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'FBCCI played eventful role in JEC talks'

President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) Mahbubur Rahman Saturday termed the private sector's participation in the just-concluded Bangladesh-India Joint Economic Commission (JEC) meet as an eventful and promising one, reports BSS.

In a press statement he said with liberalisation and market economy as the guiding policies of the Bangladesh government, the private sector is actively involved in the negotiation process as well as in the interaction with the official JEC negotiators and the high-powered trade team which constituted part of the delegation led by Indian Commerce Minister Pranab Mukherjee.

Of singular significance was the private sector's representation in the Bangladesh-India JEC ministerial-level talks with the presence of the FBCCI president.

The FBCCI president appreciated that the government had invited full participation of the private sector in these negotiations and in the preparatory meetings the government had extensively consulted the FBCCI.

The participation, on one hand, gave a deep insight into the consideration of the respective governments and also enriched the deliberations with the participation of the representatives, Rahman said adding that both sides had appreciated the role played by the private sector in the negotiations.

The earlier pledges secured by the FBCCI delegation to the Bangladesh-India Joint Business Council meeting held in July, 1993, and the subsequent SAARC Chamber meetings in Delhi in October 1993 were recalled.

FBCCI organised the ground-breaking meeting with Pranab Mukherjee and his team of leading industrialists at the Federation Bhaban on December 27,1993. The opening remarks of the FBCCI president were targeted to economic imperatives of the two countries and the region. It was clearly identified that India was enjoying considerable advantage out of the trade with Bangladesh and it was likely to grow further.

Export sector shows growth

The export sector has shown growth despite fall of export unit price of some items, as earnings from the trade rose 9.62 per cent in the first five months of current fiscal year.

The growth was attributed to overall rise in the price index by 2.69 per cent and export volume increase by 6.93 per cent.

Official sources told UNB that goods worth 1107.06 million US dollar were exported during July-November period of 1993-94 against 1039.95 million dollar earned in the corresponding time last year.

Commoditywise breakup of export during July-November as follows: Bracket figures indicate last year's earnings — all in million US dollar: Raw jute 29.53 million US dollar (33.69), tea 21.81 million (16.25), leather 61.76 million (64.27), frozen foods 111.08 million (81.08), jute goods 120.70 million (135.31), handicraft 3.10 million (2.95), readymade garments 610.92 million (519.09), knitwear and hosiery 70.53 million (58.62), chemical products 19.57 million (29.39) and other items 58.06 million (69.30) US dollar.

The export target for 1993-94 has been fixed at 2900 million US dollar.

Export processing zone industrial units were lagging behind last year's pace, exporting goods worth 37.758 million US dollar from July to November against 45.025 million dollar in the same period in 1992-93.

Against the backdrop of adverse world trading conditions and slow global economic recovery, Bangladesh's export performance has been "impressive" over the past few years, according to business circles in the capital.

Exports grew both in value and volume. New products have been added to export list since the journey started in fiscal year 1972-73 with an export earning of 348.417 million US dollar. The figure reached 2382.89 million US dollar in FY 1992-93.

Commoditywise, a couple of commodities have always been the principal actor in the export scenario from fiscal year 72-73 to mid 80s. Items principally contributing to the export earnings were jute, jute goods, leather and tea of which jute and jute goods were the main export earners.

In fiscal year 72-73, jute and jute goods alone contributed 90 per cent to the total export earnings and leather and tea added to these two, raising their contribution to 97.4 per cent.

The situation continued up to mid 80s when the scenario started changing with the appearance of new products, specially readymade garments, shrimp, hosiery, chemical and agricultural products.

During 92-93 fiscal year six products (readymade garments, jute and jute goods, leather, frozen foods and hosiery) contributed 89.14 per cent to the total export earnings — readymade garments alone accounting for more than 55 per cent. If tea and chemical products are added to these six items, the contribution of 8 products in fiscal year 92-93 comes to 93.27 per cent.

Businesses face difficulties as Beijing devalues yuan

BEIJING, Jan 2: Many businesses faced a difficult decision on Saturday after China in effect devalued the yuan 30 per cent and then outlawed compensating price increases, reports Reuter.

Most concluded that bucking the government and hiking prices was the only prudent choice to make.

"Our management has decided to adjust prices in accordance with the new currency rates as published today," said Alex Wong, Financial Controller at Beijing's China World Trade Centre Hotel Complex.

"I called around to a number of other hotels and can tell you our increase was nowhere near the highest," he said. "Everyone's concern is the same — to compensate for the effect of the devaluation."

Wong said the two five-star hotels and most shops in his complex raised prices about 30 per cent.

Most hotels said they were boosting prices 30 to 60 per cent.

Wong said he did not know enough about a decree issued just hours before the new year currency reform took effect that banned price hikes for goods paid for Foreign Exchange Certificates (FEC).

China World managers would not to comply with the vague decree because they received "nothing in writing", Wong said.

Some firms held their prices steady.

400-year old Islamic prayer rug on sale

BAHRAIN, Jan 2: An ancient Islamic prayer rug, made in India nearly 400 years ago and estimated to be costing 30 million dollar, has been put up for sale, according to a report in a Saudi Arabia's newspaper, reports PTI.

The rug, 2.75 metres in length and 1.75 meters in width bursting with diamonds, pearls, gold and other precious stones, is currently on display in a museum in Hong Kong with the owner, a Saudi businessman, hoping to bring it to Saudi Arabia by February in search for a buyer, the English daily Arab News' reported today. It did not give the name of the owner.

It quoted Hong Kong based agent, Hisham Al Barroodi, as saying that he was currently in negotiations with relevant Saudi officials to bring the rug to the Kingdom where he was confident of finding a buyer.

The daily said the rug, decorated with three shinning diamonds in the middle, laced with pure gold and surrounded by blue, red and torduoise-blue pearls, was previously kept in a bank safe in Geneva. It said the transport costs from Geneva to Hong Kong, with associated security payments, ran in excess of 30,000 dollar. Legend has it, the daily said, the rug was made between 400 to 600 years ago on orders by one of India's Maharajas. After the Maharaja died, an Iranian merchant bought the rug.

For over one hundred years, the daily said, the rug disappeared until an Indian merchant sold the rug to the present owner.

M Shamsur Rahman (third from left), Managing Director, Stylecraft Ltd, speaking at the 10th annual general meeting held recently at a city hotel. Seventeen and a half per cent dividend was declared for the year.

Iran urges Iraq, GCC to fight Western oil policies

TEHRAN, Jan 2: Iranian state radio on Saturday called on Iraq and the Gulf Arab states to join forces to fight Western oil policies and dwindling oil revenue, reports AFP.

These countries could form an organization and agree to impose heavy tariffs on Western goods to help compensate for lost oil income, the radio said.

A steady drop in oil prices and prospects of Western energy taxes have isolated the Organisation of Petroleum Exporting Countries (OPEC), whose 12 members include Iran, Iraq and four Gulf states, it said.

Oil prices have dipped to their lowest level in five years, with Iran losing an average of 10 million dollar per day in hard currency.

Iranian Oil Minister Gholam Reza Aghazadeh called on OPEC last week to cut production by five to six per cent to stabilise prices.

The Gulf Cooperation Council — Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain and Oman — has said it would reduce output if other producers pledged to do the same.

Rs 2 cr for uplift of each Indian constituency proposed

NEW DELHI, Jan 2: A Joint Parliamentary Committee has recommended allocation of two crore rupee every year for development of the constituency of each Member of Parliament besides suggesting enhancement of various perks and facilities to MPs, reports PTI.

The committee to suggest remuneration and facilities for MPs, headed by A R Antulay, in its report said two crore rupee might be placed at the disposal of the chief executive officer of Zila Parishads or Panchayats of the district or at the disposal of the collector/deputy commissioner every year to be spent on such public works within the constituency of an MP within his sole discretion without even general guidelines.

It stressed that the provision for signing of attendance register for claiming daily allowance during the session might be dispensed with by amending the relevant law. It also wanted restoration of quota facility for MPs in DDA Housing Scheme, which was crapped in 1977.

Alternatively, each MP may be provided with a flat or plot in the central area. Flats may be made for former MPs and given on payment of nominal rent. The Maharashtra Model in this regard could be followed, the committee suggested.

The committee recommended that each MP should be provided a separate secretary, whose office should be co-terminus with his term. The secretary may be of the rank of research assistant well versed in handling computers. He should be paid directly by the government.

If further specified that the person suggested for employment as Research Assistant by MP should not be a member of his family dependent on him.

ASEAN trying to revive its own regional free trade zone

SINGAPORE, Jan 2: With a wary eye on the simultaneous start of Europe's single market and the North American Free Trade Agreement, the Association of Southeast Asian Nations is trying to revive its own regional free trade zone, reports AP.

NAFTA took effect between Canada, Mexico and the United States on January 1, the same day the European Economic Area was born through a treaty between the 12-nation European Union and five neighbouring countries.

AFTA, the ASEAN Free Trade Area, should have celebrated its first birthday on New Year's Day. Instead, it was quietly relaunched after falling apart in 1993.

Apparently basing their expectations more on hope than experience, Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand are trying again to overcome a dismal record of economic cooperation.

At present, ASEAN comprises six separate markets often divided by high tariff barriers. Indonesia, for example, has 9,200 different tariff categories, including a 200 per cent duty on cars.

By lowering barriers through a common preferential tariff system, ASEAN aims to attract more investment and increase trade among its members.

Trade with other members now accounts for only about 15 per cent of the group's total commerce, compared with roughly 66 per cent for members of the European Union.

Originally announced in January 1992, the plan was to cut tariffs on intra-ASEAN trade in manufactured and processed agricultural goods to a maximum of five per cent by 2008.

The planned launch stalled last year after some members said they wouldn't start trimming duties in earnest until 1995. Other issued long lists of products that would be excluded from tariff cuts for several years.

Although permitted under AFTA's rules, the hesitancy of ASEAN members to embrace their latest effort at free trade undermined the plan's credibility.

"I think that AFTA has been suffering from a bad public image," said ASEAN Secretary General Ajit Singh.

Finger-pointing about broken commitments among the six had erupted by midyear, prompting fears of a Maastricht-type conflict involving national interests and sovereignty.

"We do not want to be alone in reducing tariffs .... all ASEAN countries must stick to their commitment," said Rafidah Aziz, Malaysia's trade minister, said in July. She cited Indonesia and Thailand as laggards.

Malaysia, with a thriving trade-based economy, is a strong supporter of AFTA, as is Singapore which has virtually no tariffs.

A revived plan announced recently includes about 41,000 products on which tariffs will be gradually reduced. There is no assurance this will hasten economic integration, however.

Mari Pangestu, of the Center for Strategic and International Studies in Jakarta, for instance, said some Indonesian entrepreneurs feared investors would flock to the more efficient Singapore and Malaysia.

But such measures undermine efforts to form a single ASEAN market of more than 330 million consumers.

OPEC, other oil producers may meet Saturday

DUBAI, Jan 2: OPEC and non-OPEC oil producers may meet to discuss oil prices, the Qatari news agency said on Saturday, quoting Omani Oil Minister Said Bin Ahmed Al-Shanfari, reports Reuter.

It said that Shanfari, asked if such a meeting would take place, replied that it would be a successful meeting in view. The results his tour of non-OPEC producers had achieved.

It said Shanfari was speaking to radio London, the Arabic term for the Arabic service of the BBC.

The minister also said he would present the Gulf Cooperation Council with a report on the results of his tour after he has visited Malaysia, Mexico and Brunei.

Shanfari visited Britain last week during a tour aimed at persuading non-OPEC oil producers to take joint action to boost weak world oil prices.

BTMA's AGM held

The annual general meeting (AGM) of Bangladesh Textile Mills Association (BTMA) was held in the city on Saturday, says a press release.

The Chairman of the Association Wali-Ul Islam presided over the meeting. Senior vice-chairman Hasan Jamil, vice-chairman Md Shahjahan and other members of the association were present.

The meeting discussed various problems facing the textile sector —particularly the spinning sub-sector.

The meeting also discussed deficiency of 16-point development programme prepared by the Ministry of Textiles and their adverse effects on textile sector.

Berlin public prosecutor complains

Russian soldiers cheating Germany of millions of DM

BERLIN, Jan 2 : Russian soldiers are cheating Germany out of millions of deutsche marks a year through trafficking and tax fraud, in a rush to make as much money as they can before leaving former East Germany in eight months time.

"We can say without exaggerating that these frauds have cost the German government billions of marks in the past two years," Berlin Public Prosecutor Ulf Hagemann told AFP.

But although the German authorities are well aware of what the Russians are doing they are having a hard time proving it because of the extra-territorial status of Russian barracks.

"As long as we investigate civilians, the (Russian) General Staff will help but if we target soldiers then we find the doors closed," Hagemann said.

Despite denials by the Russian Commanders of any wrongdoing, German magistrates have amassed enough evidence to have a good idea of the chaos reigning in the former Red Army since the collapse of the Soviet Union.

The Russian army stationed in formerly communist East Germany is exempt from VAT and customs duties and can reclaim these taxes from the German government on production of the requisite bills and receipts.

Cheating on VAT is far and away the Russians' favourite way of defrauding the German state, Hagemann said.

With the complicity of suppliers, most of them Russian immigrants including some with mafia connections, Russian soldiers obtain fake bills for supplies of such things as cigarettes, alcohol, clothing, HI—FI equipment and vehicles supposedly delivered to the barracks.

Kamal Sayeed, Director of Project and Planning, Biman, opening the sales and display centre of the Biman Poultry Complex at Farmgate in the city yesterday.

Biman opens poultry sales centre at Farmgate

The sales and display centre of Biman Poultry Complex was opened at Farmgate area of the capital yesterday, reports BSS.

Kamal Sayeed, Director, Project and Planning of Biman, formally opened he centre by unveiling the plaque at a simple ceremony.

Among others, Biman's Managing Director Abdul Muyeed Chowdhury was present on the occasion.

The Biman Poultry Complex, which went into operation in 1975, was a government ADP project and was funded initially with Taka 2.46 crore at Ganak Bari, Savar. At present the complex has a production capacity of 1,30,000 chicks and has earned a profit of Taka 70 lakh in last fiscal year. In 1991-92 the complex had earned a net profit of Taka 20 lakh.

With its own hatchery, water and electricity supply, modern underground irrigation system, the complex had been the pioneer in modern poultry production and marketing industry in the country.

Biman Poultry Complex — a subsidiary of the national flag carrier has highly productive broiler and layers in its production line and also maintains parent stocks for production of day-old chicks for commercial marketing.

The quality control has been the main feature of the success giving a boost to the country's poultry development. With the technical support of Shaver of Canada, the complex has been contributing towards the healthy growth of the airline

Jakarta's leadership of APEC likely to boost profile of Suharto

JAKARTA, Jan 2: Indonesia's leadership of the 17-nation Asia Pacific Economic Cooperation (APEC) forum this year is likely to boost the profile of long-serving president Suharto, Asian and Western diplomats say, reports Reuter.

Indonesia, also head of the Non-Aligned Movement, wants a bigger role in world affairs after 27 years of domestic rebuilding under Suharto after communist-inspired political upheavals.

Suharto's big moment as leader of APEC, which includes the United States, Japan and China, is likely to be the annual heads of government meeting in Jakarta or Bali around November.

"We live in the Asia-Pacific region, the region with the world's highest economic growth in the past two decades," Suharto said in a new year address to the nation.

"APEC's development has opened new opportunities. We must also prepare ourselves for a new international trade environment in the framework of GATT," the retired army general added.

Other APEC members are Australia, Brunei, Canada, Hong Kong, South Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, Taiwan and Thailand.

Japan facing most wrenching labour shake-up in post-war period

TOKYO, Jan 2: Japan may be renowned for having the world's highest labour productivity in the automotive and electronic sectors, but when it comes to other industries, especially services, it often ranks third rate at best, reports AFP.

Nowhere was this more evident than in Tokyo at the height of the bubble economy in late 1989 when salaried workers were putting in dozens of hours of overtime each week, ostensibly to make up for an acute labour shortage.

At the same time, Japan's hardworking "salarymen" would sneak away from the office for a few hours each day, catching a film, playing pinball or just reading comics in coffeeshops until the "real" work began at five.

Lifetime employment encouraged such sloth and still does, although with the current recession forcing companies to slash overtime to within a whisker of its record low in 1975 the temptation to slack off may have diminished.

A new study by Mitsubishi Bank Ltd, argues, however, that the low level of productivity overall shows that problems facing the country's labour market are much more serious than unemployment figures suggest.

Japan's jobless rate is still less than three per cent and although the ratio of job offers to applicants continues to fall, Mitsubishi says these figures show a "comparatively better" position than in past recessions.

Moreover, the plunge in manufacturing jobs has been more than made up for by new hiring by construction, wholesale retail and other service industries.

"This snapshot of employment gives little cause for alarm, let alone basis to claim that Japan is facing the most wrenching labour shake-up in the post-war period," the study says, referring to recent media hysteria.

"Yet there are substantial reasons to believe that the labour climate is set for a systemic change," the bank says.

"Japan's vaunted system of permanent employment and seniority-based pay is not sacrosanct. True, the fact that it has been ingrained into labour-management relations over the past half-century means it will transform slowly. But more than at any other time, pressure for change if irrepressible."

Mitsubishi notes that the recent drop in productivity is the steepest since the first oil crisis. If it remained the same as at the peak of the business cycle, Japan would need 1.14 million fewer workers to produce present output.

This labour surplus is the highest on record — up from 950,000 in the first oil crisis two decades ago — and amounts to 1.7 per cent of the workforce.

The study also points out that personnel costs, as measured against sales, have risen faster between the third quarter of 1989 and the first quarter of 1993 than any other post-war slump, including the first oil crisis.

Higher personnel costs are traced to Japan's service industries, which traditionally keep hiring enough people in recessions to absorb the job cuts in the manufacturing sector. But record high costs places this solution in doubt.

Productivity gains have been further hampered by more whitecollar workers in manufacturing and the ageing of the workforce.

The bank reckons the latter, combined with the Japanese system of seniority-based pay, explains a great deal of the higher labour costs.

"All these factors increase the pressure on companies to take unprecedented action to reduce their payrolls," the bank says.

Japanese companies have so far responded with traditional measures — such as cutting back on overtime, curtailing midcareer hiring, freezing the recruitment of university graduates and reassigning workers from manufacturing to sales.

But such "stop-gap measures" have reached their limit. Reassigning workers is increasingly difficult due to high costs in the service sector, and curbing the number of new graduates hired speed up the ageing of the workforce.

"The only option to significantly reduce wage bills further is outright worker layoffs," the bank says, predicting that companies laying off middle-aged workers will become "more common" this year.

Mitsubishi, says this will cause some "individual dislocation trauma" but it won't be "too long" before demand for labour recovers.