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US, China reach textile accord

BEIJING, Jan 17: US and Chinese negotiators reached a textile trade agreement Monday, averting a possible trade war over allegations that Chinese companies illegally sell billions of dollars worth of clothing to the United States, reports AP.

No details of the pact were available in advance of the signing ceremony.

"The agreement is the product of the joint effort made by both sides. Both sides have started from the principles of consultation and equality," said Wu Yi, China's trade minister, after emerging from talks with chief US textile negotiator Jennifer Hillman.

"China attaches great importance to developing cooperation with the US in all areas," said Wu as she and Hillman prepared to sign the agreement.

Textile trade is controlled by agreements that set export quotas for different kinds of cloth products. The United States says China has exceeded its quota by 2 billion dollar a year, mostly by shipping goods through third countries.

Monday's agreement came just as a US order slashing textile imports from China by more than dlrs 1 billion was going into effect.

Although details of Monday's agreement were not immediately available, the United States had wanted to station a US official in Beijing to monitor textile exports and stage surprise inspections at suspect factories and shipping outlets.

On Jan 6, US Trade Representative Mickey Kantor announced quota reduction of 25 percent to 35 percent in 88 categories of Chinese cloth products including sweaters, knitted shirts and cotton trousers. The order was to take effect Monday.

China's trade ministry had protested the reduced quotas and suggested it might take "corresponding retaliatory measures."

Kantor had estimated that the order would reduce China's 7.3 billion dollar in annual textile and clothing sales to the United States by dlrs 1.1 billion to dlrs 1.2 billion.

US textile industry officials say illicit imports from China have cost 50,000 US jobs, but retailers fear prices will rise if imports are cut.

China is by far the largest foreign source of textiles for the United States, accounting for 20 to 25 percent of all clothing sold in the United States. China's overall surplus with the United States, about dlrs 25 billion last year, was second only to Japan's.

US officials say Chinese goods have been relabelled in at least 25 other nations, including Honduras, Panama and Hong Kong, to disguise their origin.

Chinese companies also have overshipped — sold products directly to the United States even though they already had filled their export quotas, US officials say.

The agreement came two days before US Treasury Secretary Lloyd Bentsen's scheduled visit to China. He will become the highest-ranking Clinton administration official to visit China.

Chinese Foreign Trade Minister Wu Yi (C) applauds as US chief negotiator Jennifer Hillman (L) shakes hands with Chinese Deputy Foreign Trade Minister Shi Guangsheng upon signing a three-year treaty on Chinese textile exports to the American market in Beijing yesterday.
—AFP photo

SAPTA will benefit 1b people, hopes Mostafiz

Foreign Minister A S M Mostafizur Rahman yesterday hoped that South Asian Preferential Trade Arrangement (SAPTA) would be translated into reality for the benefit of some one billion people of the region, reports UNB.

Mostafiz expressed the optimism when the visiting SAARC Secretary General, Yadav Kant Silwal, called on him at his ministry in the morning.

"The SAARC needs to demonstrate tangible benefits for the people of South Asia," Mostafiz said.

The Foreign Minister congratulated Silwal on his appointment as Secretary General of the seven-nation association.

Mostafiz said the SAARC would make a new headway with Silwal as head of its secretariat, situated in Kathmandu.

The new SAARC Secretary General thanked the Foreign Minister for various initiatives he is taking to make the forum more dynamic and effective.

Foreign Secretary Mufleh Rahman Osmany was present on the occasion.

Siwal, who arrived in the city on Friday on a three-day visit is scheduled to call on Prime Minister Begum Khaleda Zia who is current chairperson of the forum.

Announcement of Latam common market to be delayed

MONTEVIDEO, Jan 17: The Presidents of Argentina, Brazil, Uruguay and Paraguay this week will announce a delay in their countries' drive to forge a common market, diplomats said yesterday, reports AFP.

The likely delay in implementing a common external tariff underscores a potentially dramatic short-run downsizing in scope for Mercosur, which stands for southern common market.

When the four South American neighbours agreed to the sweeping economic integration plan in 1991, it was supposed to yield an operational common market by January 1, 1995.

Now, it appears all but certain that the four will press efforts to eliminate all trade barriers among them by the January 1995 deadline — creating a free trade zone and possibly a customs union — but without having settled on a common market's shared external tariff structure.

A true common market also would include, in addition to a free flow of goods and services, the right for workers to move freely among the four countries, full capital mobility and close fiscal and monetary coordination.

Those are Mercosur goals but are still on the negotiating table.

S'pore considers new scheme for elderly homeowners

SINGAPORE, Jan 17: Singapore is considering introducing a scheme to allow elderly homeowners to raise money against the value of their property to help meet living costs, news reports said today, reports AFP.

The government will implement the reverse-mortgage proposal, discussed in Parliament last week, if there is demand for it, Acting National Development Minister Lim Hng Kiang said, according to the newspaper reports.

Under the scheme the elderly homeowner would receive monthly payments from the lender.

The balance of the property's value remaining unpaid upon the owner's death would be paid to their estate and the lender would take possession of the property.

In his new year's message, Prime Minister Goh Chok Tong voiced concern over the impact of Singapore's rapidly ageing population on the nation's economic vigour and competitiveness.

"We need to make major adjustments to cope with this change, Goh said.

Demographers have projected that over the next 40 years, the number of citizens over the age of 65 will quadruple — from 164,000 to 662,000. Over the same period, the overall population will grow by 30 per cent, from 2.7 million to 3.5 million.

Singapore has already raised the retirement age to 60 and is encouraging residents to save more for their retirement and to exercise to improve their health.

M N Islam (M), Chairman of Jamuna Group of Industries, briefing newsmen at the premises of Aromatic Cosmetics Ltd. at Gazipur yesterday.

Export of Aromatic products likely soon

By Staff Correspondent

Aromatic Cosmetics Limited, a four-month old factory producing 77 cosmetics and toiletries, is expected to export its products soon.

The factory, with the most modern equipment operating under the technical assistance of China and France, has in the meantime received export offers from Russia, Nepal and Bhutan, said M N Islam, Chairman of Jamuna Group of Industries of which Aromatic Cosmetic Limited is a component.

Addressing a press conference at the premises of the factory at Kashimpur in Gazipur yesterday, M N Islam told journalists that his company would be the pioneer in exporting cosmetics and toiletries produced in the country.

Quoting a recent survey, Islam said presently 45 per cent of the cosmetic items consumed in the country is imported from different foreign countries.

"We want to meet this demand of cosmetics and toiletries by our products of international standard", he said adding he is not in favour of banning foreign items rather welcomes a free and balanced competition.

"If we can ensure quality of local products then the dependence on foreign items will be reduced to a large extend and smuggling of such goods will also stop", the young entrepreneur viewed challenging that the Aromatic was capable of fighting its foreign contestants.

The owner of 12 industries under Jamuna Group told the news conference that he did not take bank loan for setting up the newest unit of his group and expressed his dissatisfaction at complications of receiving loans from banks in the public sector.

Criticising the government inaction against the defaulters with the commercial banks and Development Financial Institutions (DFIs), M N Islam commented the government's efforts for industrialisation would remain a mere slogan unless defaulters and unscrupulous entrepreneurs who misused credits were strongly dealt with and the bonafide ones were supported with all possible facilities. In this context, he narrated several stories of his being harassed with the bank authorities which, he said, had discouraged him to set up industries with credits from banks or DFIs.

Except the electric goods manufacturing industry, the first component of Jamuna Group, the Chairman informed the newsmen that no other units of the group was set up with loans.

Replying to a question, the successful businessman said he was planning setting up of a factory to produce high quality soap by 1995.

He told another questioner that Aromatic was guaranteeing quality products with a minimum price affordable to the general consumers. Citing an example, he said a shampoo of his industry costs 1.5 dollar whereas a shampoo of the same quality made in Thailand costs 12 to 13 dollars. "Our factory also guarantees side effect-free items through computerised quality control system".

Earlier, Syed Alamgir, Marketing Director of the Aromatic Cosmetic Limited, read out a statement describing speciality of the factory and difference of its products from other producers in the country.

"We have ensured all preconditions of quality products — Appropriate technology, standard formulation, quality raw materials and finally best quality-control system", he claimed.

He further said our products did not contain minimum portion of harmful elements such as mercury, lead, arsenic etc. The factory is run by highly educated and experienced persons and experts from home and abroad, Alamgir said while speaking about speciality of the factory. Later, the factory officials and the owner introduced the journalists with the production system inside the factory.

Cartier to hold jewellery display in India

NEW DELHI, Jan 17: The House of Cartier is set to organise an exhibition of its historic pieces of jewellery in India that have been inspired by local designs, Flora and Wild life, the Times of India said Sunday, reports AFP.

The display will include the celebrated "Tutti Fruitti" theme crafted with contrasting stones, The rage of turn of the century Europe as well as panther brooches and reversible Tiaras, a company official said in Bombay.

Louis Francois Cartier, the founder of the 147-year-old firm and his three sons derived many of their classical designs from traditional Indian patterns, Cartier joailliers representative Olaf Van Cleef told the daily.

The Delhi Durbar of 1911 attended by the Prince and Princess of Wales and members of India's numberous erstwhile royal families, was a particularly enriching period, he said.

OPEC states lose $3b in revenue

Iran seeks Saudi cooperation to boost oil prices

TEHRAN, Jan 17: Iranian President Ali Akbar Hashemi Rafsanjani called for Saudi-Iranian cooperation to boost oil prices during a meeting here yesterday with Saudi education Minister Abdel Aziz Al-Khuwaiter, Iranian television said, reports AFP.

Khuwaiter handed Rafsanjani a message from King Fahd, the television said, without giving further details.

The Iranian President said a special envoy would visit Saudi Arabia soon with a response to the message.

During the meeting Rafsanjani said regional problems and the fall in oil prices "require more consultation" between Iran and Saudi Arabia, the television reported.

He called for more bilateral visits by economic and political delegations to "narrow the gap in their view-points."

It was the first visit to Iran by a high-ranking Saudi official since Riyadh banned an anti-US Iranian demonstration in Mecca, Islam's holiest place, last May.

Iranian Foreign Minister Ali Akbar Velayati said in October that his Saudi counterpart Prince Saud Al-Faysal would visit Iran soon to prepare for a summit meeting between King Fahad and Rafsanjani.

Saudi-Iranian ties have been strained since the 1979 Islamic revolution in Iran which toppled the pro-Western Shah.

Diplomatic ties were severed after more than 400 pilgrims, mostly Iranians, were killed in clashes with Saudi security forces in Mecca in 1987.

But relations improved after the August 1990 Iraqi invasion of Kuwait and Velayati's visit to Saudi Arabia in early May.

Another report from Kuwait City adds: OPEC countries lost three billion dollar in revenue during November and December as a result of the oil price collapse, Kuwaiti Oil Minister Ali Al-Baghli said in comments published Sunday.

Kuwait's losses over the same period amounted to 220 million dollar, Baghli told the Kuwaiti independent daily Al-Watan Kuwait produces some two million barrels per day (BPD).

The losses were calculated from the fall in the prices of seven benchmark crudes used as a reference by the Organisation of Petroleum Exporting Counties.

According to an OPEC secretariat report, the basket price plunged to 12.88 dollars a barrel in December, the lowest level since September 1988.

Baghli said the only way out of the crisis was "a positive response to the Gulf Cooperation Council (GCC) offer in December to cut production if other producers pledged to do the same.

The GCC countries — Saudi Arabia, Kuwait, the United Arab Emirates, Bahrain, Qatar and Oman — provide one-fifth of world oil production and possess 40 per cent of global oil reserves.

On Friday Omani Oil Minister Saeed Ibn Ahmed Al-Shanfari said he had received a "positive" response to the GCC offer from non-OPEC oil-producing countries.

Shanfari recently visited Yemen, Egypt, Syria, Norway, Britain, Russia, Malaysia and Brunei.

He was due to visit Doha on Sunday to brief the OPEC President, Qatari Oil Minister Abdallah Al-Attiya, on his contacts.

The Omani minister was due to travel on to Bahrain later for an oil conference, and then Riyadh, to meet his Saudi counterpart Hisham Nazer.

China may face difficulties to yield balanced foreign trade

BEIJING, Jan 17: China will be hard put to rein in last year's 12 billion dollar trade deficit in 1994, a senior government economist was quoted as saying Sunday, reports AFP.

"It will be an uphill battle for China to yield a balanced foreign trade, unless the government hits upon some extraordinary ideas," said Wang Huai 'An, an economist with the Ministry of Foreign Trade and Economic Cooperation.

China posted a trade deficit of 12.2 billion dollars last year after four years of surplus.

According to Wang, capital shortfalls and rising prices this year will cancel out the beneficial effect on exports of sustained economic growth and the unification of China's foreign exchange rate.

"Inflation and money shortages are still biting and pushing up export costs," the China Daily Business weekly quoted Wang as saying.

Despite government pledges to stabilise prices ahead of the Chinese new year, analysts here say uncertainty surrounding a host of economic reforms implemented at the beginning of the year could fuel inflationary pressures.

Manila plans to legalise secret gun industry

MANILA, Jan 17: A Philippine official has proposed legalising the country's clandestine gun-making industry to curb the spread of unlicensed guns while earning dollars from weapons export to Asian countries, reports Reuter.

Interior Secretary Rafael Alunan said at the weekend that unlicensed gunsmiths in central Danao City, the country's gun manufacturing centre, could form a cooperative as a first step towards their legalisation.

Danao Gunsmiths, formerly farmers, produce thousands of guns a year which eventually find their way into the hands of criminal gangs in Japan and Taiwan. The guns include revolvers, shotguns, 357 magnums and replicas of UZI machine pistols and fetch prices from 700 pesos 25 US dollars to 8,000 (290 US dollars).

Efforts to stamp out the industry have failed partly because the gunsmiths are protected by some politicians, officials say.

Asian currencies mixed against Greenback over week

HONG KONG, Jan 17: Asian currencies were mixed against the US dollar over the week as Japan, Taiwan and South Korean sucked in capital to their stock markets while international investors pulled funds from volatile bourses elsewhere, reports AFP.

JAPANESE YEN: The Japanese currency gained ground to close at 111.75 yen to the dollar on the Tokyo foreign exchange market Friday, up 0.73 yen from the 112.48 yen finish a week ago.

Investors sold dollars for yen on prospects of a rise in the exchange value of the Japanese currency, dealers said, adding that there was no major market-moving news this week.

US Treasury Secretary Lloyd Bentsen, concerned about the huge US trade deficit with Japan, said last week that the yen should not be allowed to keep falling.

AUSTRALIAN DOLLAR: The Australian dollar climbed almost half a US cent during the week, largely due to positive labour force data, economists said.

The domestic currency closed Friday at 68.93 US cents from last week's finish of 68.50.

On Thursday, news that Australia's December jobless rate fell to 10.7 per cent, seasonally adjusted, from 11.1 per cent the previous month, helped push the local dollar above 69.00 US cents.

On the Reserve Bank of Australia's Trade Weighted Index, a basket of major trading currencies, the Australian dollar closed Friday at 52.7 points from last week's finish of 52.4.

HONG KONG DOLLAR: The Hong Kong dollar, which is tightly pegged to the US dollar, closed the week at 7.724 to the Greenback, slightly weaker than its 7.723 close a week earlier.

SINGAPORE DOLLAR: The Singapore dollar weakened against the US dollar at an exchange rate of 1.6060 compared to last week's level of 1.5960.

MALAYSIAN RINGGIT: The ringgit plunged to a two-year low against the US dollar on widespread selling prompted by a move by Bank Negara, the central bank, to curb fund-inflow and ringgit-speculation.

The Malaysian currency lost 920 points to finish at 2.7220 to the Greenback from 2.6300 a week ago.

"The market is now highly volatile and the ringgit's future direction is uncertain," said a foreign exchange dealer.

TAIWAN DOLLAR: The Taiwan currency advanced to close Friday, at 26.595 to the US dollar up 10.4 Taiwan cents from the previous week's finish of 26.599 on heavy trading.

Market dealers attributed the jump of the local unit to continued inflow of foreign capital on stock investment.

NEW ZEALAND DOLLAR: The New Zealand dollar closed the week at 55.81 US cents, stronger that its close of 55.73 a week earlier.

SOUTH KOREAN WON: The won strengthened from 813.0 won per dollar to close at 811.50 as foreign investors brought in dollars to invest in the stock market.

"The trend is expected to continue for a while as foreign funds keep flowing into the bourse," a dealer at Korea First Bank said.

PHILIPPINE PESO: Philippine peso depreciated to 27.799 pesos to the US dollar on Friday from 27.598 the previous week.

However economists remain confident that more foreign exchange will be coming into the system this year due to increased investments and remittances by Filipino workers overseas.

THAI BAHT: The Thai baht was unchanged at 25.55 baht to the US dollar, a central bank official said.

INDONESIAN RUPIAH: The Indonesian currency depreciated by 0.38 per cent this week to 2,119 rupiah to the dollar compared to 2,111 rupiah the previous week.

US dollar slips against yen in Tokyo

TOKYO, Jan 17: The US dollar slipped against the Japanese yen Monday, as prices on the Tokyo Stock Exchange fell, reports AP.

The dollar closed at 111.22 yen, down 0.53 yen from Friday's close and above its New York finish Friday at 110.05 yen. After opening at 111.25 yen, the currency ranged from 111.11 yen to 111.45 yen.

Trading was uneventful because of the lack of major market-affecting news, said Shozo Motomura, a Sakura Bank dealer. He said many players were sidelined because of a US market holiday Monday for Martin Luther King Jr Day.

F G Mahler, Managing Director, Nestle Bangladesh Limited, addressing Sales Conference of the Company at a city hotel yesterday.

French firm to build hotel in Hanoi

HANOI, Jan 17: French group CBC signed here today a contract to build a 280-room hotel in the Vietnamese capital, witnessed by visiting French Industry and Foreign Trade Minister Garad Longuet, reports AFP.

CBC, a civil engineering firm owned by diversified mineral, water and engineering group Compagnie Ganarale Des Eaux, negotiated four years to clinch the 58 million dollar contract along with minority Vietnamese Partner Toserco.

The hotel De L'opera, named after and modelled on the famous Paris Opera House, the Palais Garnier, will open at the end of 1996 and include a business centre and conference halls.

CBC President Gilbert Simonet said it would be the first Five Star Hotel in the Vietnamese capital, which currently has only one international class hotel, the metropole, run by French Hoteliers Sofitel.

An influx of businessmen and tourists has shown up Hanoi's of hotel space.

Studies show there is room for three or four five star hotels here, said a source at CBC which also plants to build 5,000 square metres (54,000 square feet) of office space in Hanoi.