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# The Daily Star BUSINESS

DHAKA FRIDAY, MAY 15, 1998

**HYUNDAI**

CARS THAT MAKE SENSE

## 'From Counting the Poor to Making the Poor Count'

# Inequality grows to retard anti-poverty efforts

Star Business Report

The rising inequality is acting as a major dampener on poverty reduction, and it is estimated that 20 to 30 per cent of the potential poverty reduction from growth may have been lost because of rising inequality in the country.

This was revealed in a new World Bank poverty assessment "Bangladesh: From Counting the Poor to Making the Poor Count".

"The impact of rising inequality on poverty reduction has been especially strong in urban areas and weaker in rural areas," said Shekhar Shah, the Bank's principal economist and main author of the report. He was briefing newsmen at the WB office in Dhaka.

However, the higher inequality associated with growth in Bangladesh does not imply that growth should not be pursued, the report says. On the

contrary, faster growth is needed if poverty is to be reduced faster, because the net effect of growth on poverty reduction is positive.

"But in tradition, efforts to limit rising inequality are needed," said Shah. "Agricultural growth reduces poverty and has least impact on growing inequality. This is why agricultural and rural development are key to reducing inequality."

Accelerating growth, promoting education, better targeting public expenditures to the poorest segments of the society, and effective partnerships with nongovernmental organisations in service delivery are key to making a stronger attack on poverty and reducing inequality," the report says.

The report is part of a broader collaborative effort between the World Bank and the



WB economist Shekhar Shah briefing newsmen while Country Director Pierre Landell-Mills looks on. — Star photo

Bangladesh Bureau of Statistics and significant improvements in the methodology of poverty measurement had been done.

Following a period of stagnating poverty reduction in the 1980s, Bangladesh has made strong progress in its war against poverty. According to the report, the incidence of the very poor fell from 43 per cent of the population in 1991-92 to 36 per cent in 1995-96, the incidence of the poor declined from 59 to 53 per cent during the same period.

Although poverty has declined in both rural and urban areas, rural poverty is still higher than urban poverty. Reducing the poverty of the very poor living in rural areas — still 40 per cent of the rural population in 1995-96 — remains a massive challenge.

The report says faster growth is needed if poverty is to

be reduced faster, because the net effect of growth on poverty reduction is positive. But according to the report, growth alone is not sufficient to reduce poverty. The gains from education and other household and regional characteristics suggest other areas for policy emphasis.

Education and land ownership remain key determinants of living standards. Differences in poverty between geographical areas depend more on differences in area characteristics than on differences in the characteristics of the households living in those areas.

Statistics Division Secretary Walidul Islam, also present at the press briefing, said growth should be dispersed over the population to break inequality. He said a seven per cent growth is needed to dent in poverty.



Md Qamrul Huda, Managing Director of Pubali Bank and William Oh, Managing Director of Taka Express Pte Ltd of Singapore, signed a contract on behalf of their companies at a local hotel. — Star photo



Laila Rahman Kabir, President of Metropolitan Chamber of Commerce and Industry, Dhaka, inaugurated the workshop on "Dissemination of Awareness on Environmental Conservation Act 1995 and Rules 1997" organised jointly by MCCI and Bangladesh Centre for Advanced Studies at the chamber conference hall yesterday.

### Remittance arrangement Pubali Bank, Taka Express of S'pore sign contract

A formal contract for drawing arrangement has been signed between Pubali Bank Ltd. and Taka Express Pte Ltd of Singapore at a local hotel, a Pubali Bank press release said here yesterday, reports BSS.

Md Qamrul Huda, Managing Director of the bank and William Oh, Managing Director of Taka Express Pte Ltd signed on behalf of their respective companies.

Chairman of Pubali Bank Ltd BA Chowdhury was present. Taka Express, a company licensed by the Monetary Authority of Singapore, will offer services for remittance of money of Bangladesh nationals residing and working in Singapore, through the network of Pubali Bank.

The remittance arrangement is approved by Bangladesh Bank. Pubali Bank with over 350 branches across the country will provide the remittance service through telecommunications facilities.

The remittance arrangement will facilitate safe and hindrance free remittance to Bangladesh and will go a long way in removing difficulties encountered by Bangladeshis sending money to the country.

### Prime Bank elects new chairman

Engr Md Nurul Haque Sikder has been elected Chairman of the Board of Directors of Prime Bank Limited with effect from the 1st of next month, says a press release.

He is a sponsor director of the bank since its inception. Similarly Quazi Sirazul Islam, Managing Director of Amin Jewellers Ltd and K M Khaled, Director of GETCO have been made Vice-chairmen with effect from the same date.

The election was held at a meeting of the Board of Directors of the bank in the city on Tuesday.

Four other committees were also constituted by the board.

### Japanese envoy calls on textile minister

Japanese Ambassador to Bangladesh Yoshikazu Kaneko called on State Minister for Textiles AKM Jahangir Hossain at the latter's office yesterday, reports BSS.

They discussed matters of bilateral issues and mutual interest, especially the problems and prospects of the textiles sector.

The Japanese Ambassador informed the State Minister that the government of Japan had agreed in principle to finance the National Institute to Textiles Training, Research and Design (NITTRAD), an approved project under the Ministry of Textiles.

The state minister expressed the hope that as a development partner Japan would continue its support for the economic development of Bangladesh.

## Pests eat up Tk 1800cr rice a year

The annual loss of rice yield due to pests comes to a staggering Tk 1800 crore although the country uses about 11,000 metric tons of pesticides a year, reports UNB.

According to a status report on pest management of Bangladesh, conservative estimates put the annual loss of rice yield due to pests at 10-15 per cent.

"This is equivalent to about Tk 1200-1800 crore per year," the report said using 1991 as the base year.

In 1991, the annual rice production was about 19.5 million metric tons and the average price was Tk 6600 per ton.

The report, prepared by the Integrated Pest Management (IPM) Project, identified insect pests, diseases, rodents and other vertebrate pests as one of the major constraints in raising the country's agricultural production, although over the years it has increased substantially.

According to the report, about 83 pesticides with 211 trade names are being currently used in Bangladesh, but have very little impact on reducing production loss as these pesticides can give only a temporary

relief against pest attack.

Bangladesh is one of the developing countries where 85-90 per cent of pesticides used in the farms never reach the target organisms.

But these pesticides "disperse through water, soil, and air, and leaves residues on food products, all causing illness or death to farm and wild animals. The report said: "Many or-

ganisms in the environment like fish, earth worms, soil and water inhabiting organisms, honeybees, pet animals, birds are also affected seriously."

"Pesticide contamination affects the whole chain of food as well," it added. Admitting that Bangladesh there is no data available on the effect of pesticide use, the report, however, said that mortality and illness due to pesticide poisoning are common in the country.

In Bangladesh, chemical control has been the primary method of pest control in the past. In 1965, Bangladesh used three metric tons of pesticides to control pests and diseases.

During early 1970s, the government gave pesticides free of cost to the farmers to control pests and diseases. In 1974, the subsidy was reduced to 50 per cent.

In 1979, the government withdrew the subsidy completely allowing the private sector importation of pesticide.

After the withdrawal of subsidy, although the use of pesticide declined in the early years, its use increased again during the later years reaching 11,000 metric tons in 1996, the price of which was more than Tk 100 crore, the status report said.



The principal branch of Social Investment Bank Limited arranged a get-together for the clients at the board room of the bank on Tuesday. Prof Dr M A Mannan, founder Chairman of SIBL, delivered the keynote speech at the gathering.

### Nepalese currency devalued

KATHMANDU, May 14: The Nepalese rupee was devalued 1.74 per cent against the dollar overnight following US sanctions against neighbour India for conducting nuclear tests, banking sources said today, reports AFP.

The buying and selling rate of the dollar was accordingly pegged at 64.20 and 64.80 rupees, a source said.

The move preceded Thursday's fall of the Indian rupee to a record low against the dollar amid jitters following international sanctions against New Delhi for its nuclear tests this week.

The Indian rupee fell to a record low of 40.38 the dollar on panic selling after US and Japanese sanctions, breaking its previous record low of 40.31 recorded in January.

### Taxi strike in NY

NEW YORK, May 14: Angry taxi drivers launched a 24-hour strike here yesterday to protest a city proposal that would require them to submit to drug testing and pay higher penalties for driving infractions, reports AFP.

Beginning 5 am (0900 GMT) many of the city's 12,000 yellow cabs stood idle, forcing commuters to make other plans to get to work.

### Exchange Rates

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to clients									
Currency	Selling TT & OD	Buying TT Clean	Selling EC	Buying OD Sight	Buying TT & OD				
USD	46.5050	46.1100	46.5450	45.9570	45.8850				
GBP	76.1566	74.8411	76.2221	74.5928	74.4739				
DEM	26.2710	25.8290	26.2936	25.7433	25.7030				
JPY	0.3497	0.3428	0.3500	0.3417	0.3412				
FRF	7.8789	7.6537	7.8856	7.6284	7.6164				
SAR	12.4332	12.2613	12.4439	12.2207	12.2015				
MYR	12.2511	12.1469	12.2616	12.2615	12.0877				
AED	12.6966	12.5190	12.7075	12.4775	12.4579				
KWD	157.2549	145.9963	157.3902	145.5118	145.2839				
QAR	12.8085	12.6277	12.8195	12.5858	12.5661				

USD Usage Export Bill Buying Rates:					
TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
46.0112	45.7258	45.3415	44.9573	44.5730	43.8045

US dollar London Interbank Offered Rate (LIBOR) as of May 14, 1998									
	Buying	Selling	currency	1 Months	3 Months	6 Months	9 Months	12 Months	
Cash	45.8850	46.5050	USD	5.625	5.6875	5.75	5.8437	5.9062	
TC	45.8850	46.5050	GBP	7.4375	7.4375	7.4375	7.4375	7.4375	

Exchange Rates of Some Asian Currencies Against US Dollars									
Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won				
40.50/55	44.050/56	38.70/80	3.7960/3.8260	11750/12050	1420/1425				

**Amex notes on Thursday's market**

Local foreign exchange market was active on Thursday. Demand for US dollars was comparatively higher than previous day because of high import payments. USD/BDT traded within a range of 46.4490 to 46.4530.

The call money market was up because of Treasury bills payments worth 1.14 billion, call rate ranged between 9.50% to 11.50%.

In the international market, US dollar pared its earlier losses against the yen by late Tokyo trade due to growing concerns about riot-ridden Indonesia. Concern that the Indonesian situation could worsen and the possibility that this may spill over into neighbouring nations are pressuring the yen. Dollar earlier fell against the yen on report that President Suharto was willing to step down. Dollar market was in steady range near 1.7750. The Bursa council will meet today with no rate change expected in the market. Sterling plunged fresh lows against the mark and the dollar in European morning trade as support from Wednesday's strong UK earnings data diminished.

At 1730 hours local time US dollar traded at 1.7760/65 DEM, 134.10/15 yen, 1.4782/87 SFR, 5.9565/75 FRF and GBP at 1.6218/21 USD.

## India starting to pay for nuclear tests

HONG KONG, May 14: India is starting to pay a heavy price in finance and influence for the nuclear tests that it has so defiantly defended, reports AFP.

President Bill Clinton yesterday signed papers to allow the United States to slap sanctions on India for its five nuclear blasts this week.

Japan has already suspended some aid and Prime Minister Ryutaro Hashimoto said further measures could be taken after the two latest explosions.

Sweden has also suspended a 120 million dollars aid agreement with New Delhi.

Even India's traditional Russian allies have scolded the Hindu-nationalist led government for ignoring world opinion.

India carried out three nuclear tests on Monday and two more on Wednesday which it said concluded the current series.

Indian shares lost four per cent of their value on the Bombay market on yesterday and Clinton was to announce the US sanctions later in the day in Berlin, where he is on a visit.

A 1994 law requires that Washington freeze all but humanitarian aid to India because of the tests and oppose any loans from the International Monetary Fund (IMF) and World Bank.

US banks will not be allowed to grant loans to New Delhi.

The law provides for a delay of 30 days before being implemented, which means it would theoretically come into force on June 13.

Japan, the only country to be bombed with nuclear weapons, made it protest clear by suspending 3.5 billion yen (26 million dollars) in annual grant aid.

After the latest blasts, Prime Minister Ryutaro Hashimoto said Japan was considering a review of the one billion dollars worth of official development assistance loans it makes each year, Japan is India's largest aid donor.

Sweden has cancelled a three-year aid agreement with India, worth 900 million kronor (119 million dollars), the Swedish aid ministry said.

Prime Minister Boerjan Persson said it is "remarkable that (India) has not understood all the international protests, that it is instead continuing down the road toward isolation."

Russia is a longstanding ally, dating back to Soviet days. But a Russian foreign ministry spokesman expressed "deepest regret" at the second set of nuclear tests and said Moscow was watching the situation "with concern and anxiety."

## Indian rupee falls to a record low

BOMBAY, May 14: The rupee fell today to a record low of 40.70 to the dollar in a panicky market after the United States and Japan announced sanctions following Indian nuclear tests, dealers said, reports AFP.

The rupee opened at 39.78 to the dollar, the previous close, but soon started falling, said Pradeep Sharma at foreign exchange and travel house Thomas Cook.

It touched 40.70 after some three hours of trading, a 2.3 per cent gain for the dollar over Wednesday's close.

Sharma said: "There is panic buying of dollars. Banks, corporates are buying. There are major movements in the market today and there is a lot of volatility."

Sharma said there was no intervention from the central reserve bank of India nor the state-run state Bank of India, which had kept the rupee steady the past two days by selling dollars.

"There is no intervention and the currency is going down," Sharma said. "Everything on the currency points to a downturn."

He said the rupee was expected to close the day at 40.40 to the dollar.

The rupee had been holding steady to the dollar since Monday when India carried out three nuclear tests and later on Wednesday defied international opinion with two more detonations.

## VACANCY ANNOUNCEMENTS

### Strengthening Parliamentary Democracy (BGD/97/003)

The Bangladesh Parliament Secretariat, seeks applications from Bangladeshi nationals for the following positions:

#### A. Admin. Assistant/Accountant (1)

Duration : 60 working months

Station : Project Office, Sangshad Bhaban, Dhaka.

One Administrative Officer with accounting skills will work under the direction of the National Project Director, s/he will:

- offer secretarial support (typing, filling, corresponding, maintaining appointments) to the NPD and other project staff as required;
- provide project accounting services to the NPD; and
- any other project related duties as and when required.

#### Qualifications:

The incumbent should be a commerce graduate with a minimum of five years experience in administrative work in private company/government office. The incumbent will have initiative and be able to deal with a large portfolio of tasks. Accounting skills are essential, as is working proficiency in English and familiarity with word-processing/database software. Priority will be given to those having experience in UNDP accounting system.

#### B. Computer Operator/Secretary (2)

Duration : 60 working months each

Station : Project Office, Sangshad Bhaban, Dhaka.

Two Computer Operator/Secretaries will be stationed at the Project Office throughout the duration of the project to provide full-time support to the project staff. Her/his responsibilities will include:

- drafting, sending and filling correspondences for project staff, particularly the consultants,
- data processing and entry, and
- any other relevant duties as decided by the NPD and project staff.

#### Qualifications:

The incumbents will have a minimum Higher Secondary Certificate with prior experience of word-processing and database software e.g. (MS Word, FoxPro), and strong working proficiency in written English, as well as excellent written and spoken Bangla. S/he will also possess proven learning skills and ability to develop their capacity in a short space of time; prior experience in computer operating is essential.

#### C. Driver (4)

Duration : 60 working months each

Station : Project Office, Sangshad Bhaban, Dhaka.

Four drivers will be recruited and assigned full-time to drive project vehicle for duties related to project implementation within Dhaka and throughout Bangladesh. Her/his responsibilities will include:

- driving project vehicles,
- delivery and collection of mails and documents,
- maintain log book for - trips, daily mileage, gas consumption, etc.,
- day to day maintenance of the assigned vehicle, and
- any other relevant duties as decided by the NPD and project staff.

#### Qualifications:

The incumbent should have a Secondary School Certificate or equivalent and have a minimum of five years driving experience preferably in a government department, NGO or private organisation. Only candidates with full references and recommendations will be considered for the positions. Experience in driving abroad and/or good knowledge in spoken English would be considered as added qualification.

Remuneration would be decided in accordance with the set UN standard for such posts matching with qualification and experience.

Applications should be marked confidential and include a cover letter and two copies of the applicant's curriculum vitae. No copies of references, certificates or professional papers should be submitted at this time. Applications should be sent to the National Project Director, (Ref.: BGD/97/003-Strengthening Parliamentary Democracy Project), C/O Manager, Human Resources, UNDP, House No 60, Road # 11 A, Dhanmondi Residential Area, Dhaka 1209 no later than 29 May 1998. Only short-listed candidates will be contacted.

Note: Any attempt to influence the process of selection will result in the immediate termination of the candidate's application.

**WOMEN ARE PARTICULARLY ENCOURAGED TO APPLY**