

## Influx to cost \$91b over next decade Foreign diplomats concerned over HK immigration ruling

HONG KONG, May 8: Hong Kong travellers may face tighter control when they visit other countries should the territory decide to accept an expected influx of 1.67 million mainland Chinese migrants, Hong Kong's secretary for security said Saturday, reports AP.

Some Hong Kong-based foreign diplomats are worried that some Chinese migrants would seek to enter their countries illegally via Hong Kong, Regina Ip told lawmakers in a special briefing.

Mainland China requires citizens to apply for official exit permits before leaving the country, but Hong Kong doesn't have such controls.

Ip said without identifying the countries that some diplomats "have expressed worry because mainland Chinese are more likely than Hong Kong people to enter a country illegal or overstay their visas."

Such concern may hamper ongoing negotiations with other countries, such as European Union nations, to let Hong Kong passport holders travel without visas, she added.

This is the latest in a series

of warning from Hong Kong officials that the territory is unable to cope with a sudden influx of migrants.

Ip and Hong Kong's Secretary for Justice, Elsie Leung, will leave for Beijing on Sunday for a two-day visit to discuss "options for resolving" the migrant problem, a government statement said.

Ip justices ruled that the Basic Law, the territory's mini constitution, grants all mainland Chinese with Hong Kong parents the right to live in this tiny capitalist territory.

For decades, Hong Kong has attracted legal and illegal migrants seeking better economic opportunities.

Officials estimated that the influx would cost recession-mired Hong Kong 710 billion Hong Kong dollars (US \$91 billion) over the next decade for new public housing, hospitals, schools and roads.

Late Friday, Chief Executive Tung Chee-hwa abruptly postponed an official visit to Canada and the United States, scheduled to begin Sunday, to stay home to handle the problem.

His decision prompted critics that the government is close to deciding on whether to let in all of the migrants.

A survey by the Chinese University showed that most Hong Kong people agree to bar the influx, but activists say the potential migrant's human rights are protected by law.

"We find it acceptable to delay their entry, but we cannot take away their rights," said lawmaker James To of the popular Democratic Party.

Chief Secretary Anson Chan, the top civil servant, reiterated that no decision has been made, but has hinted that the government would refuse entry of at least some of them by seeking legal help from Beijing.

"We have to take into consideration of a person's rights. But we also have to consider the overall interest of the community," Chan told lawmakers.

Tung could ask Beijing lawyer to reinterpret the Basic Law, effectively telling Hong Kong justices their ruling was wrong. Legal experts warn this would damage the local judiciary's independence.



(From R to L) Dermot Mannion, Emirates' Finance Director, Giles Dealtry, Deutsche Bank AG's Director of International Leasing, and Riyaz Peermohammed, Emirates' Aircraft Financing Manager, are seen with the Deal of the Year 1998-1999 awards, Africa and Middle East region. — Emirates photo

### Emirates wins Deal of the Year award

Emirates' landmark financing agreement in the euro currency has won the Deal of the Year 1998-1999 award, Africa and Middle East region, in a worldwide poll by the international financial publication, Airfinance Journal, says a press release.

The agreement, finalised at the end of February, was for the acquisition of Emirates' first two Airbus A330-200s. The 142.9 million euro deal is structured as a 12-year financing lease arranged by Emirates Bank International and Deutsche Bank AG, with three other leading banks — Kreditanstalt für Wiederaufbau, DZG, Deutsche Kommunalbank and Landsbank Schelteswig-Holstein International SA.

The loan is guaranteed by the UK's Export Credit Guarantee Department, Germany's Hermes and France's COFACE.

This is the second time, Emirates has been voted for the Deal of the Year in this category. In 1996, Emirates won an award for a financing structure involving a Boeing 777-200 aircraft.

Airfinance Journal's award is the result of a worldwide survey among 6,000 financial experts. The award is regarded as the industry's most prestigious accolade to any organisation.

## Thai WTO candidate snipes at NZ rival Moore is a liar presiding over a dirty campaign

BANGKOK, May 8: Thailand's Commerce Minister Supachai Panitchpakdi today launched a bitter attack on Mike Moore, his rival in the WTO leadership race, saying he was a liar presiding over a dirty campaign, reports AFP.

"Moore's behaviour is not acceptable, he compared our country unfavourably with his and lied by accusing me of travelling in an expensive car with a huge entourage, while he leads a simple life," he said.

Supachai told reporters at Bangkok airport after arriving home from Geneva that he could still beat his arch rival.

"We are not yet defeated, we are still level," he said.

A decision on the new WTO director-general has been repeatedly delayed by member states and is now deadlocked with the organisation split down the middle.

Supachai said he could not predict the outcome if the WTO dropped its policy of consensus and opted for a vote to decide the issue.

"We are not happy because we do not know if we will win or

lose as our supporters are united in their hearts," he said, apparently hinting that Moore's campaign had offered inducements in return for support.

### Philippines will swap fertiliser for rice with Vietnam

MANILA, May 8: Vietnam will provide the Philippines with 50,000 tonnes of rice in exchange for an equivalent value of fertiliser, the Philippine presidential palace said today, reports AFP.

This trade will fall under a commodity-swap agreement forged when Philippine President Joseph Estrada visited Vietnam in December, the palace said in a statement.

Before the signing of the agreement, Philippine fertiliser had been denied entry to Vietnam which regulated the importation of that product.

He said their had been a smear campaign against his candidacy and accused some governments of exerting unfair pressure on members to back Moore.

Supachai also said any third compromise candidate would be an unfair move to both him and Mike Moore.

Both candidates have denied reports that they offered jobs to member countries in return for support.

Washington's decision to support Moore has been greeted with anger and dismay in Thailand which considers itself as a close US ally.

Supachai's candidacy for the WTO leadership has become a matter of national prestige and spawned incendiary press coverage and accusations that Washington was actively trying to block Thailand's push.

Supachai expressed his concern over the third candidate that it should not fair to both candidates and it should be an option after the selection process completed.

### Commodity: Weekly roundup

## Oil prices slip slightly

LONDON, May 8: Oil prices fell back slightly after a fortnight advance earlier this week, with profit-taking dominating amid a lack of any shifts in fundamentals, reports AFP.

Brent North Sea crude oil for June delivery was being traded at 16.42 dollars a barrel, after climbing as high as 17.05 dollars earlier in the week, its highest level since January 1998.

Oil prices have risen strongly in recent weeks on the back of a pledge by the OPEC cartel to slash output by 1.7 million barrels a day.

RUBBER: Bounce. Rubber prices perked up slightly on bargain-hunting after the sluggish trade of recent weeks.

The RSS1 index on the Kuala Lumpur market rose to 2.23 ringgits a kilo from 2.20 ringgits.

The London rubber index rose to 422.50 pounds per tonne (for May delivery) and 427.5 pounds (for June) from 420 and 425 pounds respectively.

COCOA: Warm. Cocoa prices edged up slightly, gaining six pence per tonne over the week to 710 pounds for May delivery, thanks primarily to purchases by investment funds.

But the overall tenor remained gloom, the market reeling from poor global demand and reports of a bumper harvest in Cote D'Ivoire, the world's leading producer country.

Moreover, the world's second-largest producer Ghana is planning to boost annual output to 500,000 tonnes by 2004-05 and to 700,000 tons by 2009-10, increasing the supply glut.

COFFEE: Chill. Prices fell back after the release of figures showing a sharp increase of reports worldwide in March, and with the prospect of a continued advance through April.

On the New York market, Arabica July contracts fell by 3.05 cents to 103.15 cents a pound on the New York market.

In London, Robusta prices for May delivery fell 11 dollars to 1,408 a tonne.

Traders expect prices to continue falling given the clement weather over Brazilian plantations.

TEA: Strong. Demand remained strong for the most part in Mombasa auction houses, the London Tea Brokers Association reported.

Top quality BP1 (Broken Pekoe) leaves fell by up to 9 cents a kilo, while some BF1

(Broken Fannings) lots gained up to 10 cents a kilo in the auction houses.

SUGAR: Sweet. Sugar prices surged this week thanks largely to technical trades and bargain-hunting.

August contracts jumped up 7.40 dollars to 176.70 dollars from 169.30 a week earlier.

VEGETABLE OILS: US soy oil prices rose as farmers switched away from soy and into maize.

On the Chicago Board of Trade (CBOT), soy oil prices rose to 4.75 dollars a bushel (for May delivery) from 4.73 dollars.

On the Rotterdam market, palm oil for May rose by five dollars to 520 dollars a tonne.

GRAINS: Germinating. US wheat prices rose slightly as dealers down-graded earlier estimates of the national crop in 1999/2000 to 1.619 million bushels from 1.881 million bushels previously.

WOOL: Cool. Australian wool prices dipped in the absence of Japanese buying because of Golden Week public holidays in Japan.

The Eastern index fell by two cents to 5.47 Australian dollars a kilo.

### Bangladesh's path to prosperity - 4

## Need for Contract farming in agriculture

by Maj Gen Amjad Khan Chowdhury (Retd)

1. The preceding three articles in the series hopefully have convinced the sceptics that in agricultural activities lies Bangladesh's economic salvation and that agro-processing is the engine of growth which will pull the rural populace out of the mire of poverty and hunger.

2. Every link of the food chain (grower-intermediary-processor-distributor-consumer) is important in any one right. Shortcoming in any one is liable to weaken the whole chain. Amongst these links of equals is one which merits more attention presently in Bangladesh than the rest. They are the primary growers of produce who provide the basic raw materials for the processing industries.

3. If one believes in the axiom that "inferior raw materials can never make superior products" then the importance of the grower/cultivator assumes greater magnitude in the processing industry especially if exports are a primary target.

4. As a consequence to the Permanent Settlement of Bengal by the British and our laws of inheritance, our farming land has become fragmented in petty parcels. This fragmentation has now reached monumental proportions with nearly 81 per cent of those owning agricultural land having less than one hectare and even these may not be contiguous. This fragmentation is the greatest bane and the prime problem of Bangladesh agriculture because it impedes:

1. Optimum use of land  
2. Access to finance  
3. Diversification or experimentation with crops  
4. Access to technology  
5. Growers getting fair prices for produce.

5. Even if he has the will, the marginal farmer cannot meet the requirements for a high level of production both quality and quantity wise. The scale of investment required is much too high commensurate with his land holding thus beyond his means. He may be able to obtain quality seeds, but usually expert advice on their application and that of fertiliser/insecticide/pesticide is only available at a cost. Investment in a shallow tube-well or a sprayer is not cost effective from the point of view of his land holding thus financially unjustified. Know-how, soil testing for nutrient deficiency, green manuring, ploughing needs (bullocks/power tiller) post-harvest care are all beyond his reach financially. As for marketing his products, safe storage or getting financial assistance he is at the mercy of local middlemen who have been exploiting the growers for ages.

6. In order to meet the financial needs of profitable commercial farming as opposed to subsistence agriculture there has to be a minimum size of land holding in one continuous parcel. In its absence, subsis-

tence peasant farming thrives as at present. This method depends much on nature. Introduction of HYV no doubt has helped immensely but has reached a plateau presently.

7. There are of course, the Department of Agricultural Extension (DAE) and the Thana Central Cooperative Association (TCCA) but one is stretched thin with limited manpower and the other usually too far away to be of any use. Thus there is nothing between God and the farmer and the impoverished farmer below with his small parcel of land. It is this void which needs to be filled if the lot of the farmer is to improve.

8. It is the universal code that good work should be rewarded. But this is not so in our agricultural areas. If the farmer works hard and the weather is kind he produces a bumper crop, say of potatoes. There is then a glut, prices fall and the grower sometimes cannot even recover his production costs. If misfortune strikes, he ends up with nothing and considers himself lucky if he can still hang on till next year. This is a lose-lose situation which is the constant companion of our peasant.

9. These negative aspects nullify to a great extent the comparative advantages as an economy which Bangladesh enjoys viz. fertile soil, moderate climate, plenty of water, cheap communication by waterways and a hardworking peasantry. These small farmers with their postage stamp plots of land rarely come to the attention of the macro-planners, their needs and aspirations remain undocumented and poverty alleviation programmes evaporate long before they reach the deserving ones. The result is that poverty and hunger stalk our rural areas.

10. Economies of scale is important in industry to reduce average unit cost to be competitive in the market. In agriculture too at the farm level there is a need for minimum economic land holding to justify all types of investments to produce a good crop profitably. This minimum size of holding does not exist in Bangladesh.

11. Poverty is an affliction which affects all facets of human behaviour, interpersonal, personal, politics even statecraft. Progressive development is unachievable as long as people remain hungry. And this will continue as long as avenues for gainful employment are denied to those living in rural areas and dependent on agriculture and agri-related activities. What then must be done?

a. A practical process must

be evolved to consolidate the fragmentation of arable land so that diversification of crops and access to finance and technology is possible which must be supported by law.

b. Marketing opportunities must be made available.

c. Fair prices must be ensured to the growers.

d. Value addition to crops is necessary to create wealth, employment and purchasing power.

12. Enter at this stage the processing industry or a reliable intermediary and the key word in this exercise is PROF-ITS. Our canny farmers only need to be convinced that they grow will fetch them a profit and has a market. The system of contract growing is nothing new. Sugar mills in the north and west Bangladesh have been depending on their contract growers for decades and so have the tobacco industries including a multinational giant because they are processors and thus consumers. But fruits and vegetables business has never been so organised mainly because of lack of processing facilities. This needs to be remedied as soon as possible because of the latent potential of this sector.

13. Once the processing facilities are in place, agriculture will provide us with glowing opportunities for gainful employment and income generation within the shortest possible time. What an individual cultivator cannot do on his own, he will naturally endeavour to do it with the cooperation of his relatives, friends & neighbours who, in most cases, are in the same plight of having small, scattered land holdings. It is then that the processor provides the opportunity and the thrust to produce as per demand.

14. To cite just one example, Thailand is now the largest exporter of many fruits and vegetables in processed forms on the strength of its processing industries and the contract growers who provide the raw materials. As a result, the impoverished Thai farmers of the 60s are today enjoying enviable living standards. Surely Bangladesh can emulate the proven Thai example to benefit its own farming community.

15. Bangladesh's fruits and vegetables, which lend support to processing (pulp, concentrate, dehydrating, freezing, pickling, canning, juicing etc) are of many types and grow in profusion, but the potential have been left totally unexploited.

16. In addition there are numerous other fruits and vegetables which can also be grown

**Civil Aviation Authority of Bangladesh**  
Kurmitola, Dhaka  
No. CAAB/EM-3/98-99/14

### Tender Notice

- Name of work : Providing, installation and commissioning of split system Airconditioning units at VIP and Departure Lounge of Terminal Building i/c. related works at Rajshahi Airport. Ch. to: Capital Expenditure, IFA. To be quoted by the contractor.
- Estimated cost : To be quoted by the contractor.
- Earnest money : 2 1/2% (two and half per cent) of the quoted amount in the shape of Bank Draft/Pay Order from any scheduled bank of Bangladesh in favour of the "Airport Manager, Rajshahi Airport, Rajshahi."
- Eligibility of the firm : CAAB enlisted 'A' and above class E/M contractors having valid ABC contractory and supervisory electrical licence who have satisfactorily completed supply, installation, testing and commissioning of minimum 5 (five) tons capacity split type air-conditioning system in a single tender and certificate to be submitted from an officer not below the rank of Executive Engineer.
- Precondition to purchase set/tender schedule : Above firms may apply with necessary papers in favour of their eligibility for purchasing tender schedule.
- Value of tender papers : Tk. 750/- (seven hundred fifty) only (non-refundable).
- Place of availability of tender : a. Office of the Divisional Commissioner, Dhaka and Rajshahi.  
b. Superintending Engineer, P&D/QS Circle, CAAB, Kurmitola, Dhaka.  
c. Executive Engineer, E/M Division-3, CAAB, Kurmitola, Dhaka.  
d. Airport Manager, Rajshahi Airport, Rajshahi.  
e. PA to Member (Ops. & Plans), and Chief Engineer, CAAB, Kurmitola, Dhaka.
- Place of tender receiving/opening : Office of the Divisional Commissioner, Dhaka, Superintending Engineer, P&D/QS Circle and Executive Engineer, E/M Division-3, CAAB, Kurmitola, Dhaka.
- Last date of tender selling : 18-05-99 (during office hours).
- Date & time of tender receiving : 19-05-99 (up to 1200 Noon).
- Date & time of tender opening : 19-05-99 (at 12.30 PM).

In case of unavoidable circumstances if the total transport and communication are disrupted on the last date of receiving and opening tenders will be received and opened on the next office day. Other terms and conditions of the tender will be remain unchanged.

Authority reserves the right to accept or reject any or all tenders or part thereof without assigning any reason.

Executive Engineer  
E/M Division No-3  
CAAB, Kurmitola, Dhaka-1229.

DFP-9432-3/5  
G-827

**Biman BANGLADESH AIRLINES**  
Ref. DACPL/26/98-99/230 Dated: 18.04.1999.

### Tender Notice

No. 28/98-99

Sealed tenders are hereby invited by Biman Bangladesh Airlines on two-envelope system (Technical & Price Offer) from interested manufacturers/distributors for the supply of the items mentioned below as per details/specifications mentioned in the schedule :-

01. FAX MACHINE - 01 UNIT.  
02. OVERHEAD PROJECTOR - 02 UNITS

Tender schedule mentioning full details/specifications of items, terms and conditions will be available from the Manager (Cash & Banking), Head Office "BALAKA", & Accounts Officer (Cash Payment Unit), Biman Admin Building, ZIA, Dhaka of Biman Finance Directorate on payment of Tk. 300/= (Taka three hundred) only per set (per group) non-refundable by applying own letter head pad during any working day up to 17.05.99.

Sealed tenders should be dropped in the tender box kept in Local Purchase Section, Stores & Purchase Directorate, Admin Building, ZIA, Dhaka & Biman Press Building, Farmgate, Tejgaon, Dhaka latest by 1130 hours (LT) on 18.05.99 & will be opened on the same day at 1400 hrs at the premises of Stores & Purchase Directorate, Admin Building, ZIA, Dhaka in presence of the tenderers (if any).

Biman management reserves the right to increase or decrease the quantity of the items and can accept or reject any or all the tenders without assigning any reason whatsoever.

DFP-9368-3/5  
G-828

Dy. General Manager (Purchase)  
Stores & Purchase Directorate

**EDCL Essential Drugs Company Limited**  
395-397, Tejgaon Industrial Area, Dhaka-1208

### International Tender Notice (short dated)

EDCL invites sealed tenders for supply of Pharmaceutical Raw and Packing Materials on C&F(C) Dhaka by Air/Chittagong by sea basis.

Sl No	Tender No & date	Name of the item	Earnest money	Cost of the schedule	Source of finance	Last date & time of closing	Date & time of opening
01.	IMP/R&PM/SEM/15/98-99 dated: 25-04-1999	Pharmaceutical raw & packing materials (as per schedule)	1%	Tk 300.00 equivalent to US\$ 600	CASH/WES	31-05-1999 at 11:00 AM	31-05-1999 at 11:15 AM

Tender schedule with terms and conditions will be available for sale at the above address on all working days during office hours.

No tender schedule will be sold on the date of opening of the tender.

Md Harun-al-Rashid  
Commercial Director  
for Managing Director

DFP-9333-3/5  
G-829

Charles Jamieson, Managing Director of the Australian Trade Commission, called on the President of Foreign Investors' Chamber of Commerce and Industry (FICCI), AKM Shamsuddin Thursday and exchanged views on matters of mutual interest. Charles Stuart, the Australian High Commissioner, and Jahangir Bin 'Alam, FICCI Secretary, were also present on the occasion.

— FICCI photo