

Don't accept conditional aid

Pressure group urges govt as Bangladesh Development Forum begins today

STAR BUSINESS REPORT

As donors meet with the government today to make commitment on aid for next fiscal, a platform of development and research organisations yesterday urged the government not to accept any assistance that is tagged with conditions.

They said although the contribution of foreign aid to gross domestic products (GDP) is less than two percent, the donors are advocating policies such as market liberalisation and opening up of services sector which 'ruin local industries'.

They urged the government to stop for good taking foreign aid which they said contributes little to national development. Though aid volume is declining, the number of conditions of donors is rising, they said. In 1980s, the contribution of foreign aid to GDP was 10 percent,

but now it is less than two percent, they added.

Lokaj, an organisation engaged in social awareness through research and analysis, and Voice, a research and advocacy organisation, held a press conference in Dhaka to announce findings of their research.

Addressing the press briefing titled 'Resist donors intervention in national development policy' officials of the organisations said out of Tk 1.8 lakh crore foreign aid that came in last three decades, Tk 1.35 lakh crore went back to donors in the form of consultancy and machinery purchase.

According to their research, of the total aid in last three decades 12 percent went to foreign machinery suppliers, 13 percent to foreign consultants, six percent to local commission agents, seven percent to bureaucrats and politicians as bribe, four percent to local consul-

tants, 13 percent to construction contractors, 20 percent to influential quarters in city and town and 25 percent to project workers and borrowers.

Quoting a statistics of US State Department the research says that against a single dollar aid to third world countries, US companies earn two dollars. The research also refers to a report (2001) of UN Economic and Social Council (Ecosoc) that concluded that there is no relation between economic policy and activity driven by foreign aid and poverty reduction.

Addressing the briefing, Ahmed Swapan Mahmud, executive director of Voice, and coordinator of the platform, said the donor suggestions such as devaluation of local currency, phasing out of subsidy from productive sectors, market liberalisation, wholesale privatisation are dwarfing role of the

government, which is suicidal.

He said the government is formulating a poverty reduction strategy paper (PRSP) to meet requirements of donors, although there is little participation of people in the process of formulation.

Arup Rahi, executive director of Lokaj, said in the name of PRSP and structural adjustment programme the donors are creating opportunity for foreign multinational companies.

He said the rich countries are continuing their farm subsidy but advising Bangladesh to reduce agriculture subsidy apparently to destroy the sector, which is backbone of the economy.

Leaders of Bangladesh Farmers' Association, Bangladesh Landless Association and other workers' unions and socio-cultural organisations also spoke at the press conference.

Uttara Finance approves 25pc cash dividend

Uttara Finance and Investments Limited has approved a 25 percent cash dividend for the year 2003.

The dividend was approved at the 9th annual general meeting (AGM) of the company held in Dhaka on Wednesday, says a press release.

In 2003, the company earned a net profit of Tk 100.22 million whereas in 2002 it was Tk 93.00 million showing a 7.77 percent growth. The net assets value per share (Tk 100 paid up) stood at Tk 292.12, which was Tk 233.60 in 2002. The earning per share in 2003 was Tk 83.52 as against Tk 77.50 in 2002.

The total business exposure of Uttara Finance was Tk 1220.34 million in 2003 as against Tk 905.71 million in 2002 showing a 34.74 percent growth.

Rashid-ul Hasan, chairman of the company, SM Shamsul Arefin, managing director, and directors Matiuur Rahman, Mujibur Rahman, Mehdadur Rahman, Kazi Imdad Hossain and Zakia Rahman were present at the AGM.

Donors for users-sponsored fund for road maintenance

STAR BUSINESS REPORT

Donors have proposed setting up of a road fund financed by users only for timely maintenance of roads.

The transport infrastructure in Bangladesh is now receiving only a small portion of its full maintenance need due to lack of fund, the donors said noting that it is not possible for government alone to allot sufficient fund to transport maintenance as it has financial constraints.

The fund will fully finance all road maintenance infrastructure activities and also other works such as rehabilitation and road safety improvements, donors said as the Bangladesh Development Forum (BDF) begins today in Dhaka.

The Local Consultative Group (LCG) of the World Bank-led donors made the proposal in the background paper for a session on

"Providing the Infrastructure to Support Growth and Development" in the three-day annual meet of BDF to be held at Sonargaon Hotel.

"Each taka deferred from road maintenance increases vehicle operating cost with 2-3 taka. The road infrastructure is Bangladesh's single largest asset. Deferred maintenance result in assets being lost, reduced access, and employment opportunities; direct and indirect; not realised," the background paper said.

"We all agree that a country's ability to develop its economy is closely linked to the efficiency of its transport system, and we certainly realise from that the devastating impact a deteriorating infrastructure would have on economic growth and poverty reduction," it said.

On gas sector, donors want early operationalisation of the Energy

Regulatory Commission, regularisation of hydrocarbon unit and appropriate incentive package to attract international oil companies for further exploration and development of untapped gas and oil resources.

The donors advised the government to initiate steps for sub-regional co-operation including integration of hydropower potential in Nepal and Bhutan and a regional gas grid for reaching electricity to all by 2020.

The donors suggested private sector participation in power sector, corporatisation and commercialisation of power stations and Dhaka Electric Supply Authority (Desa). They also put emphasis on enlarging the scope for rural electric co-operatives for efficiency and sufficiency in power sector.

Bol online tracking system launched

UNB, Dhaka

Prime Minister Khaleda Zia has inaugurated Board of Investment (BoI) online tracking system that enables investors from home and abroad to track their respective files and applications under processing.

Khaleda Zia, who chaired the 18th meeting of the BoI at the International Conference Centre on Thursday, was informed that it was the first public office to have e-governance in the automation process of government functioning.

During the meeting, the prime minister also gave her nod to the formation of a Strategic Country Promotion Council (SCPC) with representation of all stakeholders to portray success stories of the country.

In yet another investment-promotion measure she endorsed the decision to form a reform committee with representatives from Prime Minister's Office (PMO), BoI, and the ministries of law, establishment and finance for updating the BoI laws.

Ministers, state ministers, prime minister's political secretaries and other senior government officials

were present at the meeting.

The SCP Council will be headed by the foreign minister and have representatives from the information ministry, BoI, Bepza (Bangladesh Export Processing Zones Authority) and different chambers.

The reform committee will have representation from PMO, BoI and the ministries of law, establishment and finance and work for making necessary amendment to the existing BoI laws, made in 1989.

The online tracking system is the first phase of BoI automation aimed at providing the investors easy accessibility to the service process and has been implemented with homegrown technology and expertise. The BoI website address is www.boibd.org.

Briefing the prime minister, BoI Executive Chairman Mahmudur Rahman said that under the second phase of development information regarding registration and economy would be brought under interactive database.

In the third phase, entire activities of the BoI will be automated and brought under local area network (LAN), the officials said.

Production of Ctg Urea Fertilizer resumes

UNB, Chittagong

Production of the Chittagong Urea Fertilizer Ltd resumed at 10am yesterday after 40 hours of suspension.

Production of the factory, located on the bank of the river Karnaphuli, was suspended at 5pm Wednesday due to leakage at RC pump, official sources said.

Daily average production capacity of the CUFL is 1700 tonnes, they added.

Mutual Trust Bank okays 20pc dividend

Mutual Trust Bank Limited has approved a 20 percent dividend in the form of bonus share for the shareholders for the year 2003.

The dividend was okayed at the 5th annual general meeting of the bank held in Dhaka on Tuesday, says a press release.

Syed Manzur Elahi, chairman of the bank, presided over the meeting.

The directors' report and audited accounts of the bank for the year ending December 31, 2003 was adopted in the meeting.

Hedayetullah, vice chairman, Mosharrar Hossain, managing director, other directors and shareholders were present.

Dipon Transport to buy 40 CNG-run buses

Dipon CNG Transport Services Limited will procure 40 CNG-run buses from China.

To this effect the company signed a lease finance facility agreement for an amount of Tk 64.4 million for acquisition of the buses with International Leasing and Financial Services Limited (ILFSL), says a press release.

Mafizuddin Sarkar, managing director of ILFSL, and Rashed Mahmud, managing director of Dipon CNG Transport Services, signed the deal on behalf of their organisations.

All the buses will ply on Dhaka city routes.

Brac takes part at Dubai agri show

Brac, a leading exporter of fresh fruits, vegetables and potatoes, took part at the Dubai's largest agricultural show held from April 26 to 29.

Vegetables, rice, flowers, dairy and food products were showcased at the Brac stall in Dubai World Trade Centre, says a press release.

French beans, broccoli, green chili, long beans, bitter gourd and okra, among others, were also on display.

UAE Agriculture Minister and Bangladesh Commerce Secretary visited the Brac stall during the show styled Fabulous Four 2004.

Brac exported 472 tons of vegetables and 800 tons of potatoes to England, France, Germany, Belgium, Italy, UAE, Bahrain, Singapore, Malaysia and Hongkong in 2003, added the Brac release.

World Fair Trade Day today

UNB, Dhaka

High-income countries receive 80 cents of each US dollar generated in the global economy as against just 3 cents by low-income countries with the most extreme concentration of poverty.

Amid such a situation where profits for multinational corporations are considered more important than decent working conditions and fair pay, World Fair Trade Day will be observed today.

"Small change, big difference" is the main theme of the day, being celebrated for the third time by International Fair Trade Association (IFAT) member organisations based in 60 countries.

The World Fair Trade Day is celebrated every year on second Saturday of May since 2002.

"Those of us engaged in Fair Trade know that there is an alternative and better way to trade and do business, that puts people first and ensures that their work is properly recognised and rewarded," said IFAT Executive Director Carol Wills ahead of the day.

"Fair Trade puts human values, dignity, dialogue and respect at the heart of its work. We want to see an end to the greed and exploitation that result in impoverished lives and a spoilt environment."

With the IFAT's history dating back to 50 years, struggle for fair trade began in Bangladesh during

the post independence period when some development organisations came forward for, among other ventures, poverty alleviation especially for women.

In Bangladesh, ECOTA Fair Trade Forum was formed in 1990 with the initiative of the organisations to address the challenges of market access and ensuring sustainable livelihood of workers, mainly artisans in the handicrafts sector.

At present, the number of member organisations is 29 through which the forum covers over 100,000 artisans. The main motto of the forum is ensuring fair payment.

As a member organisation of the IFAT since 1996, ECOTA Fair Trade Forum has drawn up elaborate programmes to celebrate the day. The programmes include seminar, Fair Trade fair and exhibition, and artisan gathering.

Many of the Fair Trade shops will offer special discount on the occasion. The outlets of the organisations include Arannya Crafts, Concern Bangladesh, Jahanara Cottage Industries, Kumudini, Shetuli, Morjima, Polarisree and Prokriti.

Fair Trade organisations now represent a small but significant alternative trade market of 0.01 percent of all global trade.

In Europe, Fair Trade products are sold through over 64,800 outlets.

Donors pledge support to Nepal anti-poverty plan

REUTERS, Kathmandu

International donors have pledged to support aid-dependent Nepal but urged the government to restore democracy, end a Maoist revolt and improve human rights.

In a declaration at the end of a two-day conference late on Thursday, donors from 21 countries and six multilateral agencies, including the World Bank and the Asian Development Bank, backed Nepal's drive to fight poverty for its 24 million people.

But they emphasised what they said was the urgent need to restore democracy and end the insurgency, holding out the carrot of additional money if the country made swift progress.

Nepal has been in political turmoil since King Gyanendra fired the elected government in 2002 and indefinitely postponed elections. An insurgency aiming to replace the

monarchy with a communist republic has raged since 1996 and claimed over 9,000 lives.

The revolt has cut the number of tourists and scared off investors, eating away at a key source of cash for the government and hurting a programme to reduce poverty in one of the world's poorest countries.

In the year to mid-July 2004 Nepal is expected to receive \$393.4 million in aid, compared with \$240 million in the year to mid-July 2003. Donors provide more than 60 percent of economic development funding. No figure was available for the year to mid-July 2005.

Government officials said Nepal needed \$1.6 billion over the next three years on top of what it was already getting from donors to reduce the number of poor to 30 percent in 2007 from 38 percent now.

Enlarged EU opens 1st int'l meet in Botswana

AFP, Gaborone

A bigger 25-nation European Union on Thursday made its first international foray by opening a meeting with the 79-member African, Caribbean and Pacific (ACP) club of developing and poor countries.

Addressing the meeting in Gaborone, Botswana President Festus Mogae voiced hope that the EU "with an enlarged membership... does not leave ACP countries more vulnerable to globalisation."

Pierre Moussa, the Congolese Planning Minister and co-president of the EU-ACP ministerial council, said ACP members were worried that

European funding for the ACP would now be affected by enlargement on May 1.

But his EU counterpart, Ireland's Minister for Cooperation Tom Kitt, offered reassurances, saying ACP countries "will benefit from enlargement. It already allows ACP countries to export to new members in the same conditions as they do to others."

Mogae hailed the partnership between the two regions outlined in the Cotonou agreement signed in 2000 on promoting trade and development as "a good example of what can be achieved between North and South."



PHOTO: UTTARA FINANCE

Uttara Finance and Investments Limited Chairman Rashid-ul Hasan (centre), Vice-chairman Matiuur Rahman and Managing Director and CEO SM Shamsul Arefin pose for photographs with other directors of the company at its ninth annual general meeting held at a local hotel on Wednesday. The company has approved a 25 percent cash dividend for its shareholders for the year 2003.

