

Industrial growth: Downsizing administration imperative for efficiency

ABMS ZAHUR

A truly enabling environment does not exist for proper growth of private sector in Bangladesh. One of the main reasons is that many of regulatory functions that government is still performing as a matter of past legacy are characterised by bureaucratic hassles, inefficiency and corruption. This is causing irritation, delays and unnecessary cost escalation. Thus it has become necessary to remove the obstacles to enable the private sector to accept the responsibility in a market oriented economy.

An accelerated growth to reduce poverty in Bangladesh will need a quantum leap in efficiency and effectiveness of the government. This is, however, not possible even for an over extended government which not only performs the core functions of state such as national defence, law and order, judicial system etc. It also functions in grey areas like education, health or railways etc which could have been performed better by others. It should be concentrating more on functions of poverty alleviation, development of rural infrastructure etc. As its tentacles are spread all over its inefficiency, if any, affects the entire economy. Performing countries such as US, UK, Canada or Newzealand have used different models of engendering, conceptualising and managing the rightsizing issue. BNP government of 1991-96 recognised this need and set up Nurunnabi committee in 1994. The recommendations of the committee were, however, not implemented by the Awami League which set up a new committee (PARC). Only a few recommendations of PARC could be implemented. Hardly there is any impact on administration from such implementation. Thus it is desirable that recommendations of Nurunnabi committee are taken seriously.

Privatisation of some governmental function is certainly desirable for accelerated growth. However, transfer may be possible only if the private sector institutions are made capable enough to handle the proposed additional responsibility. This needs governmental attention. Such governmental effort may be strongly supported by multilateral donor agencies like the World Bank... Ours is a poor country. The administrative expenses must be reduced. Apart from financial considerations we may consider the point of serious scarcity of efficient hands in every branch of administration. Huge size of administration as we see at present helps only in breeding discord and confusion but certainly not efficiency.

government and the private sector have improved appreciably in recent time it should have been more collaborative. Government agencies need to be more responsive and expeditious in resolving administrative bottlenecks faced by the private sector. As private sector matters are mainly concentrated in ministries such as ministries of commerce, industries, jute and textiles it may be appropriate to review the functions of these ministries to identify certain governmental functions considered to be performed better by private sector. A review in brief has been attempted in the following paragraphs:

- Ministry of Commerce:** (i) Office of the Controller of Imports and Exports due to globalisation of international trade, has lost its importance and on fact is a burden in the revenue budget. Its main functions now remains, only import and export registration. The Import and Export (Control) Ordinance 1975 may suitably be amended and the functions of import and export registration may be transferred to district chambers of commerce and industry.
- (ii) Office of the Registrar, Joint Stock Companies administers (a) the Companies Act, 1994, (b) Societies Registration Act, 1860 (c) Partnership Act, 1932 and (d) undesirable Companies Act, 1959. At this stage there appears no need for transferring any of its functions to

the private sector. What is needed is modernisation of rules and regulation and simplification of procedures.

- (iii) Export Promotion Bureau (EPB) was set up to explore and examine the potentials of export oriented products within the country, to formulate an integrated export development strategy, to organise participations in trade and export fairs. However, its role is actually much more restrictive, monitoring exports and issuing export licences. There have been complaints about the agency's non-transparent system of selecting participants to trade fairs and lack of professional skills in arranging presentations and product displays. It faces administrative constraints in obtaining clearances from the parent ministry. It is, therefore, considered appropriate to delegate the implementation aspects of EPB's promotional role to chambers/trade bodies.
- (iv) Office of the Director, Trade Organisation controls the trade bodies through the Trade Organisation Ordinance 1961. This regulation has lost its meaning because it is contrary to the spirit of private sector development. It fails to point out under which specific conditions the government can take measures for the healthy development of trade bodies. This ordinance may totally be nullified.
- Ministry of Industries:** (i) The functions of Bangladesh Standards

- and Testing Institutions are both regulatory (regulating the quality of manufactured goods) and promotional (developing quality consciousness among people). These functions may continue to remain with the government. However, the scope and quality of its work need vast improvement.
- (ii) The functions of Bangladesh Industrial Technical Assistance Centre (BITAC) are mainly promotional (promotion of productivity consciousness and rendering advice to industries on increasing productivity). As public sector industries are going to be privatised sooner or later its functions may be transferred to private sector institution like Federation of Chamber of Commerce and Industry (FCCI).
- (iii) Bangladesh Small and Cottage Industries Corporation (BSCIC) is a promotional body and its main objective is to strengthen the base of small and cottage industries. Function includes (a) development of industrial estates and allocation of industrial plots, (b) organising entrepreneurship programmes, and market development programmes. The function of allocation of industrial plots may be transferred to concerned district chamber of commerce and industry.
- (iv) National Productivity Organisation is a promotional agency and aims at improving national productivity. With the growing emphasis on private sector growth the organisa-

tion may be controlled jointly by the government and the private sector.

- (v) The main function of office of the Chief Inspector of Boilers is ensuring industrial safety through registration, installation and inspection of boilers. Complaints of delay in disposal of cases are reported. This may be redressed through increase of manpower and simplification of work procedures. The agency may continue to remain with the government because of sensitivity of its work.
- (vi) Directorate General Of Patents, Designs and Trade Marks administers (a) Patents and Designs Act 1911, (b) Secret Patent Rules 1933 and (c) Patents and Designs Rules 1933. As the agency has not received adequate attention from the government it is becoming difficult for the organisation to cope with the task of administering intellectual property rights. Due to sensitivity of the functions of the agency it may remain with the government. However, modernisation of its rules and regulations may be done at the earliest.
- Ministry of Jute:** Its functions include administration of (a) Jute Ordinance 1962, (b) Jute (Licensing and Enforcement) Rules 1964 and (c) Record of Jute Growers (border areas) Act 1974. Among its promotional functions are (a) rationalisation of different categories of licence fees, commission, brokerage and packaging charges and (b) review of performance of the export-

ers for granting licences. As jute mills in the public sector are going to be privatised gradually the ministry will be left with very little work of regulating raw jute cultivation and production. These may better be performed by the Ministry of Agriculture.

Ministry of Textiles: Among its regulatory functions are (a) issuance of rebate certificates to local exporting industries and (b) supervision, control, management of monotechnic institutes. Promotional functions include (a) publication of necessary booklets of the private sector textile industries, (b) assisting and guiding formulation of plan and policy for export oriented industries in the textile sector. It would be appropriate to transfer its regulatory functions to the Ministry of Industries and the promotional functions to the FBCCI. The ministry may be abolished.

Privatisation of some governmental function is certainly desirable for accelerated growth. However, transfer may be possible only if the private sector institutions are made capable enough to handle the proposed additional responsibility. This needs governmental attention. Such governmental effort may be strongly supported by multilateral donor agencies like the World Bank.

Ours is a poor country. The administrative expenses must be reduced. Apart from financial considerations we may consider the point of serious scarcity of efficient hands in every branch of administration. Huge size of administration as we see at present helps only in breeding discord and confusion but certainly not efficiency. The government does not appear to have any other option but to downsize the administration as early as possible. The earlier the government realises this unsavoury truth the better for it and the country.

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The institution of prayer and fasting in Islam

If we are guided by selfishness, we are indeed false pretenders of faith and friendship. Similarly, if we profess belief in Islam we must zealously guard against evil and uphold the prestige of Islam. Our guide in our conduct must be the interest of Muslims at large and the service of Islam in the face of which all our personal considerations must sink low.

ABUL KALAM ELIAS

ISLAM Stands for complete submission and obedience to Allah. According to Poet Allama Iqbal, "Complete trust in Almighty Allah and defiance of death – that is Islam". The most fundamental and the most important teaching of the holy Prophet Muhammad (Sm) is faith in the unity of God. He has enjoined us to believe in five articles of faith. (1) Belief in God, (2) belief in God's Angles, (3) belief in God's books, (4) belief in Prophets and in Mohammed, (5) belief in life after death. These five articles make up the bedrock of Islam. One who believes in them comes to the fold of Islam and becomes a member of the Muslim community. By a mere verbal recitation alone one does not become a complete Muslim.

The spirit of Ibadat or worship

The Islamic concept of Ibadat is very comprehensive and wide. If we obey the laws of God in letter and spirit in all affairs and abide by them in our dealings with our parents, relatives, friends and all those who come in contact with us, verily all these activities of ours are Ibadat. In short all our activities are Ibadat if they are in accordance with the laws of God and our heart is filled with His fear (Taqwa) and our ultimate objective in undertaking all these activities is to seek the pleasure of God.

This is the true significance of Ibadat viz total submission to the pleasure of Allah. To help achieve this aim a set of formal Ibadat (worships) has been constituted which serves as a course of training. The Ibadats are thus the pillars on which the edifice of Islam rests.

Salat (prayer)

Salat is the most primary and the most important of these obligations. It is the prescribed daily prayer which consists in repeating and refreshing five times a day. The various poses that we assume during our prayers are the embodiment of the spirit of submission, the various recitations remind us of our commitment to God.

It is but easy to understand how the daily prayer strengthens the foundation of our faith, prepares us for leading a life of virtue and obedience to God and refresh that belief from which springs courage, sincerity, purposefulness, purity of heart, advancement of the soul and enrichment of morals.

Then again, we say our prayer in congregation and especially so on Fridays and Eid days. These create among the Muslim a bond of love and mutual understanding. These arouse in them a collective unity and foster among them national fraternity. These also inculcate in us a strong sense of discipline and obedience to the elected leader (Imam).

There are 82 references in the Holy Quran emphasizing the importance of Salat and Zakat. There are myriads of benefits we can derive from the daily prayers namely physical, mental, moral, psychological and spiritual. If we refuse to avail ourselves of them, we and only we are the losers.

Fasting

What the prayers seek to serve five times a day, fasting in the month of Ramadan (ninth month of the lunar

year) does once a year. It is nothing but faith in God and the fear of him (Taqwa) and the day of judgement.

Each and every moment during our fast we suppress our bestial passions and desires (Nafse Ammara). This consciousness of duty and the spirit of patience that the fasting for one full month inculcates in us, help us strengthen our faith. Rigour and discipline during this month bring us face to face with the realities of life and help make our life, during the rest of the year, a life of true subservience to the will of Almighty Allah.

Fasting has an immense impact on society, for all the Muslims irrespective of their status, country and colour must observe fast during the same month. This brings to prominence the essential equality of men and universal brotherhood. During Ramadan evil conceals itself while virtue comes to the fore and the whole atmosphere is filled with piety and purity.

Thus discipline of fasting has been imposed on us to our advantage. It is to the natural laws which govern man's physical existence that Islam appeals for proof of Allah's actual kingship (sovereignty). Islam is the religion of 'firar' (keeping pace with nature). As time passes, more become known of the multifarious benefits of fasting to the body. Fasting helps remove the toxic waste of the body. It is an antidote to obesity and many other maladies.

Preparing for great role

"O you who believe! Fasting is prescribed for you even as it was prescribed for those before you so that you may attain 'Taqwa'" -- Quran, Surah 2: 183,

Fasting has immense benefits. Obvious among these are the training of the will, the strengthening of the capacity to bear hardship. Another obvious benefit of fasting is its good effect on health of those who are not ill even if the fasting person feels some exertion. Clear also becomes its objective of training and preparing the Ummah for the greatest role which it has been called upon to fulfil -- a fulfilment which depends on the safeguard of 'Taqwa' supervised by Allah.

Fasting, as a matter of fact, is the prerequisite of devotion, dedication and meditation, we are told the prophets and messengers of God observed fasting prior to their prophethood. The Holy Quran descended upon earth during Sabe-Quadr the night better than thousand nights in the month of Ramadan.

Defence of Islam

The defence of Islam is not a fundamental tenet but its need and importance have been repeatedly emphasised in the Holy Quran and the Hadith. It is in essence a test of our sincerity and truthfulness as believers in Islam.

If we are guided by selfishness, we are indeed false pretenders of faith and friendship. Similarly, if we profess belief in Islam we must zealously guard against evil and uphold the prestige of Islam. Our guide in our conduct must be the interest of Muslims at large and the service of Islam in the face of which all our personal considerations must sink low.

Public sector fertilizer factories need rejuvenation

SYED REZA QUADER

PUBLIC sector fertilizer industries are managed under the guidance of Bangladesh Chemical Industries Corporation (BCIC), established in July 1976 by the government.

Fertilizer sector consists of 6 (six) urea fertilizer factories and one TSP/SSP fertilizer factory. Chittagong Urea Fertilizer Factory Ltd (COFFL) was established in 1987 with an installed production capacity of 5,60,000 MT urea per annum. Zia Fertilizer Co Ltd (ZFCL) (earlier named Ashugani Fertilizer Co Ltd) has an installed capacity of producing 5,28,000 MT urea. It was placed under BCIC in December, 1983. Urea Fertilizer Factory Ltd, (UFFL), Ghorasal was set up in 1970. Its annual installed production capacity is 3,40,000 MT urea. With the completion of Revamping project in Feb 1993 the capacity increased by 1.30 lac to 4.70 lac MT a year and the functional life of the factory got extended by 10 (ten) years. Polash Urea Fertilizer Factory Ltd (PUFF) was set up in 1985 having annual installed capacity of producing 95,000 MT urea a year. TSP Complex, Patenga was established with an installed capacity of

The cost of production of fertilizer has gone up in the recent years due to increase in the tariff of gas-power. And gas is the basic raw material of the fertilizer factories. Again, Bakhrabad Gas system is in trouble. Stoppage of gas supply to the fertilizer sector and other consuming sectors including domestic area is apprehended. Absence of BMR-maintenance in time due to paucity of fund production level may reach such an alarming stage that a huge amount of chemical fertilizer will have to be imported. This may happen in the next 10 (ten) years, as opined by many experts, if sliding of production goes unabated. To contain the crisis immediate measures must be taken up.

producing 1,52,000 MT TSP/SSP a year. A granulation plant was added to the factory subsequently for producing granular TSP to meet the long-standing need of the farmers.

BCIC has been providing guidelines to the factories under its control over the years since its inception. BCIC has no dearth of engineers and chemists, other capable personnel to run the mills/factories with supposed efficiency. Such capable skilled work force is hardly available outside BCIC. And fertilizer sector of BCIC functioned well for many years. With the passage of time functional difficulties arose. Even in 1995 fertilizer was exported. Domestic demand of chemical

fertilizer increased gradually and the production suffered for reasons not under the control of BCIC or management of the factories concerned. BMR, maintenance need a adequate fund and the mills/factories could not take up the cases of providing remedies as allocation of fund was not made by the government. So long BCIC provided fund from its own source -- some work was done midway through the life span of the fertilizer factories. The ageing factories are losing capacity and this is normal unless measures are taken to rebuild the capacities.

It is observed that in the past five years fertilizer worth Tk. 300 crore (average) was imported every year. Also it is known that during the past three years nearly 4 lac M T urea was in demand each year. Every year about 22 lac MT urea is required to meet the running demand. Total demand of fertilizer inclusive of other types stands at nearly 32 lac MT a year. Prices of fertilizer are showing upward trend in the world market. While it was 92.90 US dollar per MT in May 2001, it became 100.12 US dollar per MT next year. No government subsidy was required in this sector earlier. But now subsidy has to be given. It varies from 2 thousand to 2.50

thousand taka per MT. But this subsidy is not available easily. The production cost of fertilizer at present is Tk. 6,000 per MT whereas BCIC sells at Tk. 4,800 per MT. And it incurs loss of Tk. 1200 per MT. The selling price is fixed by the government.

Installed capacities of the fertilizer factories are diminishing with the passage of time. This is natural. The normal life span of a factory spreads over 25-35 years and as they move towards the last phase down-time increases due to trips resulting in fall in the level of production. The production target of urea in the six urea factories has been fixed at 19 lac 30 thousand MT in the current fiscal year 2002-2003. Such target was refixed at 16-17 lac MT in the preceding year because of non-operation of JFFL for about 11 (eleven) months due to mechanical troubles.

As total demand of urea including other types of fertilizer stands at 32 lac MT per annum against total installed capacity of 24,41,000 MT, including TSP/SSP, per year, the resultant gap between demand and supply compels us to depend on import. Such gap will widen every year unless halted by effective measures. The previous government of Sheikh Hasina took the

issue of fertilizer seriously and included setting up of eight fertilizer plants in the fifth five-year plan 1997-2002. These are : (1) Shahjalal Fertilizer Company Ltd., (2) 800 MTPD DAP Project at CUFL site, (3) 800 MTPD DAD Project at CUFL site, (4) Urea fertilizer factory in north-western part of the country, (5) CUFL Ammonia Augmentation Project, (6) Energy Saving, Environmental Protection, Improvement of Product Quality-ZFCL, (7) 1700 MTPD Urea Granulation Plant, (8) Energy Saving, Environmental Protection, Improvement of on Stream Factor of UFFL. After completion of these joint-venture projects an additional amount of 36,32,000 MT urea-DAP-Ammonia-granulated urea will be available per annum. And sufficient quantity will be surplus for export after meeting domestic need as expected. The cost involved will be FC-LC combined Tk. 4,5,3,78 million. To aid the projects services are provided to the local and foreign firms by the 'Joint Venture Cell' at the BCIC Head Office.

Performance of BCIC/enterprises is commendable. An example may be convincing. BCIC earned net profit of Tk. 205.87 crore during the period of 17 years from 1976-77 to 1992-93 and the lion's share was

of fertilizer sector. BCIC contribution to the national exchequer was Tk. 1606.64 crore during the same period including profit contribution to the national treasury of Tk. 87.55 crore.

The cost of production of fertilizer has gone up in the recent years due to increase in the tariff of gas-power. And as you all know gas is the basic raw material of the fertilizer factories. Again, Bakhrabad Gas system is in trouble as reported in the press. Stoppage of gas supply to the fertilizer sector and other consuming sectors including domestic area is apprehended. Absence of BMR-maintenance in time due to paucity of fund production level may reach such an alarming stage that a huge amount of chemical fertilizer, say 80 per cent of the requirement, will have to be imported. This may happen in the next 10 (ten) years, as opined by many experts, if sliding of production goes unabated.

To contain the crisis immediate measures must be taken up to ameliorate the grave situation and to assure continuation of the joint-venture projects as mentioned above. But to our dismay, it is learnt that two PAP projects have already been cancelled.

But the demand DAP increased all over the world as it protects fertility and structural alignment of soil. The fate of the rest six projects is hanging in the balance. The present chairman of BCIC being very capable is supposed to be the right person to translate the development programmes into action. The government should allocate fund as necessary for the purpose so that the fertilizer sector can survive and prosper in the coming years.

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Dr. Rubaiul Murshed

All health information to keep you up to date

Cholesterol

Everyone is aware of Cholesterol. It plays a big role when it comes to our health. Well, all of us want to control its level. But like few other problems, some conflicting evidence is emerging about managing cholesterol. Here are some tips.

- *Stress is always an important factor. It can cause high cholesterol. When our body is stressed, it produces more cortisol -- a hormone that increases cholesterol production.
- *These days 'margarine' is available in many shops. Some people think that 'margarine' is much better than 'butter'. But 'butter' and 'margarine' are both guilty when it comes to elevating cholesterol as they both contain the 'fats'. That is to say, unless you buy particular margarines that are low on trans fatty acids, contain less than .09 percent, or contain plant sterols.
- *The best indicator of your risk of heart disease is the ratio of total cholesterol to good cholesterol -- HDL.
- *This is not true that young people do not get high cholesterol. So if possible, everyone from the age of 20 should have his/her cholesterol measured. Some studies have shown that plaque can build up in the arteries that supply blood to the heart as early as the late teens, and that can be due to lifestyle or genetic factors. So, having a cholesterol check at the age of 22 or 23 may forecast your risk of a heart attack later in life.
- But please remember

Even balanced "Cholesterol" is an important factor for all of us. It is not true that the lower cholesterol level is good for our health. The body needs a certain amount of cholesterol. It helps form cell membranes and nerve sheaths, and it's vital for hormone production. Very low cholesterol has also been linked to depression and even cancer.

Did you know?

Washing and peeling fruit removes only one-quarter of pesticides but much of the beneficial fiber content.