

# C'wealth urges creditors to agree on debt relief for poorest states

LIMASSOL (Cyprus), Oct 26: Commonwealth leaders called on major world creditor nations to agree on substantial debt relief for the poorest countries, reports Reuters.

In a final communique, a copy of which was obtained by Reuters, the heads of government summit expresses their concern at the continuing debt problems of many developing countries.

It called for such additional measures as may be necessary to reduce the debt burden of these countries to sustainable levels.

The leaders call for the full implementation of the so-called Trinidad and Tobago terms proposed 1989 by British Prime Minister John Major to write-off up to two-thirds of the sovereign debt of about 20 of the world's poorest countries.

The communique also calls on members of the Paris Club of sovereign debt holders to be

more generous in giving debt relief.

"The neediest countries with a track record of international reform should be offered early and sufficient reduction on their whole stock of debt, the communique said.

Major earlier told a news conference that relief on debt was inextricably linked to economic development and the evolution of sustainable governments in the developing world.

"I don't believe it is practical or wise to expect developing countries to adopt sensible economic policies when the entire fruits of policies end up merely meeting interest payments on historic debt, Major said.

With out debt relief it would be difficult for underdeveloped states to get out from under their burden and build the kind of free market economies so many now sought, he said.

Free market economics are making dramatic progress in countries all around the world that frankly had no affection for them just a few years ago, Major said.

"I think that as that trend develops we need to write off a large part of historic debt — historic debt built up when those countries were following quite different economic policies."

### Communique okayed for GATT deal by Dec 15

Another report adds: Commonwealth leaders approved a communique calling for a complete GATT free trade deal to be signed by December 15.

Reiterating a declaration last Friday the final communique from the heads of government summit calls for a "comprehensive, equitable and balanced conclusion" to the Uruguay Round of GATT talks, now stalled after seven years.

A deal, they said, was crucial to economic growth.

France has suggested a partial GATT deal could be concluded by the end of the year, leaving contentious issues for later talks.

The communique calls for a deal to be agreed by the December 15 deadline set by the US congress.

Trade and development and the GATT deal have dominated the five-day summit of most leaders in the 50-strong Commonwealth which on Friday agreed to dispatch a special Commonwealth mission to key capitals to convince waverers to agree to a GATT deal.

Ministers from Canada, Mauritius, Malaysia, Ghana and Barbados are to travel to capitals from Paris to Tokyo and Geneva in the final weeks of November to press for a deal under the General Agreement on Tariffs and Trade (GATT).

# Iran, Kazakhstan agree to boost economic cooperation

ALMA-ATA, Oct 26: Iran and Kazakhstan today agreed to boost economic cooperation to give new momentum to their relationship, reports AFP.

Iranian President Ali Akbar Hashemi Rafsanjani told a news conference here that the two countries had "a large cooperation potential."

"If we carry out all our projects we will have very close ties with Kazakhstan," he said.

Agreements signed by President Nursultan Nazarbayev of Kazakhstan and Rafsanjani concern transports, notably maritime transport on the Caspian Sea, as well as industrial cooperation, customs and clearing operations between the two countries' central banks.

Nazarbayev said 1993 would bring "a surge in economic contracts between the two countries."

"We must do all we can to develop maritime transports between Iran and Kazakhstan."

# S Arabia to need \$ 35b by 2000 for oil expansion network

LONDON, Oct 26: Saudi Arabia will need investment of 35 billion US dollar by the year 2000 for its oil capacity expansion programme and other Gulf Cooperation Council (GCC) projects will cost an additional 47.7 billion US dollar, much of which will need financing from private sector banks, a Saudi banker said, reports Reuters.

Ahmed Abdul Latif, Managing Director of Riyadh bank said total capital investment required to achieve eight per cent growth in the manufacturing sector was estimated at 12.46 billion US dollar for the current five year plan, rising to 31.2 billion US dollar over the current decade.

It is assumed that 50 to 60 per cent of this requirement will be financed through the private sector: Both equity and commercial banks on equal basis.

He named a few projects which he said would provide opportunities for investment. In addition to the Saudi oil capacity expansion programme,

Kuwait, JAE and Qatar's capacity expansion would need an additional 20 billion US dollar. Saudi Arabia's refinery upgrade programme would require around 17.5 billion US dollar.

Qatar's refinery upgrade might cost 1.1 billion US dollar while the UAE and Bahrain's refinery upgrade may need another one billion US dollar.

### Expanding Saudi Arabian

### Non-oil foreign investment in Columbia surging

BOGOTA, Oct 26: New non-oil foreign investment in Columbia between January-September 1993 reached a net total of 395.06 million US dollar 55.4 per cent more than the 254.29 million US dollar received during the same period last year, said a group that promotes foreign investment in the country, reports Reuters.

Sabic's petro-chemical complex will cost about eight billion dollar, Abdul Latif said, adding one of the most important issues facing Middle East oil producing countries was how to finance capacity expansion without cutting back on development projects or straining strategic resources.

These requirements could be met from state oil company savings or surpluses, domestic and international borrowing or by "selling the Crown Jewels" acceptance of equity participation by foreign or indigenous private sector companies in the petrochemical and other non-oil industries," he said.

Abdul Latif added that although companies like Saudi Arabia's Aramco would find no difficulty in raising most of their required funds for oil capacity expansion, "the remaining finance requirements are still very large and the commercial banks will be called upon to play a crucial role in meeting those requirements."

# Two foreign bankers opine Bangladesh Bank should play more active role after Taka convertibility

Star Report

Bangladesh Bank should play more active role in the monetary market after taka has been declared convertible.

This was observed by two foreign bankers, Ananda P Bhaumik of Laem Thong Bank of Thailand and Ousep Mathen of Riyadh Bank, Saudi Arabia while talking to The Daily Star in an exclusive interview Monday.

Ananda, Consultant for Forex and Treasury Management of the Thai Bank, said the central bank can do it by influencing the market through various monetary measures.

Citing an example of France, Matthen, Manager of Equity Investment Department of the Saudi Bank, said "none risked to keep franc in hand when the central bank of France quoted a lower rate of interest on bank deposits."

"It helps to have good fiscal and economic governance," said Ananda.

They felt that the central bank should now give special support to the small bankers and should also train them up to face the new challenge of liberalised economy.

The two bankers were in the city for conducting a workshop on foreign exchange dealings organised by Equity Resources Ltd.

Regarding the central bank's

intervening role, Matthen said Bangladesh Bank should never allow small individuals to go for speculation. "Speculation on retail level would be disastrous," Ananda supported, "I have seen people being ruined by such speculations," he said.

When their attention was drawn to the sluggish investment scenario of the country,

and China, developed their infrastructure through the infusion of private and public capital.

"Bangladesh can now float mutual fund," Ananda observed, saying there are a lot of Bangladesh expatriates, especially the Sylhetis, who would be interested to invest their money in their own country if

"Businessmen are not corrupt. They are being forced to adopt unfairness in business because of the lack of congenial atmosphere in the country's financial sector," Ananda observed.

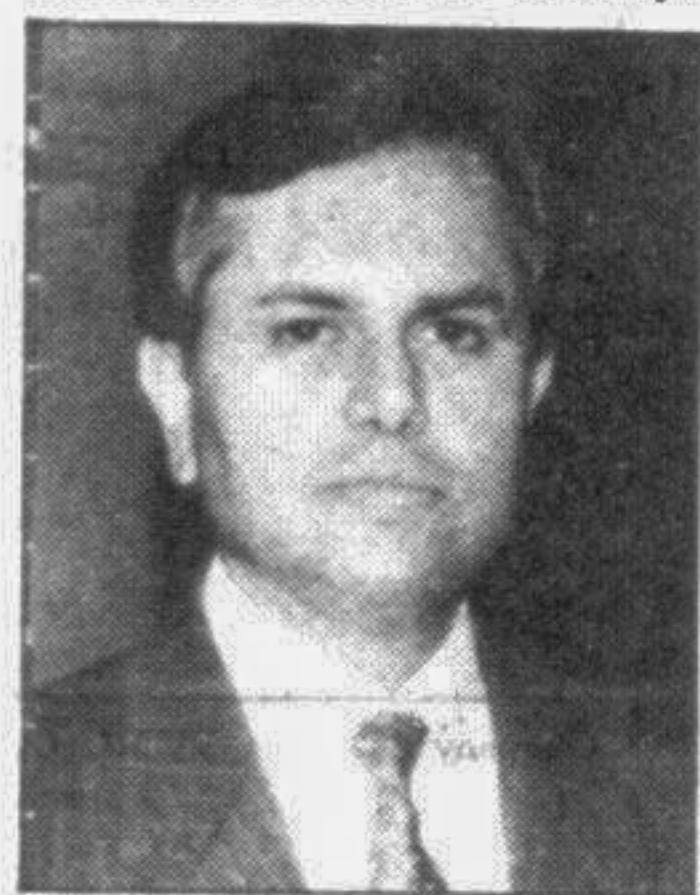
Ananda also said in China all the investment is being carried out by the expatriate banks. This is possible, because their investment is guaranteed by the Chinese government, he added.

Matthen said the government's policy should "not be to restrict the economy". It must be allowed to run on its own way, he said, adding the government can only supervise and extend support in terms of guarantee, if needed.

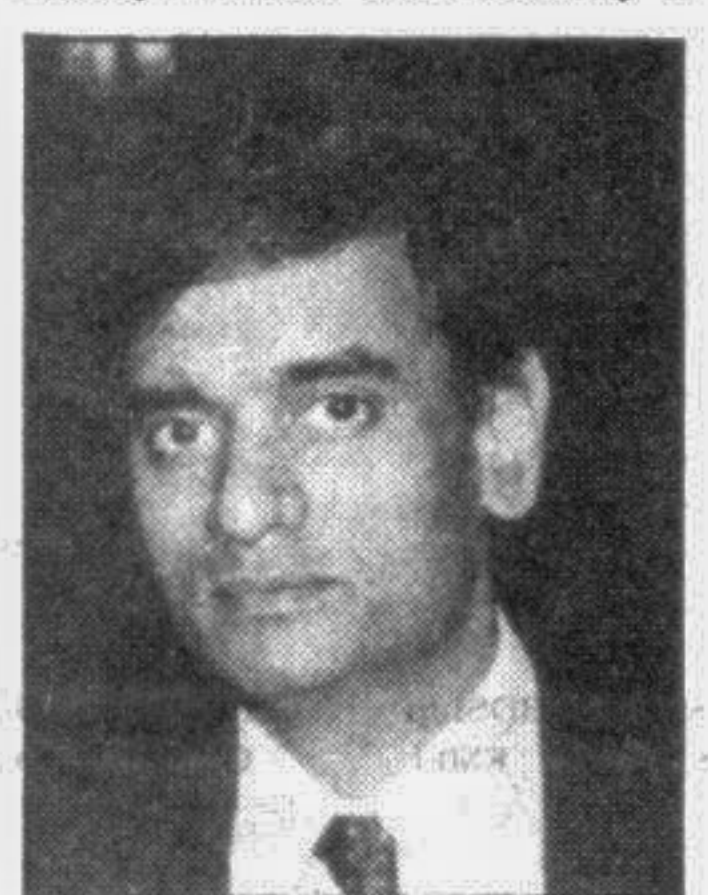
When asked, whether the lending rate in Bangladesh is too high or not, they declined to comment on this. They, however, spoke in favour of "collateral" in lending, since this is the system being followed by the banks all over the world.

Both Ananda and Matthen lauded the government's declaration to float dollar denominated bonds. But they said the bonds should be specific project related to attract buyers.

"This will add credibility to the bonds and will also get support from international agencies," Ananda said.



Ananda P Bhaumik



Ousep Mathen

both agreed that the government guarantee for investment was a must to encourage long-term financing by the banks.

"Bangladesh now needs joint capital in the infrastructural development," Matthen said.

Ananda expounded the idea by saying that Korea, Singapore

their investments are guaranteed through such mutual funds.

They also stressed the need for creating a favourable climate for investment in the country rather than launching programmes like 'entrepreneurial development scheme'.

# France condemns US stand on GATT

PARIS, Oct 26: French President Francois Mitterrand condemned the US stand on the GATT trade agreement Monday describing it as a dictate to the rest of the world, reports AFP.

In other comments in an hour-long interview on French Television, he also called for the revival of unity in the European Community at a special EC summit due to be held Friday.

He also took the opportunity to reply to former British Prime Minister Margaret Thatcher over criticism of him in her recently published memoirs, and reaffirmed France's commitment to a nuclear test moratorium.

Referring to troubled General Agreement on Tariffs and Trade (GATT) talks, Mitterrand told France 2 Television: "It is the Americans who have been marked out by their tough stance, often by a kind of diktat, which is intolerable."

Paris and Washington have been at loggerheads over the Uruguay Round of GATT talks because of a French bid to renegotiate last November's interim Blair House accord between the European Community and the United States on cutting farm subsidies.

France has also demanded the exclusion of cultural products such as movies and videos from the agreement, which is aimed at breaking down trade barriers.

Mitterrand, who has repeatedly criticised Washington for rejecting a cultural exclusion clause, said: "If we have to agree on an accord which underestimates, neglects and even offends French interests... it will be a bad business."

"We must not say, earlier than necessary, that we will not sign, we must continue negotiation," he said.

In related comments, Mitterrand called for a special EC summit meeting due Friday

in Brussels to mark a return to EC harmony after its recent divisions, in part sparked off by disagreements over GATT.

The French President agreed that British attitudes had got the upper hand in EC arguments in recent months, but said Friday's summit "should help us to re-build community unity."

He said European Unity was "a question of wanting it." He added that the community's current difficulties "must not delay by a single day" the implementation of the second phase of European Monetary Union, due for January 1, 1994. He added that German Chancellor Helmut Kohl agreed.

In other related comments, Mitterrand took issue with the memoirs of former British Premier Margaret Thatcher, saying he would never have boosted relations with London at the expense of Germany or European integration.

In her memoirs published

on October 18, Mrs Thatcher said she had discussed closer relations with France as a way of slowing German unification and that Mitterrand had come close to agreeing with her.

Thatcher wrote in her book "The Downing Street Years" that during three private meetings with Mitterrand and interest arose to create an understanding to "check the German juggernaut."

"I always wanted to build an active and constructive friendship with Britain but not at the expense of a break in Franco-German friendship and I did not want it at the expense of European construction," Mitterrand said.

"If Mrs. Thatcher or any other had wanted to draw us into an exclusive relationship that would have been damaging to something I have worked towards for a long time — European Union — I would have followed what has always been my line — Franco-German friendship."

# KPC's deputy chairman resigns

NICOSIA, Oct 26: The deputy chairman of the state-owned Kuwait Petroleum Corporation (KPC) has resigned amid a serious management crisis, the Cyprus-based Middle East Economic Survey (MEES) said Monday, reports AFP.

The resignation of KPC Deputy Chairman Abdul-Razzak Mullah Hussain on October 16 followed a dispute with Oil Minister Ali Ahmad Al-Baghlil, the ex-official chairman of the company, the weekly said.

In his resignation letter Hussain charged that Baghlil had "instituted administrative methods based on centralisation" and had wanted to "run the huge and complex (oil) sector from his office."

In reply, Baghlil accepted his resignation and accused Hussain of committing "huge errors" and being an "obstacle" to the evolution of KPC.

# Malaysia may quit if APEC becomes trading block

SYDNEY, Oct 26: Malaysian Prime Minister Mahathir Mohammad said he would consider pulling Malaysia out of the Asia Pacific Economic Cooperation forum (APEC) if it became a trading bloc, an Australian newspaper reported today, reports Reuters.

In an interview with the national newspaper the Australian, Mahathir said he would not commit himself on whether Malaysia should remain in APEC, a loose grouping of 15 Asia-Pacific nations, including the United States, Japan and Australia.

"We have to keep our options open on all blocs," Mahathir told the newspaper in Cyprus, whether he was attending a Commonwealth heads of government meeting.

"We are not a member of the EC (the European Community) and that has not damaged us, we are not a member of NAFTA (the North America Free Trade Association) and that has not damaged us and we will have to see if not being a member (of APEC) would damage us."

"It is possible that we can remain outside every bloc and conduct trade that way," he said.

Since APEC's inception in 1989, Mahathir has consistently expressed his concern

that it has grown too fast and could smother existing Asian groupings such as the Association of South East Asian Nations (ASEAN). ASEAN consists of Indonesia, Malaysia, Thailand, Brunei, Singapore and the Philippines.

APEC's 11-member eminent persons group, formed to develop a future strategy for APEC, has said the organisation should take the first steps toward an Asia Pacific Economic Community, paving the way for free trade and investment in the

region. "Malaysia has expressed the reservation from the beginning that ASEAN would be drowned but we were assured that it (APEC) would not become a super ASEAN," Mahathir said.

Mahathir, who previously said he would not attend APEC's first summit in the United States next month, told the newspaper he would attend the Seattle meeting if there were some compromises on the pace and direction of APEC.

# Scientists find better pest controls in Third World

WASHINGTON, Oct 26: Farmers in Asia, Africa and Latin America may get significant help in fighting plant pests in years to come by using natural enemies of the pests rather than chemicals that harm people and the environment, according to a panel of scientists, says a USIS report.

Researchers working in the Philippines, Nigeria, Taiwan, Colombia and India reported October 21 that new biological techniques will allow farmers in developing countries to reduce dramatically their use of chemical pesticides while increasing agricultural production.

Farmers often overuse pesticides, harming themselves economically, the panel said. Farmers also often do not wear equipment that will protect them from the dangerous ingredients in the pesticides they are spreading.

As a consequence, in the

Philippines, for example, rice farmers have five times the number of eye problems and twice as many respiratory ailments as non-farmers, said Kenneth Fishcher, deputy director general for research, International Rice Research Institute, Manila.

"In many cases, when one takes health costs into effect it negates the benefit of pesticides," he said at the panel brought together by the Consultative Group on International Agricultural Research (CGIAR), an umbrella for 18 international agricultural and forestry research centers.

Traditionally, the centers concentrated on developing high-yield varieties of crops that might or might not need heavier dosages of pesticides to increase production.

Twenty years ago Asia faced mass starvation and it was the high-yielding varieties of wheat and rice developed by the cen-

ters that alleviated that crisis, Per Pinstrup-Andersen, director general of the International Food Policy Research Institute in Washington, said as moderator of the panel.

But environmentalists around the world began arguing years ago that the pesticides not only polluted the land and waters and harmed the health of farmers but also were not as effective as natural enemies of harmful insects and weeds.

Comments by the panelists suggested that the centers now advocate a system called "integrated pest management", which uses a variety of biological, physical and chemical methods working together to control or eradicate the insects and weeds that attack crops.

Fischer said that his study in the Philippines indicates that chemical pesticides are not needed to control rice pests but are needed to prevent the spread of weeds.

Hans Herren, director of the plant health management division of the International Institute of Tropical Agriculture in Nigeria said that locusts are now swarming over fields across the African Sahel, the southern part of the Middle East, Pakistan and India. Insecticides so environmentally destructive that they have been banned in many countries have been used routinely in places where locust infestations break out, he said.

"We have been down the pesticide road but the problem still remains," he asserted.

Research at his center indicates, however, that a natural fungus, *metarhizium flavoviride*, can be mixed with small amounts of oil and sprayed where locusts land and breed.

The fungus harms no plants or other animals, including humans, he said.

A tiny wasp is being used to destroy the diamondbacked

moth, the most destructive pest of five important vegetable crops, N.S Talekar, an entomologist at the Asian Vegetable Research and Development Center in Taiwan, said.

The moth is developing immunity to pesticides used on cabbages, broccoli, cauliflower, radishes and Brussels sprouts. Tests indicate that using the wasps, which feed on the moth, can reduce pesticides use up to 80 percent.

A pilot programme on 7,000 hectares in the Philippines indicates that farmers are saving about 10.5 million dollar a year by spreading the wasps in their fields rather than pesticides, he asserted.

A mix of six to 12 predatory mites has been tested successfully against the green spider mite, the major pest attacking cassava in South America and Africa, Anthony Bellotti, a senior entomologist at the

International Center for Tropical Agriculture in Colombia, said.

Small companies in Colombia and Brazil have begun breeding and distributing the killer mites to farmers in their areas, he said.

Tests are being conducted to determine whether a wasp that could be bred by farmers would destroy large enough numbers of the hornworm that attack cassava to be useful.

Donald Byth, director of the cereals programme of the International Crops Research Institute for the Semi-Arid Tropics in India, said a disease-resistant variety of pearl millet has finally been found.

Biotechnology research over the next five years should be able to overcome completely the disease known as downy mildew, he said. "In 1993 we have the enemy under control and believe we are poised for the knockout blow."

**Government of Bangladesh**  
**Office of the Executive Engineer, RHD**  
 Comilla Road Divn, Comilla

## Notice Inviting Tenders

- Tender Notice No : 59/EE, RHD Road Divn, Comilla of 1993-94.
- Name of work : Providing GI pipe railing at newly-constructed Chinese steel bridge over Gumti river at 2nd KM of Comilla-Majigacha-Palpara-Burichong-B. Para-Mirpur Road under Comilla Road Divn. during the year 1993-94 (Ch to Nikar)
- Estimated cost : Tk 5,32,532/-
- Earnest money : Tk 10,651/-
- Name of office : Addl Chief Engineer, RHD, Comilla Zone, Comilla/Supervising Engineering, RHD, Road Circle, Comilla/Monitoring & Evaluation Circle (R&B), Dhaka & Office of the undersigned.
- Name of office of : Office of the undersigned/EE, RHD Road Divn, B Baria/Noakhali/Planning & Design Divn, Comilla/Planning Divn. (R&B), Dhaka & SDE's Office under this Divn.
- Time allowed : 45 (Forty-five) days from the date of issue of work order.
- Last date of selling : 8.11.93/24.7.1400 BS during office hours.
- Last date of receipt : 12.30 PM of 9.11.93/25.7.1400 of tender bids.
- Date & time of opening of tender bids : 12.45 PM of 9.11.93/25.7.1400.
- Eligibility of Contractor : A to D Special category of Contractor.

**Anwar Ahmed**  
 Executive Engineer, RHD  
 Comilla Road Divn, Comilla

DFP (G) 17193-21/10  
 G-1441