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Saifur at seminar on privatisation warns

Liberalisation may prove dangerous without proper institutional support

Star Business Report

Former Finance Minister M Saifur Rahman yesterday cautioned that free market policies like liberalisation and globalisation of the economy should be adopted 'very carefully' since the country lacks strong institutional support for their implementation.

Speaking at a seminar on "Privatisation in the context of economic globalisation" yesterday he further said that without strong regulatory measures and institutional support the venture for globalisation could be dangerous.

The seminar organsied by the International Chamber of Commerce (ICC) at a city hotel was also addressed by Finance Minister SAMS Kibria, Commerce and Industries Minister Tofail Ahmed, Privatisation Board Chairman Kazi Zafarullah, FBCCI President Abdul Awal Mintoo, Board of Investment (BOI) Executive Chairman Farooq Sobhan and former Minister Chowdhury Kamal Ibne Yusuf.

ICC-Bangladesh chapter President Mahbubur Rahman presided over the seminar.

Referring to the recent economic turmoil in the southeast Asian countries, Saifur said: "We should not swallow anything and everything prescribed by the international community, including the World Bank and IMF."

"Before accepting their suggestions, the country's policymakers should consider them in the national context and then decide whether these are suitable for our society," he said.

Members of parliament Morshed Khan, N K Alam Chowdhury, Tajul Islam and A B Tajul Islam, Industries Secretary K M Ejazul Huq, Commerce Secretary Sayed Alamgir Farrouk Chowdhury, NBR Chairman A Muyeed Chowdhury, Swedish ambassador in Bangladesh Seven Anders Johnson, visiting Swedish privatisation expert L Koniksson, MCCI president Laila Rahman Kabir, former MCCI President Latifur Rahman, S H Kabir, Bangladesh Employers Association President Rokia A Rahman, Barrister Rafique-ul Huq, Mahbub Jamil and economist Debapriya Bhattacharya also took part in the discussion.

The finance minister said the government's privatisation practice is also backed by a social safety net programme for the retrenched workers.

"To push forward the privatisation campaign, we must retrain the workers for helping them switch over to other jobs, and offer them a voluntary retirement scheme," Kibria said.

Industries Minister Tofail Ahmed noted that some buyers of the state owned enterprises (SOEs) were not paying the prices after taking over the units. In this context, he mentioned the name of a company which paid only Tk 7 crore for a privatised unit against the selling price of TK 28 crore.

Talking about foreign investors buying SOEs, BOI Chairman Farook Sobhan said that a few of them would come forward to buy a sick industry.

According to him, the government can privatise some profit-making enterprises like Biman Bangladesh, Bangladesh Railway, and the two five-star hotels.

Former Minister Chowdhury Kamal Ibne Yusuf said the privatisation process was not suffering from lack of political commitment but from lack of courage to take risks.

"Both Awami league and BNP do not have enough courage to go for large-scale privatisation programme since it involves political risks," he said.

Opposing the common view that the workers were a major hindrance to the privatisation of SOEs, former President of FICCI Mahbub Zamil said Bangladeshi labourers are well-mannered and easily manageable. "They become difficult to handle when politicians dictate them," he said.

ICC-Bangladesh President Mahbubur Rahman said that with political commitment all the hindrances to privatisations could be removed.

The nation should not waste any single moment to kick-start the process of privatisation immediately, he said.

"Even if the government offers the loss-making enterprises for free, it would still make sense as there will be no further bleeding of the exchequer over financing these SOEs," he maintained.

Finance Minister Shah AMS Kibria (third from left) addresses as chief guest the ICC Business Dialogue on "Imperatives of privatisation in the context of economic globalisation" organised by the International Chamber of Commerce (ICC)—Bangladesh, at a local hotel yesterday. Mahabubur Rahman, President of ICC Bangladesh, Tofail Ahmed, Minister for Commerce and Industries, Kazi Zafarullah, Chairman of the Privatisation Board, and Latifur Rahman, Vice President of ICC Bangladesh are seen on his left. Abdul Awal Mintoo, President of FBCCI, and A. Rob Chowdhury, Vice President of ICC-Bangladesh, are on his right. — ICC photo

Sheba launches new corporate identity

Star Business Report

Sheba Telecom Ltd, a Bangladesh-Malaysia joint venture in mobile telephone services, has launched its new corporate identity yesterday by changing its logo.

The new logo features a generic bird.

"Its not just a symbol, its a symbol of change," Tan Sri Tajudin Ramli, Chairman of Sheba Telecom, told a press conference prior to official launching of the logo.

Minister of Posts, Telecommunication, Public Works and Housing Mohammad Nasim officially launched the logo at a ceremony at a city hotel later in the evening yesterday.

The company started its Bangladesh rural telecommunication operations in 1995 using local loop technology and has launched its Global System for Mobile (GSM) communication service in August this year.

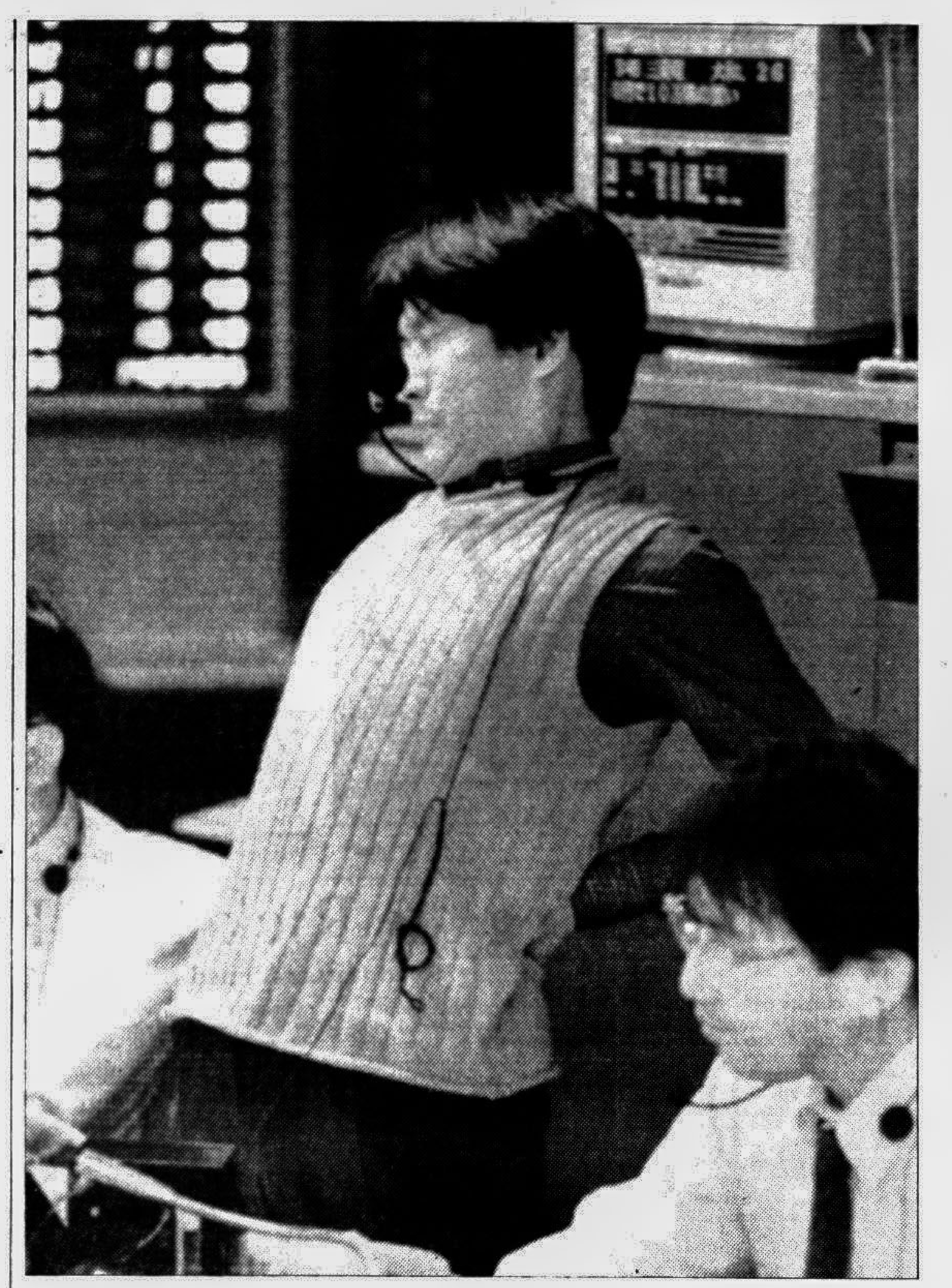
Sheba Telecom received licence in August, 1994, to provide rural telecommunication services in the southern parts of Bangladesh. The rural network is to be completed in four phases.

The chairman of the company said that the first phase covering 62 thanas had been successfully completed in July, 1996. The remaining phases for 132 thanas are expected to be completed by the end of the next year.

He said in November, 1996, the company was allowed to provide the GSM services which will be completed in two phases. The first phase for Dhaka metropolitan area was completed in August 1998.

In the second phase, which would concentrate on expansion of telecommunication services to other cities and upgrading the existing systems, would be spread over a period of 13 years.

Sheba Telecom is a joint venture company between Technology Resources Industries Berhad (TRI), one of Malaysia's leading telecommunication firm, and Integrated Services Ltd (ISL), an engineering and construction company of Bangladesh.



A money dealer stretches his back during Wednesday's morning trade on Tokyo Foreign Exchange. The US dollar against Japanese yen was quoted slightly lower at 115.34 yen and the rate was little changed in the morning. — AP/UNB photo

ECNEC okays Tk 204cr projects

The ECNEC yesterday approved three projects, including one for strengthening the Seed Certification Agency at an estimated cost of Tk 23.76, reports UNB.

The total of the three projects approved at a meeting of the Executive Committee of the National Economic Council (ECNEC) at NEC Bhaban, is Tk 203.56 crore, including project aid of Tk 20.88 crore.

Prime Minister Sheikh Hasina, who chaired the meeting, emphasised the need for ensuring quality control, improvement and proper certification not only of rice and wheat, but also oil and vegetable seeds.

She directed concerned agencies to speed up the crop diversification programme in order to meet up balanced food requirement of the growing population and also generate potentials of export diversification through increased export of agricultural products.

The two other projects are: Development and protection of bordering area rivers and towns (Tk 229.80 crore) and small credit scheme for the weavers (Tk 5 crore).

Hasina directed the Water Resources Ministry and the Planning Commission to attach highest priority on river protection of the border areas, particularly where the river erosion is distorting country's territory.

While considering the reports on rehabilitation of railway line in the Eastern Zone, the meeting observed gross irregularities committed during the rule of pervious government.

The irregularities were found specially in the field of violation of standard rules and provisions regarding procurement, fund release and utilisation of foreign exchange from partner organisations.

The meeting decided to conduct thorough enquiry of the gross irregularities in this project and fix responsibility in this respect.

The proposed enquiry was considered important to ensure accountability in the allocation and use of public resources.

While approving the small credit programme for the weavers, the Prime Minister asked the concerned ministry to ensure proper disbursement of the credit to weavers all over the country.

She also directed for proper disbursement of the agriculture loan of Tk 3270 crore through Krishi Bank. She asked the authorities concerned to disburse the loans among the farmers and weavers in a simple procedure. These credits will be given without any collateral.

LGRD and Cooperatives Minister Zillur Rahman, Finance Minister Shah AMS Kibria, Water Resources Minister Abdur Razzak, Commerce and Industry Minister Tofail Ahmed, Food and Agriculture Minister Begum Matia Chowdhury, State Minister for Planning Dr Mohiuddin Khan Alamgir, State Minister for Textile KM Jahangir Hossain, Cabinet Secretary, Principal Secretary to the Prime Minister, members of the Planning Commission, Governor of Bangladesh Bank, concerned secretaries and senior officials of the Planning Commission were present at the meeting.

LGED implements Tk 35cr projects in Jessore

JESSORE, Nov 4: The Local Government Engineering Department (LGED) implemented 725 schemes in the district at a cost of Tk 35 crore during the last fiscal year (1997-98), reports APB.

The projects, completed with the financial assistance of the Asian Development Bank (ADB), include reconstruction of metalled roads, construction of educational institutions, growth centres, bridges, culverts and tree plantation, LGED sources said.

Of the projects, eight roads in rural areas were metalled at a cost of Tk 15 crore. These are: Chowgachha-Chakla Kotchandpur road, Solua-Kayemkhola road, Jhikargachha-Bankra road, Sarsa-Gorepara-Kashipur road, Goldah Bazar-Rajganj road, Keshabpur-Katakhali-Chuknagar road, Keshabpur-Sarshkati road and Shankarpasha-Bhatpara-Amtoli road.

Eight bridges and 292 culverts were also constructed along the roads to facilitate smooth movement of vehicular traffic and transportation of agricultural produce.

The LGED helped set up eight growth centres under the RDP-18 programme as well. The centres were built at Chowgachha Bazar, Bankra Bazar, Gorepara Bazar, Kayemkhola Bazar, Nehalpur Bazar, Kathakhali Bazar, Bagharpara Bazar and Amtala Bazar.

It built sheds for selling vegetable, meat, rice, fish and other produce and sank tube-wells while internal roads with pucca drains were constructed at the centres.

CDC chairman due in city today

Chairman of the Commonwealth Development Corporation (CDC), Earl Cairns, arrives here today for a two-day visit to Bangladesh, reports UNB.

Lord Cairns will host a programme in Dhaka to celebrate 50 years of CDC's operations.

During his stay, he will meet Prime Minister Sheikh Hasina, ministers and leading private sector investors.

Lord Carins will leave the country Friday.

Commonwealth Development Corporation is Britain's overseas development finance institution operating in developing economies through 27 overseas offices.

At the end of 1997, CDC's investment stands at 2.7 billion US dollars in over 400 businesses in 54 countries.

In Bangladesh, CDC has made six loans and six equity investments totalling 61 million dollar. CDC's investment includes Industrial Promotion and Development Company (IPDC), Padma Textiles, Beximco Textiles, Karnaphuli Fertiliser Company (KAFCO) and United Leasing Company and QC Container Line.

So far in 1998, CDC has approved a further 47 million dollars (Tk 22 crore 91 lakh) of new investment in Bangladesh in the cement and telecommunication sectors.

Tokyo may unveil fresh economic stimulus steps on Nov 16

TOKYO, Nov 4: New government spending measures to boost Japan's sagging economy may exceed the 10 trillion yen ($86 billion) promised by Prime Minister Keizo Obuchi, Japan's economic planning chief said Wednesday, reports AP.

The government is expcted to announce the fresh stimulus steps on Nov. 16, and Cabinet ministers held an emergency meeting Wednesday to discuss the plan.

Economic Planning Agency Director General Taichi Sakaiya told reporters after the meeting that any new economic steps must trigger an immediate boost in domestic demand in order to ensure a return to economic growth next year.

"Right now, the economy is in an extremely severe condition," Sakaiya said. "The government's economic steps shouldn't be limited to the 10 trillion yen framework."

Japan has been mired in a deep recession, and the government is struggling to come up with a strategy to prevent the economy from shrinking in fiscal 1999 for a third consecutive year.

The government estimates gross domestic product will contract by 1.8 per cent for the current fiscal year.

Currency Roundup

Asian units end mixed in thin trading

SINGAPORE, Nov 4: Asian currencies were mixed in thin trading today with the Indonesian rupiah range-bound in the absence of fresh leads, dealers said, reports AFP.

The rupiah traded before midday at 8.600 to the dollar down slightly from its close of 8.500 Tuesday.

We saw the rupiah weaken quite a bit yesterday on news of the delay in IMF disbursement now, it a just trading at a range of 8.400 to 8.650", said a dealer with an European bank here.

The International Monetary Fund is likely to meet later this week to discuss the disbursement of one billion dollars in bailout funds to Indonesia that had been due last month, an IMF official said in Jakarta.

Indonesian officials denied the delay was linked to next week's special meeting of the highest legislative body, the People's Consultative Assembly, which some analysts say may precipitate protests.

The Singapore dollar was higher at 1.6210 from 1.6220 the day before, as well as the Thai baht at 36.60 up from 36.65.

The Philippine peso persisted in its steady rise well above the 40 peso level and was trading at 39.405 from 39.76.

The peso's firmness was attributed by central bank of the Philippines Governor Gabriel Singson to the inflow of foreign investments and remittances from the millions of Fillipinos working overseas.

The Taiwan dollar was slightly lower at 32.467 from 32.454 while the South Korean won stood marginally higher at 1,313.5 from 1,314.50.

India offers 'fast track' treatment to French investment

PARIS, Nov 4: Indian Finance Minister Yashwant Sinha said on Tuesday he would appoint a senior official to ensure "fast track" treatment of French investment in India as part of efforts to boost economic ties, reports AFP.

"I have decided to open a fast track" for French investment proposals, Sinha told a French business symposium here.

I will nominate a very senior official in my own ministry who will be the nodal point for French investment proposals and who can deal with any problems expeditiously."

Sinha is here to seek French private investment, notably for massive infrastructure projects, in a bid to boost relatively small French-Indian trade and investment ties.

Total French investment in India is only some one billion dollars, or two per cent of the total, and bilateral trade is only about two billion dollars, which does not reflect France's position as the world's fourth largest economy, India's ambassador to France Kanwalsibal said.

But several French businessmen cited concern at problems with bureaucracy and import restrictions, as well as the cautious speed of India's economic opening as reasons for hesitating to invest.

Sinha's announcement of a 'fast track' to unravel French investors' problems was aimed at alleviating these concerns, and the two sides have also given political impetus to the relationship this year with a visit to India by President Jacques Chirac and a visit to France at the end of September by Prime Minister Atal Behari Vajpayee.

Another reports from Mumbai says: Foreign portfolio investors pulled 140 million dollars out of India stocks in October, according to figures released yesterday.

M M Nurul Haque, Managing Director of SIBL, shakes hands with M A Hassanain, Director, ILO, Dhaka office after signing an agreement for disbursing stipends among displaced garments child labourers yesterday. Prof M A Mannan, Founder Chairman, directors and senior executives of SIBL and Project Manager of ILO are also seen. — SIBL photo

ILO-SIBL accord to disburse stipends among child labourers

International Labour Organisation (ILO) and Social Investment Bank Ltd (SIBL) on Tuesday reached an agreement for disbursing stipends among displaced garments child workers for their educational programmes under Harkin's law of USA, says a press release.

According to the agreement, about Tk 5 million would be disbursed to 4,000 child workers till September 30, 2000.

This agreement is the second one with the SIBL in continuation of an earlier agreement signed on December 31, 1996, under which about Tk 30 million was received from ILO and disbursed to 5150 displaced garments child worker students and 2700 savings account were opened in the bank, it said.

The agreement was signed in the Board Room of the bank by M M Nurul Haque, Managing Director of SIBL and M A Hassanain, Director of ILO, Dhaka office.

Prof MA Mannan, founder Chairman of SIBL, directors Alhaj Mohammed Aynul Haque, Nargis Mannan, Abdur Rahman, Major (Retd) Mir Ekhtier Hossain, Md Humayun Kabir Khan, Kamaluddin Ahmed, Mohd Shah Alam, Abdul Mohit, Engr Humayun Kabir Bhuiyan, Executive Vice President of Non-Formal Banking Division, M Shahjahan Mantu and other senior executives of the bank and Rijk Van Harlem, Project Manager of the ILO were present.

Bangladesh envoy to UN says

LDCs limping under cripling debt burden

NEW YORK, Nov 4: Least developed countries are limping under a crippling debt burden while aid scenario remains bleak, Bangladesh's UN representative, apprised the world body, reports APB.

"No breakthrough in market access occurred and no long term investment flowed to the LDCs", said Ambassador Anwarul Karim Chowdhury focusing on the macroeconomic aspects of LDCs.

Giving statement to the Economic and Financial Committee of the United Nations here Monday, he said the LDCs had been recognised as doing their utmost despite tremendous odds.

"Under the most difficult domestic and external circumstances, the LDCs implemented significant structural reform," said the ambassador in his statement on behalf of the 48-nation LDCs' group in which Bangladesh acts as a coordinator.

Referring to the outcome of the 45th session of the Trade and Development Board of UNCTAD in Geneva on October 12, he said LDCs had earned the recognition that they were doing their best to better their conditions. But he questioned whether the industrialised countries had done enough to match the efforts of the LDCs.

"The international community will have yet another opportunity to put in their best effort," the Ambassador said, "through the preparation of the third UN Conference on LDCs in 2001."

The ongoing 53rd session of the General Assembly will mull over a resolution on the details of preparation on the conference which will be hosted by Europe in the first half of 2001.

He thanked the European Union for its offer to host the conference. "We count on the support of our development partners for an effective preparation," he said.

The new Programme of Action to be adopted in the 2001 conference will be the road map of LDCs into the first decade of the next century, he told the committee. "LDCs are determined to shake off the legacy of a languid past and look forward to a lustrous future."

Weak demand seen lowering inflation in Philippines

MANILA, Nov 4: Weak consumer demand is expected to have lowered inflation pressure on all commodity groups in the Philippines in October, economists said Wednesday, reports AP.

The economists said they expect October inflation to be 9.8 per cent year-on-year, down from 10 per cent in September. The data is to be released Thursday.

In the nine months to September, inflation averaged 9.4 per cent, lower than the government's target of 10 per cent for the year.

Inflation hit double-digit levels in May for the first time in nearly two years, when it reached 10.3 per cent.