

Business

C'wealth sets up task force for world free trade deal

LIMASSOL (Cyprus), Oct 24: The Commonwealth summit set up a ministerial task force to lobby key capitals holding out on a world free trade deal they say rich and poor nations urgently need, reports Reuter.

Five heads of government, saying they represented a third of the world's nations and a fourth of its population, announced their commitment to "a comprehensive, equitable and balanced conclusion" of the Uruguay Round of GATT talks by December 15 — the deadline set by the US congress.

"Only 53 days remain and we are, therefore, dispatching a ministerial mission to selected capitals to call upon key participants and to urge them to negotiate positively and flexibly to reach final agreement," a statement said.

Prime Minister John Major of Britain linked their mission to

a moral crusade, aimed at averting what many in the Commonwealth of 50 developed and developing nations fears a looming trade war.

Agreement on GATT, which has divided the United States and the European Community, meant growth and jobs while failure would bring a slump, he told a news conference.

Flanked by the leaders of Australia, Singapore, Jamaica and Cyprus, Major asked where was the morality in developed nations providing aid to developing nations then closing their markets and taking it all back.

"It is not just an economic and political question I think there is a moral imperative to get an agreement as well," he said.

Major and Australian Prime Minister Paul Keating estimate a deal could boost world trade by more than 200 billion a year

and of that some 55 billion would accrue to developing states.

In a keynote speech to the Commonwealth's 29th summit yesterday, Keating told the organisation to fight for a GATT pact.

"It is time for us to say clearly to the world that the Uruguay Round must be concluded this year and it must be a balanced outcome," he said.

Keating told the news conference afterwards the setting up of the ministerial mission itself was "a substantial statement at a critical time" for free trade, growth and jobs.

The leaders said they would decide over the weekend on the composition of the mission and the capitals to be visited.

Major said the appeal would not just concentrate on France, singled out by himself and Keating on Thursday for drag-

ging its feet on a deal. He said problems were wider than a disagreement over agriculture, the main French concern.

The alliance over the General Agreement on Tariffs and Trade (GATT) could give the new-look Commonwealth much-needed impetus in its plans to become a major force for democracy, human rights, Third World development and conflict-solving.

It is especially useful as potentially divisive issues such as the argument between member states India and Pakistan over the troubled Muslim state of Kashmir and a power struggle in Nigeria may still haunt the organisation.

Newly-elected Pakistani Prime Minister Benazir Bhutto told Reuters Friday she was cynical about an Indian offer of peace talks on a range of issues including Kashmir because of recent violence in the Muslim state.

China announces new regulations to halt illegal fee collections

BELJING, Oct 24: In another attempt to stop unauthorised fee collections by agencies ranging from police to airlines, the government and Communist Party announced new regulations Sunday to halt the practice, reports AP.

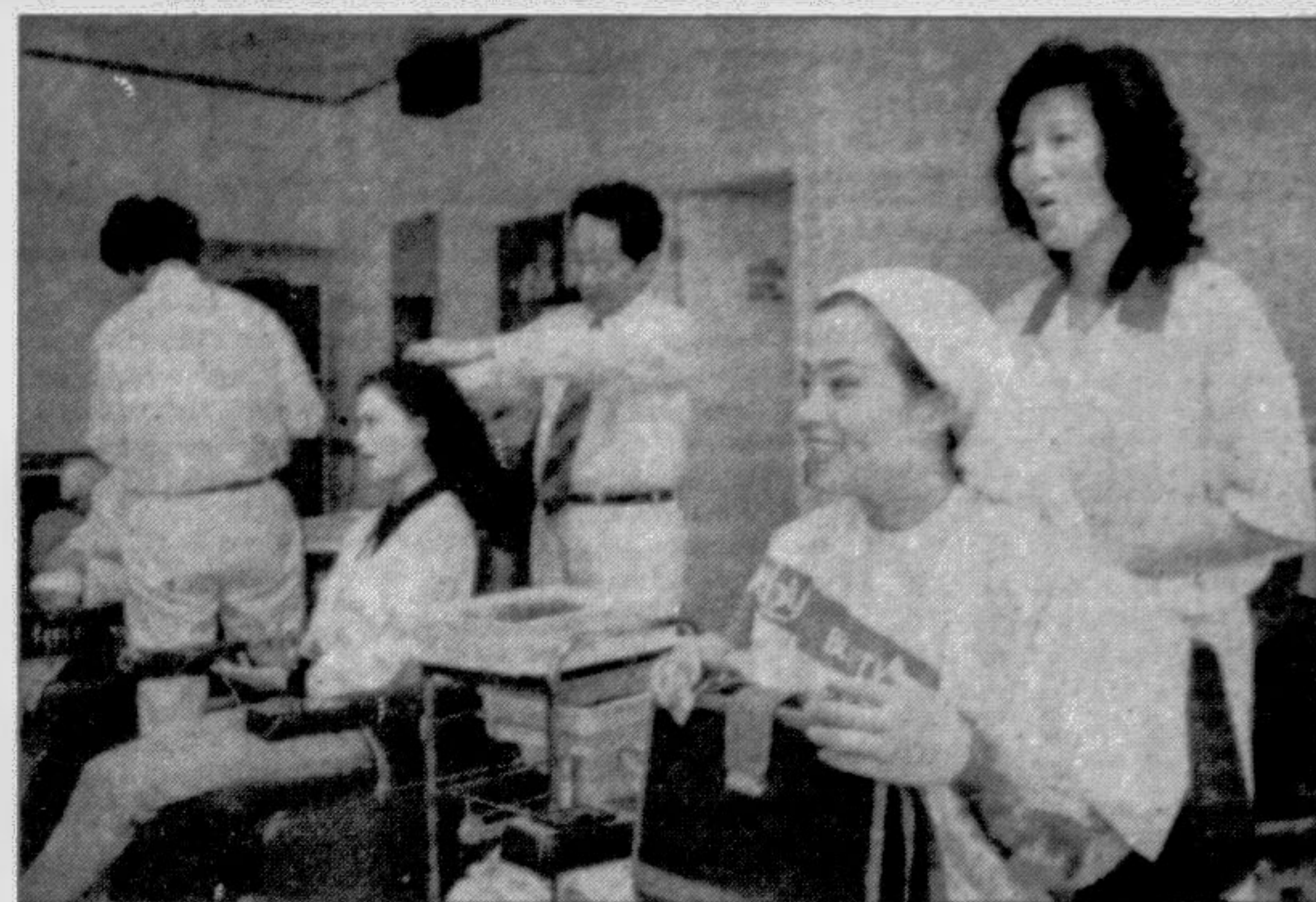
The official Xinhua News Agency said the directive from the party Central Committee and the State Council, or Cabinet, was part of China's current anti-corruption campaign.

"All organisations and individuals have the right to report to finance and planning departments on the collection of fees the deem to be in violation of state rules," the report said.

It did not explain, however, how the ban on unauthorised fees would be enforced or how violators would be punished.

As China shifts from central planning to a market economy, schools now charge students desk-and-chair rental fees, airlines charge for reconfirming reservations and handling checked baggage, and railways charge a service fee for selling passengers their tickets. In one city, residents demand a fee for giving visitors directions.

Last month, the government told police they had to stop charging for missing person searches, for registration of residence changes and for handling criminal and public order cases.



In China, fashion conscious Shanghai women treat themselves to a full make-up session at Ruby's Beauty Shop, one of Shanghai's most expensive and exclusive beauty parlour October 10. According to a recent survey of Shanghai residents, people are paying up to 20 per cent of their 500 yuan (90 USD) monthly salary on beauty products. — AFP photo



TOKYO: Visiting Director General of the General Agreement on Tariffs and Trade (GATT) Peter Sutherland (R) walks into a meeting room with Japanese Foreign Minister Tsutomu Hata at the Foreign Ministry Thursday. Sutherland is here to expedite the stalled Uruguay Round. — AFP photo.

Tokyo may soon lift ban on rice imports to help GATT deal

TOKYO, Oct 24: Japan may soon decide on a partial lifting of its blanket ban on rice imports to avoid isolation at the Uruguay Round multilateral trade talks, Sunday newspapers quoted a top government spokesman as saying, reports Reuter.

"Discussions between Europe and the United States are making headway," government spokesman Masayoshi Takemura told newspapers on Saturday, the Asahi Shimbun and others said.

"Judging from the atmosphere at the global talks, it is true that Japan alone cannot resist the moves," said Takemura, the chief cabinet secretary. "Our country must soon make the final decision."

Last month, the government decided to import 200,000 tonnes of industrial-grade rice. But it has repeatedly said the emergency imports — sparked by a disastrous rice harvest this year... were a one-off measure and did not signify any weakening of its stance on the controversial import ban.

Takemura said Peter Sutherland, head of the General Agreement on Tariffs and Trade (GATT), was positive toward the

idea that Japan allow a minimum import of foreign rice after accepting that its ban be replaced with tariffs.

Sutherland left Japan on Saturday, the Asahi Shimbun and others said.

Asian trade: ADB

MANILA, Oct 24: The Japanese economy is becoming increasingly dependent on trade with developing countries in Asia because of the strong yen and demographic factors, the Asian Development Bank (ADB) said here yesterday, reports AFP.

In the past decade Japan has grown more slowly than most of its neighbours in developing Asia and this trend is likely to continue, ADB assistant chief economist Malcolm Dowling told a news conference.

This divergence in growth rates underscores significant changes in the structure of economic interaction within the Asian region.

He said the yen's appreciation since 1985 accelerated Japan's economic transformation and boosted rapid growth in East and Southeast Asia.

Saturday after a three-day trip to convince Japanese politicians, businessmen and farmers of the tariffication plan, part of his efforts to save the long-delayed Uruguay Round talks.

"For the government, this is not an easy plan to accept. But we can't go on repeating no," Takemura said.

The GATT sponsored Uruguay Round talks, which cover 15 areas ranging from services to textiles, aim to replace all non-tariff farm trade barriers with tariffs.

Japan has stressed that rice, its staple grain, should be exempt from this pact, arguing the country imports about 60 per cent of all foodstuff from abroad.

"Japan's total import by the end of the year could top a record two million tonnes, or about one-seventh of the rice available on the global market, the Kyodo news agency reported on Saturday.

Distribution of rice is government-controlled, but reports of rice theft and black marketeers appear in Japanese dailies almost everyday. The government last week adopted a plan to advertise that stable supplies would become available.

PLO resumes paying pensions to Fatah group in Lebanon

SIDON (Lebanon), Oct 24: The PLO resumed paying pensions to fighters and families of dead guerrillas of its mainstream Fatah group in Lebanon on Saturday, Palestinian sources said, reports Reuter.

They said the Tunis-based Palestine Liberation Organisation leadership, which had halted the payments seven months ago because of a financial crisis, has wired the sum of 450,000 to cover salaries for the past three months. Fatah is the PLO's main faction and has about 1,800 fighters in South Lebanon most of whom back chief Yasser Arafat.

The sources said a small number of Fatah officers and fighters opposed to a PLO-Israel peace agreement signed in Washington last month would also receive the monthly payments ranging from 60 to 150.

Arafat relieved lieutenant-colonel Munir Makdah of his duties as Fatah's military commander in Lebanon last week. Makdah opposed the pact and has demanded Arafat resign.

Part of the money would go to the Palestinian Red Crescent society and workers unions, the sources said.

Bugle Boy Chairman due today

By Staff Correspondent

Dr. William C.W. Mow, Chairman and Chief Executive Officer of Bugle Boy Industries Inc. USA, will arrive in the city today (Monday) on a one-day visit.

He will be accompanied by his wife Rosa Mow, Senior Executive Vice President of Bugle Boy.

During his visit here, he will meet with ministers, senior officials, statutory bodies and en-



William C.W. Mow

trepreneurs of the garment industries.

Bugle Boy is among the largest privately-held apparel companies in USA, selling its products to more than 7500 better department stores and specialty retailers. Bugle Boy produces and markets casual pants, dress pants, sportswear and jeanswear for men, women and children.

Bugle Boy Industries commenced placing orders in Bangladesh initially through an agent and in July 1990 set up its own liaison office in the name of Pacific Rim Textiles. Ever since it has expanded threefold in its order placement in conjunction with the impressive growth of the garment industry in Bangladesh.

Bugle Boy Industries has expressed optimism and confidence in the continuing growth of the industry here and has confirmed of expansion plans which included opening of an office in Chittagong.

India's ability to tap foreign commercial loans reviving

BOMBAY, Oct 24: After being shunned for over two years following a lowering of its international credit rating, India's ability to tap foreign commercial loans is reviving along with the economy, bankers said, reports Reuter.

"This marks a remarkable change in the attitude of international banks towards India and shows that its economic reforms initiated two years back have started bearing fruit," a senior banker said.

India's credit rating was lowered to a non-investment grade of BB by the US rating agency standard and poor in mid-1990 amid a looming balance of payments crisis. Moody's and the Japanese Bond Research Institute (JBR) also lowered India's international rating.

Most commercial lending to India was halted and even strong banks and financial in-

stitutions found it difficult to borrow, even at higher rates.

But bankers say that recently the international perception of India has changed dramatically after it launched a series of economic reforms to dismantle decades of socialist policies.

"We have positive signals that things are improving at a very fast rate," said Solomon Raj, deputy managing director of the State Bank of India (SBI), the country's largest nationalised bank.

Devaluation of the rupee has helped spur export growth of 24 per cent in the first five months of 1993/94 (April /March), while the country's foreign exchange reserves have doubled in two years to a record high in October of 11.5 billion dollar.

Officials at SBI said the improved image had enabled the bank to borrow more than 300 million on competitive terms in

recent months.

"We hope that the country's credit rating will now improve," said Solomon Raj, who heads the bank's international division.

"Six-month loans are now available at 0.25 per cent above London Interbank Offered Rate (LIBOR) from nearly 1.50 per cent above LIBOR a year ago," he added.

Financial institutions like the Industrial Development Bank of India (IDBI) and Industrial credit and investment Corporation of India (ICICI) were yet to tap the market until they fully utilised their existing lines of credits, an official said.

Bankers said the current hesitancy among bankers to lend for longer duration to India will disappear and the rates for short-term borrowings fall further as confidence in India improves.

Australian scientists develop method to extract coconut oil

SYDNEY, Oct 24: Australian scientists yesterday said they had developed a method of extracting coconut oil which could transform village economies in Third World countries, reports AFP.

"The key was to find a cheap method using simple technology that could be done on a household basis," said agricultural economist Dan Etherington of the Australian National University (ANU).

"A modified caulking gun, used instead of powerful and expensive presses, can extract enough oil from one coconut to run a small diesel-engine truck for one kilometre."

Interviewed by telephone, Etherington said the solution came to me as I was sealing a caravan roof with a caulking gun.

The usual method requires motorised screw presses operating under high pressures because "oil is very difficult to squeeze-out of a coconut when it is too dry or too wet," he said.

"When the moisture content is about 10 to 12 per cent the oil just falls out."

The critical proportion had been worked out in laboratories using "15,000 dollar box of electronics," Etherington said.

"But the recipe is simple: You just heat the nut in an oven, or even on rocks in the

sun, until it is as dry as it can get, then you add a measured amount of water for a measured quantity of grated coconut."

Etherington estimated that island countries in the South Pacific could reduce the amount they spend on diesel by one-fifth using coconut oil.

"Coconut oil cannot really compete on world markets, where it sells for around 500

dollar a tonne, with diesel, which sells at 200 dollar."

The low-tech method was ideal for remote places, he said, "when you get to the end of the trade route, and diesel has been loaded into 44-gallon drums, shipped and taxed, then it starts to become expensive."

It is unnecessary to modify diesel engines, he said, provided the oil was filtered.

Exchange Rates

The following are the Sonali Bank's dealing rates (Bangladesh Taka for one unit of foreign currency) to public for some selected foreign currencies effective as on Oct 23 and 24.

Currency	Selling		Buying
	B. C.	T. T. (C)	
US Dollar	39.9500	39.7100	39.4900
Pound Sterling	58.8463	57.7224	57.4027
DM	23.9414	23.5467	23.4163
FF	6.8643	6.7472	6.7098
Indian Rupee (AMU)	1.2768	1.2665	1.2508
Pak Rupee (AMU)	1.3296	1.3187	1.3024
Indicative Rates			
	Selling	Buying	
	T.T. & O.D.	O. D	Transfer
S Riyal	10.6500	10.5200	
D Guilders	22.1600	21.9000	
S Kroner	5.0500	4.9800	
Singapore Dollar	25.5200	25.2100	
UAE Dirham	10.8800	10.7500	
Kuwait Dinar	134.1100	132.2000	

Note: AMU—Asian Monetary Union.

World commodity markets: Tin price jumps on hopes of production cuts

LONDON, Oct 24: Tin price jumped in trading on the London Metal Exchange (LME) during the week, up by 15 per cent from mid-September, on hopes of cuts in output if China joins the Association of Tin Producing Countries, reports AFP.

But the market remained fragile, dealers said, and production comes into line with demand.

Tin's jump this week helped other metals, though their gains were limited by the rise in stocks and the poor level of demand.

The precious metals also rose, gold prices rising briefly above the 370 dollar an ounce level, thanks to a series of rate cuts in Europe and a recovery in jewellery purchases ahead of the Christmas period.

Among soft goods, coffee prices rose on signs that Brazil planned to stick to launch a stock-withholding scheme.

Cocoa prices also rose following delays in the Ivorian and Ghanaian harvests. But fears over the political impact of Houphouet-Boigny's ill health affected trade.

The price of Brent, the North Sea crude oil, rose above 17 dollar a barrel but the trend remained weak because of doubts over OPEC's determination to control output.

Gold: Slightly higher. Gold prices rose this week, climbing briefly above 370 dollar an ounce for the first time since August, helped by interest rate cuts in Europe, renewed Chinese buying and a recovery in jewellery demand ahead of the Christmas period.

After having climbed to 373.7 dollar at mid-week, prices fell back to just below 370 dollar on profit-taking Friday — but analysts remained optimistic and predicted that prices would climb to 400 dollar by the end of the year.

Platinum: Higher. The price of platinum rose in line with gold over the week, though the rise was limited at the end of the week by rumours that Russia, the world's second largest producer, had exported a large quantity of the metal.

The market was also shaken by a report compiled for the European Commission suggesting that 400,000 jobs will be cut from the European auto-

parts industry between now and 1999.

Silver: Slightly higher. Silver followed the example set by the other precious metals and strengthened, boosted by a recovery in industrial and jewellery buying.

Copper: Lower. Copper prices fell in trading on the LME during the week, hit by a fresh rise in LME stocks and a continuing poor level of physical demand for the metal.

Signs that the British economic recovery was faltering and that the recession in continental Europe was deepening dented confidence on the market, dealers said.

Lead: Slightly higher. Lead price bucked the trend set by copper, however, climbing slightly despite a weak start.

Lead is still viewed as one of the best metals on the exchange in terms of the balance of supply and demand and the metal should hold onto most of its recent gains, in the short to medium term, one analysts said.

LME lead stocks fell by 2,100 tonnes to 288,125 tonnes.

Zinc: Slightly higher. Zinc

price also ended the week higher despite a poor start when the metal was hit, like most others, by gloom over the high level of stocks and the continuing imbalance of demand and supply.

Toward the end of the week, however, the market was encouraged by the news of industry talks to take place in Brussels on November 2 to look at shutting down excess zinc capacity in Europe.

Aluminium: Partial recovery after fall. Aluminium prices fell at the start of the week, depressed, like other metals, by record stocks and the imbalance of demand and supply.

The fall was stopped by news of talks in Moscow between Russian and EC trade officials on an agreement to limit aluminium exports to western Europe.

Nickel: Lower. Nickel price dropped slightly on profit-taking after a sharp rise in the previous week, dealers said.

Dealers are still hoping for further cuts introduction following the recent cutbacks announced by Canadian-based INCO, the world's largest nickel producer.

Tin: Sharply higher. Tin prices jumped five per cent on the week, breaking through the psychologically-important 5,000 dollar-a-tonne level for the first time since mid-August, as the Association of Tin Producing Countries (ATPC) met in Kuala Lumpur.

The price has risen by over 15 per cent since mid-September, boosted by hopes the ATPC will agree to reduce members output and that China will join the group, provided that it receives special membership rights.

Coffee: Higher. After jumping at the start of the week thanks to a sharper than expected fall in US green coffee stocks, the price of coffee lost ground on fears that Brazil might change its stock with holding policy.

The US green coffee association said stocks fell by 511,000 bags to 9,145 million bags at the end of September. Analysts had expected a fall in stocks of 200,000 bags.

Cocoa: Higher. The price of cocoa rose to its highest level since July 1988, boosted by the uncertainty over the west African harvests following a de-

lay in the start of harvests in the Ivory Coast and Ghana.

The market was made anxious however by the state of health of Ivorian President Felix Houphouet-Boigny who was hospitalised in Paris, and the political consequences this might have in the Ivory Coast.

Sugar: Lower. The price of sugar was depressed by a lack of new information on the 1993/94 harvest and the prospects of a rise in Russian sugar output.

Analysts said that Russia's gross sugarbeet harvest would reach 28 million tonnes in 1993/94 up from the 21.4 million previously predicted and the 25.5 million harvest in 1992/93.

Vegetable oils: Higher. Vegetable oils, with the exception of palm oil, rose in price on the Rotterdam market, boosted by soy's gains after rains slowed the US soy harvests.

The price of palm oil continued to fall, however, depressed by the growth in Malaysian stocks and output.

Crude Oil: Slightly higher. After starting the week below 17 dollar a barrel, oil prices rose

back above that level, encouraged by a technical recovery and an unexpected fall in US oil stocks.

The American Petroleum Institute said US weekly crude oil stocks fell by 3.7 million barrels, surpassing analysts' expectations of a two to three million barrels rise.

Rubber: Higher. The price of natural rubber bounced up, boosted by speculative buying and a rise in hopes for the future International Natural Rubber Organisation (INRO).

At an INRO meeting this week in Bali, members were optimistic following the announcement by Japan and the European Community that they would agree to renegotiate the INRO accord.

Grain: Weak. The prices of wheat and barley remained weak despite a report from the UN's Food and Agriculture Organisation (FAO) which said the outlook for world grain output in 1993/94 was quite bleak.

The FAO said world grain production would fall to 1.9 billion tonnes in 1993, three per cent less than last year, despite

a slight rise in wheat production to 568 million tonnes from 565 million in 1992.

Tea: Slightly higher. The price of tea rose as demand rose in the northern hemisphere ahead of the winter period.

The market was also boosted by renewed buying from the former Soviet Union, which has had to turn to western Europe for tea purchases following disruption caused by political conflicts to production in Georgia.

Cotton: Lower. The price of cotton fell because of a lack of industrial buying linked to the poor state of the US textile industry and the high level of world stocks.

Wool: Slightly higher. The price of wool rose to its highest level since August on the Bradford market, boosted by optimism that prices have passed their low point and turned back up.

Analysts said prices had risen because of prospects of an increase in wool consumption in 1994/95 and fears of a deficit in production because of an expected 25 per cent fall in Australian output.