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DAKKA FRIDAY, JANUARY 21, 1994

## ASEAN, EC begin 3-day trade talks

DAVAO, Philippines, Jan 20: The Association of Southeast Asian Nations (ASEAN) and the European Community (EC) began a three-day consultative meeting Wednesday on trade issues amid tight security in this southern city, which was rocked by a series of bombings last month, reports AFP.

Trade sub-committees of the two organisations are scheduled to discuss ASEAN access to the EC market, review the recent accord on the Uruguay Round of the generalised agreements on tariffs and trade, and plan joint projects," said Delia Albert, Co-Chairman of the talks.

The highest EC official in the talks is Juan Prat, Director General for North-South Relations of the European Commission. The talks are held every 18 months, with the last meeting held in Brussels in September 1992.

"We could have made a big press out of it but we would not want to attract unnecessary attention," Albert told reporters.

The EC is ASEAN's third largest trading partner, next to Japan and the United States, with total two-way trade of 54 billion dollars in 1992. The community is also the second most important source of official development assistance to ASEAN, next to Japan.

## IFIC bank managers' confce held

A Managers' Conference of the IFIC Bank Ltd was held at the conference room of the Academy at Head Office of the Bank yesterday with Kazi Mesbahuddin Ahmed, Managing Director, in the Chair, says a press release.

Aminul Hoque Chowdhury, Director, M Fazlur Rahman, Adviser, A H M Showkat Ali Chowdhury, Deputy Managing Director, and Abbas Uddin Ahmed, Senior Executive Vice President, spoke on the occasion.

All Branch Managers, Senior Executives of the Head Office and high officials of the bank also attended the conference.

The overall performance of the bank for the year ending 1993 was reviewed and projection for the current year was discussed at the meeting.

## Intermeec Corp official due today

David Kennaugh of Intermeec Corporation of USA is in the city today, says a press release.

He will attend the three-day US Trade Show '94 at Hotel Sheraton from Saturday.

Intermeec Corporation is one of the largest manufacturers for the Bar-Code Data Collection Systems like Bar-Code Reader, Scanner and Printer for industrial sectors.

Computer World who are the distributors for the territory of Bangladesh and Multilink Int'l Co Ltd, the Sister Concern of Computer World, will be marketing the Intermeec's valued products.

Interested persons may meet David Kennaugh at the Show, or Contact: "Multilink International Co. Ltd. 71, Motijheel C/A, Dhaka-1000 Tel: 244469, 283303."

## Money rates

Money rates in the call money market during the week ended on January 19 ranged from 2.00 per cent to 8.00 per cent, Bangladesh Bank press release said here today, reports BSS.

During the same week, interest rates offered by the bank on certificate of deposits varied from 5.50 per cent to 8.75 per cent. The bank rates however, remained unchanged at 6.00 per cent.

## American Airlines' parent firm loses \$110m last yr

FORT WORTH, Texas, Jan 20: American Airlines' parent company, AMR Corp, said Wednesday it lost 253 million dollar in the fourth quarter and 110 million dollar for the year, reports AP.

The airline said the five-day walkout before the US holiday on the fourth Thursday in November slashed profits by 190 million dollar more than the 160 million dollar the company had expected.

The strike "turned the profit we had generated earlier in the year into a loss for the year as a whole," AMR chairman Robert Crandall said.

For the three months that ended December 31, AMR lost 3.55 dollar per share on revenues of 3.59 billion dollar.

## Manpower export rises by 260 pc last year

Manpower export of the country registered a remarkable increase over the years but remittance had a limping growth as wage earners preferred to illegal conduits for sending home money.

This was disclosed Wednesday at the first working session of the conference on Promotion of Manpower Export held in the conference room of Finance Ministry with Labour and Manpower Minister Abdul Mannan Bhuiyan in the chair.

The export of manpower increased by 260 per cent last year compared to 1988, but remittance rose by only 65 percent, the meeting noted.

A total of 2,44,508 people were sent to various countries in 1993 while the figure was 68,212 in 1988. The Bangladeshi workers remitted Tk 4009.59 crore last year which was Tk 2423 crore higher than that of 1988.

Finance Secretary Nasimuddin Ahmed, Labour and Manpower Secretary Shah Mohammad Farid, Chairman of National Board of Revenue Akbar Ali Khan, senior officials of Bangladesh Bank and four nationalised commercial banks attended the session.

Bangladesh Ambassadors and labour wing officials of the

missions in Saudi Arabia, Libya, United Arab Emirates, Iran, Bahrain, Kuwait, Oman, Iraq and Malaysia were also present at the conference.

He urged the Customs authorities to consider providing facilities to those who send their money in the proper way.

Mannan also called for enhancing manpower in foreign missions where large numbers of expatriates are living as well as setting up schools in those areas for providing education to the children of the wage earners.

Ambassadors and labour wing officials in the country's different foreign missions discussed elaborately the problems faced by them in providing facilities to the wage earners.

The meeting discussed the possibility of investment of the wage earners in the manufacturing sector and urged the Finance Ministry to come forward in this regard.

Upgrading of status of the officials of labour wing, creating new posts in the wing in the foreign missions, more budgetary allocation for the labour wing, establishment of new wings in Dubai, Singapore, Hong Kong and Taiwan were also discussed in the first session of the conference.

## Sonali Bank strengthens financing shrimp culture

Sonali Bank has sanctioned, in three months, a sum of Taka seven crore against six semi-intensive projects for shrimp culture in Cox's Bazar coastal areas, says a press release.

The bank hopes that for these projects about 1,000 MT of exportable shrimp will be produced in the areas in the next season.

After the experiments, made throughout last one year, had ascertained prospects of semi-intensive culture in the areas, Sonali Bank stepped forward to finance the sector.

The bank's credit facilities extended till yesterday has created off-hand employments for nearly 200 people and possibility of shrimp export worth Taka 166 crore every year has been brightened, the release added.

About 3500 kg shrimps can be produced per acre per year under semi-intensive culture, according to experts.

But, he added: "We will have to ... considerably relax controls."

The remarks followed speculation in industry that the Indian currency may be floated on the capital account in the fiscal 1994-95 budget due next month.

Such a move would enable exporters to take rupees abroad, professionals to seek payment in foreign exchange and individuals to hold off-

shore bank accounts.

The government began currency reforms last year by floating the rupee on the trade account, allowing exporters and others to sell their foreign exchange earnings at a market determined rate.

Chakravarty Rangarajan said the rupee could be made convertible on the capital account only in stages because unrestricted movement of foreign funds into and out of the country held dangers.

Restrictions on the current account such as release of foreign exchange for overseas travel and remittances and external borrowings remain in place besides controls over capital account transactions.

India's foreign exchange reserves have surged to a record 9.9 billion dollars, enough for five months imports, and some analysts have predicted that a fully convertible rupee is coming.

Rangarajan said some of the current account controls could be removed, but added the reserves had still not reached a stage to allow a full float. He cited debt servicing burdens on money borrowed from global lenders.

A vigorous export drive and stable oil prices were needed to ensure that the balance of payments was comfortable, he said, cautioning that India could not depend on foreign investors, who have shown rising interest in the country.

He described international capital as a fair weather friend (that) begins to reverse and flow back the moment trouble spots appear.

Ian Wilson, General Manager, Middle East and South Asia (MESA) Region of Standard Chartered Bank (SCB), met Finance Minister M Saifur Rahman at latter's office during his recent visit to Dhaka. S M McCarthy, Chief Executive Bangladesh of SCB also seen in the picture.

## India's central bank governor warns of capital flight risk

NEW DELHI, Jan 20: India's central bank governor has warned of the risk of capital flight if the rupee is made fully convertible, but said the time had come for currency controls and others to sell their foreign exchange earnings at a market determined rate.

Chakravarty Rangarajan said

the rupee could be made convertible on the capital account only in stages because unrestricted movement of foreign funds into and out of the country held dangers.

A major risk is the possibility of capital flight, he said in a speech here Tuesday reported by the Economic Times and other newspapers Wednesday.

Another risk is the possibility of macro-economic instability arising from the movement of short-term capital, often described as hot money, the Reserve Bank of India chief was quoted as saying.

But, he added: "We will have to ... considerably relax controls."

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Such a move would enable exporters to take rupees abroad, professionals to seek payment in foreign exchange and individuals to hold off-

such solid pillars, which are its huge oil reserves."

Saudi Arabia stung by a sharp fall in oil prices, cut its 1994 expenditure by around 20 per cent to 42.7 billion dollars from 52.5 billion dollars in 1993.

Press reports have said it projected a deficit of 1.2 billion dollars but Saudi Finance Minister Mohammed Alabkhal dismissed such news on Wednesday.

Oil provides more than 80 per cent of Saudi Arabia's revenues and a sharp decline in prices and output over the past decade has more than halved earnings to around 40 billion dollars in 1992.

building of new cement plants and expansion in existing units. He said large investments would also be pumped into the oil sector to boost production capacity to face growing world demand.

On the US side, Treasury Secretary Lloyd Bentsen, Labour Secretary Robert Reich, Human Services Secretary Doona Shalala and Robert Rubin, Chairman of the National Economic Council will be present.

Sources said that the meeting to be held in the retreat-like Camp David, will mainly discuss the prospects of medium-term policy coordination efforts related with job creation in these countries.

Statistics show that the US jobless rate declined by a percentage point last year, reaching 6.4 in December.

The kingdom's massive crude reserves accounting for nearly a quarter of the world's also help dispel skepticism about its economy and maintain its status as a tempting centre for local and foreign businessmen, they said.

During the past few years, Saudi Arabia had invested enormous funds in services and productive sectors, including education, health, electricity, communications, roads and others, said Abdullah Al Quwaij, Gulf Cooperation Council (GCC) Assistant Secretary General for Economic Affairs.

In line with development policies in the kingdom, the private sector has largely benefited from such projects ... any recessionary impact from lower government expenditure is partly offset by other activities.

Quwaij also a Saudi economy ministry undersecretary said government spending in the kingdom was no longer the sole factor on the "economic arena" given a sharp increase in its contribution over the past year.

He cited a steady rise in private industrial investment and a boom in the construction sector, which has prompted

building of new cement plants and expansion in existing units. He said large investments would also be pumped into the oil sector to boost production capacity to face growing world demand.

Government spending in Saudi Arabia still plays a significant role in the economy but now there are other elements which have become influential and could make up for any decline in that spending" Quwaij told regional press.

Confidence in any economy hinges on its solid pillars in the long run and success of managing it in the medium term. The Saudi economy has

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