

# Israelis Search for Answers

by Barrister Harun ur Rashid

**The election is a challenge to Netanyahu and Barak who are vying to govern Israel at this critical time. It is not only a challenge for them but also a battle over the dying peace deal with the Palestinians. The Israelis should make a wise decision to elect a person other than Netanyahu for enduring peace in the Middle East.**

ISRAEL appears to be at a cross road. Whether the people of Israel seek durable peace with Palestinians or not, it will be decided at the coming election on 17 May. The hard-line government of Netanyahu was determined not to implement the Oslo Accord of 1993 which envisaged peace in exchange of land, i.e. occupied land by Israel after the short 1967 war.

Israelis found a great opportunity to say clearly that they want peace with their Arab neighbours by defeating the Netanyahu's government. The Gallup poll found recently that only 42 per cent voters support Netanyahu and if this trend continues Netanyahu's Likud-led government might not make it.

Many people think Mr. Benjamin Netanyahu (49) is the most inadequate leader in Israel. His experience as a commander in 1970s, in particular in 1973 Yom Kippur war, fostered an enduring and deep suspicion in his mind about the Palestinians. Netanyahu is known to be proud of his army background and he exploited it at the last 1996 election, defeating Mr. Shimon Peres by 30,000 votes.

This time he cannot play the same card because his opponent General Ehud Barak (56), the Labour Party leader, was his commander at the Yom Kippur war. Furthermore General Barak is one of the distinguished military heroes in Israel and Israelis have long memories for heroism.

Netanyahu's political style and attitude towards Arabs led both to a drop in his popularity and distrust and instability within his coalition government.

Many of his Ministers are suspicious of him and very few believe what he says. The Defence Minister Mordecai resigned and left and formed a new party to oppose Netanyahu in the election. As a result the Likud party voters are divided.

The Jews in Israel are divided on the basis of their origins. The European Jews, known as Ashkenazim, are rich and dominate all strata of the society and the Jews who migrated from Arab countries, known as Sephardim, have the lowest paid jobs and live in the poorest area. They are the most disadvantaged community in Israel and are discriminated by the Ashkenazim Jews. Mr. Mordecai is a Sephardim Jew and he rallied around him the dissatisfied Sephardim voters from Likud Party. This is a new challenge Netanyahu has to face. During a recent TV interview Mordecai put Netanyahu, usually a good performer, in a defensive position and Netanyahu was seen as nervous before Mordecai.

The leader of the ultra right Jews party, Areyah Deri, who supported Netanyahu and was a Cabinet member is in deep trouble. He had to resign because the court convicted him for bribery. He made a video for the election campaign comparing his bribery conviction to the trial of Adolf Eichmann in the 1960s and this infuriated the politicians and people in the country. As a result his right wing religious party is in shambles.

The Foreign Minister Ariel Sharon might face a fraud charge and the police recommended charging Sharon for allegedly offering a business deal

to a former General in exchange of favourable testimony in a libel case. These two events appear to overshadow the election campaign of Netanyahu.

The ordinary people has been disillusioned with Netanyahu's antics and double-talking. He lost confidence with the ring wing when he signed the Maryland Wye agreement last October under pressure of the US to withdraw Israeli troops from a town in the West Bank. Besides the political difficulties, Israel's economy did not perform well during Netanyahu's government. Inflation is almost 10 per cent while the growth in GDP has slowed down considerably.

In Israel, the Prime Minister is elected by the people. If any candidate gets 50 per cent vote the person is elected but the candidate fails to obtain the required 50 per cent vote, then there is a second run-off election between two candidates who received highest number of votes.

The election is a challenge to Netanyahu and Barak who are vying to govern Israel at this critical time. It is not only a challenge for them but also a battle over the dying peace deal with the Palestinians. The Israelis should make a wise decision to elect a person other than Netanyahu for enduring peace in the Middle East. The 19th century famous French novelist Alexandre Dumas said that all human wisdom is summed up in two words - wait and hope and the world is doing exactly that for the result of the Israeli election.

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

# Environment-friendly Jute and Failure of IJO

by Dr Md Ayubur Rahman

**We have to remember that jute has a brighter future in view of the global environment awareness and we should exploit all possible means to protect our 'golden fibre.'**

DURING the period of Pakistan, jute was our main economic stay and used to be called the Golden Fibre. A big disappointment and unhappy feeling was in the mind of the then East Pakistanis that we were deprived of the huge foreign exchange earned from jute as its 90 per cent was used to be spent for the development of West Pakistan. In reply to a question of a newsman Bangabandhu in early 1971 said that we could survive happily as a dignified nation with the export earnings from jute which were more than 400 crore taka per annum.

After we became independent we were seriously concerned as to how to sustain the income from jute sector with inroads of synthetic competing jute and jute products in the international market. Jute producing countries together felt the need of a forum which could help strengthen the position of jute and jute products in the international market. It took quite a long time to have a consensus first among the five jute producing countries namely Bangladesh, India, China, Thailand and Nepal. There was a genuine feeling that an international organisation couldn't be formed with these five countries only and therefore consultations with the jute consumer countries were made. Perhaps the representatives of the jute producing countries involved in the consultation were not aware of the other bast fibre producing countries of North America, Philippines, Egypt and some other African countries. Eventually, the International Jute Organisation (IJO) was formed in 1984 with these five jute producing countries and member countries of EEC, America, Australia, Japan, Pakistan, Indonesia etc having a 50-50 voting right and financial responsibility shared equally by the producer and consumer countries.

Bangladesh being the biggest exporter took major leadership with a 25 per cent voting right

and financial responsibility. It was very unfortunate on the part of Bangladesh that it did not understand what the future impact of this organisation would be where each group had different objectives. The producers always want that their products should have a higher market price while the consumers always want to purchase these commodities at a lower price. With such conflicts of interest an organisation can never survive successfully.

The IJO's main goal was to carry out research in the field of jute agriculture, that is to increase jute production per unit area, to discover the techniques of using the jute fibre in diversified areas and to devise ways of improving the market. Although the organisation's basic function was to carry out research, the IJO was headed all these years by persons without any knowledge of agriculture or industrial research. Right from day one up till now, the heads of the organisation have been hardly aware of their responsibilities to groom and develop the organisation. It is ironical that the bureaucrats heading the organisation have most of the time hired employees with qualifications and experiences far below the requirement of the organisation. Consequently, this organisation has never been able to meet the requirement of the producing or consuming countries.

IJO, during the period from 1984 to 1997 has implemented 16 projects on agriculture at a cost of US dollar 76,63,700 and 11 industrial projects at a cost of US dollar 44,24,566 and 15 projects on market promotion at a cost of US dollar 30,46,300 without achieving any mentionable result. For example, not even a single new variety of

jute was possible to be evolved by implementing a germplasm project at a cost of over 2 million dollars in the agriculture sector. In the industry sector an enzyme project that was given a lot of publicity on television and in other media was a failure. About half a dozen ministers had been invited many times and were given wrong impressions on its prospect and its potential to improve the quality of jute fibre. The fact is that the project has been abandoned and as per agreement, the Islam Jute Mills refused to accept the enzyme plant, which was established on its campus, as it would not be profitable. Thus IJO can't claim a single contribution for the benefit of any consumer or producer countries.

The head of the organisation seemed to have no required knowledge or experience to take up any activity beneficial to achieving the goal of the organisation. As a result, countries like America, Australia, India, Pakistan, China and lastly Thailand etc. have withdrawn their memberships clearly stating that the cost of running the organisation far outweighed the benefit from it. Bangladesh has spent more than 2 per cent of the total revenue expenditure of the organisation without getting any benefit.

Since 1996, the causes of failure of the organisation were expressed in different newspapers and the attention of the government was drawn to it. During the period of the last Executive Director, America, Australia, India and Pakistan withdrew from this organisation. The causes of his failure was ventilated in different dailies, but our government for unknown reasons has never taken up this matter even at the Cabinet level. Because of the existence of this organisation our jute sector has suffered significantly for various reasons namely -

both the producer and consumer countries. This has caused great harm to Bangladesh in the field of growth and development of jute and jute products.

The IJO with the withdrawal of all these member countries is virtually dead now and perhaps will be required to shut down immediately. With that in the offing, I would still like to make some suggestions, which may be helpful in keeping an international body for jute after the improvement of jute and other bast fibres.

1. An international organisation not only for jute but also for other bast fibre crops like Kenaf, Mesta, Ramie and Sisals etc may be formed in consultation with all the producing countries following the similar procedure adopted for the formation of IJO. The name of such an organisation may be given, say, International Bast Fibre Organisation - IBFO.

2. All the international donors will be requested to channel financial assistance they want to provide for these fibre crops through this forum.

3. A moderate revenue budget may be fixed with the subscription from the member countries and the development project will be taken up with the financial assistance received from the international agencies.

4. The Ministry of Jute, Government of Bangladesh can initiate a proposal on the above guidelines, if so desired.

5. If the Government became serious to sustain the growth and development of jute and agreed with the broad guideline suggested above, the details of the operations could be worked out. We have to remember that jute has a brighter future in view of the global environment awareness and we should exploit all possible means to protect our golden fibre.

The author is the former Director General, Bangladesh Jute Research Institute and Department of Agricultural Extension.

## View from Abroad

# So Much to Offer, So Far to Go

Bangladesh has the natural resources and potential for growth that should make it perfect for foreign investment, but only the most daring would consider it, writes Damon Bristow. Bangladesh has many of the things that foreign investors look for...

WHEN it comes to investing in the Asia-Pacific region, Bangladesh does not usually spring to mind: its traditional image is of an impoverished and underdeveloped country susceptible to natural disasters.

But the Bangladeshi government is keen to change all that. It advertises regularly in the international media and arranges for official and private trade delegations to visit Asian, European and North American cities. Its objective? To point out to anybody who will listen that the country is ripe with investment opportunities.

About 200 overseas companies currently have investments in Bangladesh. In mid-1996, the Bangladeshi stock market was one of the world's best performers. However, most multinationals consider the country to be off the radar screen. Yet their reticence - since June 1996 just \$1.5bn has dribbled into the country - is understandable. However you look at it there is no escaping the fact that it is a tough place to do business.

Bangladesh is one of the poorest countries in the world. Unlike India, it doesn't have much of a middle class to speak of; indeed, according to the Asian Development Bank, 61.3% of urban households live below the poverty line. Because of its geography, the country is susceptible to regular natural disasters. Between July and September last year, for example, massive floods covered two-thirds of the country. They affected 30m people, and caused more than 1,100 deaths. It is therefore hardly surprising to find that Bangladesh is one of the world's largest recipients of development aid.

**Military and Strikes**  
The volatile political situation hasn't helped much either. Political violence, politically motivated strikes (known as hartals) and the involvement of the military have been part and parcel of life in Bangladesh since it gained independence from Pakistan in 1971.

Yet after the most recent elections in mid-1996, there was hope that the cycle of violence would be broken. The elections were won by the Awami League (AL), which came to power promising to reform the economy and tackle the problem of endemic corruption and lawlessness.

**Business as Usual**  
But things returned to normal almost immediately after the elections. Granted, the military has so far managed to keep its nose out of politics, but the Bangladesh Nationalist Party (BNP) has taken every opportunity to actively oppose the AL government. The party immediately announced its decision to boycott parliament in protest

against alleged police harassment of BNP activists. Since early 1997, the country has been paralysed by a series of BNP-sponsored hartals, and in recent months the party has threatened to plunge the country into turmoil unless Sheikh Hasina head of the coalition government, either stands down or calls another election. Reports of extortion, intimidation and human rights abuses are increasingly common.

Bangladesh's economy is in a pretty parlous condition, too. Agriculture accounts for 32 per cent GDP, as opposed to 11 per cent for manufacturing and a little over 1 per cent for the service sector. In 1997, economic growth slipped to 5.1 per cent, down from 5.9 per cent the year before. Since 1997 inflation has also climbed steadily and is now about 8.7 per cent.

Worse still, the economic and financial crisis that has unfolded in Bangladesh's neighbours to the east has led to an outflow of money from the country's fledgling stockmarket. A pledge the AL made in April 1998 - to achieve economic growth in excess of 7 per cent a year over the next five years - is increasingly looking like wishful thinking. This is down to a general absence of political will, a shortage of electricity, and a weak financial and banking system that is inefficient and weighed down by bad debts.

**Rich Pickings**  
Yet paradoxically, Bangladesh has many of the things that foreign investors often look for. It is rich in natural gas and oil - it has reserves of 22,500 bn cu ft of gas (of which 10,400 bn cu ft are recoverable) and 4m barrels of oil.

On paper at least, the country also has one of the most liberal investment regimes in the entire Asia-Pacific region. Since the early 1980 a range of measures have been introduced so that today foreign companies are allowed 100 per cent ownership in most sectors and have access to a range of tax holidays.

Trade has been liberalised and duties reduced. And the government has established a number of export processing zones (EPZs). Free repatriation of profits is allowed, and the taka, the Bangladeshi currency, is almost fully convertible on the current account. No prior approval is required for foreign direct investment, although companies must register with the Board of Investment (BOI). The government has also

pledged to privatise the country's loss-making state-owned enterprises.

It comes as no surprise to find that the most high-profile investors currently operating in Bangladesh have been in oil and natural gas. In 1997, state-owned oil company Petrobangla, signed exploration and development contracts with the US firm Occidental Petroleum, United Meridian International, and the Scottish company Cairn Energy, with Shell and Haliburton/Brown Root of the US as development partners. Negotiations for additional licensing rights to explore for oil and gas are ongoing.

Looking to the future, many of these companies are hoping that they will be able to export natural gas to the booming East Bengal market in neighbouring India. The industry should also benefit from the decision by the World Bank and the Asian Development Bank (ADB) to provide backing for a number of pipeline projects to help ease the distribution bottleneck that is developing.

In keeping with other developing countries, power developers have been close on the heels of their friends in oil and gas. Consumption of commercial energy in Bangladesh is among the lowest in the world. Like India, Bangladesh sees private power generation as the solution to its problems. The government intends to increase the country's generation capacity to 4,600 MW by the year 2005.

In 1997 (at about the same time the major oil deals were being signed), a couple of US companies signed contracts to build two 100 MW bargement-mounted plants to be fired by natural gas. And at the start of 1998, Khulna Power and Smith Cogeneration Bangladesh of Hong Kong signed implementation and power purchasing agreements with the Bangladesh Power and Development Board. As with oil and gas, both the World Bank and the ADB have pledged money to help improve the country's transmission and distribution facilities.

Opportunities have also opened up for chemicals companies. British Oxygen, which has a historical presence in the country, has recently said that it will build a major new separation plant to produce 80 tonnes of liquid argon, nitrogen and oxygen a day (these are vital for oil and gas exploration). More generally, a number of Japanese and Italian foreign investors have joint ventures to

produce a range of other chemicals with the state run Bangladeshi Chemical Industries Corporation.

**Phone Home**  
Since 1989, when the Bangladesh Telegraph and Telephone Board's monopoly was broken up, a number of foreign telecommunications companies have established themselves in the country (with only three lines per 1,000 people). Bangladesh has one of the lowest telephone densities in the world.

Today, there are seven private sector developers operating in Bangladesh, running terrestrial and mobile services. In March 1997, for instance, Grameenphone was launched. This service is a partnership between the Grameen Bank of Bangladesh, the Marubeni Corporation of Japan and Gono-Company, a New York-based company. It currently covers around 10m people in Dhaka and should be expanding soon. Just recently, Telecom Malaysia and the AK Khan Group of Bangladesh launched the AKTEL mobile phone service in Dhaka. This is the third such joint venture.

A small number of companies interested in port development, roads and airports have also ploughed money into Bangladesh: a US company, Freight Systems Co Ltd, recently invested \$500m in a joint venture to establish two container terminals in Chittagong, the country's largest port. The ADB has offered to upgrade the facilities at the country's two major ports at Chittagong and Mongla if they are privatised, and this should lead to further opportunities opening up.

**Flying High**  
A \$131m expansion of Chittagong airport, which started in 1998, has attracted some overseas interest as well. Bangladesh is also trying to attract foreign investment in roads and bridges. Two British companies, Buttery Engineering and Sir William Halcrow & Partners, are already involved in the Jamuna Bridge Project. In anticipation of a future construction boom, two cement plants, one built by Daewoo and the other by the Associated Cement Companies of India, are about to come online as well.

The textile sector has also attracted some interest from foreign investors. In April this year, for example, Hua Peng Enterprises of Shanghai, China, established a joint venture with Regional Spinning Mills.

But perhaps more surprising is the fact that some electronics companies have made a go of it. A number of them have already set up light assembly plants in the Chittagong EPZ. Looking to the future, the estimated market for computer hardware, peripherals and software in Bangladesh is estimated to be around \$15m and increasing at a rate of 15 per cent a year. The government is particularly keen to encourage investment in this area.

Until now, the general opinion of most companies on the ground is that once they are established, Bangladesh can be a profitable and pleasant place for them to do business. But the current climate of political animosity is steadily eroding what little business confidence exists.

In May, six of Bangladesh's chambers of commerce issued a joint statement. It said: 'The country's trade and industry is deeply worried over the breakdown of law and order and increasing criminalisation of society.' To make matters worse, foreign investors who are already in the country are getting more worried by the day.

**A Time of Troubles**  
Traditional problems, such as slow government decision-making, bribery and other inadequate courts, a lack of basic infrastructure; and a daily ritual of power cuts, are reportedly once again getting worse. Corruption and political violence are also posing serious problems.

Some companies are voting with their feet. Just recently, Vita Dairy Industries, a Bangladesh-Japanese joint venture that planned to develop a tourist resort in Comilla, was placed on hold while the company's complaint that the local power company demanded bribes was investigated. Potential investors, meanwhile, are simply looking elsewhere.

If it wants to drum up interest in Bangladesh, the government has a long way to go. To speed up its privatisation programme, move ahead with financial and administrative reform, develop infrastructure, and get corruption under control. Sadly, actions such as these require a modicum of political stability - something of a rarity in Bangladesh these days.

The country therefore looks set to remain a destination for only the hardiest of foreign investors for many years to come.

The author is deputy head of research at Temple-Smith Hilliard, an international firm of management counsel specialising in international business and management.

Courtesy: Accountancy International, March 1999.

# Ultrasonography a Miracle of Science

by Dr.Sabrina Q. Rashid

ULTRASONOGRAPHY is no less than a miracle of science. It is one of the latest inventions of modern science and technology - to be more precise of Medical science. Since its inception few decades ago it's been like a magic wand in the hands of physicians, surgeons and gynaecologists alike. It has made diagnosis of many diseases so easy, so rapid, so painless and so cheap that it is a boon for both doctors and patients. On top of that it has an excellent safety record.

Yet fear lurks about it in most minds in our country. The very word Ultrasonography strikes fright in the hearts of less-educated people here. For they have never heard of this term before.

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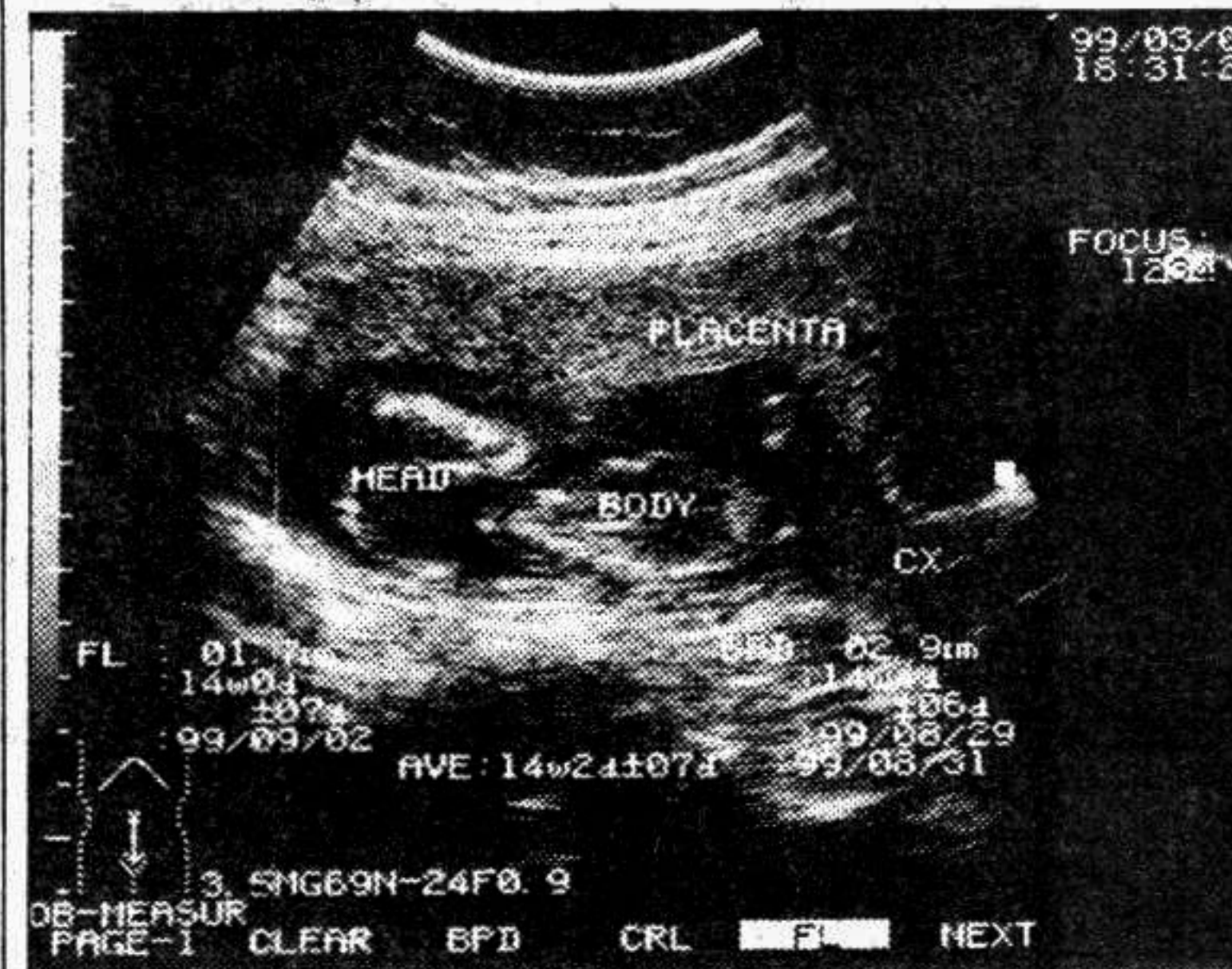
appropriate equipment and procedures, when medical benefit is expected.

The principle is the same as the sound waves used by submarines to assess the depth and surface features of the ocean floor. From that the scientists got the idea of using the same in human bodies to visualise their internal organs - the soft tissues. Before this the doctors had no other way of seeing the inside of an intact living body. X-rays don't quite give a clear picture of the soft tissues, though they are excellent for imaging the bones. They are very harmful to the unborn babies, especially in their early stage of development in the uterus. They can't give any picture of the embryo (before the

Ultrasonography also plays an important role in the diagnosis of breast tumours, though its use is still limited in our country for the lack of the special transducer used for this particular scan. But as it is highly sensitive and involves no hazard of radiation, it should be more widely used by doctors. So is the case with Thyroid gland scan and that of the eyeball. Both of which when scanned by Ultrasonography can give much information to surgeons. To the patients who are more comfortable with modern technology, the popularity of this test lies mainly in the fact that it can detect the sex of the foetus. What a boon for them that they can actually know whether it is a boy or a girl even before it is born.

Ultrasonography has some shortcomings though, like all other medical tests. Its accuracy is very much dependent on the doctors skill and expertise. That being the reason for the discrepancy in findings from different Ultrasonography centers. Another one is, it fails to scan lungs and gastro-intestinal tract as both of these organs contain gas which ultrasonography is unable to penetrate. Save these Ultrasonography is one of the best of the diagnostic modalities that the doctors have had so far.

Though there are other scanning procedures now, which are claimed to be more accurate in some cases, like CT scan and MRI. But these tests are horrendously expensive for anybody let alone for the poor people of our country, not easily available and the former one exposes the patients to radiation. So Ultrasonography still is the leading and most popular test in the world of diagnostic imaging, both with the doctor and the patient. Ultrasonography which enabled man to visualise for the first time the active human heart pumping away within the ribcage, the living embryo wriggling within its mother's womb and the blood coursing through the arteries and veins, is indeed a miracle of modern science and no less.



They think it is something alien or a fearsome new technology or something to do with radiation. On top of their personal fear for this unknown, their 'morrhabis' or seniors, their neighbours, their friends frighten them even more. So due to this fear all because of ignorance, many don't turn up to the doctor for this vital test, but also if they have any congenital anomaly or if the fluid, placenta, foetal position etc., are all normal or not. It helps them to make their decisions regarding treatment and delivery easily and confidently, which was difficult before this invention.

In western countries experiments are now being carried out to operate on the foetus when still inside its mother's womb, if and when any treatable anomaly is detected by ultrasonography. So that at term the baby is delivered healthy, normal and alive. In female patients it helps the doctor to find out if there is any tumour in the pelvic organs like the uterus, ovaries etc. It also helps them find out the nature of the tumour, whether it is cystic (fluid filled) or solid, also if there is any other problem like preg-

bones are formed). Here Ultrasonography comes to the doctors' rescue immensely, for it not only gives a clear picture of the embryo and foetus in the mother's womb but also is absolutely safe, as there is no hazard of radiation, like in the X-rays. Obstetricians are not only able to find out if the embryo or foetus is viable or not, but also if they have any congenital anomaly or if the fluid, placenta, foetal position etc., are all normal or not. It helps them to make their decisions regarding treatment and delivery easily and confidently, which was difficult before this invention.

