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DHAKA, FRIDAY, JUNE 2, 2000

## WB won't back sectors with low reforms, says Temple

World Bank's lending support to Bangladesh may increase to about one billion US dollars per year if the country accelerates the pace of institutions and governance reforms, reports BSS.

"If the government commits clearly to accelerating the pace of institutions and governance reforms, lending support could potentially increase to nearly one billion US dollars per year," said WB Country Director Frederick T Temple yesterday.

He said that improving financial accountability and procurement beginning to address civil service reform would

be particularly important in triggering increased WB financial support.

Temple was addressing a review meeting on the current Country Assistance Strategy (CAS) for 1998-2000 and next CAS for 2001-2003 in the LGED conference room.

Representatives of Bangladesh's development partners and civil society including academics, NGOs, entrepreneurs, trade unions and the media took part in the discussion.

Temple said the WB in cooperation with other development

partners must continue to help Bangladesh fight poverty.

"In collaboration with IMF and ADB, the WB will support the development programmes of the government of Bangladesh in consultation with leaders of civil society to reduce poverty," he said.

But, Temple said the WB would not support investment in the sectors where pace of reform is slow.

While describing strategies for development assistance, he laid emphasis on improving economic performance and good governance and empowerment, particularly of women.



—Star photo

## Taiwan imposes 3-month ban on Filipino workers

TAIPEI, June 1: Taiwan on Thursday imposed a three-month ban on hiring of Filipino workers, making them the latest victims in deteriorating relations between the two neighbours, says AP.

Filipinos, once Taiwan's top source of foreign labour, will not be hired for major manufacturing and high-tech companies and large public works projects in the next three months, labour officials said.

Future negotiations will decide whether the ban will be lifted or expanded to an entire freezing of the hiring of Filipino workers," Taiwan's Council for Labour Affairs said in a statement.

Normally cordial relations between the two neighbours have turned sour since Manila unilaterally scrapped an air services agreement late last year, and bitter negotiations failed to make progress on a new aviation agreement.

Filipino workers, meanwhile, are bearing the brunt of the political squabbling.

Although labour officials deny that the ban was imposed in retaliation to the air dispute, Foreign Minister Tien Hung-mao has indicated that restricting Filipinos seeking employment could be a way of pressuring Manila to bargaining good faith.

"I have no doubt that bilateral relations between countries have to be mutually beneficial," Tien told reporters recently.

## WB representatives visit ICMA

World Bank representatives Dr Anthony Bennett, International Consultant on Public Financial Management, and Suraiya Zannath, Financial Management Specialist, visited the Institute of Cost and Management Accountants of Bangladesh (ICMA) Head Office on Wednesday, says a press statement.

They held a meeting with the President of the Institute M Abul Kalam Mazumdar, FCMA and discussed matters like implementation of International Accounting Standards (IAS), role of the institute in the development of the profession, importance and implementation of cost audit, education system and curriculum, examination, library facilities, Continuing Professional Education (CPE) of members, IT training, etc.

The World Bank representatives should keen interest in the activities of the institute and appreciated the role played by it. They also assured the institute of all possible assistance for its development, especially modernisation of the education system. They also visited the library and IT training centre of the institute.

The meeting was also attended by Md Mujibur Rahman, FCMA, Vice-President and Saleh Ahmed Bhuiyan, FCMA, Executive Director of the institute.

## JOBS Women's Fashion Trade Fair begins in city

Star Business Report

The Women's Fashion Trade Fair 2000 organised by the JOBS began at Officers' Club in the city yesterday taking aim at exploring new domestic and export marketing and sales opportunities for Bangladeshi products.

Some 62 women entrepreneurs are participating in the 10-day fair. According to the organisers, 75 per cent of these women have come from different parts of the country.

The Job Opportunities Business Support (JOBS) programme is a USAID-funded 10 million dollar initiative, working with small, micro and medium enterprises to expand their businesses in Bangladesh.

Gordon H. West, USAID Mission Director, Anthony Dalgleish, JOBS Programme Manager and senior business advisor, and Zainab Akhter, Chairperson of the JOBS Women

Business Development Programme, attended the opening ceremony of the fair.

Speaking at the opening ceremony, Anthony Dalgleish said that JOBS was now working in handloom, handicraft, footwear and bakery sectors and would expand its activities in four more areas in near future.

Such trade fairs were earlier organised at Gulshan and in Sylhet, he stated, adding that JOBS is now working to launch a website marketing programme.

The main objective of JOBS is to create employment. It helps small, medium and micro enterprises to improve business management and their marketing skills through different training programmes.

The fair will remain open from 10 am to 8 pm.

## FBCCI sees scopes for cheap imports from Malaysia

Dato Zulkifly A B Rahman, High Commissioner of Malaysia to Bangladesh, called on Abdul Awal Mintoo, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) at the Federation office in the city yesterday, says BSS.

Welcoming the Malaysian High Commissioner, Abdul Awal Mintoo expressed his happiness at the strong recovery of Malaysian economy from the recent financial crisis.

He felt that there was greater scopes for importing more items from Malaysia by Bangladesh as it would be a cheaper source of imports. He said Malaysia could also import more items from Bangladesh.

## WFP food assistance to continue for next 5 yrs

The United Nations World Food Programme (WFP) will continue food assistance to Bangladesh during the next five years, says BSS.

The assurance came from Deputy Regional Director of WFP's Asia and East Europe Bureau Angela van Rynbach when she held a meeting with the Planning Commission yesterday.

Half a million poor households will receive WFP food assistance each year during the period 2001-2005, she said.

Based on the Bangladesh country Strategy for food assistance, endorsed recently by WFP's Executive Board, WFP will aim at eliminating food insecurity and malnutrition of the country's 30 million poor.

WFP, jointly with the government, is now preparing a country programme of food-based activities targeting more than half a million of the poorest households in a given year, particularly the vulnerable members who can benefit most from direct food transfer.

Initiated by WFP Dhaka Office, the Bangladesh country strategy of WFP for the period 2001-2005 has been prepared through a six-month consultation process with the government, non-government organisations, local representatives and the programme beneficiaries.

Better support from the international community.

"One in five Africans still lives in a country severely disrupted by conflict," the report says. "Excluding the region's former wars of independence, nearly 20 African countries have experienced at least one period of civil strife since the 1960s."

Bangladesh has long been the largest recipient of WFP's development food assistance.



Dato Zulkifly A B Rahman, High Commissioner of Malaysia in Bangladesh, called on Abdul Awal Mintoo, President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), at the Federation office yesterday. They discussed prospects of enhancing trade and investment cooperation between the two countries. — FBCCI photo

## Nations need swift policy changes

## WB report says Africa heading backwards

NAIROBI, June 1: A major report by the World Bank and partners says many African countries are worse off today than they were at independence in the 1960s, says Reuters.

The report, "Can Africa Claim the 21st Century?", says sub-Saharan African nations need to swiftly implement major fundamental policy changes to have any hope of catching up with the rest of the world in terms of economic development.

Average income per capita is lower than at the end of the 1960s, says the report, compiled by the World Bank, the African Economic Research Consortium, the African Development Bank, the Global Coalition on Africa and the United Nations Economic Commission on Africa.

The region's total income is not much more than Belgium's and is divided among 48 countries with a median gross domestic product of just over \$2 billion — about the output of a town of 60,000 in a rich country.

The report says that with its rapidly growing population, the continent needs to grow by at least five per cent per annum just to maintain current poverty levels. Nearly half the continent's people live below the poverty line.

Africa accounts for barely one per cent of global GDP and only two per cent of world trade," the report says. "Its share of global manufactured exports is almost zero."

"Over the past 30 years it has lost market shares in global trade even in primary goods,

and has failed to diversify on any scale."

If it were not for South Africa, the statistics would make even grimmer reading.

"Excluding South Africa, the continent has fewer roads than Poland," the report says, adding that with 10 million telephone lines — half of which are in South Africa — most Africans live two hours away from the nearest electronic communication.

Less than one in five Africans have access to electricity, two-thirds of rural people lack adequate water supplies and three-quarters live without proper sanitation.

The crumb of good news in the report is that a more complex and encouraging reality is

slowly emerging.

The report says Africa requires decisive action in four main areas:

— Resolving conflict and improving governance to guide political and economic development;

— Greater equity and more investment in African people;

— Increasing competitiveness and diversifying economies;

— Better support from the international community.

"One in five Africans still lives in a country severely disrupted by conflict," the report says. "Excluding the region's former wars of independence, nearly 20 African countries have experienced at least one period of civil strife since the 1960s."

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By Monjur Mahmud

Bangladesh has been for decades a source of raw materials for international leather goods producers as many industries in countries like Italy, Japan, France and China have thrived on imported hides and skins from here.

And yet, the country critically lacks in required set-up and entrepreneurs who could make ventures and add value to finished leather by way of producing finished goods.

However, one glaring exception to this is Picard Bangladesh Limited (PBL), a joint venture company that has been boldly battling to win a chunk of the global leather goods market. And by taking this pioneering role, it definitely did light up the way for others.

"As we have our own raw materials, we need to reap the maximum of it. It is possible to add 250-300 per cent more value to the present-day export earning figure from the sector by producing leather goods," said Md Saiful Islam, Managing Director of PBL.

Picard, the lone joint venture plant for fashionable leather goods in the country, was established in August 1995 in association with Picard Lederwaren GmbH Co. and launched commercial production in January 1996.

Since then, it has been a fantastic journey forward for the company, clocking 300 per cent growth in 1997-98, 140 per cent in 1998-99 and 160 per cent in 1999-2000.

Picard's turnover in 1999-2000 reached US\$ 5.5 million and it was awarded National Export Trophy for the years 1996-97 and 1997-98 for excellent growth.

"As far as quality is concerned, our leather is one of the best in the world but there are a very few leather goods manufacturers in the country," Islam observed. "By processing leather, we are doing the worst part of the job and degrading the environment. We have been

doing the same thing for years without even caring about exploring the possibilities by producing leather goods with our own raw materials."

Around 90 of the country's crust and finished leather is being exported to China, Japan and other western countries.

"Using our leather, these countries are making end products of high value addition," he noted, adding that without producing leather goods, Bangladesh wouldn't be able to reap the maximum benefits from the sector.

Citing an example, Islam said Bangladesh can earn US\$

25 by making end products from the same quantity of leather, which would otherwise fetch US\$ 7.5 as finished leather.

However, he feels that the government must take pragmatic programmes to make entrepreneurs into going for value addition products, which call for huge investment.

India, he mentioned, was at the same stage as Bangladesh some years back and the Indian government provided the exporters a 20 per cent incentive on exports.

"For encouraging the leather exporters in Bangladesh, we

urged upon the government to provide 25 per cent cash incentive. But the government extended only 10 per cent incentive pretty scanty to lure new entrepreneurs."

The newcomers need to be offered 25 per cent cash incentive and it should continue at least for five years for bringing about a change in the sector and helping the industry flourish, the MD said.

By awarding the companies the government recognises the entrepreneurs. But, policies as well as the business environment in the country are not entrepreneur-friendly. Islam added.

All Picard products are sold to its European customer, Picard Lederwaren GmbH -- the world-famous producer of leather goods, especially fashion items branded as Picard, which is also the owner of a 51 per cent stake of Picard Bangladesh Limited.

Picard products include ladies hand bags, back pack and shopper and executive bags. The company produces some 600 to 700 ladies handbags per day. Of the Picard goods, ladies bags account for around 80 per cent, executive bags 12 per cent and small leather goods 8 per cent.

"All Picard designs come from Germany as we put special emphasis on the quality of our products," said Islam, adding that new entrepreneurs in the field must be quality conscious and technically well-equipped. "Real professional people haven't yet come up with meaningful ventures. There's a lack of good entrepreneurship in the sector," he felt.

Islam also said foreign missions abroad do not project the country's products properly. They did not even go for publicity for the Dhaka International Leather Fair being held for the past two years. "But it is quite interesting to see that we get all sorts of queries from the German Embassy in Dhaka," Islam added.



High value addition leather products like these can fetch a lot of foreign exchange for the country.

## WB says in its report on recovery

## Pressing banking, corporate woes hang over Asia

TOKYO, June 1: Asia must resolve pressing banking and corporate distress has not removed the uncertainties hanging over the recovery and future prospects," said the report, entitled "East Asia: Recovery and Beyond."

"The legacies of the crisis — especially heavy debt and greater insecurity among workers — leave the recovery susceptible to unexpected changes in investor sentiment or world recession," it added.

The bank identified three areas of pressing concern