of their ability to undertake vital long-term public investments in social and economic infrastructure and in human capital, he said.

The Finance Minister outlined various reform measures adopted by the government under its economic strategy based on promoting export-oriented and private-sector led growth.

These include opening up the infrastructure sector to private foreign investment, revamping the bankruptcy laws, reforms in banking and capital market sectors and accelerating privatisation of state enterprises.

Referring to globalisation and liberalisation, the two defining characteristics of current economic transformation, he said successful liberalisation of economies prepares them to stand up to the rigors of global competition.

As a result of these two factors, the country's domestic industries have been subjected to intense competitive pressures as anticipated, but the accompanying structural shift towards export sectors have been slower than expected, Kibria said.

He said major international agencies must maintain an even-handed approach and work towards the elimination of all barriers to trade. Otherwise, some developing countries will not find desired results from liberalisation.

## Kibria tells WB-IMF meet Help ensure structural reforms

Finance Minister Shah AMS Kibria has said the developed countries and the World Bank-IMF need to remain sensitive to reform issues to ensure the progress of structural reforms which are difficult to implement, reports UNB.

"Reforms are easy to talk about, but difficult to implement. For a complex and difficult reform programme to succeed, it is vital that a national consensus on the basic issues is developed to support it," he said.

The minister was addressing the joint session of annual meetings of the Boards of Governors of World Bank group and International Monetary Fund (IMF) in Hong Kong this (Wednesday) morning, according to a message received here.

The process of consensus-building and negotiation is necessarily a time-consuming process in a democratic system in which "the government has no wish to ride rough shod over the will of the people," he said.

"Reforms are associated with gains and losses," he said adding, "it may require compensation to those adversely affected by the adjustment process except those losing rents seeking scopes based on distorted structures of trade and production."

The Finance Minister said World Bank and IMF should play a more significant role in developing an effective international framework to deal with the problems stemming from volatile private international capital flows.

Referring to the recent dramatic private capital flows to

developing countries, he said that in 1996, the flows exceeded 265 billion US dollars presenting new opportunities to the countries to adapt to the coming century.

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The key questions that the 1997 Report raises ahead of a crucial meeting in Geneva next month:

- \* Why are a growing number of least developed countries (LDCs) experiencing a marked improvement in their development performance?
- \* Why, twenty years after the Green Revolution, have only a few LDCs improved their agricultural productivity?
- \* Why, at a time of record resource flows to developing countries is the least developed countries' share of external finance falling?
- \* Why, at a time of unparalleled prosperity, are the populations of nearly half the LDCs getting less to eat than ten years ago?
- \* What can the international community do to help those LDCs that have experienced serious civil strife for over a decade and whose economies are in regress?

The 1997 Report is due to be presented at the 43rd session of the UNCTAD in Geneva on September 24.

The report is based on data from 1995 and covers 104 countries.

The report highlights the progress made by LDCs in recent years.

The report also highlights the challenges faced by LDCs.

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