

ADB's economic trend analysis

Some early warnings sounded

THE Asian Development Bank's Quarterly Economic Update for March, 2002, has packaged evaluation, forecasts and recommendations reflecting a balanced portrayal of Bangladesh economy. Some of the suggestions put forward by it merit attention before we launch ourselves into a new budget.

Of the conclusions drawn on the basis of trend analysis, mention may be made of two major ones: first, GDP growth might decline from 5.2 per cent in 2001 fiscal to 4.4.5 per cent in 2002 largely due to subdued activities in agricultural and manufacturing sectors. Secondly, the rate of inflation which has gone up since January could rise further down the road because of price increases in both food and non-food items, such as fuel and transport costs. Revving up productivity and holding the priceline for consumer goods will be something of a challenge for the government to prove equal to.

According to the ADB report, the declining exports and imports have not yielded any benefit in terms of keeping the trade deficit from widening.

Significantly, the government's borrowing from the central bank has increased while its lending from the commercial banks has fallen. But this decline in government borrowing from the commercial banks has not correspondingly raised their lending to the private sector. The ADP report suggests that the governments expenditure has increased as is illustrated by the rise in domestic and foreign borrowings.

On the positive side and, very importantly at that, international reserves have gone up through a spurt in remittances. Lower imports have had a part in it, too. The narrowing down of deficits due to higher inflows of remittances coupled with an increase in the share of remittances coming through official channels is good augury.

The need is great for improving domestic resource mobilisation and keeping the government expenditure under control. The saving and investments rates will have to improve.

What will be crucially important for sustainable economic growth is keeping political unrest at bay and collaterally maintaining a congenial law and order situation for the sake of greater investment and higher productivity.

Upazilas on the Net

A step in the right direction

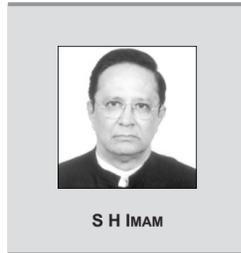
THE government is reported to have initiated a project to take Internet services down to the upazila level. The 24-crore taka project, placed before the Planning Commission for approval, aims at ensuring Internet access to all upazilas in the country by the middle of next year. An encouraging move it is indeed.

In an era of greater interconnectivity information technology holds the key to the treasure trove, metaphorically speaking, for a developing country such as ours. Unfortunately, although marked out as a thrust sector by the policymakers, there has not been much of activism in this regard other than formation of one special committee after another followed by one set of recommendations after another. In reality, we have not yet been able to build adequate telecommunication infrastructure to facilitate our march on the information superhighway. As a result, we have lagged far behind as others whizzed past.

The present government can certainly take pride in the fact that it has ensured Internet access to 31 districts within six months into its tenure, especially when only eight districts were linked to the Net before the October 1 general elections. However, figures don't always tell the true story and the government should not let its perspective get clouded with such figure-based success. It must not forget the fact that laying out an Internet network is just a fundamental requirement for information technology. It is just the beginning, not the end.

Moreover, objective of the mooted project should also be carefully analysed. Internet connections just for the sake of it make little sense. Should the goal be, and we hope it is, to bolster our IT ability, the government must follow up on infrastructure expansion with human resource development in tandem. Admit it or not, IT activism in the country is still at a rudimentary level.

Matter of self-respect



S H IMAM

DANISH Foreign Affairs Under-secretary Peter Hansen may have done some long-term good. His lack of discretion could prove to be a blessing in disguise at the end of the day. Only that we are negotiating through an undulating course right now. Of course, such optimism depends on how we use the fallout of the whirlwind Hansen has created. There's no denying the fact that in spite of his seriously flawed and recoiling public relation exercise, some points at issue in donor-recipient relationship have been brought into a sharper relief -- thanks to the controversy.

Hansen has gone public with many things: allegations of corruption against Shipping Minister Akbar Hossain and closure of funding to

the Aricha ferry repair and rehabilitation project without consulting our government, which amounted to unilateral termination of a bilateral contract. He has also dropped hints at a diminishing flow of Swedish assistance to Bangladesh 'if matters did not improve.' He even delivered a 'theme park' lecture on dos and don'ts for the government.

To state the obvious, without a nod from his government in Copen-

tions levelled against the Minister of Shipping should be a matter for scooping and transparent investigations to let the public mind, which has been so intensely exercised on the subject, know the truth. The Danish diplomat has talked about responsibility to their tax-payer and in the same way we have our obligations to the electorate to apprise them of how we spend donor money.

But at the other pole, Hansen's

In any case, the twists and turns in the apparently long-drawn-out affair calls for an investigation for its own sake: not merely to establish the culpability or otherwise of any high up being alleged of wrong-doing but also to treat it as a test-case for inter-governmental, or inter-ministerial coordination within the country under sensitive circumstances. In this context, one recalls the Danish claim that they had communicated

experiencing as a maiden event would not have found a discreet, toned-down expression in another clime or country. Hansen's sidestepping of normal and proper channels in the government to take issues with even when the die seemed cast to him, betrays a certain feeling that he probably dared it because Bangladesh is cast in a poor, small country image.

There could be another conjec-

JUST ANOTHER VIEW

Ours being a poor country does not forfeit our right to decency, honour and self-respect. Even with material poverty a nation can live in dignity. Moreover, without self-esteem our growth potential cannot be realised to the fullest. Constructive suggestions of envoys and diplomats are welcome and so are their emphasis on transparency and good governance. But such advice will yield a greater effect on us if our sensibilities are respected and we have a greater ownership of our own policies in general terms.

hagen, he would not have taken the matter to the press. In fact, the views expressed by him should be regarded as the crystallised opinions of his government on the handling of the two-year old still-born project.

The most obvious reaction to Hansen's disclosures to the press would be: (a) he is in clear breach of diplomatic norms; and (b) the allega-

diplomatic naivete and desperation to go public with his story makes it imperative for us to take a hard look at our own turf. Perhaps one could be struck by the ingenuity in the use of such sophisticated phrases like 'outstanding problems' requiring to be solved or visits of people leaving the parties unaffected in the pursuit of their respective national interests.

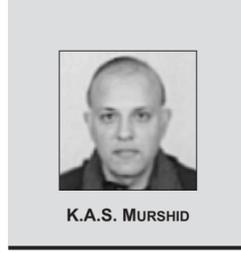
the matter to the PMO and the ERD in the month of February. But the notable and surprising exception has been the Foreign Ministry which was not informed of it at any stage, although it has to do with the practical aspects of inter-state relations.

One wonders whether the Danish diplomat's public outbursts such as we have had the misfortune of

ture that sensational revelations are in fashion these days. One is likely to be affected by the liberal doses of publicity recently received by scams in high places like Tehelka and Enron. But in the present case one obviously needs to be conscious of the fact that it pertained to use of grants.

In point of fact though, the Danish

Pakistani encounters



K.A.S. MURSHID

THIS is virtually my first visit to Lahore after 1971. The last time I was here was in 1969 when a group of us from Notre Dame College decided to 'tour Pakistan', taking advantage of a special fare for students provided by PIA. It was a short but exciting trip that took us to Lahore, Islamabad and the north-west, including Murree, Swat and Kaghan Valley. Memories have become blurred over the years so that what is left are patchy images of places and people: walking over glaciers in Kaghan, the ride on an antique car belonging to the son of the Amir (which over-heated every few kilometres), a mountain funeral procession, the Anarkali Bazar in Lahore, the smile of a pretty girl.

In short, I did not know quite what to expect. Lahore airport seemed like a cross between a rail station

and an airport. However, things were orderly, not very crowded and no one trying to push us into taxis-cabs or micro-buses. The ubiquitous 'Army Complaint Centre' was straddled across the exit while a machine-gun mounted van parked nearby evoked a disquieting sense of *déjà vu*.

Our pick up hadn't arrived, so we waited patiently hoping he hadn't forgotten all about us. He eventually

club), and it paid off. They put me up in a standard room but shifted me out to a better room the very next day. I was greeted in my new room with flowers and chocolate cake -- compliments of the Secretary. I couldn't quite believe this -- what was going on? It seemed the Secretary spent two terms with the High Commission in Dhaka and held very fond memories and much good-will for Bangladeshis. When I went to his

denly changed by a directive from above, some two weeks ago, so that although the new nomenclature included references to e.g. social, environmental and poverty aspects, the poor chap had no clue about what he was supposed to do. Both his assistant and he were engineers, and they appealed to us to tell them how they should go about addressing 'social issues'. Of course the good thing was that they

months in Chittagong two months outside and eight months inside', he said. We looked at him with eyebrows raised. 'I mean inside the jail', he continued, 'in 1971'. A POW, I said to myself -- the very first that I have laid my eyes on! He then recounted various horrors and indignities suffered -- mostly, and to his credit, in a humorous vein. He was given third class accommodation in prison where there were 5000

and it lasted a full two minutes. Later on, my Pathan friend who had accompanied me apologised profusely for the man's poor conduct. Secretly, I was actually quite pleased -- at least it gave me something to write home about!

I mentioned the Gymkhana Club -- it is truly magnificent: a sprawling 18-hole golf course, state of the art gym and good food at a budget price. I don't play golf and I don't like spicy food so that essentially left me with the gym. I was a bit worried about the gym timings: Gents: 6-8 AM; Ladies: 8AM-3PM; Family: 3-10PM. I was very worried about the 'family' bit. I hate mornings, especially for exercise. But 'family'? Did it mean that I would have to take my entire family or at least my wife in order to gain admission to the gym in the evenings? That of course would be slightly problematic since my wife was in Dhaka. I put off going down to check it out for a couple of days. On the third day I got into my gear and went down to the counter and signed in. No body asked any questions. While most of the users were men there were some women there as well -- young and old, with and without escorts, in Eastern and Western gear. The best part was the men did not stare, did not look, did not care. Couldn't say the same for some of OUR clubs. You guys listening?

Dr KAS Murshid is an economist and Research Director, BIDS.

BETWEEN YOURSELF AND ME

The silence that followed was deafening, and it lasted a full two minutes. Later on, my Pathan friend who had accompanied me apologised profusely for the man's poor conduct. Secretly, I was actually quite pleased -- at least it gave me something to write home about!

came -- an hour late. It seems that every day Pakistan decided to save day-light (why one doesn't know) and put back its clock by an hour. It was worth the wait for our pick up, for now, we didn't have to re-set our watches because for the first time in history, Pakistani and Bangladeshi clocks were moving in unison!

The Gymkhana Club received us well. I didn't have a confirmed booking although my companion did. I took a chance (of course producing suitable documentation to prove that I was a member of a reciproc-

office to thank him 'for everything', he sprang from his chair and addressed me as his 'brother from Bangladesh' in front of a room full of people. I was beginning to feel a little embarrassed. There was more to come but of a slightly different nature.

My work was related to infrastructure and poverty reduction and I wanted to talk to government officials at the Communications and Works Department. The 'concerned official' met us readily. It transpired that the name of his 'cell' was sud-

knew they were in trouble and were seeking a way out. In Bangladesh our engineers are smarter. Overnight they would become environmental or social experts without batting an eye!

While our discussions were in progress, a colleague of the 'concerned official' joined us. Pretty soon it emerged that he was in 'East Pakistan' in Chittagong to be precise, working on a contract to construct jetties at the port in 1971. The manner in which he introduced the subject was interesting: 'I spent ten

inmates for a jail that was meant to hold 500. To cut a long story short, he was promoted to first class status, at the intervention of 'a Bengali friend'. At one point, quite suddenly, the man blurted out: 'When Bin Qasim (the Muslim conqueror of Sindh) came here we crouched low to touch his feet as he was sent by God! When the Hindus (meaning the Indian Army) came to Chittagong, the Bengalis bowed down to touch their feet -- I guess they too were sent by God'. The silence that followed was deafening,

actions against unseemly and arbitrary Indian acts. While maintaining correct and cordial bilateral diplomatic and political relation, a steep and punitive duty or tariff on Indian goods, especially nonessential items and ones with indigenous competitive products, should be initiated instantly. There is precedence for this. While the US and Europe are in the best of strategic alliance, the US recently imposed a 30 per cent duty on European steel for much less infraction than what India routinely undertakes. We should not worry much about spiteful Indian countermeasures. With a 19 to 1 trade imbalance in its favour and a nearly Taka 3,000 crore per year trade surplus, its room to manoeuvre and take countervailing actions is strictly restricted.

OPINION

Troubled trade talks with India

Omar Khasru

THE recent events have demonstrated distinctly and distressingly that trade talks with India is a waste of time, energy and effort. It refuses to comply with past pledges and declines to consider sound and compelling reasoning or fair trade practices to narrow the yawning and unacceptable trade gap. The Indian delegation was more interested in coaxing transshipment and adding totally unrelated factors such as a licence to inundate the knitwear market by dumping inferior Indian thread via land routes, something the government recently prohibited for good reasons.

Bangladesh is the largest foreign market for Indian goods, India has an incredible 19 to 1 advantage in export over import. No country can

tolerate this extreme and unjust trade deficit. Many Indian items are of abysmal quality, which none should spend hard-earned foreign exchange to procure. The import of rotten rice from India during the last regime, which claimed self-sufficiency in food with deafening drumbeat, is a case in point. Bangladesh, for all intent and purpose, has become a convenient backyard flea market for Indian merchandise, which smacks of economic imperialism and commercial colonialism.

Atal Behari Vajpayee, Indian Prime Minister, had promised duty-free entry of 25 categories of some 150 items into India, during his Dhaka trip. The purpose was to prop up massive trade deficit. In retrospect, it seems like an empty pledge, meant to mollify businessmen here and buy time as well as provide propaganda benefit for

Awami League. India has dangled this 25-category free entry carrot and bait for a long time. Tofael Ahmed, former Commerce Minister, mentioned this Wizard of Oz yellow brick road of 25-category panacea till cows came lumbering home but to no avail. The current government at least negotiated with India with specificity. It kept the nation informed of Indian detour, irrelevant and unwarranted new conditions and trickery. The end result is India has agreed to the entry of puny 40 products of 16 categories, starting in April 2003. This may be another ploy to buy time and introduce fresh new demands as quid pro quo. Only seven items, according to newspaper accounts, are of any significance to Bangladesh. This is a clear case of breach of promise and deceitful behaviour. The traders here and their front organizations,

such as the FBCCI, are thoroughly disheartened, disgusted, disenchanting and disgruntled.

NAFTA, North American Free Trade among the US, Canada and Mexico is the most productive and effective economic bloc in the world, with ASEAN, consisting of the South East Asian countries, a distant second. SAARC, the economic cooperation group of the South Asian countries, on the other hand, is pretty near a useless, ineffective and dormant entity. The intransigence, apathy and overwhelming urge to play the role of a dominant and big bully big brother on the part of India is the reason. NAFTA is successful because of the unselfish understanding and a spirit of compromise and facilitation on the part of the US. It believes in the axiom, rising tide raises all boats. India, on the other hand, has neither

scruples nor a smidgen of fellow-ship, generosity or altruism towards the weaker neighbours. It is more interested in dictating terms rather than partnership on the basis of equal status. It is inclined to military, political and economic hegemony than compromising with the spirit of give and take to enhance cooperation in the region. With such attitude and outlook, there is no chance SAARC will ever live up to its potential or promise.

It should be obvious that India is not about to come to an equitable, ethical and evenhanded deal with Bangladesh to resolve the heavily skewed trade balance in its favour, largely due to unfair trade practices. India is bent on putting up stumbling blocks and being antagonistic to a fair settlement. Bangladesh needs alternative markets for its exports. It is also time to take retaliatory

TO THE EDITOR TO THE EDITOR TO THE EDITOR TO THE EDITOR TO THE EDITOR



"Sad but true"

So, the take home message from Mr ES ("Sad but true", April 17) is that we should now condemn everybody including the Arab states and Israelis for terrorising the Palestinians. That is exactly how the Israelis are succeeding in their propaganda campaign. With the help of USA media they have been able to shift focus from the root cause of expulsion, occupation, massacre and subjugation of native Palestinians. The Israeli tactics has evolved into multiple ramifications with unthinkable agony in Palestinian society. Forcing the prisoners to become spy and then these people getting killed in their own people's hand is just one of many unfortunate ramifications. Think little deeply how helpless and unfortunate this nation is! The media have also succeeded in portraying Arafat as a terrorist or at least Palestinian equivalent to Sharon in the minds of ill informed USA citizens. You have to look at the root cause otherwise you can also sing like Netanyahu "Arafat is the most brutal dictator". The situation is no

different than the situation of Apartheid South Africa. Here the Zionists succeeded in taking control of every aspect of the only superpower USA. Israel's recognition of Bangladesh or being the "only democratic country" does not allow them for the horrific massacre they continue to do in occupied land. I think the Zionists media is successful in shifting the focus from the root cause to other issues in people like E.S. & other USA taxpayer's mind.

Sultan Canada

The struggle in Middle East

The conflict between Israel and Palestine is not the conflict between Islam and Judaism, but a struggle for land and home. The world has forgotten to entitle the suicide bombers as the 'human beings', who devoted their lives in that black struggle. How come we will call ourselves as 'mankind' when their brave sacrifice never became front-page stories and living texts to understand the

concept of 'peace'?

Shahab Enam Khan, on e-mail

Of traffic signals and traffic police

Dhaka has a very advanced traffic signalling system installed but to our astonishment our ill-trained traffic police seems to think otherwise. Those police were surely placed there to help ensure the commuters abide by the traffic signals. But all they seem to do is to display utmost disregard to the very signals they are supposed to uphold. Frequently they would signal you to stop while the green lights are on and let you go while the red lights are on as if they are oblivious of the lights or do not believe in the lights themselves. As if to prove their worth they would implement their own version of traffic signals but that too is I am afraid they can not do properly. The every day traffic congestion would be an honest reflection to our traffic police's efficiency. It is up to the police department to choose between manual and the traffic lights. If the lights are deemed

inefficient, please do turn them off. It will save the poor commuters, who happen to remember the signals, from a lot of confusion. Most importantly, it would save a lot of electricity that might go a long way to ease the loadshedding situation and make life comfortable during summer.

My sincere request to the authorities concern is that either use the traffic signals, ensure they are enforced by the police and not otherwise. If they require some fine-tuning please do so. But if they are deemed unusable (!) please save the energy and let it be used in a meaningful way.

Dr. Haroon Rasheed Dhaka

Would I ever be able to teach peacefully?

Does our society need or care about work? My own experience makes me wonder. In the last twenty or so years there has been hardly a day when I have had a chance to teach my classes at Rajshahi University in peace and quiet. Either there have been long,

noisy, slogan-chanting processions of students, one after another, or there have been thundering microphones invading the classrooms with fiery speeches. At times there are frenzies of song and dance with drums and horns celebrating arrivals, departures or victories of some favourite sports team. I won't even mention the countless occasions when we have been besieged with fighting, gunshot and bomb blasts. The First Arts Building where six major arts departments are located and the central library are most vulnerable for their prominent locations. Students gather right in the south and the west of the Central Library to start and finish their processions and their daily blasting speeches. All processions pass in front of the First Arts Building. There are days when microphones blare from eight in the morning till ten at night. Even many teachers have been seen arranging meetings and using microphones in front of the library and the Arts Building during class hours. The Administration does not seem to feel anything is wrong -- or is it unwilling or unable to do anything about the situation?

Even those very rare days when there is no procession or meeting or anything, students throng outside the classrooms, leaning against the doors and windows gossiping in voices that can clearly be heard fifty yards away. Even inside the library most students incessantly gossip and chat and the library employees themselves loudly call each other. Thus there is no respite from noise, deafening noise. I cannot concentrate and make myself heard in the classroom even though I keep all the doors and windows shut, nor can I sit in the library and study. In short, I cannot teach.

A. K. M. Mohiuddin Professor, Department of English Rajshahi University

MIGs and helicopters

My reply is in response to Biggles' effort to justify that MIG is not necessary to our defence requirement. He claimed India could field 700 aircraft at any given time in case of a war against Bangladesh broke out. This is not correct. True, India has 700 aircraft and other fighter planes in its inventory but how many aircraft can India field

against Bangladesh is debatable. India cannot withdraw any aircraft from Pakistan border in case a war between Bangladesh and India broke out. Besides that India uses Russian, British, and French fighter planes that require different kinds of spare parts which in turn make it impossible to maintain a high combat readiness. One last thing, China has 4500 aircraft in its inventory. Now would Mr Biggles recommend that India stop purchasing high-tech aircraft and go only for SAM?

Maruf New Orleans, U.S.A

A prayer

-- On Allah you are the most merciful and the most powerful. Please save us from the clutches of political leaders. -- Save us from the scourge and influence of these 'rich' people who have amassed wealth by denuding our banks of millions. -- Save us from these traders of Islam who are using and abusing your name for achieving their objectives. -- Save us from the sermons and

the incessant discourses on intellectualism by these Awami and BNP caretakers in the garb of intellectuals.

-- Save us from the police who are keeping us in eternal fear and total insecurity. -- Save us from going to these death traps of clinics which in the name of curing of illnesses are bleeding us to death through charging us thousands of taka in the name of tests, surgeries and what not, besides faulty diagnosis. -- Let our children roam free from fear of being kidnapped and murdered. -- Save us from these land grabbers who are slowly and surely occupying and destroying our lakes and water bodies. Please remind them of how much land does a man require. -- Let our lawmakers realise that no matter how big or important they may be, they cannot match thy authority. Please do teach them some humility. Shamsheer Chowdhury Dhanmondi, Dhaka