

Japanese businessmen seek cut in income taxes to revive economy

TOKYO, Jan 6: Japanese business leaders urged the government Wednesday to cut income taxes as soon as possible to revive the economy...

Gaishi Hiraiwa, Chairman of the Federation of Economic Organisations (Keidanren), called on Prime Minister Morihiro Hosokawa to act first and worry about how to make up for the revenue shortfall later.

"Income tax cuts should come first. The source can be secured through an increase in the consumption tax in the future," he told a joint new year press conference with the heads of Japan's three other employer groups.

Hiraiwa and Takeshi Nagano, Chairman of the Japan Federation of Employers Association (Nikkeiren), said the government should consider issuing bonds to meet the shortfall, an option strongly

resisted by the Finance Ministry.

Japan Chamber of Commerce President Kosaku Inaba and Japan Association of Corporate Executives Chairman Masaru Hayami said the government should cut taxes "as quickly as possible" to help boost the sagging economy.

The seven-party coalition government, expected to announce income tax cuts of at least six trillion yen (53 billion dollar) as part of a mid-January economic stimulus, has been divided over how to fund tax reductions.

The business leaders were pessimistic about the outlook for the coming six months. "The first half of this year will be the worst for companies," Hiraiwa said. But Hayami said the economy should "gradually pick up" in the second half.

Nagano meanwhile called for a wage freeze until the economy recovers. "It's very difficult to raise wages. We

should secure job opportunities by all means," he said. "Once you lose jobs it is very difficult to get them back."

"I hope a consensus will be built for minimum wages not to be raised," Nagano added. Otherwise, "jobs will leave Japan for foreign countries."

The Nikkeiren is reportedly preparing to publish a report, used as a blueprint in annual wage talks with unions, saying that wages cannot be raised in the absence of productivity gains and that job security is more important.

Both Hiraiwa and Nagano said the yen was still too high against the dollar despite its decline to an eight-month low of more than 113 yen to the dollar this week. They both called for an exchange rate of around 120 yen.

The level of 120 yen is the limit for Japanese companies. It's the boom or bust point," Hiraiwa said. All four business leaders

Problems grip handloom industries in Barisal

BARISAL, Jan 6: Handloom industries in different districts of Barisal division, particularly in Jhalakathi district, are facing multifarious problems, reports UNB.

A large numbers of handloom industries of the district have been closed and many others are on the verge of extinction due to shortage of fund, shrinking of market, non-availability of raw materials and rise in prices of necessary inputs.

Moreover, at least 300 certificate cases are pending against some of the handloom owners. It is learnt that 12 branches of Bangladesh Krishi Bank have disbursed about Tk 38 lakh among the weavers of the district in 1984 but many of them could not pay back the loan due to fall in prices of their products in the local market.

Weavers informed that the many handloom industries established before the independence have faced closure due to lack of market facilities causing much suffering to them and their family. Informed sources said that before independence there were

flourishing handloom markets at Ramchandrapur, Baukati, Puttipura, Gakhbar, Manpasha, Bair Khati, Nairac, Ponabalia of Jhalakathi sadar thana, Arirabad, Languli and Surjapasha of Nalchity thana, Manaharpur, Aiki, CharKhali and Gaia of Rajapur thana, Amua and Awrabunia of Kathalia thana of the district. About 5,000 weaver families are living in these areas but most of them have already switched over some other occupation.

India wants to join NAFTA

NEW DELHI, Jan 6: India wants to join the North American Free Trade Agreement (NAFTA), Xinhua reports from New Delhi.

Addressing the Indo-American Chamber of Commerce here on Wednesday, the Minister of State for External Affairs Salman Khurshid said that NAFTA should not be a geographical entity but an economic grouping when it becomes an economic entity.

Sales of Malaysian manufacturers rise 18.9 pc in 10 months

KUALA LUMPUR, Jan 6: Sales of Malaysian manufacturers rose 18.9 per cent in the first 10 months on last year, led by products such as semiconductor components and other electronic components, the statistics department said Wednesday, reports AFP.

Malaysia's 58 major manufacturing sectors earned a total 85.1 billion ringgit (34 billion US dollar) between January and October last year, the department said. Semiconductors and communications equipment topped the list with combined sales of 22.2 billion ringgit from 17.4 billion ringgit previously.

Other products that chalked up high sales were sound reproducing and recording equipment, which garnered sales worth 10 billion ringgit, refined petroleum products (4.14 billion ringgit) and plywood and hardboards (2.58 billion ringgit).

Liquefied petroleum gas showed the biggest increase in production, rising 71.7 per cent to 777,131 tonnes from 452,453 tonnes.

Manufacturing forms the engine of Malaysia's economic growth and contributed about 30 per cent to the country's gross domestic product.

Japanese firm plans to build universal studio theme park

TOKYO, Jan 6: Japan's Matsushita Electric Industrial Co Ltd confirmed Wednesday it planned to build a universal studio theme park in Osaka estimated to cost some 160 billion yen (1.4 billion dollar), reports AFP.

The Osaka theme park is to be modelled on two universal studio parks in California and Florida which are already operated by MCA, the Hollywood entertainment subsidiary of the Japanese electronics giant, a spokesman said.

Osaka Mayor Masaya Nishio was meanwhile quoted by JJI press as saying that preparations for the project would involve eight companies including Matsushita, Sumitomo Metal Industries Ltd and Shipbuilder Hitachi Zosen Corp.

The park is expected to open in early 1999 on a 56 hectare (123 acre) site on Osaka bay with some eight million visitors expected in the first year, he reportedly told a news conference in the western Japanese city Wednesday.

Nishio said the 160 billion yen project would include various attractions based on universal hits such as "E.T." and the "back to the future" series.

The Osaka bay area is already the focus of a major redevelopment which includes the new Kansai International Airport, built on an artificial island and now scheduled to open in September this year after several delays.

Unemployment in Germany hits a record high

NUREMBERG, Germany, Jan 6: The number of people unemployed in Germany rose to a record high point of 3,688,900 in December, the federal labour office said on Wednesday, reports AFP.

In western Germany, the number out of work in December rose by 105,700 from the figure for November, taking the total to 2,513,700 or 8.1 per cent of the workforce against 7.8 per cent.

For former East Germany there were an extra 23,600 jobless, taking the number there to 1,175,200, a rate of 15.4 per cent of the workforce against 15.1 per cent in November.

The President of the labour office, Bernhard Jagoda, said that the increase in the West German jobless figure was "surprisingly moderate" and was largely attributable to seasonal factors.

Seasonally adjusted, the number of jobless rose by 5,000 in December in the west, compared to rises of 35,000 in November and 58,000 in October. Jagoda has said he expects an average of 3.8 million jobless in Germany for this year. While the main German economic institutes have forecast an average of 3.7 million jobless in 1994, a committee of five experts appointed by the government in mid-November forecast up to 4.02 million in 1994, equivalent to 10.5 per cent of the active population.

Move to join GATT Improve quality, efficiency, Beijing asks its farmers

BEIJING, Jan 6: China told its 900 million farmers on Wednesday to improve quality and efficiency as it prepares to join the General Agreement on Tariffs and Trade (GATT), reports Reuters.

The Xinhua news agency quoted Agriculture Minister Liu Jang as telling a national meeting that the more liberal tariff structure of GATT, which China hopes to join at the end of this year, is both good and bad news for its farmers.

Producers of corn, soybeans, fruit, meat and most sea products will benefit as they will become more competitive with improved access to foreign markets, he said.

But it is bad news for those who produce rubber, wool, milk and milk products and prawns since they will lose the protection they currently enjoy, he said.

Liu said that 40 per cent of China's foreign exchange earnings come from farm produce and goods made from them.

China was one of GATT's founding members in 1948 but withdrew a few years later after the 1949 communist takeover of the mainland.

Nepal to issue new coins in '94

KATHMANDU, Jan 6: Nepal Rastra Bank, the country's central bank, has decided to issue new coins of different denominations this year, reports Xinhua.

The denominations will include 10 rupee, 5 rupee, 2 rupee, 1 rupee, 0.5 rupee, 0.25 rupee and 0.1 rupee, according to the bank.

The denominations of 10 rupee, 5 rupee and 2 rupee will be issued for the first time for general circulation in Nepal.

The new coins are to be issued to replace the equivalent paper currency due to the latter's printing cost in relation to their short life in circulation.



Hussain Alias, Station Manager of Singapore Airlines, handed over a ticket of the airlines for the Dhaka-Singapore-Dhaka sector to the winner of a New Year's Eve Party raffle organised by Dhaka Sheraton Hotel at the Winter Garden.

Majority favours substituting polythene bags

By Staff Correspondent

About 83.9 per cent residents of Dhaka city are in favour of using jute or cotton bags as substitutes for polythene shopping bags, according to an opinion poll.

The Centre for Sustainable Development (CFSD) recently conducted the poll in ten different zones of the capital to get feedbacks on the government's decision to ban polythene bag production from January 18.

Of the 500 randomly selected respondents, about 77.2 per cent knew about the government decision while the rest 22.8 per cent were ignorant of the move to ban the product, the findings showed.

According to the findings, the government decision failed to reach the majority of the people on time and 71 per cent — with a less than Class 8 educational background — never heard of the government decision. Almost 97 per cent of the educated respondents, however, were aware of it.

Indiscriminate disposal of polythene bags is the cause of blockage of city drains, causing waterlogging and clogged sewers, according to 60 per cent of the respondents.

In Uttara, however, most of those polled said lack of proper maintenance of the drainage system was responsible for waterlogging.

The government's decision was favoured by 56 per cent of the respondents while the rest stressed on recycling of used polybags.

The opinion poll results were announced by the CFSD members at a simple ceremony in the city Wednesday. Prof Ainun Nishat, Dr A K M Inamul Haq, Mahfuz Ullah, and Dr Abdullah Farouq, were also present.

Tokyo's TV imports surge 92.4 pc

TOKYO, Jan 6: Japan's television imports surged 92.4 per cent from a year earlier to 471,000 units in November, confirming it became a net importer last year for the first time ever, an industry association said today, reports AFP.

The Electronic Industries Association of Japan said the record imports in November included 159,000 televisions from Malaysia, three times higher than a year earlier. Exports meanwhile fell 11.6 per cent to 271,000 units, with shipments to China plunging 40.7 per cent to 74,000 units.

For the 11 months to November, imports fell 58.8 per cent to 3.21 million units while exports dropped 21.6 per cent to 2.86 million units.

Japan's transformation from a net exporter to a net importer of televisions reflects industry moves to shift production to other Asian countries in the wake of the yen's sharp appreciation last year, association officials said.

And while the country still exports more video cassette recorders than its imports, the gap continued to narrow in November.

Exports fell 12.6 per cent to 1.18 million units in the latest month, marking 33 months of uninterrupted declines and depressing exports for the 11 months by 17.7 per cent to 13.1 million units.

In November, shipments to the United States edged up 0.9 per cent to 318,000 units but those to the European Community fell 30.6 per cent to 73,000 units.

Imports meanwhile jumped 109 per cent to 89,000 units, boosting the total for the 11 months by 41.9 per cent to 597,548 units.

Chinese currency exchange rate remains fixed

BEIJING, Jan 6: China has floated its yuan but the currency's exchange rate is still fixed by the state and dual rates and prices will apply for months, according to analysts here, reports AFP.

In a surprise move last Friday, Beijing announced the end of its dual exchange rate, effectively ending 40 years of tight state controls, and a 33 per cent devaluation of the yuan.

The move has left China with a fledgling currency market and an experimental foreign exchange system now in a state of transition, analysts say.

Despite the reform, the yuan has not budged against the US dollar since Friday, in China's

financial centre, Shanghai, it was still trading at 8.7 to the dollar, the swap rate Friday when the government announced the end of the official rate of 5.8 yuan to the dollar.

The swap rate, which mirrored the black market rate, was previously the rate companies needing foreign exchange paid for dollar.

"Even if the rate does not move, we can definitely say the yuan is floating, or at least floating under controls," said a Western banker in Beijing.

The government is simply trying to stabilise the currency to avoid a yuan collapse and discourage speculation.

Taipei team to survey oil extraction in China

TAIPEI, Jan 6: The state-run Chinese Petroleum Corp (CPC) will send an eight-member group to survey oil resources and refinery conditions in China, despite a four-decade old ban on direct contact between Taipei and rival Beijing, company officials said Wednesday, reports AFP.

The group, composed of nominally retired CPC engineers, is expected to leave for China in the next few days for a month-long visit during which it will survey oil extraction and refining in coastal provinces.

To bypass the national policy banning direct contact with China, the group will visit the mainland under the name of China Technical Consultants Inc, the officials noted.

They emphasized that the group will only survey conditions on the mainland and the results will serve as references for the CPC in its future investment plan in China.

State firms are not currently allowed to invest in China, but economics authorities have asked all state firms to prepare for change or risk losing investment opportunities once the ban is lifted.

Kuomintang nationalist, driven off the mainland after losing a civil war to the Chinese communists in 1949, fled to Formosa, now known as Taiwan, and have since banned direct investment in China.

Americans in Vietnam to assess potential trade relations

HANOI, Vietnam, Jan 6: US teams fanned out across old battlefields in Vietnam Thursday in search of Americans missing in action — the biggest such operation since the end of the war, reports AP.

Their efforts took on added significance as the United States considers relaxing or even lifting the 19-year trade embargo on its former enemy.

President Clinton has indicated his decision hinges on progress in getting from Hanoi the fullest possible accounting of the 2,239 remaining MIAs.

Five separate US congressional delegations and the highest ranking US military officer to visit Vietnam since the war ended in 1975 are arriving over the next 10 days to assess MIA progress and potential trade relations with Vietnam.

Western diplomats and businessmen point to recent developments as indicators that the Clinton administration will take some action on the trade embargo this year.

A dozen US companies already have registered to bid for about 300 million dollar in internationally financed highway projects following Clinton's slight easing of the embargo in September.

Mobil Corp plans to begin exploring for oil off southern Vietnam in the spring, along with three Japanese companies. It is counting on the embargo

being lifted by the time any oil — the major focus of international investment in Vietnam — is discovered.

US companies are still forbidden from buying or selling consumer goods and other commercial activities in Vietnam.

Despite the reported progress, veterans groups in Washington called on Clinton to resist pressure from big business and maintain the embargo until Hanoi hands over more information and MIA remains.

"Oil companies and other businesses... are anxiously waiting to jump into Vietnam in

order to take advantage of cheap labour and available markets and resources," the American Legion said in a letter.

Added the Disabled American Veterans: "It would be deplorable and deceitful to give up our nation's quest for the fullest possible accounting of our missing servicemen just to pad the bottom lines of a few American corporations."

Thursday's New York Times called for an end to the embargo in its lead editorial, saying: "With the rest of the world trading freely with Hanoi, the embargo punishes American businesses far more than it

punishes the Vietnamese." US officials in recent weeks have praised the cooperation of the Vietnamese in the MIA search.

When Vietnam first allowed the United States to search for remains in 1988, only three men were permitted to enter the country and their access was limited.

The operation that began Thursday involves 84 American in eight teams — the most ever, according to Army Lt Col David L Frdrickson, a spokesman. They have Hanoi's permission to roam the countryside in both the north and south.



Khorshed Alam, Governor of Bangladesh Bank, addressing as chief guest the installation ceremony of the newly elected office-bearers of Bangladesh Bank Club on Wednesday.

Advertisement for Titas Gas Transmission and Distribution Company Limited. Includes text in Bengali: 'তিতাস গ্যাস ট্রান্সমিশন এন্ড ডিস্ট্রিবিউশন কোম্পানী লিঃ', 'বিজ্ঞপ্তি : জায়গা ভাড়া/ক্রয়ের জন্য', and contact information.