

Tokyo's concern over GATT talks

TOKYO, Feb 22: The Uruguay Round of General Agreement on Tariffs and Trade (GATT) talks may not end by mid-April as scheduled, Japan's Agriculture Minister Masami Tanabu said Friday, reports AFP.

"It seems to be difficult to conclude the Uruguay Round unless something is done," Tanabu told reporters after a cabinet meeting.

Tanabu declined to comment on when the Uruguay Round might conclude.

Japan has opposed lowering tariffs without exception on agricultural products, a move which is part of a comprehensive proposal issued last December by GATT Director General Arthur Dunkel.

Foreign Minister Michio Watanabe told reporters that Japan resisted offering to lower tariffs on rice when it completed its "country offer list", which the so-called Dunkel paper requires GATT members to submit by March 1.

In the list, each GATT member is requested to write a tariff reduction plan for specific items.

Bonn presses again for special G-7 summit to save GATT talks

BONN, Feb 22: Warning that world trade talks are headed for "breakdown," Germany's Economics Minister called Friday for a special summit to rescue the faltering negotiations, reports AP.

Juergen Moellemann told reporters that the situation in the Uruguay Round of trade talks of the General Agreement on Tariffs and Trade, or GATT, had reached "code red."

"The negotiations in the GATT are heading towards a breakdown," he told reporters.

Moellemann again called for a special summit of the seven leading industrial powers, known as the G-7, to help bring about a successful conclusion to the world trade talks. He first suggested a G-7 meeting on the issue at the World Economic Forum in Davos, Switzerland, earlier this month.

The trade talks were to

have been concluded by the end of 1990, but continue to be bogged down by major differences between the United States and European Community over farm subsidies.

The EC has refused to pare its farm subsidies as much as demanded by the United States and other farm-exporting countries. The talks are designed to revamp the world trading system by lowering barriers to trade in agriculture, textiles, manufactured goods and in other areas.

On Thursday, heads of Germany's six leading economic research institutes appealed to the Bonn government to do everything within its power—including more drastic farm reform—to assure the talks don't fail.

The researchers maintained that protectionism which might arise from a breakdown in the trade talks would espe-

cially hurt the German economy, which is highly dependent on world trade.

Asked about the appeal, chief government spokesman Dieter Vogel said Friday it was misleading and that the Germans were already doing everything possible to assure GATT success.

He said the appeal should be directed "to whom it may concern."

"All participants must make concessions in the coming months," Vogel said, refusing to elaborate.

France is one of the biggest opponents in the EC to cutting farm subsidies.

Moellemann said Chancellor Helmut Kohl would discuss GATT with French President Francois Mitterrand, though no specific date has been set, as well as with President Bush, when the two leaders meet in March.

At a G-7 summit in London last year, leaders stressed their commitment to a successful conclusion of the talks and said they would "each be ready to intervene with one another if differences can only be resolved at the highest level."

Germany wants the GATT round concluded before this year's World Economic Summit, scheduled for early July in Munich.

Meanwhile, Canada's Agriculture Minister, Minister of Industry, Science and International Trade, and a group of farm leaders met in Bonn Friday with German officials.

The delegation also visited Brussels and Geneva to press Canada's position that all trade-distorting subsidies, especially export subsidies, be reduced and that there be increased access to world markets and clearer trade rules.

Singapore DPM alerts ASEAN fellows against unfavourable world trade

SINGAPORE, Feb 22: South East Asian states must band together to protect their interests in the uncertain international trade environment, Singapore's Deputy Prime Minister said on Friday, reports Reuter.

"The United States' dispute with Japan over agriculture will lead to a more difficult international environment in which small countries which depend on multilateral assistance will be squeezed out," said Lee Hsien Loong, also Minister for Trade and Industry.

"If economic relations between the United States and Japan deteriorate, and the US moves away from multilateral GATT disciplines to rely more on unilateral retaliation... actions, ASEAN (Association of Southeast Asian Nations) will quickly feel the need to band together for self-protection," Lee told reporters.

The General Agreement on

Tariffs and Trade (GATT) talks are dragging into their sixth year because of differences among members over cutting tariff barriers on farm imports.

Japan and South Korea oppose Washington's demand that they open their rice markets, thereby risking the wrath of farmers.

Lee said ASEAN economic cooperation was heading in the right direction. But a less orderly world trading system would put a premium on closer cooperation.

"In the protracted wrangling at the GATT talks, the ASEAN countries have found considerable common interest negotiating as a group against other larger players," he said.

ASEAN — which groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand — needed to get together to have sufficient weight to negotiate with Japan, the United States or Europe, Lee said.

ASEAN leaders at their summit meeting here last month signed an historic agreement to create an ASEAN Free Trade Area (AFTA), a regional economic grouping, by 2008.

They also agreed to reduce tariffs to between zero and five per cent in 15 years on nearly two thirds of goods now trade among the six ASEAN nations.

Lee said the success of a single free trade market in ASEAN would boost foreign investment.

AFTA is the bait for multinational corporations, an additional incentive for the foreign investors to come to ASEAN," he said.

ASEAN represents a market of 320 million people with a combined annual output of 330 billion dollar in goods and services.

Although purchasing power within the region was increasing rapidly, its growth would for many years remain export-

driven, Lee said.

He urged ASEAN governments to continue to foster a congenial political environment and encourage private enterprise "to make the free trade area plan a success."

The Deputy Prime Minister also said Southeast Asia could no longer take the "reassuring US presence in the region" for granted. The security environment was changing with the end of the Cold War and the collapse of Soviet power.

"Sooner or later, the US will come under pressure to reevaluate its role in the region," he said, adding that a smooth evolution was needed to give the region time to adjust and find a new equilibrium.

To avoid an arms race in the event of the withdrawal of the US presence, ASEAN should "make preparations for defence and security but maintain as gradual shift as possible," he said.

Petrol smuggled in coconuts

COLOMBO, Feb 22: Sri Lankan soldiers caught a man using coconuts to smuggle illicit petrol through a checkpoint in the north, where Tamil rebels are fighting a separatist war, residents said on Friday, reports Reuter.

They said the man was stopped at Thandikulam, the last checkpoint between the government-controlled area of Vavuniya and the rebel-held Jaffna peninsula on Wednesday. Soldiers smelled petrol-banned in the north because it can be used to make bombs and run rebel vehicles — while they questioned the man.

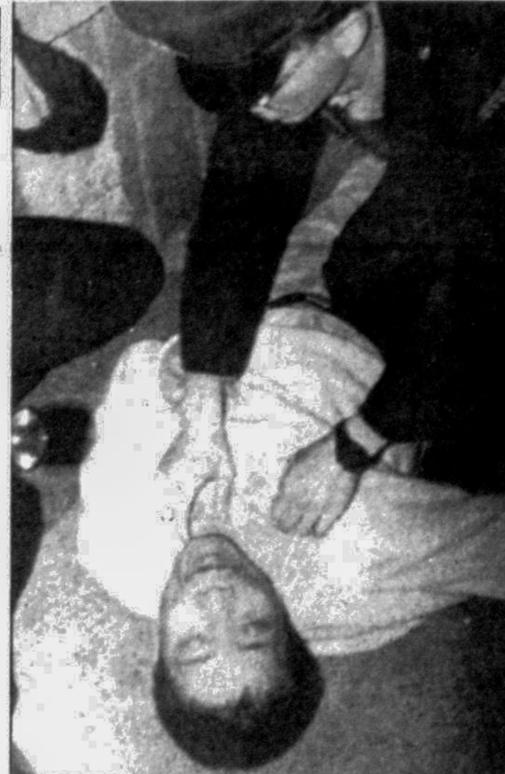
They broke open one of the 45 coconuts he was carrying to find it had been injected full of petrol.

Prices freeze in Greenland

COPENHAGEN, Feb 22: Greenland is the world's biggest island but has one of its lowest inflation rates—consumer prices rose just 1.6 per cent in the year to the end of January, reports Reuter.

Food, clothing, housing and transport prices all showed small rises in the past year, Denmark's National Statistics Office said.

Greenland, icebound for most of the year, relies mainly on its fishing industry, has a population of about 50,000 and is a self-governing part of the Danish realm.



HONG KONG: A police officer attending Wong Ho Chun, a member of the Bank of Credit and Commerce (BCC) Depositors Committee, after he collapsed during a demonstration outside the Governor's residence on Thursday. The protest followed the failure announced Wednesday of a plan to take over the Hong Kong BCC. — AFP photo

US to lift ban on China

WASHINGTON, Feb 22: The United States announced Friday it was lifting trade sanctions against China after receiving a pledge from Beijing that it would abide by an international accord restricting missile exports, reports AFP.

In a communique, the State Department said the Administration "intends to lift sanctions imposed on China last June because of transactions by two Chinese companies involving missile technology covered by the Missile Technology Control Regime (MTCR) guidelines."

Joblessness in industrialised countries up

PARIS, Feb 22: The average unemployment rate in the western industrialised countries rose to 7.2 per cent in December after having been steady at seven per cent in the preceding four months, the OECD reported Friday, says AP.

The secretariat at the Organisation for Economic Cooperation and Development (OECD) said that for all of 1991 the average unemployment rate was 6.8 per cent, an increase of 0.7 per cent from 1990 and the first annual increase since 1983.

Unemployment in Europe rose by 0.5 per cent in 1991 compared with 1990, even though increases of more than the per cent were recorded in Ireland, Britain and Finland.

Shanghai Stock opens to foreigners

HONG KONG, Feb 22: For the first time since its Communist revolution of 1949, China welcomed foreigners back to its Shanghai Stock Market on Friday and the lone stock traded by foreigners zoomed up more than 20 per cent, reports AP.

In historic deal making, investors bought and sold 3,040 shares of a television picture tube manufacturer. Shanghai Vacuum Electronic Device Co closed at 88.50 dollar a share, up 23 per cent from the opening bid of 72 dollar said Cao Gin, a spokesperson for the Shanghai stock exchange.

"We feel it was a good start," Cao said in a telephone interview from Hong Kong. "There is a lot of interest, and we're looking forward to next week."

But just like any stab at market economy reform with a socialist twist, the idea of swapping stocks in the world's last great totalitarian regime remains a highly speculative venture.

Shekhar opposes economic reforms

NEW DELHI, Feb 22: Former Indian Prime Minister Chandra Shekhar snubbed government plans to invite overseas investment and said he would launch a country-wide boycott of foreign goods if New Delhi persisted with economic reforms, reports Reuter.

Shekhar told a news conference ahead of next week's parliamentary budget session that the government's reforms had been dictated by the international Monetary Fund to benefit multinational corporations (MNCs).

"I will favour a boycott of foreign goods if foreign forces do not behave," Shekhar said. Shekhar, who heads the Socialist Samajwadi Janata Party, said Prime Minister PV Narasimha Rao's effort to transform India's socialist system into an open market economy was "a sell-out to foreign forces".

Debt-strapped India initiated drastic economic reform

in last July to meet IMF conditions for a four billion dollar loan.

Shekhar's call against "blind liberalization" followed reports of dissent within the ruling Congress Party over the reforms, the most divisive being a move to cut fertiliser subsidies to farmers.

The government is trying to cut a budget deficit for 1992/93 (April/ March) to 6.5 per cent of GDP from last year's 8.6 per cent.

Most of the opposition parties, including the right-wing Bharatiya Janata Party and Communist deputies in parliament, have criticised Rao's "anti-people policies."

"The present government is now reversing an earlier policy and are permitting even 100 per cent foreign equity ownership in corporations which are neither in high technology nor export-oriented industries," Shekhar said.

Wrangle over UNCTAD reform plan

CARTAGENA, (Colombia) Feb 22: Industrial and developing countries were locked in debate on Friday over the future shape of the United Nations main development body, which has been criticised by some western countries as an ineffective talking shop, reports Reuter.

A working group set up by the UN Conference on Trade and Development (UNCTAD) to decide reforms to the 166-nation organisation was still wrangling over the text of a final document, delegates said.

A second working group has already decided that the conference will call for worldwide military spending cuts and for continued efforts to reduce the debt burden of developing countries which implement economic reform, according to conference documents.

But most delegates agree that the main issue at the conference, which ends next Tuesday, is how to revitalise UNCTAD, one of the main forums for North-South dialogue but which has waned in importance in recent years.

The working group on reform in close to agreement on a far-reaching change to UNCTAD's structure that would create working groups of experts to examine key trade and development issues, delegates said.

Western delegates say a failure to reform would mean increasing marginalisation for UNCTAD.

"UNCTAD won't survive for another four years in its present form," one western delegate said.

But developing countries value UNCTAD highly as a forum for expressing their views.

Western nations accuse UNCTAD of being an unwieldy, confrontational body that pumps out resolutions to which no one pays attention.

They want to turn UNCTAD into a think-tank which would seek consensus on key issues and examine the economies of member nations. Much of its negotiating function would move elsewhere.

ADB credits total \$3.2 billion

Maldives: A concessional loan of SDR 6.755 million (\$9.2 million equivalent) and a \$450,000 technical assistance grant for the Second Power System Development Project to meet the growing demand for electricity brought about by a surge in commercial activities and increase in construction projects in Male. The government will relend funds to the Maldives Electricity Board to cope with its rapid expansion.

— \$ 500,000 technical assistance grant (from JSF) to prepare an environmental management strategy.

Agricultural credit

Nepal: A concessional loan of SDR 25.585 million (\$35 million equivalent) for the Sixth Agricultural Credit Project. The Project will provide subloans to 23,000 subborrowers for small-scale irrigation, biogas plants, livestock and tea development and provide funds for water turbines, cottage and agro-industries and other small and medium-scale private sector investments.

— A concessional loan of SDR 12.152 million (\$16.62 million equivalent) for the Rajapur Irrigation Project. The Project will increase agricultural production and farm income, halt the loss of irrigated land caused by river capture and river bank erosion, reduce environmental degradation through less reliance on forest products for the repair of irrigation systems, and strengthen institutions.

— A concessional loan of SDR 9.774 million (\$13.26 million) for the Upper Sagarmatha Agricultural Development Project and two technical assistance grants totalling \$616,000 to train beneficiaries and government staff involved in the Project (\$404,000) and to develop women's skills in the Project area (\$212,000). The Project aims to increase agricultural productivity, employment and income of the rural population.

— A concessional loan of SDR 14.270 million (\$19.5 million equivalent) for the Primary Education Development Project and a \$ 400,000 technical assistance grant for institutional strengthening of the Ministry of Education and Culture.

— \$650,000 technical assistance grant for the Institutional Support for Project Implementation Project.

Pakistan: \$1.15 million technical assistance grant (from JSF) to prepare a feasibility study to restore and improve the Marala-Ravi Link System which sustained significant damage during flooding in 1988.

— \$ 178 million loan (from OCR) and a \$860,000 technical assistance grant to Pakistan for the Sul-Southern Gas System Rehabilitation and Expansion Project. The Project will rehabilitate and expand the infrastructure of the Sul-Southern Gas Company Ltd, and provide an incremental gas supply to commercial establishments and industries.

Power supply

\$250 million loan (\$125 million from ADF and \$125 million from OCR) for the Water and Power Development Authority (WAPDA) Twelfth Power(Sector) Project to ease the acute shortage of power supply.

— A concessional loan of SDR135.380 million (\$ 185 million equivalent) and \$1 million technical assistance for the third stage of the Chashma Right Bank Irrigation Project. The loan will provide irrigation and drainage facilities to 135,000 hectares of farm land to increase agricultural production, job opportunities and farm incomes. The technical assistance will strengthen environmental management and water resources development.

— \$ 55 million loan to six leasing companies and one investment bank, all in the private sector, to finance the import of leasing equipment and sub-projects. The loan consists of \$7 million to Asian Leasing Corporation; \$5 million to Atlas BOT Lease Company Ltd; \$10 million loan to Crescent Investment Bank; \$10 million to national Development Leasing Corp Ltd; \$10 million to Orix Leasing Pakistan Ltd; \$5 million to Pakistan Industrial and Commercial Leasing Ltd; and \$8 million to Pakistan Industrial Leasing Corp Ltd.

Environmental impact

Sri Lanka: A concessional loan of SDR44.057 million (\$60 million equivalent) for the Second Agriculture Programme to increase agricultural productivity and exports and to help the Government introduce reforms in the agriculture sector.

Regional Activities:

— A concessional loan of SDR27.903 million (\$38 million) for the Southern Province Rural Development Project and two technical assistance grants totalling \$740,000 for the institutional strengthening of the Southern Provincial Council (\$420,000) and for the promotion of micro-enterprises through the strengthening of marketing (\$320,000). The Project aims to raise sustainable income and the quality of life of small and marginal farmers, landless laborers, unemployed people, particularly women as well as small and medium-scale entrepreneurs in the Southern Province.

— \$ 1.69 million technical assistance grant for a regional study on global environmental issues. Of the total, \$600,000 will be financed from the JSF, \$600,000 by Norway, \$390,000 by Australia and \$ 100,000 by Japan.

— \$ 600,000 technical assistance grant (from JSF) to the Asian Institute of Technology in Thailand to develop environmental information systems through the Environmental Sanitation and Information Center network set up in 1988 in the People's Republic of China, Indonesia, Nepal, Pakistan, Philippines and Thailand.

Taiwan will lift ban on foreign equity

TAIPEI, Feb 22: Taiwan's central bank is preparing to lift its controversial ban on flows of equity investment funds into the island, central bank Governor Samuel Shieh said, reports Reuter.

Foreign investors will be required to submit a timetable for their remittances of funds into Taiwan and space them out in small installments to avoid destabilising the foreign exchange market, he told the Economic Daily News.

GNP surges

Meanwhile Taiwan's Gross National Product surged 7.32 per cent last year as strong exports and reviving industrial investment pulled the economy out of a slowdown, the Bureau of statistics said.

The Bureau predicted growth would remain strong at 6.76 per cent this year, buoyed by heavy state spending on infrastructure projects, expansion of trade with China and South-East Asia, and a mild economic recovery in the rest of the world.

GNP growth slumped to an eight-year low of 5.02 per cent in 1990 as exports slumped and the stock market crashed.

Trade with China

Another report adds: Trade between Taiwan and China soared 43 per cent last year as links between the two economies strengthened despite political tensions. Two-way trade through Hong Kong jumped to a record 5.8 billion US dollar in 1991 from four billion in 1990.

Business briefs

Colombo rejects foreign take over bids: The Sri Lankan government has rejected all applications from foreign companies to take over the management of lucrative plantations offered to the private sector, the tea trade said Friday, reports AP from Colombo.

Trade sources said the government had shortlisted 45 local firms to bid for the 22 state-owned tea, rubber and coconut estates, eliminating some 75 companies which came in with foreign collaboration.

Source Perrier trading suspended: The Paris Stock Exchange on Friday suspended trading in Source Perrier and Exor SA pending the "imminent" filing of a counterbid for 100 per cent of the holding company Exor's shares, reports AP from Paris.

Perrier has been at the center of a bitter takeover battle pitting the Italian Agnelli family against the Swiss giant Nestle SA and its partner Banque Indosuez. Exor is the main shareholder in Perrier, the world's leading maker of sparkling mineral water.

Another round on triangular trade over: Hundreds of trade negotiators went home Friday after an intensive week of meetings to produce a free trade agreement among the United States, Mexico and Canada, reports AP from Dallas.

"These delegates are leaving with a sense of enthusiasm that whatever differences that will remain will be resolved in the short weeks to come," said David Dean, a Dallas attorney and Chamber of Commerce leader who served as a host for the delegations.

Transcom Limited
52 Moulmein C/A Dhaka

having acquired
(free from all liabilities and encumbrances) 100 % shares of

VITA RICH FOODS LIMITED
Sreepur Gazipur
on Wednesday February 19 1992

is in the process of setting up a Joint-Venture Company with

Nestlé S.A.
Vevey, Switzerland,
(the world's largest food company)

the Joint Venture Company to be named

Nestlé Bangladesh Limited
will manufacture a wide range of quality food products under various world-renowned Nestlé trademarks