

## Driving Bangladesh exports

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MAMUN RASHID

**I**N 2004, many of our development partners, especially the International Monetary Fund (IMF), and a few local economists predicted a bad future for Bangladesh exports after the phase-out of the Multi-Fiber Agreement (MFA) or quota for readymade garments (RMG) export. The World Bank also doubted Bangladesh's competence in textiles exports.

However, despite the fact that Bangladesh does not possess a strong industrial infrastructure, it has been selling its products in the overseas markets. The range of products it exports to different countries, however, is not diverse in nature. In fact, more than 70% of its export earnings come from garment and related products.

Thus, RMG is still the most important sector that has been supplying the country's foreign exchange coffers with a sizeable amount of foreign currency as well as providing jobs to millions of workers over the last few decades. If one keeps the garment sector out of consideration, Bangladesh does not have much to talk about as far as its external trade is concerned. The current fiscal ending this June is a clear testimony of the statement made in the foregoing.

I could not believe the Export Promotion Bureau (EPB) vice-chairman when he told us in December 2007 that Bangladesh export would bounce back and could average out at 14% increase year on year. What is of greater significance is that it is again garments and related products that will control the lion's share, 76% to be precise, of the overseas trade.

And, the garment and knitwear products will again break their past



Engines of growth.

records in terms of the size and worth of the trade transacted. By the end of June, the total export earnings in all possibility will exceed the government's target of \$14 billion.

However, the situation was not so bright in the first quarter of this fiscal. Rather, the scenario was depressing, with 5.37% negative growth. Labour unrest and political instability in late 2006 were blamed for this disheartening development. Volatile politics, unrest in the garment sector and the congestion at the Chittagong port together worked against growth of the export trade during the first five months of the current fiscal. But as soon as the situation returned to normalcy in politics and in the industrial sector, the export trade picked up again. Shipment of foreign-bound consignments, too, gathered momentum, with few fixings in the port and customs.

The sum total of these effects was that the export volume during the first 10 months (July to April) of the current fiscal registered a 14.66% increase over that of the same period in the previous fiscal.

The value of the exports in US dollars terms during this period was \$9.21 billion, which is 76% of the country's total export of \$11.65 billion over this period.

Therefore, the government should continue to support the garment and the knitwear sectors as well as encourage export of leather and frozen foods, and promote other items like pharmaceuticals, IT/business process outsourcing and agro-based products that have the potential to add further value to the export earnings.

Simultaneously, we need to address issues like labour relations, minimum wages and entrepreneurship development, and encourage exports of non-traditional items too.

With wage increases in China and India reaching a saturation

point, Bangladesh runs a brighter chance with its exports provided we go for an integrated approach with regard to market access, productivity improvement, improvement of the industrial environment and minimum wage. We need to keep the workers engaged with the vision of growth and uninterrupted supply chain management. The supervisors need to be trained further to avoid诉.

All important stakeholders including our missions abroad, local sourcing offices of the biggies, labour unions, relevant government agencies and the business leaders need to work together to ensure export growth and thereby drive growth in our country. Bangladesh has a better future, provided we play the game well. Otherwise, we may miss the train again, forever.

Mamun Rashid is a columnist for The Daily Star.

## Change priorities

What do we do as a nation? We have to adjust to the new reality. We have to change our priorities. Education is the key to success. We must continue to spend more for education. The next important sector is energy. We have to diversify. We have to go for nuclear power for energy. We must make all efforts to search for oil, gas and coal.

F. R. CHOWDHURY

**E**VERYONE in Bangladesh is aware of the increasing cost of food. Most people find it difficult to make both ends meet. This problem is not confined to Bangladesh only, but is also, perhaps, spread all over the third world. In Bangladesh, these problems are always associated with some local factors. Rogue traders always take full advantage of any crisis, and make life miserable for the common people.

There are limits to the extent the government can respond to the situation. It may allow import of more food grains to ease the situation, and may even arrange alternative channels for marketing and distribution. These are short-term measures that may bring some temporary relief, but will not provide a permanent solution.

In a free world economy the government should not try to dictate the market. It has to identify the process of transformation and try to ride it out in a smooth and orderly manner, with minimum suffering of the common people.

The increasing cost of energy and food is now a global crisis. There have been a number of conferences to discuss the issue and try to find some solution. The biggest conference took place in Rome at the FAO headquarters in the first week of June. The world leaders failed to come out with any outright solution. The only possible solution is a new economic order.

For many years, the US and the Western world have been flooding

the third world countries with their subsidised agricultural products, thereby destroying their agricultural potential. People got used to cheap food stuff. Farmers left their lands and flocked into the cities for their living.

In third world countries, a new trend developed for quick industrialisation. In many cases, vast tracts of agricultural land were sacrificed for industries or for unplanned housing. We got into the habit of buying cheap food stuff from abroad, and now we are suddenly faced with a crisis.

It all started with energy prices. Fertiliser prices immediately jumped up. Because of higher transportation cost the price of food started going up and up. The western world wants to reduce its dependence on Middle-East oil and gas. They are using a lot of grain to produce energy (ethanol).

So, cheap food is no more available. We are in a crisis. For the western world it is just a case of minor adjustment, and not a serious crisis.

What we are witnessing may be termed as change of power. From nuclear power it came to energy power, and we can now see food power. The world in general is going through a financial crunch.

The petroleum rich Middle-East is definitely out of this crisis. The Russian Federation is, in fact, enjoying a booming economy. Food exporting countries like Australia, New Zealand, Vietnam, Thailand and Cambodia will have a healthy surplus in their balance of trade.

How long it will continue? Probably a year or two, until the



We need to move with the times.

new economic order becomes stable. The demand for conventional energy sources will soon slow down. It will find a new equilibrium where we will get used to higher energy and food prices. In our social and family life we will now be spending more for food and travel, but less on other things (such as housing, clothing, electronic products etc).

What do we do as a nation? We have to adjust to the new reality. We have to change our priorities. Education is the key to success. We must continue to spend more for education. The next important sector is energy. We have to diversify. We have to go for nuclear power for energy. We must make all efforts to search for oil, gas and coal. We should go for offshore exploration of oil and gas. We should also try for solar energy and wind turbines.

We must not forget that we have been an agricultural country, and that is what we remain even today. We have to make massive investment in this sector. These investments have to come in the form of good irrigation systems, pumps, fertiliser, good quality seeds and easy loans for the farmers. We must utilise every inch of our land.

We should grow various types

of food, including seasonal fruits and vegetables, instead of depending totally on rice. The farmers and growers must get value for their efforts, and this will bring the farmers back to the land. In the revised social order, the farmers may be earning more than many civil servants. That is how it should be. We will slowly get used to it.

Bangladesh has witnessed lot of political turmoil. Most of the time we failed to utilise our democratic rights in a disciplined and peaceful manner. Instead, of arguments and reasoning within the parliament we take to the streets, with violent and destructive results. Now we have a difficult time. We have to undergo the process of transformation to democracy. We cannot afford to resort to street violence.

We have to ride out the present crisis through hardship. For a country like Bangladesh, it is a difficult time, and we have to work together to live through it. We must shun luxury and wastage. Let us tax them heavily. We cannot afford to go for MIG-29 or new frigates. We should identify our priorities and concentrate on those.

F.R. Chowdhury is a freelance contributor to The Daily Star.

## Thailand teeters towards chaos

For many of Thailand's poor, the answer is simple -- bring back Thaksin, even if it would certainly ignite mass demonstrations, especially in the capital Bangkok. "At least the economy boomed under him," said Surachai, one of thousands of Bangkok's taxi drivers who are Thaksin's staunchest supporters.

LARRY JAGAN

**P**OLITICAL uncertainty continues to engulf Thailand, as the government faces an opposition censure motion in parliament and thousands of anti-government protesters vow to remain on the capital's streets until the government falls. There are also mounting fears of a new military coup amid the country's growing political and economic instability.

"The government is looking very shaky now, as it comes under attack from inside the parliament and from the protesters on the street," Professor Titinan Pongsudhirak, a political scientist at Chulalongkorn University, told The Daily Star. "I voted for them, but I am not happy that they have allowed food prices to soar."

Opinion polls published earlier this week show that many people

are tired of the political wrangling and want it to end.

Prime Minister Samak Sundaravej is now battling on two fronts -- the politicians in parliament are venting their feelings against the government's performance since it was elected in December last year, while a coalition of pro-democracy organisations, human rights groups and trade unions have taken to the streets to bring down the government, which they accuse of being a puppet administration of the former prime minister, Thaksin Shinawatra.

He was ousted from power by a military coup in September 2006, and subsequently banned from politics for at least five years by the country's constitutional court.

In parliament, the prime minister is being accused of trying to change the constitution, approved in a national referendum last August, in order to overturn a court ban on Thaksin and more than a hundred of his senior political allies and allow them to resume their political careers.

Other key accusations against the government include botching the economy and being hoodwinked by neighbouring Cambodia

politics has become," said a senior western diplomat in Bangkok who did not want to be identified. "The lust for power and self-interest dominates; no one is neutral and no one can be trusted."

Within the governing party there are, reportedly, senior MPs close to Thaksin who are planning their campaigns to wrest power from the current incumbent. And Banharn, the leader of the second largest party in the coalition, the Chart Thai party, has made no secret of his wish to serve another term as prime minister -- and would seriously consider forming a government with the opposition Democrats, according to senior party officials.

"The PPP should accept its failure and agree to step back so that democracy can move on," said a Chart Thai spokesman, Sonthiya Sawasdee. What is needed is a neutral leader as interim prime minister, he added: and that is Banharn. "He has worked with the Democrats before, so he should be acceptable to the opposition," he said.

Tomorrow, parliament will vote on the opposition no-confidence motion, but no one expects the censure move to succeed. The government should win comfortably, as it has 316 seats in the 480-seat House of Representatives.

Although the prime minister's People Power Party is a coalition with five other smaller parties, some of which are mumbling about deserting the government, Samak is unlikely to lose his absolute majority just yet.

But other ambitious politicians, including a former prime minister, Banharn Silaparcha, are jockeying behind the scenes to replace the prime minister, no matter what the outcome of the debate and vote.

"It's a reflection of how murky Thai



Siamese stand-off.

Mingkwan Saengsuwan over rice process and the management of government stocks.

"This government certainly does not inspire confidence," a long-time Thai resident and business analyst, Laurent Malespine told the Daily Star. "But it's the economy that matters," he said. What happens to the economy will determine what happens in the future.

Although the private sector is surviving and production growing -- albeit much less than it did under the previous Thaksin governments -- inflation is high. And this is severely affecting Bangkok's poor people and the country's poorest farmers in the north-east -- both traditional supporters of the former prime minister, Thaksin.

"There seems to be no discussion in formulating well-balanced eco-

nomic policies," said Dr. Somchai Jitsuchon, the research director at one of Bangkok's most respected think-tanks, the Thailand Development Research Institute. As a result, inflation is likely to grow into double figures, fuelling increased protests.

In the meantime, the leaders of the street demonstration are determined that their protest should bring about an entirely new government, without connections to Thaksin. "Samak's resignation alone will not be enough to stop the protests," Suriyasi Katasila, a spokesman for the protesters' alliance, told the Daily Star.

The protesters have been in the streets outside parliament and government house for more than four weeks. Last Friday, more than three thousand protesters blockaded government buildings and forced the prime minister to work elsewhere. In an attempt to placate the demonstrators, Samak agreed to allow this week's debate and censure motion to go ahead.

"The People's Alliance for Democracy believes that the government's decision to allow a no-confidence motion in parliament is a political game to lessen tension," Suriyasi said. "But it won't work."

The alliance led mass demonstrations of tens of thousands of protesters in the months before the 2006 coup, demanding the then prime minister, Thaksin, step down for alleged corruption and abuse of power.

The same protesters now accuse Samak's government of interfering with corruption charges brought against Thaksin, and trying to change the constitution to allow Thaksin back into power.

Bangkok has been rife with rumours since the protests began that the country's powerful military would stage another coup. But the army chief, General Anupong Paojinda, has repeatedly denied it -- saying the political impasse had to be resolved by constitutional means. He also advised the prime minister against dissolving the House of Representatives as a means to end the turmoil on the streets of the capital.

But Thailand's political instability is set to stay for some time yet. "Prime Minister Samak's position is untenable now," said Professor Titinan. "It's only a matter of weeks before he has to go." At the very least, there will have to be a major cabinet reshuffle.

The smaller coalition partners have a disproportionate number of cabinet posts, and Samak is likely to redress this imbalance -- and bring more Thaksin loyalists into the government.

"He may even call a snap poll, even the army chief is opposed to it," Professor Titinan said. But an election is the last thing that Thailand needs at this moment -- it would only increase political uncertainty and add significantly to Thailand's economic woes. But if the internal divisions and political instability persist, it may be the only option left.

A national coalition government, as some senior politicians have been advocating, is highly unlikely. "No one is in the mood to compromise," according to Professor Titinan.

For many of Thailand's poor, the answer is simple -- bring back Thaksin, even if it would certainly ignite mass demonstrations, especially in the capital Bangkok. "At least the economy boomed under him," said Surachai, one of thousands of Bangkok's taxi drivers who are Thaksin's staunchest supporters.

Larry Jagan is a former Current Affairs Editor, Asia, BBC World Service.

## The Air Baby and other mysteries of dieting

**N**OW here's one of the great mysteries of modern life. All the westerners in my office keep in shape by cutting noodles and rice from their diets. All the Asians in my office keep in shape by doing exactly the opposite: eating nothing but noodles and rice. How come?

This observation proves one fact conclusively: I spend too much time watching other people in my office eating. It's the curse of being on a diet.

Here's another mystery. If you

lose one pound. But if you eat one dessert on the 11th day, you immediately gain one pound. How does that work?

My wife has a penchant for molten chocolate cake, but no longer eats it. She just applies it to her hips.

If you are interested in nutrition, as I am, the most important thing, of course, is to have children. This is because you can use them for weird and bizarre experiments, a process known as "parenting."

But at first, I couldn't try out any feeding experiments on my

youngest child, who turned out to be an Air Baby. Air Babies refuse to eat normally but extract nutrients from thin air, just like those hydroponic plants you get on tree branches in Sri Lanka. If we ever tried to get her to eat something, she would holler, aggrieved, "But I ate something last month."

We took her to a doctor.

He said that there was a test to see if small children were thriving. He shook her chubby cheeks. "She's fine," he said. "At this age, they have an instinctual knowledge of what their bodies need -- and it's more trustworthy than

what adults think they need."

So we stopped trying to make her eat normal meals and just put food on the table to see what she chose to eat.

The first day she ate only plain rice -- three bowls of it -- but no meat or vegetables. The second day she ate no rice or vegetables -- but a whole steak, chopped into tiny bits.

The third day she ate no rice or meat but no less than four large bowls of daw mui -- a Chinese vegetable that's a bit like spinach.

We suddenly realised that she was in fact eating a healthy balanced diet, although stretched over

a week instead of half an hour like the rest of us.

This discovery led to me getting a reputation as The God of Parenting. This is how it happened. One Saturday, we invited three other families over for dinner. In the run-up to this, the Air Baby had lived on Ribena fumes on Wednesday, desserts on Thursday, and air on Friday.

As luck would have it, on the day