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Dollar finishes lower, stocks rise in Tokyo

TOKYO, Dec 17: The US dollar edged lower against the Japanese yen Friday, while prices on the Tokyo Stock Exchange finished higher in light trading, reports AP.

The dollar closed at 109.84 yen, down 0.03 yen from Thursday's close but above its overnight New York finish at 109.55 yen.

After opening at 109.35 yen, the dollar ranged between 109.28 yen and 109.90 yen.

Trading was mixed in Tokyo as players took in both positive and negative factors of the dollar.

While Japan's political uncertainties helped keep the dollar at a five-month high, a widening trade deficit with Japan and a US official's comment helped some dollar-selling traders said.

The US Commerce Department reported Thursday the trade deficit with Japan jumped 14 percent in October to 6.1 billion dollar, the largest since November 1986.

Court finds ex-BCCI official guilty

LONDON, Dec 17: A former executive of the collapsed Bank of Credit and Commerce International has lost a court attempt to get charges against him dropped, Britain's serious fraud office (SFO) said yesterday.

Imran Imam, a BCCI Account Officer, faces six charges of false accounting. He will now stand trial on April 11 after a preparatory hearing set for March 14, the SFO told Reuters.

Imam claimed the SFO committed on abuse of process in obtaining evidence against him and the charges should, therefore, be dropped.

The judgement against him was sensitive because the British authorities angered US officials by charging him after he came forward voluntarily to help US inquiries into BCCI.

Last month, a New York Assistant District Attorney gave evidence in the London High Court on Imam's behalf.

BCCI, once been a thriving bank with over 20 billion dollar in assets and branches in 69 countries, was shut down in July 1991 amid allegations of extensive fraud.

Red Cross seeks \$422m emergency aid for 49 states

GENEVA, Dec 17: The International Committee of the Red Cross on Thursday appealed for 618 million Swiss franc (422 million dollar) in donations so it can provide emergency aid in 49 countries next year, reports AP.

Nearly one-third of the Swiss-run agency's appeal was earmarked for a continuing massive humanitarian effort in former Yugoslavia.

Major operations also are planned in Angola, Afghanistan, the Caucasus region of the former Soviet Union, Israel and the occupied territories, Liberia, Rwanda and Sudan, the committee said.

The organization said its workers will be spread over 49 countries.

The Geneva-based agency is funded by governments, national Red Cross and Red Crescent societies, and private donors.

Agency workers deliver emergency aid in wartime, visit prisoners of war and organize POW swaps.

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Poor states unhappy over GATT deal

GENEVA, Dec 17: While governments from Beijing to Washington yesterday celebrated the historic conclusion of the world's most ambitious trade pact many developing countries, environmentalists and labour groups were dissatisfied, reports Reuter.

Although 117 states suspended disagreements built up over seven years of bargaining, the cracks had clearly only been papered over to approve the Uruguay Round treaty unanimously.

It is disappointing to developing countries that much has not happened as we would have like, India's Ambassador to GATT, Balkrishnan Zutshi, told Reuters in an interview.

I think the developing countries have made much larger contributions to this round (than the United States and the European Community), said Zutshi, who often spoke on behalf of developing countries during the negotiations.

Argentina's Ambassador to

Minister P. Narasimha Rao resign. They say it will ruin the livelihood of Indian farmers and other industries.

Many Third World officials argue the tariff structure under the Uruguay Round could also reinforce the North-South divide, under which developing countries sell little more than raw materials and semi-finished goods to the developed world.

Labour lobbyists complained the interests of Third World workers had been sacrificed on the altar of free trade.

AP report adds: Japanese Prime Minister Morihiro Hosokawa described the GATT accord as a "comprehensive and historic undertaking without precedent."

It's a damned good thing we got there now, so that the recession in western Europe can be turned around, growth in the Americas can continue and the booming economic development of Asia can continue, said Australian Trade Minister Peter

Cook. German Chancellor Helmut Kohl described it as a fabulous success.

Meanwhile, France gloated at its success in water down American demands for big cuts in farm subsidies and keeping the Hollywood film giants at bay by pulling the audio-visual sector out of the trade liberalisation accord.

We defended our country's long-term interests, said French Prime Minister Edouard Balladur. It wasn't easy, he told the Senate.

After seven years of negotiations and a string of missed deadlines because of US-EC differences, the 117-nation Uruguay Round talks were finally completed on Wednesday in time for a midnight deadline.

It is estimated that the agreement to sweep away barriers to exports will pump more than 200 billion dollar each year into the global economy by the year 2005.

However, there are likely to

be big job losses in previously protected areas like the textiles and clothing industry in the United States and Portugal, in the agricultural sector in Europe, Japan and South Korea.

South Korean President King Young-sam on Thursday dismissed his Prime Minister, Hwang In-sung for mishandling US-led pressure to open its rice markets.

Under the GATT agreement, South Korea will have to open one per cent of its rice market, worth 25 million dollar in 1995, and increase imports to four per cent by 2004. Rice is the main source of income for six million farmers. There have been violent anti-government protests ever since Kim announced the end of the ban last week.

However, Japan — which also had to overcome huge public opposition and a threatened government revolt to end its rice import ban — was more upbeat about the GATT accord.

Prime Minister Hosokawa pledged even greater efforts to open his countries markets to imports. Japan has the world's biggest trade surplus.

Japan stands to be one of the biggest winners of the GATT deal because of its highly competitive manufacturing industries.

Elsewhere in Asia, China welcomed the deal but said GATT would remain "seriously defective" without the world's most populous nation. The Chinese economy is growing at 13 per cent annually.

China wants to rejoin GATT but its membership application has been held up by Western doubts over its economic and political reform programme.

New Zealand Prime Minister Jim Bolger described the deal as "extremely good for New Zealand."

"We will have a fair go at trading in a way we haven't had before," Bolger said.

Debate on GATT to continue in US

GENEVA, Dec 17: The end of seven years of negotiations won't stop the debate in the United States about a new world free trade agreement. Opponents are already gearing up to kill the deal, reports AP.

The same coalition that came very close to defeating the North American Free Trade Agreement in Congress last month has already vowed to take on the free trade deal as well.

And the US Congress is not the only legislative body where a spirited debate is expected.

The target for many US GATT opponents will be the new World Trade Organisation that negotiators agreed to create in the final hours of debate Wednesday after the United States withdrew its objections.

Opponents believe the WTO will mean that even more control over US environmental, health and labour laws will be turned over to international tribunals. Their fear stems from the fact that WTO will have more power than GATT to enforce free trade rules. Under GATT, dispute panels hear disputes between countries but their rulings could not go into effect if even one country objected to the decision. The losing country could always be counted on to object.

However, under the WTO, the one-country veto was eliminated.

This agreement will shift even more decision-making away from democratically accountable bodies such as Congress to secretive international bureaucracies, said Lori Wallach of the Citizens Trade Campaign, the largest US group fighting the GATT agreement.

Ross Perot, who repeatedly warned that NAFTA would send US jobs to Mexico, and other NAFTA opponents are considered very likely to re-unite in the battle against the GATT agreement.

The Citizens Trade Campaign, which includes environmental, consumer, labour and farm groups, was originally created to oppose the GATT agreement.

World oil prices move off five-year lows

SEOUL, Dec 17: A French arms dealer has cheated 6.67 million dollar out of South Korean military authorities by forging bank-endorsed documents for ammunition shipments, officials said Wednesday, reports AP.

It was the first known arms-acquisition fraud by foreigners against South Korea. Defence Ministry officials said French authorities have been asked to recover the money.

The French swindler was missing after drawing 6.67 million dollar in cash last December from the Paris branch of the Korea Exchange Bank.

The fraudulent deal dates back to November 1988, when South Korea's defence logistics agency placed an order through Kwangjin Trading Co, a local arms broker, with a French trading firm named "Efco" for howitzer shells and other ammunition.

LONDON, Dec 17: World oil prices moved off five-year lows on Thursday as some traders and analysts began to wonder if the market had finally arrested its year-long decline, reports Reuter.

Forecasts of a cold snap across the US midwest brought out buyers for winter heating oil, sparking a rally that took January futures for the world benchmark Brent blend of crude oil up by some 20 cent a barrel.

But dealers said that just one "bearish" headline or continued inaction by OPEC (Organisation of the Petroleum Exporting Countries) beyond the year's end could kick prices further down.

Flat petroleum demand and OPEC's recent refusals to cut output quotas have been blamed for a collapse that has taken Brent blend crude from almost 20 dollar a barrel at the beginning of the year to below

14 dollar. Weighing on prices on Thursday was news that Egypt was not prepared to cut its oil production unless other producers did so.

Egyptian Oil Minister Hamdi el-Banbi, responding to an initiative by Oman, said: "We are ready to cut but only if others did so because any action by us would be meaningless if it was not coupled with measures by other producers."

Oman announced on Tuesday that it would cut its output by five to 10 per cent from January.

Company officials said on Thursday that several of Oman's term customers had already received notice that their entitlements will be reduced.

Meanwhile, OPEC's secretariat saw the call on oil from OPEC and stocks in the first quarter of 1994 rising to 25.47 million barrels per day (BPD).

EC agrees to reform common agri policy

BRUSSELS, Dec 17: The European Community early today reached an agreement on changes in community plans to reform its Common Agriculture Policy (CAP), diplomatic sources reported, says AFP.

Agriculture ministers, after four days and two nights of talks here, agreed that Germany should be able to cultivate 329,000 additional hectares (812,630 acres) — although 15 per cent would have to remain fallow — and to maintain its farm prices.

Ramos for better quality of exportable goods

MANILA, Dec 17: President Fidel Ramos today said Philippine exporters would have to improve the quality of their products and do without government support if the country's economy is to catch up with the rest of the region, reports AFP.

Attaining world competitiveness calls for an attitudinal change on the part of producers who continue to be dependent of incentives and other forms of protectionist support from the government, Ramos said in a speech to exporters.



South Korean students stage a sit-in protest in front of the US embassy on Wednesday during a demonstration by thousands of angry students protesting against US pressure on Seoul to open its rice markets to foreign imports. Some 2,000 students took part in the demonstration burning US flags and chanting anti-US slogans, with some 1000 students arrested by police.

Arms dealer cheats ROK of \$6.67m

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leading national newspaper for intellectuals, said early this year that industrial accidents were "seriously out of control" in parts of prosperous Guangdong, the southern province that has helped power China's 13 per cent annual economic growth. Millions of jobless peasants flock to Guangdong and other coastal provinces each year looking for work.

In a searing indictment, the newspaper claimed that some officials in Guangdong neither understood nor cared about industrial safety.

"Laws were not abided by or enforced strictly and rules and regulations were not followed," it said. "A certain county leader openly accused the labour bureau which reported a major accident causing injury and death as 'making an unnecessary move'."

The newspaper said many factories had "simple and crude" equipment that was not operated properly. Fatigue often caused accidents, with some employees working shifts of up to 15 or 16 hours.

"Employers' and employees' sense of safety, in production and quality lags far behind the requirements of economic development," it said.

Clinton took a tough line in early November, declaring that North Korea would not be allowed to develop the bomb and warning of UN sanctions.

But he was then forced to back off by Japan, South Korea and China, who feared that if North Korea were forced into a corner it might lash out.

Clinton shifted from isolation to "constructive engagement," culminating in November in the first US-Chinese summit since the Tiananmen Square massacre.

Clinton took a tough line on human rights at that meeting but Chinese President Jiang Zemin responded that it was none of Washington's business, and the Beijing press hailed the visit as a great success for Jiang.

Clinton may also have been wary of issuing an ultimatum after his experience with China.

The US President now faces the problem of what to do if

where he was honour bound to take a tough line after accusing bush of "coddling" the Beijing administration.

The result was a decision in May to link future renewal of China's most favoured nation trading status to progress on human rights.

But as the months passed with little sign of change in Beijing, Clinton shifted from isolation to "constructive engagement," culminating in November in the first US-Chinese summit since the Tiananmen Square massacre.

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Washington sees the frame-

Factory fires underline abysmal safety conditions in Chinese industry

BEIJING, Dec 17: For the second time in two months, dozens of peasant women drawn to booming coastal China to make their fortunes instead met their deaths when their factory erupted into an inferno, reports AP.

The two factory fires are a grim testament that worker safety is being sacrificed while the Chinese economy races to catch up with the developed world.

In the latest disaster, 64 people reportedly died in a textile factory fire early Monday that began in a fourth-floor warehouse and spread to a neighbouring dormitory, where about 100 female workers slept on iron-framed bunkbeds with wooden boards.

Factory death traps are not unique to communist China, having been a familiar part of the landscape in many developing economies. But the situation appears to be worsening here now that economic growth has become a national obsession under senior leader Deng Xiaoping's market-style reforms.

Yip Yuk-lung, Executive Director of Hong Kong's Occupational Safety and Health Council, believes local Chinese governments are concerned that stringent enforcement of safety regulations can frighten away foreign investment that helps fill their coffers.

Visits to small rural factories suggest that many remain noisy and ill-lit, with dangerous gaps in floors and little or no protection against noxious fumes. Hard hats, goggles and other safety gear are rare.

The towns are competing against each other for investment. I think that may be the

root to this problem, he said in a telephone interview.

Yip is planning seminars for Hong Kong businessmen to encourage them not to exploit Chinese workers across the border.

But the problem goes beyond joint-venture factories, with safety conditions abysmal at many Chinese