against his only rival Chief Olu

Falae (60), a former Finance

Minister and a US educated

bureaucrat. Interestingly, both

the candidates were in prison

during the military rule of

General Sani Abacha till 1998

ple's Party while General

no surprise that Chief Falae is

considering to mount a chal-

lenge to the result on similar

grounds. However, interna-

tional observers say that they

did not find any evidence of a

systematic attempt to rig the

Background

tween 1976 and 1979. Although

he relinquished power to the

civilians in 1979, many people

remember his rule as ineffi-

cient and authoritarian with

bad record of human rights. In

retirement, he became a multi-

millionaire farmer (with

plenty of livestock) in his re-

gion, Abeokuta, 100 kilometres

vigorous. The Nigerians were

jubilant to elect a civilian gov-

ernment. The supporters of

Chief Falae made it clear that a

vote for the General was a vote

for the brutal military which

had brought ruin to the country.

It was claimed that no General

serving or retired, should hold

the power any more in Nigeria.

The President should be 100 per

cent civilian and Chief Falae

Obasanjo argued that he was as

entitled as any other Nigerian

to run the election for President

just as the United States gener-

als George Washington and

Dwight Eisenhower became

Presidents of the US. Chief

Falae was shown by his oppo-

detente. But a big start has been

made as their leaders talk the

language of peace and coopera-

Lahore Declaration by the In-

dian and Pakistani prime min-

isters, at the end of the Indian

premier's visit, lies in the fact

that a strong political com-

mitment has been made by

them to normalise strained re-

tensify their efforts to resolve

all issues, including the issue of

Jammu and Kashmir", refrain

from "intervention and inter-

ference in each other's internal

affairs," and take some confi-

dence-building measures in the

nuclear and conventional mili-

each other on "WTO-related is-

sues with a view to coordinating

their respective positions" and

to cooperate in information

technology, especially the Y2K

hope that India and Pakistan

would agree to a no-war or no-

aggression pact and undertake

specific measures of unclear re-

straint, considered crucial after

reached recognise the impor-

tance of "immediate steps to

TATE owned enterprises in

Categorised into (a)

nationalised (under PO 27), (b)

abandoned (under PO 16), (c)

vested (under PO 29), (d)

(under PP 16) by sub-committee

on disinvestment headed by Di-

rector General, Dept. of Indus-

POs 16 and 29) by district au-

thority under the administra-

tive control of Director-Gen-

eral, Dept. of Industries and

with the sole purpose of rapid

economic development to en-

sure distributive justice. The

desired goal, however, could not

be achieved. In fact, within a

short period, these industries

was found incurring heavy

losses and increasing the bur-

den of liabilities. Thus the gov-

ernment was convinced of the

need for allowing the private

sector to play crucial role in the

economic growth of the country

and embarked upon a policy of

vestment started right after the

independence of Bangladesh.

formal policy divestment began

from 1975. Pursuant to revised

investment policy (Dec 1975).

the private sector received gov-

ernment support by way of di-

vestment of a number of 'taken-

over' industries and restora-

tion/transfer of some of such

industries to their Bangladeshi

former owners. The earlier pol-

Though the process of di-

privatisation of enterprises.

This arrangement was made

Ministry of Industries.

(iii) Small enterprises (under

Bangladesh can

However, the agreements

their explosions in May.

The accords fall short of the

They also agreed to consult

They are committed to "in-

lations.

tary fields.

problem.

The true significance of the

The supporters of General

deserved to be elected.

The election campaign was

General Obasanjo ruled be-

vote at the election.

north of Lagos.

Peoples Democratic Party.

Is Nigeria Being Ruled by the Military under Disguise? THE result in the Presidential election on 27th February in Nigeria has put the former General Olusegun Obasanjo (61) victorious as

by Barrister Harun ur Rashid

The political power will be transferred on 29 May by the military ruler and this three-month transition period in Nigeria needs to be closely watched. At the risk of being cynical, one may argue that the threat from the military is not over yet.

and belong to a minority Yoruba tribe. Chief Falae reprenents as having an agenda for sented the two parties, Alliance the south-west and the powerful for Democracy and the All Peonorthern region did not support him. The rules of political Obasanjo was nominated by the mathematics in Nigeria are that one needs the support of It is not uncommon in a dethe north, being the most popuveloping country that there lous region, to win the Presiwould be some irregularities in dency and the Chief failed to rethe polling booths and as a conceive the support from the sequence the unsuccessful rival candidate would invariably al-The mistrust between the lege that the voting was neither free nor fair and therefore it is

three main ethnic groups — the largely Catholic Ibo tribe in the south-east, the Christian and Muslim Yoruba tribe in the south-west and the primarily Muslim Hausa-Fulani tribe runs deep. The northern tribe dominated and controlled the political power in Nigeria since its independence from Britain in 1960. This is partly because the British favoured the north and partly because they were able to crush the lbo secessionists during 1967-1969, commonly known as Biafra war.

The present military leader Major-General Abubakr Abdus Salam kept his words when he announced last year that he would hold elections in the country and the military would return to the barracks. Although he kept his commitment, his critics maintained that he rigorously controlled the election. No independent candidate was allowed to run and no constitution to govern the country was made public. No one knows what would be the powers of the 109-member Senate and a 360-seat House of Representatives. It may be noted that the Parliamentary elections were held earlier in February and General Obasanjo's party- candidates held the majority in both the houses of Parliament.

People's Mood and Aspirations

For the first time the political power in Nigeria has shifted from the long rule of the north

to the south-west. from Hausa-Fulani tribes to Yoruba tribe. Many believe the northern tribe had no option this time but to surrender power to the other tribe as their uninterrupted rule brought misery to the people. The Presidential election is the last stage of Nigeria's transition to civilian rule after 15 years of military dictatorship from the northern region. The military and political leaders from the north have lost all credibility in the eyes of the people and the northern politicians, conscious of their poor record in office, ruled out this time one of their own nominating for the Presidency and supported the Gen-

The ordinary civilians in the country appear to be wary about the outcome because they do not seem to trust any military person. Many see the election of General Obasanjo as President as continuing military control by subterfuge. Military rule is now outdated and the international community hesitates to recognise them. Therefore, many Nigerians believe that the military generals have perfected a strategy to cover the military regimes by putting in a retired military man in the garb of a civilian in power. After all, the Nigerians cannot forget that out of 38 years and half of its existence the military ruled the country more than 28 years and the country is in a mess. Many Nigerians see the election as a merry-go-round that would ring back to power the soldiers who are responsible for the country's

problems. Another fact is that the retired and serving military officers are the richest group of people in the country as they own banks, shipping companies and farm lands. The people believe that the net worth of these gentlemen is grossly out of proportion to the legitimate

income. The ordinary people became poorer and the military regimes successively mismanaged the oil-wealth which constitutes 70 per cent of the national revenue. The people are disgusted that in a country rich in oil, they have to queue for petrol every day and a petrol station in Lagos would have at least 50-60 cars waiting in the queue. Often in the rural towns the petrol is not available. The people are aware that the rev-

enue from oil was pocketed by

the military rulers and their

cronies.

There is widespread corruption and poverty, although the country has enormous oil reserves. To the Nigerians, the test for President-elect General Obasanjo appears to be whether he conducts an objective inguiry and prosecution of the responsible persons for the corruption and human rights abuses during the years of military in power. Second, how does he deal with the economy which is in ruins? If he can bring in some kind of economic improvement for the common people and attempts to deal firmly with the corruption at the higher echelons of the community, he may gain the trust and confidence of his people and only then General Obasanjo may not appear to be the front man for military. Another problem General

Obasanjo will face is the continued neglect of the Niger river-delta region which has the oil resources. The people of this region complain that they receive only 3 per cent of the total earnings from oil. The region is under-developed and the people live without electricity and without safe drinking water. The overseas oil company Shell) with the support of the government degraded the environment of the region as the oil pipelines were built along the backyard of their homes and no safety measures were put in place for the local people. The oil pipes often leak with disastrous consequences for the area. The people do not derive any gain from its oil resources. Many believe they were in better conditions prior to the discovery of oil fields. There is an acute awareness among the people that they deserve much better treatment from the government because the oil revenues emanate from this region.

What Future? A democratic Nigeria is consistent with the trend in Africa where the number of democracies has quadrupled during the last 10 years. Nigeria is the largest populous nation in Africa with more than 118 million people which constitutes roughly the quarter of the population of the whole African continent. It had played key roles in bringing peace in Liberia and Sierra Leone. A democratic Nigeria is a necessity to a stable West Africa. Nigeria could be an influencing factor in removing the present instability engulfing the central African region involving Angola, Zimbabwe, Rwanda and Uganda in the civil war in Democratic Republic of Congo (former Zaire). Internationally Nigeria has put in a claim to be a permanent mem ber of the Security Council of the UN representing the Western Africa. If and when the existing number of members of the 15seat Security Council is increased, a democratic, stable

But there is one caveat. The political power will be transferred on 29 May by the military ruler and this three-month transition period in Nigeria needs to be closely watched. At the risk of being cynical, one may argue that the threat from the military is not over yet. If there is a serious challenge by Chief Falae to the election result, the military regime may exploit the situation and prolong their rule in the country. Hopefully such scenario may not occur and the new President-elect will be duly installed in the office of Presidency in due time.

and prosperous Nigeria could be

a deserving candidate for such

a significant position.

The writer is former Bangladesh Ambassador to the UN in Europe, Geneva.

Foreign Secretary Mustafizur Rahman — a Tribute

R. Mustafizur Rahman expired rather quietly. As far as I remember, he is the second foreign secretary of the country to die in office. The other, Mr. Enayet Karim, died in 1974 while still foreign secretary to the government. Admittedly, the death of Mr. Mustafizur Rahman has not been too sudden as he was unwell for sometime past and was undergoing medical treatment at Singapore.

Nevertheless, the news of his death came as a kind of a bolt from the blue because none really thought that his coffin would arrive here from Singapore. Still, some people might have felt the premonition. One of his closest friends Mr Iqbal Bahar Chowdhury, the chief of the Bengali service of the Voice of America, Washington, during a telephonic conversation with me a few days ago, asked if I had any information about the progress of the medical treatment of his boyhood friend Mustafiz at Singapore. I told him that the foreign secretary was believed to be better now. But Mr. Chowdhury then asked. "Do you think he will come back soon and resume his duties?" My reply was "Why not? I spoke to his brother-in-law Yusuf Abdullah Harun who said Mr. Rahman's health was improving". But it was not to be! The foreign secretary could never return to his desk. He went to Singapore as a passenger and returned as a cargo.

May be others also had a similar kind of fear and suspicion. When I enquired State Minister for Foreign Affairs Mr. Abul Hasan Chowdhury about the condition of Mr. Rahman he appeared somewhat gloomy. "Let us pray for him" he said. This observation gave me the first inkling that the foreign secretary's condition might be deteriorating alarmingly. Yet few could think that he was really dying. As his colleague's, friends, relations and well-wishers converged for the "janaza" at the foreign office premises, many appeared to be on the verge of breaking into tears. Here was a soft-spoken distinguished government servant - a gentleman par excel-

lence — who is no more! I had the privilege of knowing Mr. Mustafizur Rahman for nearly 25 years. He was quite elder to me by age but this never appeared as a problem in developing a friendship and proximity. I knew him both professionally and personally. Everytime we would meet, he would respond with great charm and affection. He was a reticent kind of person who would normally speak less. But he would always wear a gentle smile. Mr. Rahman was articulate and dignified, and at times he could be exuberant in the midst of too close circles.

Mr. Mustafizur Rahman initially wanted to be a pilot in the airforce but that did not suit him and he eventually appeared in the civil service examination and qualified for the foreign service in 1964. His first posting was in New Delhi and then Kathmandu, where from he defected and joined the Liberation War in 1971. We knew him professionally when he was a director the South Asia desk and then he became Director General and later Chief of Protocol. Then he left for Washington with a senior position in the embassy. But that he was an asture diplomat and a perfect

by Zaglul A Chowdhury

spokesman for the government was adequately reflected when he used to brief the national and international press here on the Gulf War in 1990. Huge numbers of Bangladeshi nationals were trapped in Kuwait, Iraq and other Gulf countries and Mr. Rahman as the Additional Foreign Secretary would brief the press daily for many days on the different dimensions of the war and the plight of our nationals. His rare ability for providing concise and useful information, and skills and aplomb with which he would answer the difficult questions in few words would always be remembered by those newsmen like Iqbal Sobhan Chowdhury, Matiur Rahman, Hasan Shahriar, Motiur Rahman Chowdhury and others who used to cover the foreign office in those days actively.

After some time, he was appointed the country's ambassador to Moscow. It was a turbulent period for the former Soviet Union with the once-acclaimed great communist nation showing all the signs of discomfiture and contradictions in political and economic pattern and the international media was excessively focusing on Mikhail Gorbachev and the international communist



Late Mustafizur Rahman

movement was at a critical juncture. His choice as Bangladesh envoy to the Soviet Union at a difficult and sensational phase of the contemporary world history was a fitting recognition to his abilities. I had the occasion to visit Moscow at that time. Many events were unfolding one after another indicating the end, of the cold war era. I wanted a full-dress briefing from our ambassador as I was to write some pieces on the way back home. Mr. Rahman took me in his car to important political sites and institutions like the "White parliament" or "Duma" in Moscow and hinted about the complex and fluid scene and the turmoil that was in the offing. My writings, based largely on the analysis and information of our envoy, were close to reality of the developments that had taken place. Within weeks and not months there was a coup attempt and many other

startling occurrences followed. There is no element of exaggeration to say that in Mr. Rahman I found one of our most competent diplomats whose calibre should always inspire our foreign service officials. But he would seldom speak about himself and eulogise others like his batch-mate Mr Farooq Soblam and many other colleagues. I found in him a person above the meanness in which many of us are typically mired.

Mr. Rahman served as the Bangladesh envoy to Malaysia and Myanmar in the first go and Soviet Union, that later emerged as the Russian Federation, and China in the second overseas postings as ambassador. All these countries are important for us in varying degrees. He made a positive impact of our diplomacy belt in all these places and also left a commendable impression about himself. Mr. Rahman's becoming the foreign secretary was reaching the zenith for him in his career and also a logical corollary to his professional qualities. He was given an extension for two years which is something very rare although not totally unusual in the South Asian countries. Some outstanding Indian foreign secretaries were given extensions including Salman Haider and present incumbent K Raghunath. Mr Rahman was wellknown to fellow diplomats from other regional countries. Pakistan Foreign Secretary Shamsad Ahmad, who was here for the "D-8" summit, was one of his friends and was present at his "namaz-e-janaza". For soft-spoken and accomplished Mustafizur Rah-

man, his penchant for writing gave him immense pleasure and satisfaction. "I feel like writing as a columnist on foreign affairs after I retire" he said a few months ago. I told him in a lighter vein that such an exercise would help him see things from the other side of the fence - all are not beds of roses and there are thorns as well. He smiled and remarked that it was possible after calling it a day from service but he was not sure when it would come. It never came! May be he could read his epitaph. His translation of the book written by late "Shaheed Mata" Jahanara Imam earned laurels for him and that also underlined his intellectual abilities.

I would address him as "Abu Bhai" informally - going by his nick name. He was like an elder brother and a friend to many of us. We attended his son's marriage ceremony last year and daughter's wedding almost a decade ago. We feel for his teenage son, who is the third and last of his children. He will miss his father. Many of us were just stunned when the death news was heard at a social gathering. Khandaker Asaduzzaman, MP. High Commissioner to Pakistan Masum Ahmed Chowdhury, Dr M R Shelley and many others broke down. At another gathering, the news sent shock waves and newsmen Farid Hossain, Arshad Mahmud, Shyamal Dutta who were in close touch with Mr Rahman these days found it difficult to believe that their favourite "Mustafiz Bhai" was no more!

Human beings cannot be perfect. The shortcomings notwithstanding, some persons earn admiration and love of most people. Mr. Mustafizur Rahman was known for his transcendent integrity. The British Permanent Representative to the UN Lord Caradon in a famous speech to the world body in 1965 paid glowing tributes to Secretary General U Thant and observed that none can count on the absolute infallibility of any individual but can count on absolute integrity. Mr. Mustalizur Hahman certainly stands out in this parameter of definition.

India-Pakistan: Talking Peace but Far from Detente T NDIA and Pakistan have a tainees, as well as operate a long way to go before they cast off the burden of history and reach a stable situation of

by Proful Bidwai

If the framework agreements reached in Lahore are sincerely pursued, and substantive measures are rapidly agreed and implemented, India and Pakistan could soon reach a historic detente. They are not there yet.

ticular "accidental or unauthorised use of nuclear weapons under their respective control." The two sides further agreed "to notify each other immediately in the event of any accidental, unauthorised or unexplained incident that could create the risk of a fallout with

adverse consequences for both sides, or an outbreak of a nuclear war.... India and Pakistan agreed to engage in regular bilateral consultations on security, disarmament and non-proliferation issues. They also agreed to provide each other advance notification in respect of missile

flight tests, and to conclude a

"bilateral agreement in this re-These steps do not constitute agreements not to press ahead with their programmes to develop nuclear weapons and missiles. They are but limited measures to promote transparency and better communi-

They are neverthaless wel-

reduce the risk of war, in par- come given the high risks of agree to convert their newly acstrategic misconception and miscalculation between India and Pakistan, and the potential for unintended, unauthorised or accidental use of weapons of

mass destruction. It has not been disclosed if these were founded on an informal, unwritten, commitment by India and Pakistan not to deploy unclear weapons. But diplomatic sources believe that there may have been such an undertaking, albeit for a limited period.

This may well be a case of virtue being made out of necessity: neither India nor Pakistan is close to deploying nuclear weapons carrying missiles vet. and may lack the capability to do so reliably.

But such an agreement would be a great advance over the boastful claims about technological prowess and the crude display of nuclear bellicosity between the two states in the weeks following their nuclear tests last summer.

Regrettably, they did not

Corporation

were transferred to their former

owners/shareholders between

1982 and 1990. In divesting the

units government assumed the

current liabilities and liabili-

ties in excess of the value of

stocks and set stores for pay-

ment out of realised sale pro-

ceeds. Out of above units 90 be-

came defaulters and 10 of these

quired nuclear status into a bargaining counter to demand rapid progress towards nuclear disarmament on the part of the five recognised nuclear states. Nor did they jointly make a commitment to abstain from nuclear testing or signing the Comprehensive Test Ban

Treaty. From Pakistan's point of view, one of the most significant gains from the dialogue was the inclusion of Jammu & Kashmir in the list of "issues" to be discussed and resolved. India has often resisted such a reference to Kashmir.

From India's point of view. the reciprocal gain is that Kashmir will be effectively put on the backburner, to be negotiated slowly, even as substantial progress is registered on a range of other matters first.

Among the welcome signs of such progress is the mutual agreement to hold "consultations with a view to further liberalising the visa and travel regime, and release civilian de-

recommendations to the disin-

vestment board headed by the

Minister for Industries who was

the final authority in respect of

disinvestment. Secretary, In-

dustries, was the head of the ex-

ecutive committee of the disin-

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Delhi-Lahore bus service, besides promoting "an environment of peace and security." Agreements apart, the In-

dian premier's visit was significant in that he interacted with a wide range of Pakistani citizerds, exuded bonhomie and confidence, and visited the Minar-e-Pakistan, a monument to commemorate a 1940 Muslim League resolution demanding the creation of a separate state of Pakistan. In the India-Pakistan con-

text, such symbolic gestures have extraordinary importance far in excess of formal agreements. The fact that they were made by a leader of a political party (Hindu right Bharatiya Janata Party), which has never reconciled itself fully to Partition, adds to their importance. The Pakistani public widely

welcomed the gesture. The Indian public mood too has been one of support for the Vajpayee visit, and for the continuation of efforts to normalise relations, begun under the previous non-BJP United Front govern-

If the framework agreements reached in Lahore are sincerely pursued, and substantive measures are rapidly agreed and implemented. India and Pakistan could soon reach a historic detente. They are not there

--- IPS/APB

Privatisation of Industries in (1972-90)

Policy and Mode of Divestment

by A B M S Zahur

enterprises promoted and set up by the erstwhile East Pakistan Industrial Development Corporation (EPIDC), and (e) enterperformance. prises set up by the sector corporations after liberation. These were managed, controlled and supervised by various government agencies as under: (i) Large enterprises (under PO 27) by public sector corpora-(ii) Medium-size enterprises

> 49 per cent of the enterprises managed by sector corporations activate the capital market and raise additional equity capital;

mills to Bangladeshi former owner/shareholders promoted and set up by themselves to cre-

sation of the public statutory corporations set up in 1983 recommended further reduction of size of sector corporations through divesting many of their own units. The spirit of these recommendations was embodied in the industrial policy of

1986. The policy envisaged: other taken-over industrial enterprises and shares and other proprietory interests would continue to be divested;

• The corporations might public placement:

 To ensure widest possible distribution of shares and securities among the general public

and to associate them in the management, the shares offload mainly through public subscription or placement. The position of enterprises ((big. medium and small) divested between 1972-90 is as follows:

1972-73 1976-82 182-90 In addition to the above 29 textile mills (four of them without any plant) and 33 jute mills

trepreneurs.

· Abandoned, vested and

greater thrust to malustrialisation in the industrial policy, 1982. The policy incorporated the following measures:

their own re-

terprises: * Offloading of shares upto

ate a climate for investment and to develop confidence among the prospective en-

promote and develop industries in areas where the private sector investments are shy, either by themselves or in collaboration with private sector entrepreneurs, and then divest

Reduction in the size of the

them or offload their shares by

icy was in difficult to provide

public corporations by divestment of abandoned industries irrespective of their financial * Divestment of enterprises

established by the corporations sources/government funds if such enterprises were founds incurring continuous losses or were failing to compete successfully with the private sector en-

through public placement to re-* Transfer of jute and textile

The committee for reorgani-

units were taken back by the government. **Modes of Divestment** The processing of divestment cases were done through the following bodies: A tender committee was set

up to open and examine the validity of tenders: A scrutiny committee was set up to verify the title and nationality of former share holders/owners: A working group was set up

to examine valuation of prop-

erty/assets/shares of fully or

partly abandoned enterprises

determined by the Chartered

Accountants) and to send their

vestment board. The cases of disinvestment were processed in the following

Min/Industries

DG, Industries

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manner: (a) Initial approval for disinvestment was to be obtained from the minister for industries in respect of fully abandoned enterprises placed under sector corporations,

(b) Thereafter enterprises profiles giving detailed information about the enterprises were to be prepared by the corporations/the sub-committee on disinvestment/the special property cell (located in the ministry of industries) for public tender and for information and guidance of prospective

buyers; (c) Public tenders were invited through newspapers, tender documents were also sent to Bangladesh embassies located in countries where adequate number of Bangladeshis were living;

given opportunities to visit the

(e) Tenders were opened pub-

enterprises concerned;

termining the value of enterprises: (d) Prospective buyers were

licly in the presence of the bidders or their representatives by the tender committee: (f) After scrutiny the tenders

were placed before the working group on disinvestment in the ministry of industries/the subcommittee on disinvestment in the office of DG, Industries; (g) In case of claims by the

former owners/share holders their titles and nationality were verified by the scrutiny committee. Recommendations of the committee, along with the valuation determined by the chartered accountants were placed before the working group of disinvestment for further scrutiny and recommenda-

(h) Finally, the recommendations of the working group were placed before the disinvestment board for final decisions:

(i) The concerned agencies were entrusted with the task of implementing the final decisions. In certain cases the board used to allow negotiation with buyers/former owners for obtaining best possible bargain (it may be added that this kind of negotiation was discontinued from 1982).

Valuation of **Enterprises Divested** The following principles were followed (generally) for de-

(i) fixed assets and realty were valued at the prescribed rates of DIT (now RAJUK), C&B (now PWD), Chittagong Development Authority (CDA) etc., and at times through local inspections and verifications; (ii) Fixed assets such as buildings, plants and machineries were valued relating to ratio between taka currency

2.84 times) of the book value of such assets: (iii) Current assets (other than stocks and stores) were valued at book value;

and pound sterling (till 1984,

(iv) National reserve price of the property and assets (other than stocks and stores and cash and bank balances) were determined on the basis of the principles indicated at (i-iv) above. The national reserve price thus arrived at was normally taken as the minimum floor price for tender.

(v) Fully abandoned enterprises were sold at the highest bidding price or at the notional reserve price, which ever was higher.

(iv) In case of partly abandoned enterprises, non-abandoned portion of shares of fermer owners were sold at either at the evaluated price or the face value whichever was higher. If the evaluated price was negative, shares were sold to the former owners at the face value and not at the negative value. The abandoned portion of the shares of such enterprises were sold at the highest price obtained by public tender or at the evaluated price, wherever was higher, offering the first right of purchase to the former owners/share holders. All loans and other liabilities (long and short) were assumed by former

owners/share holders. (vii) Value/price of stocks

and stores were determined at book value on the basis of quality as were available on the date of handing over possession of the unit to the buyers/former owners. The value of stocks and stores were required to be paid either in cash or through bank guarantee furnished by the guarantor banks. The value in such cases was to be paid within one year in quarterly installments with 13 per cent inter-

 Cash and bank balances as stood on the date of handing over were surrendered to the government.

Modes of Payment of Sale Price (i) Downpayment for devel-

oped areas was 25 per cent and

for the less developed areas 20

per cent;

(ii) The remaining sale price for divested units were realised in three annual installments (for developed areas) and four installments (for less developed areas). The payment of installments started after completing 24 months from the date of execution of deed of agreement for

(iii) For units not divested unpaid portion was to be realised in eight installments with a gestation period of 24 months:

(iv) Interest at compound rate was to be charged on unpaid sales price @ 13.5 per cent. Interest at 7 per cent for payment on due date and for delayed payment on penal interest @ 4 per cent above bank was charged.

Decisions were taken by government during 1985-86 to sell the shares of public sector enterprises through stock exchange by public placement offering to private person/group of persons or establishment to broad-base the corporate ownership and to activate the capital market. This resulted in selling of 49 per cent shares of 11 state owned enterprises by Like any other countries, de-

veloped or developing, privati-

sation policy of Bangladesh also faced problems. These were as follows: a. Most of the privatised industries were operating with old obsolete plants and machineries. BMR and BMRE was overdue

in such cases. As such these

were not running efficiently. b. The divested units had poor equity capital, heavy backlog of accumulated losses and loan liabilities. As substantial portions of loan liabilities were unpaid accumulated bank interests accrued during the management of these units by the corporation. In such cases only institutional support in the form of loan or equity capital could save the buyers

from the problem. (iii) The divested units were managed by public sector corporations for more than a decade. Thus the workers/personnel of these units were facing psychological problem of adjusting themselves with the changed situa-

(iv) Most of the buyers of divested units were new entrepreneurs with very little or no experience. This resulted in the creation of problems normally not developed in case of seasoned and experienced entrepreneurs. (v) In certain cases the new

managements, failed to bring in efficiency in their inefficient units they acquired because replacing inefficiency with efficiency in Bangladesh is a stupendous task.

The writer is a retired Joint Secretary , Government of Bangladesh.