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DHAKA SATURDAY, DECEMBER 4, 1993

Some differences over tariff cuts resolved

US, EC move closer to GATT deal

BRUSSELS, Dec 3: The United States and the European Community moved closer Thursday to a world trade accord by resolving some differences over agriculture and tariff cuts, but remained stalled on other key issues, reports AP.

US Trade Representative Mickey Kantor and Agriculture Secretary Mike Espy planned to return to Brussels on Monday to try to clinch a deal paving the way for a global trade agreement by December 15.

"We're not there yet," Kantor cautioned after two days of intensive negotiations with the 12-nation EC. "We certainly have hopes at this point. (But) it is not a done deal."

"We are, I hope, in the final stretch," said Sir Leon Brittan, the community's trade chief.

The giant trading partners are working against a December 15 deadline for wrapping up the

Uruguay Round, an ambitious effort by 116 nations to overhaul the world trading system.

US Secretary of State Warren Christopher warned that failure to secure a global trade accord would undermine Europe's security links with the United States.

The seven-year-old negotiations, sponsored by the General Agreement on Tariffs and Trade, or GATT, have been blocked by a bitter dispute between the United States and Europe over cuts in subsidies to farmers.

But they appeared close to settling the fight after the United States and France — the EC's largest farm producer — softened their hard-line positions.

"Today the United States has started answering a certain number of our questions. On the farm issue it is very insufficient," he said in an interview with RTL Radio.

Led by France, the community's biggest agricultural producer, the EC had pressed for measures to ease the impact of a US-EC farm trade accord reached in late 1992 that would curb subsidised EC farm exports.

US Agriculture Secretary Mike Espy, who was also at the meetings in Brussels, was upbeat about the farm negotiations on Thursday, saying he was "very, very optimistic."

last ditch talks on rice, vowing to resist international pressure to permit rice imports.

"There is no wavering in the government position not to allow minimal access to our rice market," Agriculture Minister Huh Shin-Haeng told reporters before departing.

"We will do our best to push on our basic position that it is impossible to liberalise rice imports."

Huh is leading a six-member South Korean delegation to Europe for negotiations with European union officials and US Trade representatives before the conclusion of the multilateral Uruguay Round free trade talks.

Huh will also visit Geneva on Friday, where he is expected to meet US Secretary of Agriculture Mike Espy and US Trade Representative Mickey Kantor to plead South Korea's case for excluding rice imports.

ROK negotiators vow to resist pressure

Another report from Seoul adds: South Korean negotiators left for Brussels Thursday for

French Agriculture Minister Jean Puech said Friday the United States should move further on making concessions on the US-EC farm trade agreement.

Gains of trade deal spelt out

GENEVA, Dec 3: The world's main trade forum released a report Friday saying global trade would grow by 745 billion dollar a year and income by 230 billion dollar by 2005 if an agreement to cut trade barriers is approved, reports AP.

The report by the 116-nation General Agreement on Tariffs and Trade came out as U.S. and European negotiators tried to overcome their last differences in an attempt to meet a December 15 deadline on a world trade agreement.

Developing nations would benefit from freer trade in farm products and textiles and clothing — their single most important export, said the GATT report.

It estimated they would receive 80 billion dollar in increased economic activity after 10 years.

68 pc S African traders favour Mandela for President

JOHANNESBURG, Dec 3: Most of South Africa's top businesses favour the ANC's Nelson Mandela for president but give his rival, Inkatha Freedom Party Leader Mangosuthu Buthelezi, a resounding thumbs down, according to a new poll, reports AP.

In a survey of 70 of the largest stock exchange-listed firms, 25 leading unlisted firms and five key para-statal, research group Community Agency for Social Enquiry (CASE) found that 68 per cent wanted Mandela for President, while President, Frederik de Klerk scored 32 per cent.

Some 89 per cent of those polled voted Buthelezi as "least favoured" choice for president, describing him as "power-hungry, irrational or controversial."

CASE said their research indicated that South Africa's white-dominated, largely English-speaking business community had made rapid changes in their political outlook.

"Most importantly, the bulk of them are enthusiastic about



doing business under a new African National Congress-led government," CASE said.

And while 14 per cent admitted having seriously contemplated emigration in the past, only four per cent were currently thinking about it.

Many mentioned the unleashing of the country's potential (After the election), or that "it is one of the best places in the world in which to live," CASE said.

Nearly 80 per cent of the sample believed it would be "catastrophic," "disappointing" or "regressive" if the election had to be postponed.

Businesses also seemed to have dismissed fears of nationalisation under a new black government, with only seven per cent seeing it as a threat.

The survey of 83 white and 18 black chairmen, chief executives and divisional managers was commissioned by the country's largest employer organisation the South African Chamber of Business, the Weekly Mail newspaper and state television's agenda current affairs programme.

Kader Synthetic Fibres to expand manufacturing facilities

Kader Synthetic Fibres Ltd has a plan to expand its manufacturing facilities, says a press release.

Under the plan, the company will manufacture polyethylene terephthalate chips, polyester single fibres, draw textured and draw twisted yarn.

The existing capacity of the plant is only 10.5 mt/day for manufacturing draw textured and draw twisted yarn from PET chips.

The project is first of its kind in Bangladesh. There are only two such projects in South Asia, one in India and 266 the world over.

There is no wastage and environmental pollution. The plant remains closed for 10 days in a year.

The mill went into operation on trial basis in May this year and since then it has been producing 30 per cent yarn while the actual demand for its products is about 18000 MT.

The Japanese have taken KSFL as a model for producing quality products.



Haji Abdul Kader, proprietor, Kader Synthetic Fibres Ltd at Konabari (Joydebpur) explaining the system of production to a number of visiting journalists yesterday. — Star photo

China denies US accusation of violating copyrights

BEIJING, Dec 3: China angrily denied Thursday fresh US accusations that it is violating international agreements protecting patents and copyrights, a breach that is costing Western firms hundreds of millions of dollars in lost sales, reports AP.

Since the conclusion of the Memorandum of Understanding on the protection of intellectual property between China and the United States on January 17, 1992, China has always strictly fulfilled its obligation, Foreign Ministry spokesman Wu Jianmin told a weekly news conference.

Thai economy may enjoy 8 pc growth in '94

BANGKOK, Dec 3: Thailand is expected to enjoy a healthy eight per cent economic growth rate in 1994 due to increased investments and exports, but economists say that underlying problems still threaten economic stability, reports AP.

In figures released yesterday, the board of trade said that public-sector investment would increase by about 20 per cent next year while private investment would grow by between eight and 10 per cent.

But continued high government spending risks spurring inflation or adding to the current accounts deficit, according to senior economists who took part in a seminar here yesterday.

At the same time, underlying problems such as a shortage of qualified labour, infrastructure bottlenecks and water shortages

must be tackled in order to stimulate future investment, the seminar participants warned.

The Board of Trade forecast at least 13 per cent growth in exports next year, led by electronics, plastic products, motor vehicles and other manufactured products.

Imports are expected to rise by at least 12 per cent because of the continuing need for construction machinery and other capital goods. Major highway works and oil refinery expansion are among projects set to boost growth in 1994.

Participants at the Bangkok Metropolitan Bank seminar endorsed the Board of Trade's projections, citing lower interest rates, cuts in import duties and stronger agricultural process as positive domestic factors.

But a participants, Bank of Thailand spokesman Pisit Lee-Artham was quoted in the Bangkok Post as warning that 1994 would be "an important transitional year" for the government in balancing high spending against economic stability.

"If the government ends up with a cash deficit, this will have an effect on confidence and returning to stability will be difficult," he said, adding that curbing spending on the other hand could slow growth.

The growth rate for 1994 would be slightly higher than this year's rate, which the board estimated at around 7.6 per cent.

It projected a rise in inflation, to around 4.2 per cent, compared to an expected 3.3 per cent in 1993.

Dollar falls in New York

NEW YORK, Dec 3: The US dollar fell against most currencies Thursday despite signs that the German central bank might cut interest rates. The dollar reached an eight-year high, however, against the Italian lira, reports AP.

Gold prices were up overseas and down in New York. On the New York Commodity Exchange, gold for current delivery closed at 373.80 dollar a troy ounce, off one dollar from Wednesday. At 4 p.m. EST (2100 GMT) Republic National Bank of New York quoted gold at 373.75 dollar a troy ounce, down one dollar.

Traders said the dollar initially fell against the German mark after the German central bank did not lower its most important interest rate at its Thursday meeting. However, the dollar later recovered as the bank dropped the rate on securities repurchase agreements to six per cent, from 6.25 per cent.

Dollar gains in Tokyo

TOKYO, Dec 3: The dollar closed higher in Tokyo today at 108.85 yen, up 0.40 yen from the previous day's finish of 108.45 yen, holding on to its modest early gains, reports AP.

The Japanese unit was sold amid growing prospects of delays in the Tokyo government's announcement of fresh economic measures following the resignations of its defence minister, dealers said.

But, trading was slow as many players, including institutional investors, sat on the sidelines waiting for the release of US unemployment data later in the day, dealers said.

After opening at 108.90 yen, up from New York's late Thursday quote of 108.85 yen, the spot dollar moved between 108.77 yen and 109.03 yen.

Spot turnover totalled 4.707 billion dollar, up from the previous day's 6.383 billion dollar.

The German mark closed at 1.7227 to the dollar, little changed from the previous day's 1.7222.

US economy lays groundwork for strong year-end finish

WASHINGTON, Dec 3: The US economy laid the groundwork for a strong year-end finish by expanding at a moderate 2.7 per cent rate in the third quarter. Low interest rates are reviving construction, consumer spending and business investment, but trade remains a problem, reports AP.

The seasonally adjusted gain in the nation's gross domestic product, the sum of all goods services produced in the United States, represented a slight revision to an earlier estimate of 2.8 per cent, the Commerce Department said Wednesday.

The change was attributed to a surge in imports, up at a 6.1 per cent annual rate instead of the 1.9 per cent first reported.

Analysts nevertheless were cheered by the economy's overall performance, particularly since it occurred despite billions of dollars in crop damage from floods in the Midwest and

drought in the Southeast. Without the crop losses, the GDP would have risen 3.3 per cent.

Many analysts are forecasting growth of better than four per cent during the current quarter. They warn the economy probably will slip some early next year but said the swing won't be as severe as a year ago. Then, the economy raced ahead at a 5.7 per cent rate in the fourth quarter only to lapse to an anemic 0.8 per cent pace in the first.

The economy right now is growing at a pretty hefty clip. It did well in the summer and it's doing better in this quarter... but this rate of growth probably is not sustainable," said economist Bruce Steinberg of Merrill Lynch financial firm.

Other data on Wednesday on trade, construction and corporate profits from the Commerce Department and on

manufacturing from a private group — portrayed a thriving economy, with the exception of trade.

The economy's strongest sectors in the third quarter were stimulated by low interest rates. They included housing construction, which grew at a 10.9 per cent rate, and business investment in equipment such as computers and machinery up at a 10 per cent rate.

Consumer spending advanced briskly as well, at a 4.4 per cent rate. It was particularly robust, 7.3 per cent, for durable goods — big-ticket items expected to last three or more years.

In addition to trade, other soft spots included government spending, particularly for the military; and construction of commercial buildings both up at a tiny 0.3 per cent rate.



Entrants for a national bridal make up contest wearing Javanese style bridal costumes wait for the judges' verdict at a posh hotel in Jakarta Thursday. Some one hundred contestants took part in the pageant. — AFP Photo

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
নির্বাহী প্রকৌশলীর কার্যালয়
কুমিল্লা গণপূর্ত বিভাগ

দরপত্র আহ্বানের বিজ্ঞপ্তি
নং-৫৪/৯৩-৯৪ বর্ষ

নিম্নলিখিত কাজের জন্য ২১১১ বাংলাদেশ ফরমে গণপূর্ত বিভাগের তালিকাভুক্ত বিধের ১ম শ্রেণী ও ১ম শ্রেণীর ইমারত তিকাদার, কুমিল্লা গণপূর্ত জোনের তালিকাভুক্ত ২য় শ্রেণীর ইমারত তিকাদার, কুমিল্লা গণপূর্ত সার্কেলের অধীনে তালিকাভুক্ত ৩য় শ্রেণীর ইমারত তিকাদারের নিকট হইতে সীলমোহরকৃত বামে দরপত্র আহ্বান করা যাইবে। দরপত্রসমূহ নিম্নলিখিতকর্তার কার্যক্রমের অধীনে নির্বাহী প্রকৌশলীর গণপূর্ত বিভাগ, কুমিল্লা/নোয়াখালী/বি-বাড়ীয়া/কেন্দ্র/সকলপুর নগর কর্তৃক আগামী ১২-১২-৯৩ হইতেকি তারিখ দুপুর ১২-০০ ঘটিকা পর্যন্ত গ্রহণ করা হইবে এবং একই দিন বেলা ১২-১৫মিনিট উপস্থিত থাকিতে ইচ্ছুক দরপত্রদাতাদের উপস্থিতিতে খোলা হইতে। প্রত্যেক দরপত্র সীলমোহরকৃত বামে কাজের নাম উল্লেখপূর্বক সঠিকভাবে রক্ষিত দরপত্র বামে জমা দিতে হইবে।

ক) কাজের নাম : কুমিল্লা বর্ষপূর্ণ এলএসডি বাসা গুদাম নং ১, ২, ৩, ৪, ৫, ৬, ৭, ৮, ৯ এবং ১০-এর নিরাপত্তা নেটের দরপত্র (সিকিউরিটি ফ্রী) নির্মাণ ও স্থাপনের কাজ। আর্থিক বছর-১৯৯৩-৯৪ই।

খ) প্রাপ্তিত ব্যয় টাকা : ৭,২০,৭১১/-

গ) বাসনার টাকা : ১৪,৪১৫/-

ঘ) কার্যসম্পন্ন তারিখ : ৪৫ (পঁচাত্তিশ) দিন।

হইতে কার্য সম্পাদনের সময়

দরপত্র আহিষ্টে সর্বশক্তি নিউজিল এবং সর্ভক্ষী নিম্নলিখিতকর্তার কার্যক্রমের অধীনে নির্বাহী প্রকৌশলীর গণপূর্ত বিভাগ নোয়াখালী/বি-বাড়ীয়া/কুমিল্লা/কেন্দ্র/সকলপুর নগর হইতে এবং অর দরপত্রের অধীন সকল উপ-বিভাগীয় প্রকৌশলীর দরপত্র হইতে অধিক লাভজনকীয় সময়ে সেবা যাইবে এবং প্রতিসেট দরপত্রের মূল্য ৪০০/- (চারশত টাকা) (ফেরতযোগ্য নয়) এবং বাংলাদেশ ফরম নং-২১১১ প্রতিটির মূল্য ২৫/- (পঁচিশ) টাকা (ফেরতযোগ্য নয়) এবং নগরী রক্ষণিক ২০ (বিশ) টাকা (ফেরতযোগ্য নয়) প্রদান পূর্বক জমা করা যাইবে।

দরপত্র শিডিউল আগামী ১১-১২-৯৩ই তারিখ পর্যন্ত সেবা ও জমা করা যাইবে।

প্রকৌশলী মোঃ সেকান্দর আলী
নির্বাহী প্রকৌশলী
কুমিল্লা গণপূর্ত বিভাগ।

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Africans aspire to setting up a new common market

The PTA is dead. Long live COMESA. The Preferential Trade Area which grouped 23 countries in East and Southern Africa wound itself up in Kampala, setting up in its place the Common Market for Eastern and Southern Africa.

The new organisation is much more ambitious than its predecessor. It no longer aims to be a simple free trade area, but a proper common market embracing customs, trade, monetary cooperation, transport and communications, industry, energy, environment, agriculture, and legal, administrative and budgetary matters.

It aims to be a fully functioning common market by the year 2000 with monetary union by 2020. In its final communique, the enthusiastic organisation even commented on purely political matters such as the war in Angola, the peace agreement in Rwanda, democracy in South Africa and voiced concern over Somalia.

Clearly COMESA considers no area outside its orbit — similar to the thinking of the Economic Community of West African States (ECOWAS). That organisation has done little to improve West African trade, although it took it upon itself to intervene militarily in Liberia.

The COMESA treaty was signed by 15 of the 23 eligible member states — Eritrea, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Sudan, Swaziland, Tanzania, Uganda and Zambia.

The document, which could profoundly affect the region's economic future was not signed by some countries. Angola, Somalia and Burundi (recovering from the coup attempt) failed to attend the meeting for reasons of domestic crisis. Others just did not turn up: Comoros and Djibouti.

Zimbabwe simply refused to sign. President Robert Mugabe said he would not agree to the new alliance because the relationship between COMESA and the Southern African Development Community (SADC) had not been clarified.

Ugandan President Yoweri Museveni, long the foremost champion of closer economic union, pointed out that experts were studying the relationship. A joint ministerial committee hopes soon to sew up a compromise. Mugabe clearly foresees difficulties, a fear echoed by fellow SADC member Botswana.

Both countries may remember that Simba Makoni, retiring Secretary-General of the SADC, has said his organisation would never merge with the PTA. The debate shows the problem with all grand designs for economic unity: it is easier to assent to lofty goals than to compromise national interests and make the

By Alan Rake

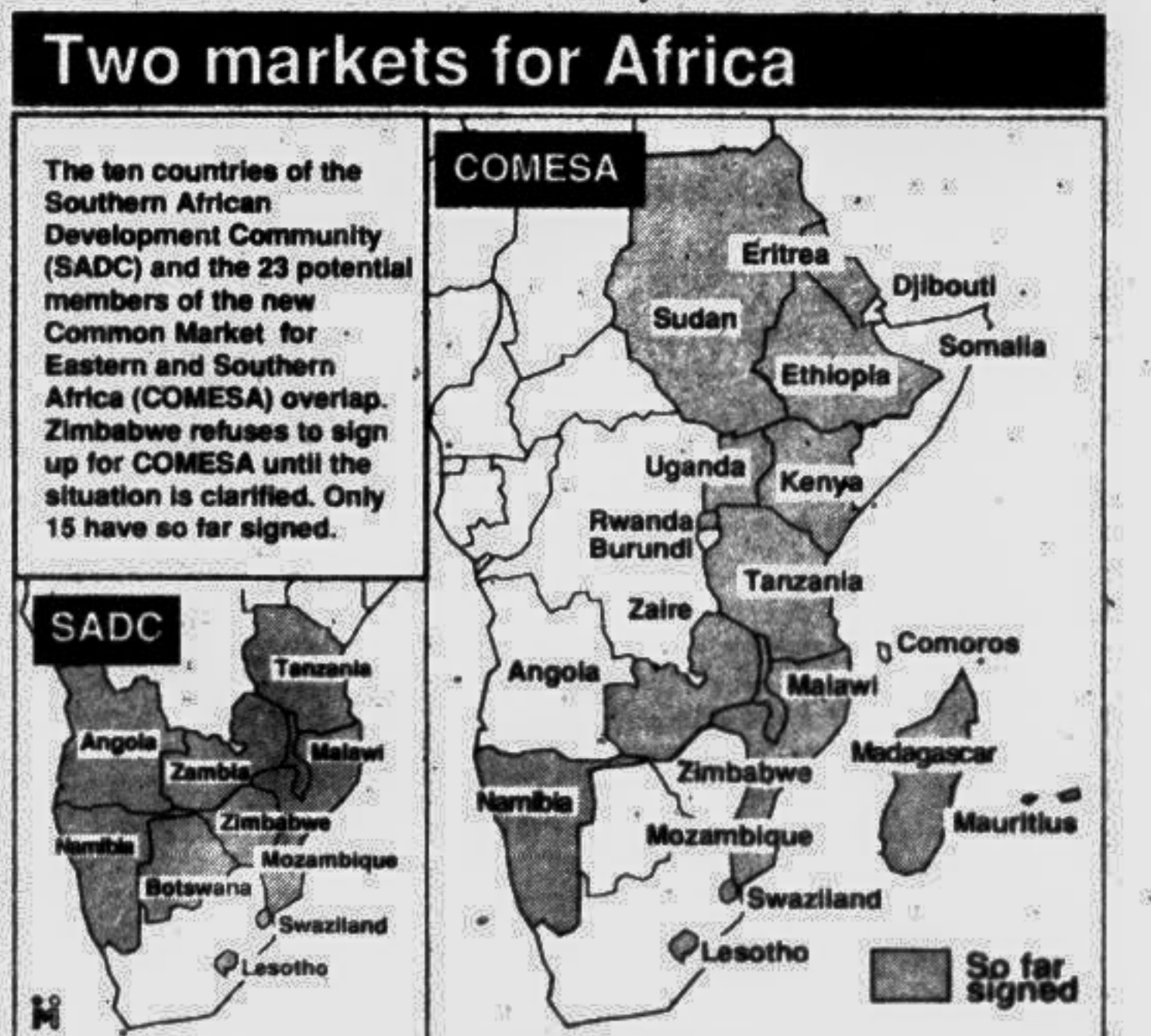
painful changes required to achieve them.

At the Kampala summit there were some hopeful signs. It was noted that intra-PTA trade, which must be the lifeblood of any common market, had been growing by an annual average of 8.8 per cent from 1985 to 1991.

Considerable progress had been made in simplifying the "rules of origin" (determining how much of any product actually originates from the country that wants to make exports under a lower tariff). The rules had been streamlined to help exports from one African country to another.

Other member states had liberalised import licensing and foreign exchange allocations and had dismantled some non-tariff barriers. Major problems still exist even in achieving the limited free trade goals of the old PTA.

The summit discovered that only one state, Sudan, had



reduced its tariffs for all products produced and traded within the PTA region. Only Sudan had published the list of new PTA tariffs. The rest were either too unconcerned or too busy to bother with targets that should have been achieved last year.

And few states have placed their goods for trade within the community on an open general import licence, yet this should be completed by December 1993.

The Secretariat also noted a decline in the use of the clearing house in Harare that should have been helping provide the finance for increased intra-African trade.

Five countries had not signed the documents agreeing to the establishment of a PTA reinsurance company, designed to ensure trade between members. Three others were not using the correct transit declaration documents. And member states were not using the same transit charges for the passage of goods through their countries which had already been agreed.

Trade inside the new COMESA area may be expanding, but it is growing slower than trade with the outside world. The OECD claims that intra-regional trade 7.7 per cent of total trade in 1980, was down to 6.6 per cent in 1988.

The real measure of success or failure must be whether a proper free trade area can be established. The Organisation for Economic Co-operation and Development (OECD) recently criticised the PTA.

It said: "By 1983 some tariff reductions had been made for a limited range of commodities. However, the trade liberalisation programme has proceeded no further. In fact by 1988 no preferential trade was under taken in the region. There was very little in the way of political commitment to further the objectives of the PTA."

There is no consensus on how to structure the programme of trade liberalisation. Furthermore, there is no agreement on how to remove non-tariff barriers which is a source of significant protection in PTA countries.

The OECD said: "Up to this point no net trade has been created between partner countries." Everything depends on whether member countries are serious in reducing their tariffs to their neighbours even if this is to their own short term disadvantage.

The gap between lofty declarations of intent and real economic progress remains as great as ever. — Gemini News

(Alan Rake is Editor of New African magazine.)