

**BRIEFS**

**South Korea may face recession**  
 SEOUL, Dec 31: South Korea's economy is in danger of sliding into recession, analysts said on Wednesday after the release of year-end economic indicators. Government figures showed falling industrial production and a trade surplus fuelled by a clampdown on imported equipment necessary for economic rejuvenation, reports Reuters.

**China to ease export restriction**  
 BEIJING, Dec 31: China will halve the number of commodities subject to export restrictions on Jan 1, an official report said Wednesday. The move is part of Beijing's efforts to join the General Agreement on Tariffs and Trade. Only 138 commodities will still require export licenses, the Xinhua News Agency said, describing them as "materials with special significance to the national economy, people's livelihood and important to the international market," reports AP.

**Ciba-Geigy closing Bombay plant**  
 NEW DELHI, Dec 31: The multi-national Ciba-Geigy is shutting its loss-making Bombay pharmaceutical plant after staff accepted a pension offer by management and opted to retire, the Press Trust of India (PTI) reported Wednesday. All 916 employees accepted a compensation package, including a monthly pension depending on their last-drawn salary and continued medical benefits for 10 years after their voluntary retirement, it said, reports AFP.

**Kazakhstan, Ukraine barter deal**  
 MOSCOW, Dec 31: Kazakhstan will supply Ukraine with about two million tonnes of crude oil in exchange for various goods, according to an informal trade accord published by Interfax news agency on Wednesday. The two former Soviet republics signed several economic cooperation agreements on Tuesday after talks in Kazakhstan's capital Alma-Ata. Itar-Tass news agency said they had agreed to establish a joint company to extract and process oil, reports Reuters.

**Members default on AMF debt**  
 ABU DHABI, Dec 31: The Arab Monetary Fund (AMF), the Arab League's main lending arm, said on Wednesday that member states owed it nearly half its capital in outstanding debts. It did not say which countries are defaulting but AMF sources said war-hit Iraq, Sudan and Somalia are among the indebted members. They said the defaults were affecting the AMF's leading operations, reports AFP.

**UAE banks move to meet global standard**  
 ABU DHABI, Dec 31: United Arab Emirates (UAE) banks are cutting their risky assets to bring their capital adequacy in line with international standards, bankers said on Wednesday. They said such a move was the main reason for a sharp decline in the assets of the Gulf country's 48 banks in the past three years. Assets plummeted by around 15 per cent in 1991 to 96.1 billion dirham (26.1 billion dollar) from 114.3 billion dirham (31.1 billion dollar) in 1990, reports AFP.

**Honda developing jet plane**  
 TOKYO, Dec 31: Honda Motor Co Ltd, a major Japanese automaker, is developing a jet plane in the United States, the Asahi Shimbun reported Thursday. The company does not intend to enter the aviation business and any technological advances it obtains from developing the jet will be applied to cars, the Asahi said, quoting Honda officials, reports AFP.

**Indians bring home 91 tonnes of gold**  
 NEW DELHI, Dec 31: Non-resident Indians (NRIs) have brought 91 tonnes of gold into the country under the NRI gold import scheme till December 27 in the current financial year fetching a tax revenue of Rs 206 crore, the union minister of state for revenue, Rameshwa Thakur said Wednesday. Thakur said the response to the NRI gold import scheme was more than expected. More gold had been imported into the country against the target of 35 tonnes of gold fixed for the 1992-93 financial year, reports PTI.

**Child labour in garment sector**  
**BGMEA, AAFLI agree to solve problems in constructive way**

Star Economic Report

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the Asian-American Free Labour Institute (AAFLI) have agreed to jointly solve the child labour problem in a 'constructive way'.

Professor Terry Collingsworth, a consultant for AAFLI, met with BGMEA President Muhammad Mosharraf Hossain on Saturday last to discuss the labour problems of the garment sector.

In a statement Professor Collingsworth said that during his stay in Dhaka since December 13 he has gathered "substantial documentation of labour law violations among some members of BGMEA, including extensive use of child labour, violations of minimum wage and maximum hour laws for women workers, failure to provide registration card for workers and termination of workers engaging in legitimate union activities."

During the meeting with the BGMEA President, the AAFLI consultant explained that recent press reports alleging that AAFLI and others were "somehow trying to harm the garment industry in Bangladesh is not true", the statement said.

However, he added that "AAFLI is prepared to take action under the Harkin Bill to ban any products from exports to the US made with child labour if the BGMEA refuses to respect the laws of Bangladesh, and that the new Clinton administration is likely to require complete compliance with international labour standards for Bangladesh to remain eligible for substantial trade benefits under the Generalised System of Preferences (GSP) act."

"AAFLI's exclusive priority is to see that workers in Bangladesh enjoy basic rights under the law."

According to the statement, AAFLI proposed a joint programme in which the BGMEA and AAFLI would cooperate to bring Bangladesh in compliance with the international standards so that the garment industry, and all other industries, would prosper, while at the same time the workers would enjoy their basic rights.

AAFLI also proposed solving the child labour problem in a constructive way, with resources from BGMEA and AAFLI, and the cooperation of the government, by opening schools for the children, so that they can receive proper education and training.

"AAFLI made clear that it was not AAFLI's goal to deal with the child labour problem by simply terminating the children," the statement read. The non-government US organisation also proposed a jointly supported programme to provide education and training for adult workers in the industry.

The BGMEA President during the meeting agreed that it would be much more consistent with the national interest to solve the labour problems in the industry constructively, it added.

"He agreed to cooperate with AAFLI in the education programmes, and also to take action against any BGMEA member that refused to comply with other aspects of the labour laws of Bangladesh," the statement further said.



MOSCOW: Russian President Boris Yeltsin talking with a group of Moscovites about the economic reform and the free market in Russia after he received his personal privatisation cheque on Dec 30. The personal cheques are part of the Russian government's privatisation policy. The official price of such a cheque is 10,000 rouble (25 dollar), but on the market their price is 7,000 rouble (18 dollar). —AFP/UNB photo

**Daewoo to build \$400m industrial complex in Pakistan**

KARACHI, Dec 31: South Korea's Daewoo Corp will sign a deal Monday to build a 400 million dollar industrial complex here, Industries Minister Sheikh Rashid said, now that Pakistan has removed obstacles to the deal, says AFP.

"We have accepted Daewoo's request for spreading out payment for 500 acres of land at Port Bin Qasim (Karachi's second harbour) over the next ten years which has cleared the way for the signing of an agreement," Rashid told AFP.

"The package of 23 industrial units proposed to be set up for exporting mostly to Latin American, Asian and the Gulf countries, would include garment, chemical, textiles, toys and automobile spare parts plants," he said.

Industry sources said some of these plants would be set up as joint ventures with local or overseas Pakistani investors holding at least 40 per cent equity.

A high-powered Daewoo delegation will go to Islamabad for the signing of the agreement and company officials said the ground breaking ceremony could follow soon after.

Pakistan's Industries Minister said so far foreign firms have invested 646 million dollar in the country.

**Lankan economy performs satisfactorily in '92**

COLOMBO, Dec 31: Sri Lanka's economy performed satisfactorily in 1992 despite a drought that affected agricultural and industrial production, a government minister said on Thursday, reports Reuters.

Industries Minister Ranil Wickremasinghe told reporters that the tea sector in particular had been hit by the drought and power cuts had hampered manufacturing.

However, he said, exports were up and investment in industry has increased. Two hundred garment factories have opened in rural areas.

"There are 40 new hotel projects waiting for approval at the moment, Wickremasinghe said.

With the world economy improving, we expect a better economic performance next year, he said.

Sri Lanka's gross domestic product was expected to grow by 4.5 per cent in 1992, down from 4.8 per cent in 1991. It is expected to reach about five per cent in 1993, economists told Reuters this week.

Wickremasinghe said growth figures had been calculated without taking into account the north and east, where a nine-year civil war has hampered economic activity.

**EC celebrates dawning of a new Europe today**

BRUSSELS, Dec 31: At midnight on December 31, boys and girls are to flash more than 1,000 points of light across the European Community to celebrate the EC's single market. But their elders will be more restrained, writes AFP.

The teenagers will light beacons to bid farewell to the old Europe "with its trade barriers, bureaucracy and borders and step into a new age of democratic unity and freedom," says the scouting movement which is organising the event.

Nothing else has been planned to mark the fruition of the single market and the dismantling of many barriers to the free movement of people, goods, services and capital throughout the EC which was set in motion in 1985.

Jacques Delors, the EC's chief executive who more than anyone else is responsible for the single market, has said that too much celebration, would be out of place in a community with 15 million out of work, and with a war raging on its doorstep in former Yugoslavia.

Delors recognised that the single market offers no magic solution to Europe's problems. It will also be smaller than planned, including 345 million people in 12 of the world's richest countries.

The European Free Trade Association (EFTA) — Austria, Sweden, Norway, Switzerland, Finland, Iceland and Liechtenstein — missed the January 1 target for inclusion into the world's biggest common market.

So what will change on January 1? Britons will be able to flock to France, or Danes to Germany, to buy as much lower-taxed alcohol, tobacco and other products as they can prove is for personal use.

Trucks will be able to thunder across land borders between EC countries without filling in reams of customs documents.

But passport checks are not about to disappear within the borders of the new Europe. They will continue at land crossings and ports at least until mid-1993 for most EC countries, and at airports until the end of next year.

EC residents can move freely around the community in search of work. Their qualifications will be broadly recognised in all EC countries.

But they will still need residence and working papers if they move from their homes to another EC country. Income taxes, social security and health care will remain the preserve of national government.

As for non-EC residents, once they have been accepted as travelers into one EC country they will find it easier to cross borders into the others.

Nobody expects the single market to produce an explosion of cross-border business to match a surge of cross-border investment which occurred during the good economic times of the late 1980's.

Two of the most powerful tools of the single market have been in operation for some time — laws to curb monopolies, cartels and excessive state subsidies, plus the gradual harmonisation of technical standards.

Thus business has become more competitive and efficient. Identical goods can be made and sold throughout the EC with far greater economies of scale.

On January 1, banks will have greater freedom to set up throughout the EC restrictions on capital movements were removed two years ago.

But for the man in the street, there still won't be much change in the long, expensive and frustrating process of moving small sums from one EC country to another.

Personal life insurance and investment services could become cheaper and more efficient when insurance companies and stockbrokers get the right to operate throughout the EC in the mid-1990's.

But the EC has made little progress in setting up a universal company statute, because member countries could not agree to have worker representatives on boards of directors.

Other barriers to a true single market will remain, such as controls on the cross-border movement of new cars. Protectionist curbs on imports of Japanese cars will not be dropped until the turn of the century.

Country-to-country telephone calls will remain expensive because telecommunications monopolies have remained largely intact.

Although air transport is slowly being deregulated, Europe's passenger fares — twice as high as in the United States — are not expected to drop much. There will be no full competition between airlines until 1997.

**Italy adopts measures to combat unemployment**

ROME, Dec 31: The Italian Cabinet on Wednesday approved a decree law, providing an investment of 2.35 trillion lire (1.6 billion dollar) in three years, covering measures to combat unemployment, Labour Minister Nino Cristofori told a press conference Wednesday, reports AP.

The decree law, approved in the face of a sharp slowdown in the economy and an expected surge of unemployment, passes into effect immediately but must then be given green light retrospectively by Parliament within 60 days.

It calls for 2.35 trillion lire to be set aside for the period 1993-95, of which 1.65 trillion lire (1.1 billion dollar) will be for a state employment fund and most of the rest for investment in poorer areas, Cristofori said.

**DHL sets up support group in Singapore**

DHL has established a new information technology (IT) support group in Singapore to serve its operations across Asia, the Pacific and Middle East, says a press release.

The move follows a decision last year by DHL's worldwide management that more IT functions should be distributed into the company's three global operation zones: The Americas, Europe and Africa, and the Asia-Pacific and Middle East region.

**US, allies deliver less than half the promised aid to CIS**

WASHINGTON, Dec 31: The United States and its allies together have delivered less than half of the financial help they promised the former Soviet Union over the past three years, the US General Accounting Office said on Wednesday, reports Reuters.

"Donors have pledged 91 billion dollar in loan and grant assistance for the period 1990-1992, but only 39.9 billion dollar, or 44 per cent, has been disbursed," the Congressional watchdog said in a report.

The agency gave no reason for the shortfall, nor did it provide a breakdown of the actual assistance provided by each country.

Some officials of the former Soviet states have complained that disbursement of aid has been slow, the GAO noted.

Russian reached agreement with the International Monetary Fund in August for a one billion dollar loan, but the GAO quoted a US treasury official as saying that Moscow had only drawn about 250 million dollar of that by the middle of this month.

The agency said that coordination among donors appears to be limited and warned that could hurt efforts to help the former Soviet republics in the future.

**Beijing plans to limit growth to single digit**

BEIJING, Dec 31: The Chinese government will try to restrict its booming economy to single-digit growth in 1993 to prevent inflation, but debate continues within the leadership on the exact target to set, an official said Wednesday, reports Reuters.

"The economic growth target has not yet been set, but we hope it will be below the double digits," state statistical bureau spokesman Zhang Zhongji said.

China's gross nation product increased an estimated 12 per cent in 1992, with the government's original target, six per cent, raised at least twice during the year.

The official was speaking after a news conference during which he warned of building inflationary pressure due to an excessive money supply and a "craze" for new capital construction by local governments.

The nationwide cost of living index already rose an estimated 6.2 per cent in 1992, up sharply from 3.5 per cent in the previous year, he said. Inflation in the cities averaged 11 per cent, up from eight per cent.

Factory inventories and personal savings are high and prices of production materials such as steel and concrete have skyrocketed as the government gradually frees prices under its market reform plan.

Since the summer the Beijing leadership has called on banks to tighten credit.

**Manila gearing up for a rebound of economy**

MANILA, Dec 31: The Philippine economy, crippled by a severe electric power shortage for most of 1992, is gearing up for a rebound in the coming year on the back of higher government spending and increased foreign investments, officials and analysts say, reports Reuters.

President Fidel Ramos, vowing to turn the Philippines into a successful "tiger" economy by the end of his term in 1998, said he will put government resources behind Manila's goal to post a growth rate of 4.5 per cent in gross national product (GNP) in 1993.

"We will do this by pump priming the economy through the expeditious completion of infrastructure projects and increased government spending for services," Ramos said at a news conference this week.

The electricity problem had derailed planned industrial expansion and turned away fresh investments lured by a better business climate following the swift transfer of power to Ramos from former president Corason Aquino.

"1992 was not a good year... the economy survived mainly because of remittances from overseas workers," said one business executive who declined to be named.

**Taiwan to allow more foreign workers in '93**

TAIPEI, Dec 31: The Taiwan government early next year will allow more foreigners to work here to meet the growing demand of local enterprises, Council of Labour Affairs (CLA) Chairman Chao Shou-Po has said, reports AFP.

Chao told reporters Wednesday that local companies will be allowed to hire more foreign labour and directly apply for permission without registering with related business associations.

In addition to the current 68 construction and manufacturing industries, the cabinet-level CLA will permit more enterprises to recruit alien workers, he said, adding that new quotas on foreign labour might be announced next month.

The CLA has set an import quota of 47,000 foreign labour to work in the 68 industries and allowed the hiring of 7,000 foreign maids since a ban on the employment of alien labour was lifted in 1989 to ease a labour shortage here.

**Sonali Bank lowers some interest rates**

With a view to expediting the uplift of the country's overall economy, Sonali Bank has reduced interest rates in some important sectors, specially on term loans for small, medium and large-scale industries, House-building loans, Export credit and Swastirvar loans and advances, says a press release.

The refixed rates of interests will come into effect from today-January 1, 1993 as detailed below:

Classes of loans	Refixed rate of interest
Agri-loan	14.50%
Term Loan for large & medium-scale industries	12.00%
Working Capital (Jute)	14.00%
Working Capital (Other than jute)	16.00%
Jute Trading	9.00%
Export of jute and jute goods	9.00%
Other exports	16.00%
Other Commercial Lending	16.00%
Urban Housing:	
a) Residential	14.00%
b) Commercial	14.00%
Special Programmes:	
a) Term loan for small-scale industries	10.00%
b) Rural Housing	10.00%
c) Swastirvar	10.00%
Others	16.00%

**Shipping Intelligence**

**CHITTAGONG PORT**

Berth Position and Performance of Vessels as on 31/12/92

Berth No	Name of Vessels	Cargo	L. Port	Local Call	Date of Arrival	Leaving
J/1	Bharatendu	GI	Cal	SSL	30/12	01/01
J/2	Iron Will	Salt	Cal	MSA	23/12	02/01
J/3	Cape Syros	Mop	Cira	Seacom	23/12	04/01
J/4	Eastern Mars	GI	Hong	Prog	27/12	31/12
J/5	Becco Europe	Urea	Safu	UMAL	29/12	10/01
J/6	Endurance Sea	Repair	Agaba	EOSL	02/02	05/01
J/7	Janbaz-II	Urea	Cal	RSSA	25/12	12/01
J/8	Kallang	Urea	Malt	UMAL	30/12	12/01
J/9	Petr Starostin	Cont	Sing	CT	29/12	31/12
J/10	Fong Yun	Cont	Sing	BDSHIP	28/12	31/12
J/11	Ingenuity Khanak	Cont	Sing	RSL	29/12	31/12
J/12	Al Fesani	Cement	Kak	RSSA	14/12	31/12
J/13	Banglar Bani	Idle	Pena	Cross	13/12	31/12
J/14	Samudra Raj	Idle	Kara	SSL	19/12	30/12
J/15	Banglar Shourabh	Repair		BSC	R/A	02/01
J/16	S E Haider	Cement	Kora	ASL	R/A	05/01
J/17	Banglar Kiron	Repair		BSC	R/A	01/01

**VESSLS DUE AT OUTER ANCHORAGE**

Name of Vessels	Date of Arrival	Last Port	Local Call	Local Agent	Cargo	Loading Port
NGS Express	31/12	Mong	BDSHIP		Cont	Sing
Vinta	01/01	Safu	SSST	Rock	Phos	
Paraskevi M-Y	31/12	Sing	BEL	White	(G)	B Robt
Amcr Jyoti	31/12		Paragon		Cement	
Al Tajwar	03/01		PSAL		Cement	
Kota Buana	01/01	Sing	CTS		Cont	Sing
Yamburenko	01/01	Sing	CT		Cont	Sing
Stenn	01/01	Safu	UMAL	TSP	(P)	
Beccles	02/01	Col	EBPL		GI	
Tiger Force	02/01	Col	RSL		Cont	Cal
Meringa Noon	01/01	Viza	MTA		Cont	
Golden Union	03/01	Mong	OWSL		W/Load	Saim
Samudra Samrat	03/01	Sing	SSL		GI	
Lena	03/01	Bank	Prog		Cont	
Delight Glory	08/01		Bright		Cement	
Guljhang	03/01	Lars	ATSL		Cement	
Trans America	04/01	BK	BOAL		Bagar	
Mowlavi	05/01	Mong	SSL		GI/GL	Abbas
Banglar Sampad	08/01		BSC		GI	
A S Okan	06/01		BSC		GI	
Shenton	06/01	Sing	Omni		Cont	Sing
NGS Ranger	07/01	Sing	BDSHIP		Cont	Sing
Fong Shin	07/01	Sing	BDSHIP		Cont	Sing
Iro	08/01	Ghent	Ancient		Wheat	
Optima	09/01	Mong	RSL		Cont	Sing
IMS London	11/01	Sing	JF			
Massy Phoenix	15/01	Japa	OWSL		Wheat	

**TANKER DUE**

Name of Vessels	Date of Arrival	Last Port	Local Call	Local Agent	Cargo
Global Verus	02/01		Seacom		Palm Oil
Cade Ricon	04/01	Sing	MSPL		FSD
Ajon	03/01		CT		Oil
Anitares	04/01		CT		Tallow
Chota	05/01		Seacom		Oil

**VESSLS AT KUTUBDIA**

Name of Vessels	Cargo	Last Port	Local Call	Local Agent	Date of Arrival
Hua Li	GI	Sing	ASL		30/12
Tiger Sun	GI	BUSA	Prog		30/12

**VESSLS AT OUTER ANCHORAGE**

**READY ON**

Name of Vessels	Cargo	Last Port	Local Call	Local Agent	Date of Arrival
Anting	R Seeds	Sing	BDSHIP		24/12
Arhon	TSP	Sing	H&SL		24/12
Solbulik	Wheat (P)	P Land	Seacom		30/12

**VESSLS NOT READY**

Name of Vessels	Cargo	Last Port	Local Call	Local Agent	Date of Arrival
Banglar Jyoti			BSC		R/A
Banglar Asha			BSC		R/A
Al Reza	GI		KSL		R/A
Banglar Robi			BSC		R/A
Fareast			USTC		R/A
Artemis-1	Cement		Bright		R/A

**VESSLS AWAITING EMPLOYMENT/INSTRUCTION**

Name of Vessels	Cargo	Last Port	Local Call	Local Agent	Date of Arrival
Hydra	TSP (G)	Sfax	SSST		23/12
Tao Shan Hai	TSP (G)	Sing	H&SL		24/12
Nodar Dumbaze	CDSD	P Land	CT		24/12

The above were the Thursday's shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

**Exchange Rates**

The following are the Commercial Bank's BC selling and TT (C), OD transfer buying rates for some selected foreign currencies effective on January 1 & 2.

(Figures in Taka)

Currency	Selling B.C.	T. T. (C)	Buying OD Transfers
US Dollar	39.1326	38.9087	38.6339
Poundsterling	59.0871	58.7537	58.3599
DM	24.2187	24.0652	23.8953
FF	7.1021	7.0551	7.0052
S Riyal	10.4641	10.4042	10.3387
D Guilders	21.5488	21.4137	21.2625
S Kroner	3.3462	3.3108	3.2743
Singapore Dollar	23.8482	23.7118	23.5443
UAE Dirham	10.6911	10.6299	10.5548
Kuwait Dinar	129.8811	129.1380	128.2259
Indian Rupee (AMU)	1.4925	1.4858	1.4783
Pak Rupee (AMU)	1.5178	1.5109	1.5034

Authorised dealers will apply T T clean buying rate for purchase of remittances of Bangladeshis working abroad. Note: AMU—Asian Monetary Union.

Business on the floor of Dhaka Stock Exchange remained suspend on Dec 31, 1992 on the occasion of bank holiday.