

# US to impose trade sanctions on EC

WASHINGTON, May 28: The Clinton administration said Thursday it will impose trade sanctions against the 12-nation European Community in a dispute involving government contracts for telephone equipment, reports AP.

The EC condemned the US action and threatened to move quickly, perhaps in the next two weeks, to retaliate against US companies.

The long-simmering dispute involved EC rules that give preferential treatment to European companies for sales of telecommunications equipment to state-owned enterprises in Europe.

Originally, the United States had objected to similar rules that discriminated against American manufacturers of electrical power generating equipment.

But that dispute was resolved in early April when European negotiators agreed

to remove 'Buy Europe' regulations in that area. In return, the administration agreed to strip similar 'Buy America' provisions governing sales to the Tennessee Valley Authority and other federal power marketing agencies.

However, negotiators could not reach agreement on the telecommunications issue. US Trade Representative Mickey Kantor said the administration intended to go forward with scaled-down trade sanctions.

Where the original ban on contracts would have barred European companies for competing for an estimated 45 million dollar in estimated 20 million dollar.

Both sides emphasised that they did not want the fight over government procurement to slow down efforts the United States and the EC are making to bring global free trade talks to a successful conclusion.

Still, Sir Leon Brittan, the EC's top trade negotiator, said he greatly regretted the administration's decision to go ahead with sanctions, saying the action was 'neither justified, wise nor necessary.'

He said he would begin immediate consultations to determine an appropriate response and other EC officials said that action could come on June 8 when the EC's Council of Ministers is next scheduled to meet.

The administration has been silent on what it would do if Europe does retaliate against American companies.

But the prospect of such an action raises the specter of a potential trade war between the United States and its biggest trading partner right at a time when the administration is working hard to get EC support for a united front to pressure Japan to do more to reduce its giant trade sur-

pluses.

On a less contentious note, the EC was able on Thursday to overcome French resistance to another important trans-Atlantic trade deal involving agricultural goods.

Officials at EC headquarters in Brussels said France finally promised to accept an agreement reached last November with the United States on oil seed output.

France agreed to remove its objections to the oil seed deal after winning concessions from EC agriculture ministers on a separate proposal to limit grain production.

In his statement, Brittan expressed hope that the dispute involving government contracts would not 'poison the atmosphere' between Europe and the United States as the two sides try to develop a common negotiating strategy to end a stalemate that has stalled a seven-year effort to

rewrite the rules governing world trade.

AP from Brussels adds: At the center of the debate was how much land should be taken out of production to reduce the trade bloc's grain surpluses, and how much to pay farmers for not producing.

German Agriculture Minister Jürgen Borchert said France's cooperation on the oil seeds deal was a key element in the ministers' agreement on EC farm policies.

'We have agreed to the price package under the premise that France agrees to the oil seed compromise,' he told reporters.

France is the EC's biggest farming nation and has 35 per cent of the EC's grain-producing land. Threats of a veto from Paris have prevented EC member states from voting to ratify deals with the United States on farm trade and oil seed production.

## Hansenne re-elected as ILO chief

GENEVA, May 28: The 56-member governing body of the International Labour Organization on Thursday re-elected Michel Hansenne to a second five-year term as Director-General, the organisation announced, reports AP.

Hansenne, a Belgian, was unopposed in the secret voting, but 10 members cast blank ballots, the equivalent of abstentions, an ILO statement said. One of the ballots was invalid, the statement said but gave no details.

The governing board consists of representatives of 28 countries, including Britain, France, Germany, Italy, Japan, Russia and the United States, as well as 14 labour unions and 14 employers organizations. About 162 countries belong to the ILO, which is the agency of the United Nations set up to promote labour rights.

## Laws to realise taxes from professionals urged

National Tax Lawyers' Association (NTLA) Friday called upon the Government to enact necessary rules for realisation of taxes from physicians, lawyers and other professionals, reports BSS.

As a first step, a nominal tax of Taka 100 or 200 per annum can be charged which is likely to fetch a huge income for the state, leaders of NTLA told a press conference here Thursday.

Md Zakir Hossain, president of NTLA said private tutors and others who have extra income if brought under tax net could help earn huge revenue.

Criticising the procedural flaws in shop tax, NTLA Chief in a written statement said if rates were imposed on the basis of location of shops instead of flat rate throughout the country, the system would have worked better increasing revenue earnings.

While emphasising the need for strengthening of tax administration and taxation system, the Tax Lawyers' Association leaders asked the authorities to identify honest, dedicated, experienced and courageous officials and give them posting at the right places to earn the confidence of the people. A powerful and corruption free tax administration will be conducive to the creation of investment climate in the country, the NTLA Chief said.

The NTLA leader called for setting up separate tax offices in every district for the conveniences of all concerned.

The Tax Lawyers' Association also called for removing various anomalies in the existing tax system.

## Canadian parliament okays NAFTA

TORONTO, May 28: Prime Minister Brian Mulroney used his strong majority in Parliament to ram ratification of the widely unpopular North American Free Trade Agreement through the House of Commons on Thursday, reports AP.

The NAFTA agreement, which is aimed at eventually bringing down virtually all trade barriers among the United States, Canada and Mexico, now goes to the Senate, which also is controlled by Mulroney's Progressive Conservatives.

The House voted 140 to 124 in favour of ratification, the Conservatives solidly for it and the opposition Liberals and New Democrats opposed.

Many opposition figures saw the government's haste in pushing ratification as unseemly, particularly because

essential side agreements to the treaty are still being negotiated and because the deal appears to be in big trouble in the US Congress with no assurance of passage.

NAFTA is scheduled to go into effect Jan 1. The agreement would create a trading bloc of 360 million consumers and about six trillion US dollar in production.

This agreement is about growth and prosperity, International Trade Minister Michael Wilson told the Commons.

'NAFTA is a sellout of Canadian jobs, a betrayal of Canadian families, and only one of the many trade options from which Canadians can choose,' said Audrey McLaughlin, leader of the New Democratic party.

## BCCI victims meet in London to press for compensation

LONDON, May 28: Some 600 victims of the collapsed Bank of Credit and Commerce International (BCCI) met in London Thursday to press their case for compensation, two years after the BCCI was closed down for fraud, reports AFP.

One man, an Egyptian businessman, said he had lost 'more than a million dollar' and been 'forced to sell his home in England' following the closure of BCCI in July 1991 on massive fraud charges.

Among the creditors, many vented their anger against the liquidators, accountants Touche Ross, who had organised the meeting. Touche Ross said they hoped to use the meeting to persuade creditors that they were working as hard as they could to ensure creditors got at least some of their money returned.

Christopher Morris, head of the liquidator team, said the 'extremely complex' nature of the BCCI organisation had made it 'very difficult' for the liquidators to recover funds.



ENSURING A GENTLE TOUCHDOWN: Hunting Aviation has now become the first company in Britain, apart from the Civil Aviation Authority (CAA), to be authorised to calibrate all airfield instrument landing systems. It is involved in a wide range of activities including aircraft maintenance, engine repair and overhaul, air cargo, on-site support services, avionics and business aviation.

## Toyota ranks top in quality autos

DETROIT, May 28: Toyota Motor Corp. got top ratings for quality cars and trucks in a widely watched survey of the automotive industry, reports AP.

Toyota and other Japanese automakers dominated the survey released Thursday by the marketing information firm J.D. Power & Associates, but Big Three carmakers improved their standing, further narrowing the quality gap that remains a deterrent to some American consumers shopping for a new car.

The Lexus LS 400 and the SC 300-400, built by Toyota, finished one-two in a measure of the fewest problems per

100 vehicles. In an assessment of light trucks, Toyota won five of six categories. There was no maker above the industry average in the best full-size van category.

Toyota's Georgetown, Ky., assembly plant, where the Camry Sedan is built, was judged the best of more than 80 assembly plants in North America. The Camry finished fifth in initial quality — the highest of any car assembled in North America.

The Infiniti J30 and G45 finished third and fourth, respectively. Infiniti is Nissan Motor Corp.'s luxury division. All Infiniti and Lexus cars are imported from Japan.

## House approves Clinton's budget proposal

WASHINGTON, May 28: The US House of Representatives approved President Bill Clinton's budget by a narrow margin Thursday, giving the President a hard-won victory, reports AP.

The lower chamber voted 219 to 213 to approve the plan, which calls for a combination of tax increases and spending cuts to reduce the budget by some 500 billion dollar over the next five years.

The bill next goes to the US Senate, where another tough battle is expected.

Clinton's victory was the result of a compromise reached with conservative members of his democratic party who had joined forces with Republicans in demanding ceilings on social spending.

## Manila may have to go without an IMF programme

MANILA, May 28: The Philippines may have to go without an International Monetary Fund (IMF) programme in a scenario that would force it to pay a billion dollar in maturing loans and lose foreign assistance, a senior Filipino official said here, reports AP.

Central Bank (CB) Governor Jose Cuisia said late Thursday that negotiations for a new IMF programme were dependent on Congress passing new revenue measures but admitted that the picture is not encouraging with not one of the tax measures passed. It does not augur well.

Cuisia said he was still hopeful an agreement could be reached but said that if this did

not happen, they could try to borrow from foreign banks.

He said the country could go without an IMF programme for short time because of its high international reserves but added that having a successor programme is still in the best interest of the country. We still believe we need a IMF programme.

The most immediate result of the failure to get a new programme is that the country will have to pay about a billion dollar in maturing debts to the 14-nations of the so-called Paris Club. Talks to restructure these loans were dependent on the scaling of an IMF agreement.

Obviously we must pay all of the Paris Club obligations,

Cuisia said adding that other official assistance inflows that were due to come in this year might also be suspended as a result.

I am concerned in a delay in concluding an agreement because we could be sending wrong signals to the international community and not to do things we would like to achieve, spending for more infrastructure and basic services, he added.

Sealing the agreement would have given Manila access to an IMF extended fund facility estimated to range from 600 to 800 million dollar and would have also served as a seal of good housekeeping to other sources of foreign credit.

## Demand for higher OPEC quota

# No Iranian pledge to support Kuwait

KUWAIT, May 28: Kuwait Oil Minister Ali Ahmed al-Baghlhi said on returning from Iran on Thursday that Tehran did not promise to back his country's demand for a rise in its OPEC quota.

'Iran did not give a promise but expressed an understanding of Kuwait's best demand,' Baghlhi told Reuters.

'Even Iran wants its quota increased and these are matters that will be discussed' at OPEC's June 8 ministerial meeting in Geneva to set the ceiling for the July-September period.

The minister refused to say how much of an increase each country will demand. 'I do not want to give figures about anything now, everybody is tense now and I prefer to wait for the meeting in Geneva,' he added.

Iranian Oil Minister Gho-

lamreza Aqazadeh said on Wednesday OPEC should boost the oil output quota for Iran and Kuwait to help them finance post-war reconstruction, the official Kuwait news agency (Kuna) reported.

'OPEC must work on approving the two countries' (Iran and Kuwait) request to raise their production,' Aqazadeh said during his talks in Iran with Baghlhi.

Baghlhi, under strong pressure to bring in more oil revenue, went to Iran on Tuesday to seek its support. Iran is the second largest producer in the 12-nation Organisation of Petroleum Exporting Countries (OPEC).

Kuwait, which currently has a 1.6 million barrels per day (BPD) quota, has said it would ask for a quota of at least two million BPD at the next OPEC meeting.

## Chile keeps cars, industries idle to fight pollution

SANTIAGO, Chile, May 28: The government ordered around 250,000 motor vehicles to stay off the streets Friday and 435 industries to close for 24 hours to fight a steep increase in the normally high pollution in this capital city of 4.5 million people, reports AP.

The government's Anti-Pollution Commission blamed the worsening of the thick cloud of smog over the city mainly on lack of rain.

According to the commission's order, 40 per cent of the city's 600,000 motor vehicles will have to remain off the streets. The affected vehicles are picked based on the final digit of their license plates.

# Early move to a single EC currency still possible

BRUSSELS, May 28: The conditions still exist for an early move to a single currency by a hard core of European Community countries, a top economist said on Thursday, reports Reuters.

Graham Bishop, vice-president of finance house Salomon Brothers, told a meeting of bankers that last weekend's agreement by EC finance ministers to bring flexibility back to the community's Exchange Rate Mechanism had done little to rebuild confidence in the battered grid.

'The faith of investors in the European currency unit has denied, they need tangible signs that EC governments really intend to press forward to economic and monetary union,' Bishop said.

'In the near term, the most convincing step would be for some states to harden the core ERM. Practical methods are already available if the political will exists.'

Bishop said that while the

deal to make currency changes in the ERM more frequent when economics dictated had taken some of the immediate tension out of the grid, it had also made the ECU — the basis for the future single currency — less attractive.

'The renewed emphasis on ERM flexibility will reinforce investor concerns about the risk of holding currencies undervalued by deteriorating economic fundamentals,' he said.

He added that any decline in economic recovery prospects for 1994 could see a repeat of the storms through the autumn into the spring that swept the British pound and Italian lira out of the grid and forced the Spanish peseta, Portuguese escudo and Irish punt to devalue.

The European Commission is in the process of cutting its forecasts for growth next year from 1.8 per cent to around one, but Bishop said many economists saw even this as

optimistic.

As the peseta came under new pressure in the grid, prompting speculation it might be forced to abandon the ERM after three devaluations in just eight months, Bishop said the conditions were building for a flare-up of tension in the system.

Another report from Copenhagen adds: Danish Prime Minister Poul Nyrup Rasmussen said on Thursday Europe should open its markets further and that building protective walls against eastern Europe was a 'political non-starter.'

Rasmussen, addressing a conference of international bond dealers, said time was running out for traditional industry producing in Europe with labour-intensive technology.

'China, India and Brazil are entering, the International economy and they can without any doubt out distance Europe in these areas.'

# Third World conservation projects to fight US greenhouse gases?

WASHINGTON, May 28: Officials say they are examining the practicality of reducing US emissions of greenhouse gases by sponsoring conservation projects in developing countries, reports BSS.

Susan Tierney, Assistant Secretary of Energy for domestic and international energy policy, told a Congressional subcommittee May 26 that US industry might find that the cheapest way to get credit for reducing emissions of the gases that may warm and change earth's climate is to fund a reforestation project, for example, in a developing country.

She pointed out that greenhouse gases from all locations rise and mix high in the atmosphere. Therefore, a reduction of emissions in one place benefits the world.

'Yet because the cost of such reductions varies widely, the US may be able to do more to protect the climate, at lower cost, by investing abroad than by regulating here,' she told the House of Representatives' energy subcommittee

on power.

Timothy Wirth, State Department Counsellor, told the subcommittee that what is called 'joint implementation' will be discussed at the August meeting of the Inter-governmental Negotiating Committee (INC), which drew up the treaty to limit greenhouse gas discharges. The treaty was signed by more than 150 countries at the Earth Summit in Rio de Janeiro in June 1992.

The treaty provides for joint implementation but does not specify how to do such projects, he said. According to Wirth, the questions that need to be resolved include which country would get credit for the emission reduction, how would an agreement be monitored and who could participate.

The INC drew up the treaty after an inter-governmental committee of scientists reported that earth would warm one degree Celsius by the year 2025 and three degrees by the end of the 21st century at the current rate of emissions of the gases that trap heat on earth.

Robert Sussman, Deputy Administrator of the US Environmental Protection Agency (EPA), told the subcommittee that such temperatures increases have not been seen on earth in 10,000 years.

The treaty sets a non-binding goal of limiting emissions in the year 2000 to the level released in 1990. President Clinton, in a break with the Bush administration, has committed the United States to reaching that goal.

But Tierney disclosed for the first time that the Clinton administration expects more difficulty in reaching that goal than President Bush did.

US programmes currently in place and Clinton proposals such as the energy tax if fully implemented would leave US emissions in 2000 four to 5.5 per cent above 1990 levels, she acknowledged in an interview after the hearing.

The Bush administration said US emissions in the year 2000 would be 1.6 to six per cent above 1990 levels, but William Reilly, Bush's EPA administrator, said he was confident that

the stabilisation goal would be reached with policies in place in 1992.

The Clinton administration is assuming slower economic growth, meaning slower adoption of energy-efficient technologies, said Abraham Haspel, Deputy Assistant Secretary of Energy for economics and environmental policy, in an interview. 'We have a more realistic model. Five per cent is the better number,' he said.

Tierney said during the hearing that US greenhouse gas emissions in 1990 were between 1,520 million and 1,617 million metric tons expressed as equivalents of carbon. The range of emissions would be 1,718 million and 1,830 million tons of carbon in 2000 if no reductions policies were adopted.

Current and proposed programmes will reduce emissions to a range of 1,580 million to 1,707 million tons in 2000, she said.

Clinton has promised to detail by August how the government will meet the year 2000 stabilisation goal.

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## Shipping Intelligence

### CHITTAGONG PORT

Berth Position and Performance of Vessels as on 27.05.1993

Berth No.	Name of Vessels	Cargo	L/Port	Local Agent	Date of Arrival	Leaving
J/1	Orsha	Cement	Sing	USTC	6/5	30/5
J/3	Norbulk Namir	Cement	Visa	BOWL	15/4	29/5
J/4	Safina-e-Islam-2	GI/GL	Kara	ASLL	26/5	1/6
J/6	Sea Progress	Cement	Pacla	AML	21/5	30/5
J/8	Samudra Raj	Repair	Kara	SSL	11/5	30/5
J/10	Endurance Sea	Repair	Agaba	CLA	25/1	30/5
J/11	I Yamburenko	Cont	Sing	CT	26/5	29/5
J/12	Al Reza	Urea	Mong	Seacom	21/5	5/6
J/13	Bervalla	Cont	Sing	LUA	24/5	29/5
CCJ	Navick (Ebb)	C.Clink	Sing	UMAL	25/4	28/5
GSJ	Banglar Sampad	Wheat (G)	-	Lama	R/A	27/5
TSP	Dignity	R Phos	Anna	TSLL	22/5	29/5
LD	Banglar Gourab	Repair	Mong	BSC	14/5	30/5
DDJ/1	Tug Y Success/Labroy-90 GI	Sing	EA	31/1	7/8	
DDJ/2	Banglar Aaha (Ebb)	Repair	-	BSC	R/A	30/5
CUFJ	Loyal Bird	Hrea	-	Litmond	R/A	29/5
CUFJ	Sam Lombok	P Mat	Sing	Anchor	31/3	31/8

### VESSELS DUE AT OUTER ANCHORAGE

Name of Vessels	Date of Arrival	Last Port	Local Agent	Cargo	Loading Port
Continent-1	27.5.93	Cal	CLA	GI	Cal
Ingenuty 15/5	27.5.93	Sing	RSL	Cont	Mong
Fong Shin 15/5	27.5.93	Col	BDSHP	Cont	Sing
Karabivert	27.5.93	Sing	EBPL	GI	Pe-St
NGS Express 20/5	28.5.93	Sing	BDSHP	Cont	Sing
Agra	28.5.93	Sing	PSAL	Cement	-
Meng Kiat 2/5	29.5.93	Cal	AML	Cont	Sing
Optima 22/5	30.5.93	Sing	RSL	Cont	Sing
Ronjay Choomie	30.5.93	-	USTC	Cement	-
Banglar Mori 18/5	30.5.93	Mong	BSC	Cont	-
State of Tripura	30.5.93	Road	SSL	GI	-
Akela	31.5.93	Muen	Reyal	R Seeds	-

### TANKER DUE

Petr Schmidt 5.6.93 Scacom Sova Oil (RM/3)

### VESSELS AT KUTUBDIA

Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival
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### VESSELS READY

#### READY ON

Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival
Sea Rhapsody	C.Clink	Visa	UMAL	4/5
Easo Bayonne	HSD/JP-1	Sing	MSPL	26/5
Banglar Shobha	Wheat (G)	-	Lama	R/A (24/5)

### VESSELS NOT READY

Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival
Vishva Umang	Cement	Visa	PSAL	23/5
Nezabudka	Cement	Jaka	USTC	25/5
Banglar	-	Kara	BSC	26/5
Q. of Heart	Wheat (G)	-	-	-

### VESSELS AWAITING INSTRUCTION

Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival
Chipsam	Cement	Titiz	PSAL	14/4
Banglar Jyoti	-	-	BSC	R/A (17/5)
Banglar Shourabh	-	-	BSC	R/A (25/5)
Martine Three	Repair	-	BML	R/A (24/5)
Estratos-G	Wheat (G)	Ant	LTL	20/5
Salvgour-665	-	Dubai	BTSA	26/5
Komsomolets Rossi	-	-	Sunbeam	R/A (26/5)

### VESSELS NOT ENTERING

Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival
Stern	Scraping	Mong	NET (P)	9/4
Coronado	Wheat (G)	Jedd	Ancient	22/5
Chillian	Scraping	USA	MSPL	24/5
T.T. Alas	Scraping	Sing	CTL	24/5

### MOVEMENT OF VESSELS FOR 28.5.93 & 29.5.93

OUTGOING	INCOMING	SIFTING
28.5.93		
CCJ Navick	MPB/2 Fong Shin	J/1 Orsha to RM-4
	J/9 NGS Express	J/9 Q.O Heart to J/7
	J/1 Karabivert	
	CCJ Sea Rapsody	
29.5.93		
J/3 Norbulk Namir	DOJ B.Jyoti	J.9 NGS Express to MPB-1
CUFJ K.Rossi		

## Exchange Rates

The following are the Commercial Banks' BC selling and IT (C), OD transfer buying rates for some selected foreign currencies effective on May 28 and 29. (Figures in Taka)

Currency	Selling		Buying OD Transfers
	B.C.	T.T. (C)	
US Dollar	39.9326	39.7087	39.4556
Pound Sterling	61.7704	61.4519	61.0829
DM	24.5256	24.3791	24.2237
FF	7.2863	7.2415	7.1953
S Riyal	10.6740	10.6142	10.5465
D Guilders	21.9109	21.7761	21.6373
S Kroner	5.4772	5.4395	5.4049
Singapore Dollar	24.8507	24.7114	24.5539
UAE Dirham	11.0025	10.8485	10.7793
Kuwait Dinar	133.4627	132.7144	131.8685
Indian Rupee (AMU)	1.2737	1.2680	1.2617
Pak Rupee (AMU)	1.4775	1.4710	1.4637

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