

Nepal launches
stock exchange

KATHMANDU, Jan 15: Nepal has formally launched a stock exchange for the first time with 62 public limited companies listed, a Finance Ministry official said yesterday, reports AFP.

"The official said of the listed companies, only 36 are operating while the rest are gradually coming into the scene.

"The paid up value of the 62 listed companies is 1.68 billion million US dollars and the market value of them is 3.8 billion rupees," the official said.

"While launching the stock exchange market in Kathmandu, the government also issued the broker licences to 25 people," he said.

"After amendments in the Nepal Company Act in the forthcoming winter session of the parliament, provisions will be made to permit foreign entrepreneurs and individuals to purchase shares," he said.

"All formalities for foreign company trading for the Nepalese shares will be completed by mid-July," he added.

The main objective of creating the stock exchange market in Nepal is to help develop an open market economy, the official said.

Soon after the opening of the exchange Thursday, shares worth 78,370 rupees were sold, he said.

The United States agency for International Development and the Unit Trust of India have helped to provide manpower training to handle the stock exchange," the Foreign Ministry official said.

Jordan seeks to
expand economic
cooperation
with Iraq

BAGHDAD, Jan 15: Walid Asfour, Jordan's Minister of Energy and Minerals, on an official visit to Baghdad, has met senior Iraqi officials in commerce, oil and industry to discuss how to expand economic cooperation, reports Reuter.

Asfour has so far avoided talking to the foreign press and the Iraqis have refrained from giving any details on his meetings with their officials.

But sources close to the meetings say the Jordanian minister is seeking guarantees of preferential treatment when United Nations trade sanctions on Iraq, imposed in response to its 1990 invasion of Kuwait, are eased or lifted.

Iraq was Jordan's major trading partner before the sanctions. Iraqi trade, meagre as it is because of the UN trade embargo, is vital to Jordan's economy and Iraq still supplies Amman's oil on favourable terms.

Jordan fears a lifting or an easing of UN sanctions may divert Iraqi trade from its Red Sea port of Aqaba to terminals at the head of the Gulf.

Sources said Asfour stressed to Iraqi leaders Jordan's readiness to continue supplying Iraq with local products.

US defence fraud

Litton firms pay
\$ 3.9m fine

WASHINGTON, Jan 15: Litton Industries paid a 3.9 million dollar fine to settle charges of fraud in defence contracts as the Justice Department concluded lengthy probe into fraud in military procurement, officials said Friday, reports AFP.

Litton became the 10th company to pay a fine for obtaining secret bidding information to win contracts, bringing the total in fines to more than 250 million dollar.

Attorney General Janet Reno announced the conclusion of operation ill wind, which led to 54 criminal convictions and forced out two members of the House of Representatives during a seven-and-a-half year investigation.

She called the probe "one of the most successful investigations and prosecutions ever undertaken by the Department of Justice against white-collar crime."

The highest-ranking official convicted was Assistant Navy Secretary Melvyn Paisley, who is serving a 48-month prison sentence.

Litton acknowledged hiring a defense consultant to obtain inside information for a bid on three contracts for the navy and marine corps. The company pleaded guilty to charges of conspiracy and fraud.

In addition to Litton, United Technologies, Loral Corp, Lyv Aerospace and Defense Corp and Grumman Corp have pleaded guilty to various charges.

Powdered milk sector subjected
to discriminatory ad policy

By Staff Correspondent

Country's powdered milk sector is being subjected to discrimination regarding marketing of the products because of the government's advertisement policy.

Under the government's policy, advertisement of powdered milk was banned in the television, country's only audio-visual media.

But entrepreneurs involved in the milk business mentioned that this had caused a serious problem in the marketing of their products.

They observed that the government's policy was highly discriminating and against the spirit of free market economy. They also pointed out that ad-

vertising of milk powder was allowed in all of the countries in the world.

The logic behind the government's banning the advertisement is that it gives the idea that canned milk is a substitute for mother's milk.

But businessmen said the milk was canned as whole milk and it was not promoted as a substitute for mother's milk. Rather it was promoted as fit for consumption by the adults.

In absence of a fair play ground for marketing, new entrepreneurs were being discouraged to invest in the milk sector, the businessmen said, adding that there was still am-

ple scopes for investment specially in canning of milk in the country.

Presently, only 20 per cent of the requirement is met by locally produced milk and the rest is met by import of powdered milk.

Majority of the import is made in canned state. But when milk is imported in bulk and canned locally, it provides at least 20 per cent value addition and also provides job opportunity.

Currently, four importers have opted for canning industry in collaboration with foreign companies. Some more foreign compa-

nies were interested to invest in the sector, but some of them have backed out owing to the government's policy.

A Singapore based company was planning to relocate its milk-canning industry in the country. But it is now thinking of Vietnam as an alternative, sources said.

An Australian company involved milk business in the country thought of setting up a canning industry. But it is also thinking of going to Vietnam.

The entrepreneurs felt that unless the government paid serious attention to the milk sector, more foreign investments were likely to slip away.

Indonesia's
economic growth
in '93 estimated
at 6.7 pc

JAKARTA, Jan 15: Indonesia's economic growth in calendar 1993 is estimated at 6.7 per cent after 6.3 per cent growth in 1992, central bank Governor Sudradjat Djwandono said, reports Reuter.

Sudradjat gave the estimate in prepared remarks, made available to reporters, before an annual meeting of bankers.

He did not make clear whether the estimate was based on gross domestic product (GDP).

"Based on provisional data, the economy is estimated to have grown by 6.7 per cent compared to 6.3 per cent in 1992," Sudradjat said.

The government last week predicted fiscal 1993/94 (March-April) GDP growth at 6 per cent.

SAARC telecom engineers'
training begins

GAZIPUR, Jan 15: Two-week regional training course on NEAX 61-E digital exchange began today at the Telecom Staff College here, reports BSS.

Organised under the activities of programmes of SAARC technical committee, a total of 16 telecom engineers from Bangladesh, India, Sri Lanka, the Maldives, Nepal and Bhutan are taking part in the course.

Inaugurating the training course, Chairman of the T and T Board Fazlur Rahman said, the sphere of activities of telecommunications system is not confined within a national boundary. "A close and integrated contact is therefore constantly required between the systems of different countries for providing effective services," he said.

Rahman said the subject matters offered in the training course would be useful in developing the telecommunications services of the SAARC countries and help the transition from the age-old analog technique to modern digital technique.

The T and T chairman said his office planning to turn the Gazipur Telecom Staff College into an international telecom training centre in collaboration with International Telecommunication Union of UNDP particularly for promoting telecom system in the region.

Speaking on the occasion, Director General of the Staff College AKM Badrul Alam said the course has been designed to offer theoretical and practical knowledge to the participants on digital technology.

Indonesia plans crackdown
on banking industry

JAKARTA, Jan 15: Indonesia announced plans for a crackdown on the domestic banking industry to reduce bad debts, control offshore borrowing and ensure recent credit growth did not lead to economic overheating, reports Reuter.

"It is the intention of the government to adopt a stricter banking supervision policy," central bank Governor Sudradjat Djwandono said in a speech, made available to reporters, at Indonesia's annual bankers meeting in Jakarta.

"Prudential regulations stated in the new banking act (1992)... will be vigorously enforced, including criminal charges, for those violating rules," he said.

Said Bank Indonesia (the central bank) was devising cri-

teria and looking at alternative ways to handle bad debts problems, such as mergers and acquisitions.

There are more than 200 banks, some of them in joint ventures with foreign partners, in Indonesia.

Bad and doubtful debts accounted for 15.2 per cent of total bank credits of 169 trillion rupiah in December, up from 7.4 per cent at end-1988 and 9.2 per cent in December 1991.

Bad debts total 3.3 per cent of total credits, up from 2.6 per cent last September, Bank Indonesia said recently.

Foreign bankers put the figures much higher. One said last month that between 40 and 50 per cent of state bank loans and 20 to 25 per cent of private loans were uncol-

lectible in the short term.

Djwandono told the bankers' meeting on Friday the government would ensure offshore borrowing would be controlled and coordinated.

Control and coordinating regarding offshore commercial borrowing by the government sector, including state enterprises and the banking sector, will remain, he said.

On credit growth, expected to be 18 per cent in the current fiscal year ending in March and in 1994/95, Djwandono said: "The acceleration of economic activity and stability must be kept in balance."

"We do not want a volatile recovery, we do not need a recovery that goes beyond our capacity to sustain... and that could lead once again to economic overheating."

BIWTA takes up
3 projects for
dredging river
Shitalakhya

NARAYANGANJ, Jan 15: Bangladesh Inland Water Transport Authority (BIWTA) has taken up three projects involving Taka 23 lakh for dredging the river Shitalakhya and Dhaleswari during the current lean season period, reports BSS.

According to BIWTA sources, of the three projects one will be at Khanpur RCC jetty point on the river Shitalakhya and the other at Baktabali on the river Dhaleswari under Fatullah police station.

The dredging has been necessitated following the development of heavy siltation and shoal on these points of the rivers Shitalakhya and Dhaleswari, the sources said.

About 18000 cubic of earth would be dredged in the terminal and Khanpur jettysite at a cost of Taka seven lakh to remove siltation from the river bed.

The dredging work will start at the end of January and is expected to be completed by February 15 next.

At Baktabali about 80 per cent of the dredging work has been completed on the river Dhaleswari and the rest is expected to be completed by the end of this month.

US-China talks
on textile
industry begin

BEIJING, Jan 15: The United States and China began last-minute talks today to avert a trade war over the important textile industry, reports Reuter.

The US embassy said the talks would last until Monday, when Washington will cut Beijing's textile quota by 25 to 35 per cent unless negotiators can come up with a pact.

China has threatened to retaliate if the United States cuts its access to the market for its exports.

Washington's top textile negotiator Jennifer Hillman flew to Beijing for the talks.

China has said the US quota cut could throw 300,000 people out of work and cost one of its major export industries about 1.2 billion dollar.

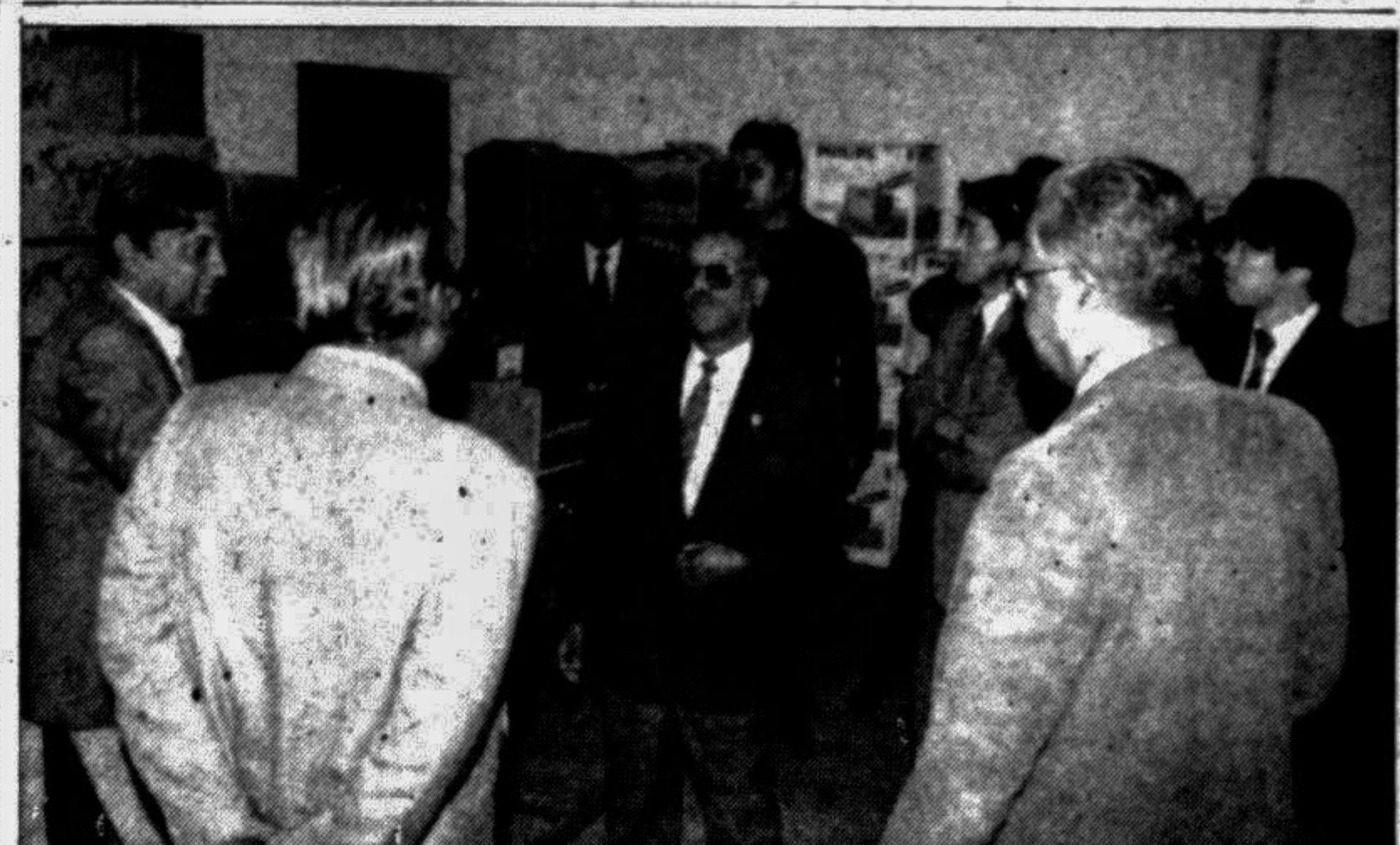
After months of business negotiations, Washington said this month it would cut the quota to punish Beijing for allegedly allowing some 2 billion worth of Chinese-made goods to slip into the United States under third-country labels.

Square executive
to attend Prayer
Breakfast in
Washington

Tapan Chowdhury, an eminent industrialist and director of Square Pharmaceuticals has been invited by the US Congressional Committee to attend the 42nd National Prayer Breakfast to be held on February 3, '94, at the Washington Hilton Hotel, says a press release.

Tapan Chowdhury is also the President of YMCA Bangladesh and member of World Alliance of YMCA Executive Committee.

President Clinton, First Lady Hillary Clinton, Congress Members, and delegates from over 90 countries of the world will also be present at the occasion.



Japan International Cooperation Agency (JICA) donated equipment and machinery worth Tk two crore recently to Bangladesh for utilising those in the technical training centres for strengthening the training facilities. Equipment and machinery include gas cutting machine, welding machine, diesel engines, shaping machine, slicing machine, lathe machine, TV, VCR, etc.

ANC favours mixed economy

JOHANNESBURG, Jan 15: Nelson Mandela's African National Congress (ANC), with an eye on the first all-race polls in April, unveiled an economic programme draft which would reserve the government's right to nationalisation, state shareholding, and new or joint ventures with the private sector, reports Reuter.

A reconstruction programme draft said the ANC favours a mixed economy in which the South African government plays a leading but flexible role in what it called a dynamic balance between state intervention, the private sector and civil society.

"Stable, consistent and predictable policies as well as a dynamic economy should create a climate conducive to foreign investment," a draft of the programme said.

ANC economic chief Trevor Manuel declined to elaborate on possible nationalisations, stressing that the document was a framework on which their key players would be consulted.

"The state could in some circumstances enlarge or reduce," he told reporters. "There is no ideological wedding to nationalisations."

The document outlines what it called achievable programmes over the next five years, including public works job schemes to build over one million houses, provide electricity to 2.5 million new homes and extend affordable clean water and sanitation to all.

The backbone of the economy, mining, dominated by six major mining houses, should be democratised through appropriate anti-trust legislation, the document said.

Some form of prescriptive law should be considered if financial institutions balked at what it called socially desirable investments, it said.

The ANC urged the formation of a commission to review the structure of control and competition in South Africa's economy, the draft said.

In addition, the proposals aim to spread ownership in agriculture and help small scale operations while further developing commercial farming. The industry, it said, was dominated by 60,000 white farmers who owned the bulk of land, while agriculture in black homeland was starved of resources.

The plan will be submitted on January 22-23 to a conference of the ANC and its allies, the South African communist party and the confederation of South African trade unions.

The proposals, unveiled as the economy turns from its longest recession on record focus heavily on backlogs spawned by apartheid in jobs, land, housing, water, electricity, telecommunications, transport, health and social welfare.

"No political democracy can survive and flourish if the mass of our people remain in poverty, without land, without tangible prospects for better life," the draft said.

Nigeria's black market
set for boom days

LAGOS, Jan 15: Nigeria's black market is set for boom days, thanks to a decision by military ruler General Sani Abacha's regime to centralise foreign exchange transactions, banking sources said, reports AFP.

The military has decreed that such transactions must be carried out through the Central Bank of Nigeria (CBN).

But the bank is unprepared and will inevitably be flooded with more requests for foreign currency than it can possibly handle, the sources said.

Nigeria's imports last year cost around seven billion dollars, according to figures supplied by Finance Minister Kalu Idika Kalu.

But importers will have access to reserves of only 1.9 billion dollars on the official market, the sources said.

Even allowing for foreign exchange funds from money-changing bureaux, which will now fall under the aegis of the CBN, and from petrol companies, there will still be a four billion dollar shortfall for the black market to meet, the sources said.

Exports believe the imposition of value added tax at five percent on January 1 will trigger a wave of price rises that could see some prices double. Traders have been hiking

prices to build up a cash cushion so that they will be able to pay black market prices for the foreign exchange. They will end to keep their stores stocked.

Police have been raiding black market currency dealers over the past few days, driving them off the streets, according to reports.

But neither General Abacha nor his Finance Minister have made an issue of the black market.

Economist Sam Aluko said: "What the government should do now is wipe out the black market, declare it illegal and arrest black marketeers."

If the government stays silent, the black market will flourish, undermining the stabilisation of the naira."

Nigeria's neighbours in the franc zone, where the CFA franc was devalued by 5 percent this week, are also under pressure to stabilise their currency, and will have to crack down on smugglers who import Nigeria's petrol, the cheapest in the world, and sell it at ten times the price, experts said.

That in turn should oblige Nigeria to act against its black marketeers, who are thought to have smuggled around 100,000 barrels a day out of the country last year.

US firm plans to
buy \$12b Russian
uranium for
commercial use

WASHINGTON, Jan 15: A US corporation plans to buy 12 billion dollars worth of uranium for commercial use from Russian nuclear warheads due to the dismantled, the firm said Friday, reports AFP.

The US Enrichment Corp announced the deal in a statement from Moscow the same day that the presidents of the United States, Russia and Ukraine signed an accord to raid Ukraine of all its nuclear arms.

The corporation, created by Congress to provide uranium for electric utilities worldwide, is to receive some 550 tons of uranium from weapons slated to be dismantled over the next 20 years.

The uranium will be converted in Russia, which is to provide Ukraine with fuel for civilian power plants in exchange for the nuclear warheads in that country.

The amount of uranium purchased in the first year alone will be sufficient to provide electricity for 10 million households, the company said. Russia will use some of the money from the sale for converting its defence industry, environmental clean-up and nuclear safety measures.



The eight-member delegation of the Chinese Communist Party led by Alternate Member of the Politburo of the Central Committee and Secretary of the Secretariat of the Communist Party Wen Jiabo visited the Dhaka Export Processing Zone in Savar on Friday. — PID photo

G-7 exploring ways of giving
more aid to ex-Soviet states

MOSCOW, Jan 15: The United States and its rich allies are exploring ways of funneling more aid to the former Soviet republics outside Russia so they can buy much-needed oil and gas supplies from Moscow, US officials said, reports Reuter.

"We are going to work to try to get funds... to Russia's energy customers so that they can pay their bills," US President Bill Clinton told a joint news conference with Russia leader Boris Yeltsin at the end of their two-day summit here.

The former Soviet republics outside of Russia have been hit hard as Moscow has increased energy prices to world levels in line with economic reforms agreed with the International Monetary Fund and World Bank.

Extra aid to the republics could run in the tens of billions of dollars and would serve two purposes. It would earn Russia foreign exchange, while helping the republics cope with a tough adjustment.

"The feeling in the G 7 is that we need to look for ways of avoiding inappropriate disruptions in trade in the former Soviet Union," a senior US Treasury Department official, who declined to be identified, told reporters.

The Group of Seven nations — Britain, Canada, France, Germany, Italy, Japan and the United States — is likely to focus on the International Monetary Fund as a source of funding.

There is a precedent for that. The IMF in the past helped countries cope with oil price shocks triggered by Iraq's 1991 invasion of Kuwait and by sudden price increase by the OPEC cartel.

The fund even has a lending window — a compensatory contingent financing facility — to provide countries facing such shocks with money with little or no strings attached.

It is not clear though whether that facility's guidelines would permit its use in this case or whether it would be able to provide all the funds that may be needed.

Some Russian officials have proposed that the United States and its rich allies divert money from a planned 6 billion US currency stabilisation fund for Moscow to the other republics so that they can continue to buy the needed imports.

Washington had initially been cool to the proposal. But the senior US Treasury official did not rule it out entirely. "I don't think there is a settled

view (on that)," he said.

The 6 billion US dollar was to have been provided by the United States and its rich allies from an account they have set up at the IMF to handle emergencies in the world economy.

If the terms of the treaty governing the account had to be modified, the Clinton administration would have to obtain the approval of congress — a lengthy process that would cause long delays in the flow of aid that is needed now. Despite such problems, Clinton said he was "confident" that the needed funds will be delivered, and that is good news for Russia and the other former Soviet republics.

AFP adds from Brussels: European Community aid to Russia should be more visibly aimed at the victims of economic change there. EC Trade Commissioner Leon Brittan said yesterday, reports AFP.

In a speech to a political meeting in Dundee, Scotland, he warned that extreme rightwing nationalism in Russia was being fuelled by unemployment caused by privatisation, and aggravated by the loss of social safety nets.

"We need to find ways of assuring the local populations that the new system can work.