

## Business

# Steps to curb trade deficit taken

By Shahiduzzaman Khan

rest the external shocks on the foreign trade, the Survey said.

The exports were encouraged through devaluation of the currency with the dollar to offer a liberal exchange rate. Non-traditional items' exports were supported by the government and the expatriate Bangladeshis were given incentives to more remittances into the country.

The Survey said though the initial result was encouraging, the negative trend came back soon with the start of Gulf war.

The balance of external trade and international trade were seriously affected by the Gulf war both directly and indirectly.

Remittances from the Bangladesh working in both Kuwait and Iraq were stopped, the oil price registered a phenomenal rise, freight charges increased and worldwide recession contributed to the slower growth in import and export performances of the country, the Economic Survey said.

After revision of the total earnings from the ex-

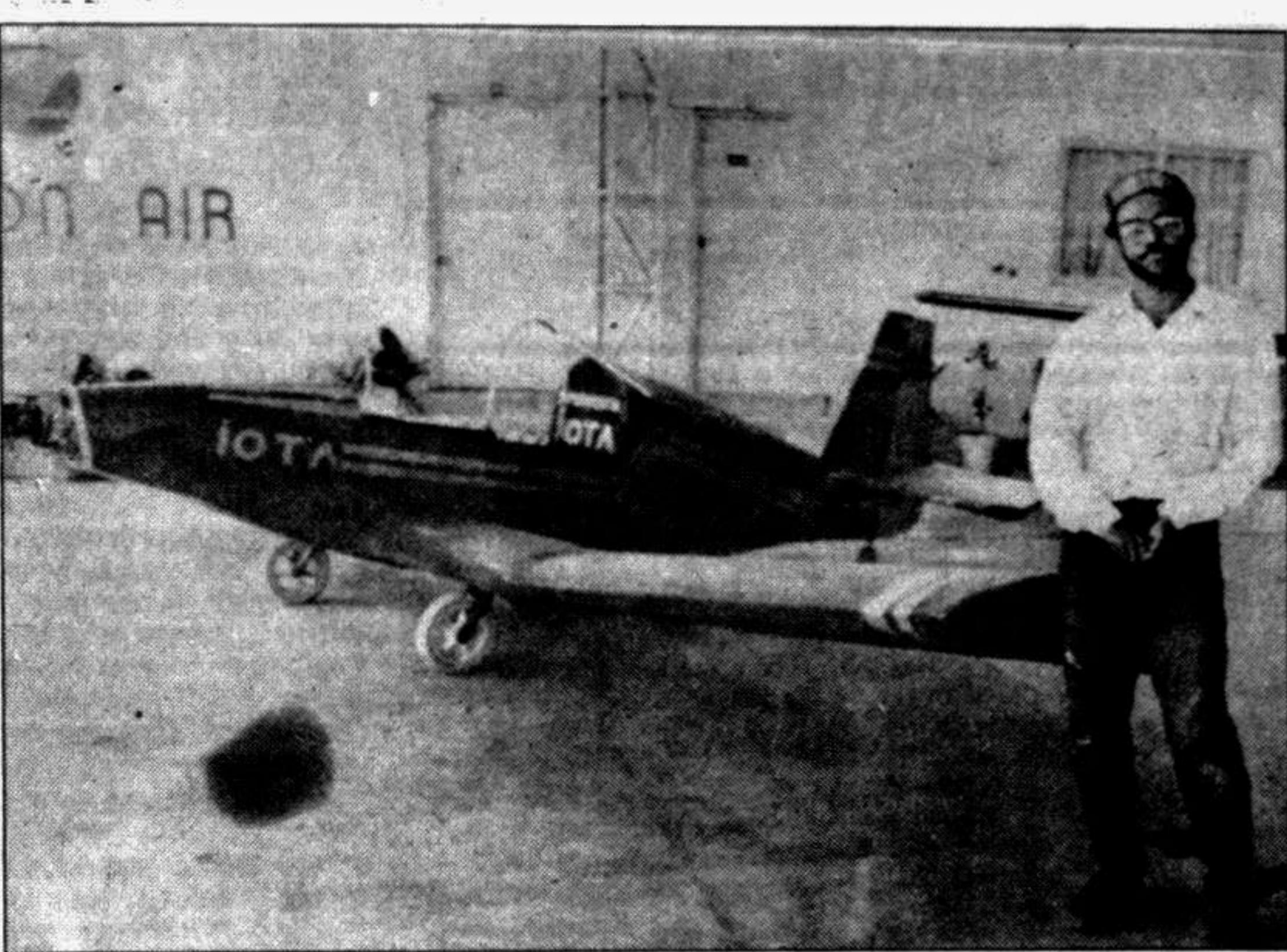
ports stood at Taka 4,638 crore in first nine months of the current fiscal year. The revised target was Taka 6,069 crore in the current fiscal.

Given the ongoing export performances, the total export earnings may stand at Taka 6,110 crore by the end of the current fiscal year.

During the last fiscal years, the earnings from exports totalled Taka 4,079 crore and Taka 4,976 crore respectively.

Meanwhile, during the first nine months of the current fiscal years, commodities worth Taka 8,604 crore were imported. The figure may rise to Taka 12,780 crore at the end of the current fiscal year. The rate of import expenditure is less than export earnings during the last three fiscal years, the Bangladesh Economic Survey, 1990-91 observed.

Reviewing the whole situation in the foreign trade, the Survey said export earnings of 1988-89 met 37.8 per cent expenses of the commodity imports. Export earnings in 1989-90 met 40.2 per cent expenditures of the imports and 47.8 per cent during the current fiscal year. The rate of import expenditure is less than export earnings during the last three fiscal years, the Bangladesh Economic Survey, 1990-91 observed.



KARACHI : Shafeek Hanif, an aircraft engineer, stands beside the 44 kg (97 pound) single-engine plane which he designed and manufactured. Hanif claims it is the lightest aircraft in the world.

— AFP photo.

## G-7 to talk falling Dollar, aid for USSR

PARIS, June 22 : Clashing concerns over the Dollar, and the western response to Soviet calls for major financial assistance will mark day-long talks among Finance Ministers from the Group of Seven (G-7) leading industrial countries in London tomorrow. European officials said, reports AFP.

The meeting will be held with British Chancellor of the Exchequer Norman Lamont in the chair, barely three weeks ahead of the seven countries' annual economic summit, also to be hosted by Britain.

It was organized mainly because Japan insisted on the need for a coordination of G-7 positions on aid to the Soviet Union, seen as the "big issue" of the July summit in London and a post-summit session with Soviet leader Mikhail Gorbachev, European officials said.

But they said, Ministers and Central Bank Governors from

Britain, Canada, France, Germany, Italy, Japan and the United States would also assess the prospects for economic recovery, in the light of the Dollar's rise since their April meeting in Washington, and compare notes on their economic and monetary policies.

On both sets of issues, the G-7 countries have differing priorities, reflected in comments by senior aides in several capitals.

Following the dollar's fall earlier this week, on adverse United States trade figures and fears of concerted G-7 action to check the currency's rise, the Greenback recovered Friday on market perceptions that no significant concrete moves would emerge from tomorrow.

French economy and finance minister Pierre Beregovoy said Thursday that the London meeting would "send a signal to the market" both on the Dollar and on interest rates.

Senior United States aides meanwhile made it clear in Washington that US Treasury Secretary Nicholas Brady will be going to London to plead for a strong dollar and lower international interest rates.

The top priority of US President George Bush, facing election in 1992, is to consolidate a budding recovery from recession, and White House

Economists are wary of any possible rise in European rates, especially in Germany, that might reduce capital flows into the United States.

The other top two actors, Japan and Germany, are both concerned over a potential overheating of their economies, and can ill afford a reduction of domestic interest rates, still less so if a further rise of the Dollar were to accentuate "imported inflation."

Both Tokyo and Bonn meanwhile give top priority to discussion of Moscow's appeals for massive western aid at to-

morrow's meeting.

Japan, which is still looking for a settlement of its political dispute with the Soviet Union over the Kurile Islands, wants a coordination of G-7 positions ahead of next month's London summit, in order to escape pressure to finance the lion's share of a rescue operation or assume a "moral responsibility" for a breakdown of Gorbachev's intended reforms.

Like Britain and France, the Japanese and the Germans can live with the current Dollar rates against their currencies, but would take a negative view of a further firming up of the US currency.

"There is a consensus on this point," a European monetary official said, adding that US officials recognized a still firmer Dollar could entail a new aggravation of the US trade deficit.

"We want exchange rate stability," Beregovoy commented Thursday, calling for concerted moves to keep the Dollar close to its current levels.

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official status" and neither political nor economic condition seem "right" at this point.

Reuter adds from Moscow : Soviet President Mikhail Gorbachev said on Friday he would blend various economic reform proposals into a single programme to present to leaders of the world's seven top industrial nations next month.

Anxious to create an impression of unity and commitment to market-oriented reforms, Gorbachev reacted sharply to dissent in the Soviet parliament which could jeopardise his chances of securing foreign support for his crumbling economy.

Germany, on the other hand, would like the G-7 to go beyond this stage and draft and "agenda" for aid to Moscow, to be activated if and when the Soviet leadership presents concrete evidence of genuine reforms in the Soviet Union.

France is close to the German position on this point, while the United States and Britain are more or less openly opposed to committing themselves at the present stage.

Recent reform proposals aired by Moscow "just have no

## Snippets

### Foreign cos make oil finds in Ecuador

QUITO, June 22: Brazilian state oil concern Petrobras International SA and Atlantic Richfield Co of the United States have made oil finds in Ecuador's jungle region, reports Reuter.

Petrobras said in a statement its Avant-1 well had been drilled to a depth of 10,562 feet and had yielded 1,600 barrels per day BPD of heavy crude.

### Indian Rupee revised upward

BOMBAY, June 22 : The Reserve Bank of India (RBI) here yesterday announced an upward revision of the Rupee by 1.02 per cent in relation to the Pound Sterling, making the British unit cheaper by 35 paise, reports PTI.

The new middle rate now works out to Rs 34.25 per Sterling as against Rs 34.60 previously.

The new buying and selling rates for spot delivery are 2.9270 and 2.9124 Sterling per Rs 100, corresponding to Rs 34.16 and Rs 34.34 per Sterling respectively.

### Apple Computer, IBM talk market

NEW YORK, June 22: Apple Computer Inc and International Business Machines (IBM) Corp are talking about how to hold hands and share some secrets in their hotly competitive personal computer market, reports Reuter.

Officials from the two companies held a meeting recently.

Strategic links are not unique in the industry. But a link between top-ranked IBM and third-ranked Apple is an odd mix that underscores how leaders must work together to stay ahead of the pack, financial analysts said.

Analysts said the companies would not share everything. A more modest courtship is at work.

### Japan's crude oil imports jump

TOKYO, June 22: Japan's imports of crude oil in May jumped 10.2 per cent from a year earlier to 19.07 million kiloliters (119.95 million barrels) in a turnaround from a 21.1 per cent drop in April, it was announced Friday, reports AFP.

The Ministry of International Trade and Industry said the may increase was mainly due to increased shipments from Saudi Arabia, the United Arab Emirates and Indonesia, which together supplied two-thirds of Japan's oil imports.

The decline in April resulted from the Gulf War, during which Japanese companies held high levels of oil stockpiles, ministry officials said.

### US may accept limit on Iraqi oil revenues

UNITED NATIONS, June 22 : The United States is willing to accept a 30 per cent ceiling on Iraq's future oil revenues to pay Gulf War reparations but wants assurances Iraq pays near that amount, Western diplomats said Friday, report AP.

The operative figure is to be determined by the UN Compensation Commission's Governing Council in Geneva at an unspecified date.

The United States had argued for Iraq to pay as much as 50 per cent of its oil revenues for war damages. Secretary-General Javier Perez de Cuellar recommended 30 per cent.

### PNG to invest \$ 300m in agri sector

PORT MORESBY, June 22 : Hidden beneath Papua New Guinea's rugged mountains are rivers of gold and oil, but the rich volcanic soil that covers them is the key to the country's long-term prosperity, officials said, reports Reuter.

Papua New Guinea (PNG) plans to invest up to 300 million dollars over the next five years trying to rejuvenate its agricultural sector.

Although vital to the economic and political future of this troubled South Pacific nation, agriculture has taken a back seat to a resources boom in recent years because of depressed world prices for its main rural exports of coffee, cocoa and copra.

### Malaysian tin output falls

KUALA LUMPUR, June 22 : Malaysia's production of tin in the first four months this year fell by 27.4 per cent or 2,854 tonnes to 7,564 tonnes, figures released Friday by the official Statistics Department showed.

Malaysia produced 10,452 tonnes of tin in the first four months of last year.

The department said Malaysia exported 10,996 tonnes of tin, a 36.7 per cent drop of 6,365 tonnes this year, compared to 17,361 tonnes exported in the corresponding period of 1990.

## EC calls for more joint ventures with ASEAN

SINGAPORE, June 22 : The European Community (EC) yesterday called on businesses in the EC and the six-member Association of South East Asian Nations (ASEAN) to stimulate joint venture projects within the two organisations, reports AFP.

Pierre Defraigne, EC Director of North-South Relations said "new ways have to be explored to promote investments in ASEAN by the EC." He was speaking at a press briefing at the end of a two-day EC seminar on the creation of joint ventures in

## Dubai for more oil shipping facilities

DUBAI (United Arab Emirates), June 22: Dubai, which already handles nearly 20 per cent of the Gulf's non-oil trade, is seeking to increase that share through expansion of its shipping facilities, reports AFP.

Officials in the oil-rich Emirate call it the hub of regional trade but with the opening of a giant cargo warehouse next month they expect the Gulf Port to become one of the biggest commercial entrepots in the Middle East.

The Foreign Ministry has a pilot plan to more than double Japan's Official Development Assistance (ODA) disbursements to 0.7 per cent of Gross National Product (GNP), a target set by the UN in 1970, over five years from April 1992, a ministry official said.

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"We are not sure if the plan will materialise in those five years, but we are coming closer to the UN target," he said.

Japan was the world's biggest ODA donor in 1990 for the second consecutive year, a ministry source said.

Preliminary Ministry figures show that Tokyo paid out around 9.3 billion Dollars in ODA, up from 8.95 billion in 1989, when it first became the top donor, he said.

But Japan's aid was only 0.32 per cent of GNP against an average 0.51 per cent spent in 1989 by the 24-nation members of the Organisation for Economic Cooperation and Development (OECD), excluding the United States and Japan, latest available Foreign Ministry data show.

Final data for 1990 will be released after this month.

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## Japan to increase aid to Asian states slowly

TOKYO, June 22 : Japan, already the world's top aid donor, plans to increase spending to meet a target set by the United Nations two decades ago, officials said recently.

But they also said Tokyo will maintain its long-time priority of helping Asian neighbours, although it will have to assume a greater global responsibility.

If everything goes well, Japan would have paid 4.15 trillion Yen or 30.3 billion Dollars in fiscal 1997, the

Ministry official in charge of ODA policy said.

Tokyo would have to raise ODA payment at least 20 per cent every year in a bid to achieve the goal by 1997/98 if nominal GNP grew 5.5 per cent per annum from 1993/94, the Ministry estimates.

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## Women discriminated in workplace

UNITED NATIONS, June 22 : Many benefits won by women in employment, education and health care since 1970 could be reversed in the 1990s because of economic recession, said a UN report released on Friday, reports Reuter.

The 120-page report — "The World's Women 1970-1990" — said women are the first to suffer when jobs are cut.

All countries in the world practise some form of discrimination against women which prevents them from achieving their full potential, it said.

Although there have been some improvements for women over the past 20 years, the majority still lag far behind men in power, wealth and opportunity," UN Secretary-General Javier Perez de Cuellar said in an introduction.

The report is the first at-



Comparison of the public debt burdens of several industrialised nations (measured in terms of their gross domestic product — GDP) places Belgium at the top (1989). Germans are at the lower end of the ranking.

— In-Press/Koob photo

## Depressed state of commodity markets underlined

London, June 22 : Sugar registered the best performance of any of the commodities over the past week, rallying to their highest level since the end of last year on fears of nearby supply tightness, reports AFP.

The depressed state of commodity markets was underlined by a report from the Economist Intelligence Unit (EIU) which said the weakness of the prices had intensified recently and the prospects of a recovery were receding.