

Saudi, US accord  
to reschedule  
debt payment

WASHINGTON, Feb 1: Saudi Arabia has reached an agreement with five US defence contractors and the Pentagon to reschedule some 9.2 billion dollars in debt payments for weapons systems, US officials said Monday, reports AFP.

The agreement calls for Saudi Arabia, which has been hurt by declining crude oil prices, to pay for US-made fighter planes and other arms purchases over the next two years, said a Defence Department spokesman.

The accord was concluded by the Kingdom and McDonnell Douglas, which is selling 72 of its F-15 fighter planes to Saudi Arabia, as well as General Dynamics, FMC Corporation, Raytheon and Hughes Aircraft.

Under the agreement, the Saudi will take delivery of one F-15 a month starting in 1995 instead of two per month as initially planned.

The Wall Street Journal first reported the agreement, citing Saudi Prince Bandar bin Sultan.

The agreement allows Saudi Arabia to move ahead with plans for six billion dollars in civilian aircraft purchases from Boeing and McDonnell Douglas, according to the newspaper. The report made no mention of plans for Saudi purchases of European-made aircraft from Airbus, which is also seeking to sell to the kingdom.

Tokyo to help  
finance cellular  
phone production

TOKYO, Feb 1: The Japanese government will help finance production of cellular phones and pocket pagers under an economic stimulus package due to be adopted this week, the Nihon Keizai newspaper reported Monday, reports AFP.

Cellular phone and pocket pager makers can borrow up to 40 per cent of funds necessary to build production facilities from the Japan Development Bank at a favourable rate, the newspaper quoted officials of the Posts and Telecommunications Ministry as saying.

The loan scheme, over five years, will be part of measures to accelerate economic deregulation, one of the main points in the stimulus package reported to total up to 16 trillion yen (145 billion dollar), the report said.

The cost of building a production line for mobile phones is estimated at about two billion yen and one for pocket pagers at about one billion yen.

At present, all cellular phones and pocket pagers are leased by telecommunications companies but a ban on direct sales of these products will be gradually lifted.

Meanwhile, the Ministry of International Trade and Industry plans to provide 30 billion yen for the establishment of information centres for the multimedia industry, as another measure in the package, the newspaper said.

The centres at several locations across Japan will create databases containing visual, audio and written information on potential multimedia which combines leading electronics and telecommunications technologies.

US personal  
income rises  
in December

WASHINGTON, Feb 1: US personal income rose 0.6 per cent in December as the year ended with a 4.7 per cent advance in earnings, the Commerce Department said Monday, reports AFP.

The increase in 1993 personal income fell short of the 1992 gain of 6.1 per cent, but it was nearly double the inflation rate of 2.7 per cent in 1993.

Consumer spending, which accounts for two-thirds of economic activity, rose 6.1 per cent in 1993. That was the biggest jump since 1990, when spending rose 6.8 per cent.

In December, income rose to 5.54 trillion dollars at a seasonally adjusted annual rate, up from 5.51 trillion dollars the month before, retroactive social security payments contributed to the gain.

Wages and salaries rose to 3.16 trillion dollars at a seasonally adjusted annual rate in December from 3.15 trillion dollars the month before.

Spending during the month rose 0.5 per cent to seasonally adjusted annual rate of 4.51 trillion dollars, up from 4.48 trillion dollars the month before.

## Protest against increase in fuel price

Rebels attack oil company  
buildings in Manila

MANILA, Feb 1: Bombs exploded early Tuesday at the offices of three oil companies early in what Communist rebels said was the first step in a campaign against fuel price increases. One security guard was injured, reports AP.

Police were posted at transmission stations of the Manila Electric Co, which was also granted a rate increase Friday.

In a telephone call to The Associated Press, Paulo Ramirez, a spokesman of the Communist guerrilla Alex Boncayao Brigade, claimed responsibility for the bombing.

The brigade is the armed wing of the Manila branch of the Communist Party of the Philippines, which had broken with the party's Dutch-based leadership.

"Now that they (Communists) are claiming it, it's probably true they did it," police Brig Gen Cesar Francisco said of the claim.

The bombings came a day after 5,000 students, state workers and union leaders demonstrated near the Malacanang presidential palace to

demand a rollback in fuel prices.

On Friday, the government increased the price of premium and regular gasoline, kerosene and diesel fuel by 15 to 22 per cent.

The biggest increase, 28 per cent, was for liquefied petroleum gas, which is used as cooking fuel. The government also raised transportation fares and electricity rates.

In another protest against the price hikes, drivers and transport operators in the southern city of Cagayan de Oro launched a strike, paralyzing the city of 340,000 people and forcing school officials to suspend all classes.

Police Chief Lucas Sumaoy said drivers and their supporters gathered at major road intersections as early as 4 am (2000 GMT Monday) calling on other drivers to join the strike.

One driver who refused to join was arrested for poking a gun at the strikers.

In Manila, Fructuos Lagunas, administrative officer of the Energy Regulatory Board, said in a radio interview the agency tightened security

following the bombings.

He said the agency received a bomb threat from a telephone caller last Friday shortly after the new fuel price rates were announced.

The first bomb exploded around 6:20 am (2220 GMT Monday) near the entrance to the state-controlled Petron Corp in the financial district of Makati.

The blast shattered the glass doors and windows on several floors of the 12-storey building. The shock from the explosion also broke several glass windows in the luxury Mandarin Oriental Hotel across the street. One Petron security guard was injured.

A few minutes later another bomb exploded outside the electric generator shed of Philipinas Shell oil company several blocks away from Petron. The blast left a one foot deep crater on the pavement but caused no other damage.

At about the same time, a third explosion destroyed the roof of the generator shed of the Caltex Philippines Inc in Manila's tourist district of Ermita.

Jakarta asks  
firms to comply  
with new wage  
regulations

JAKARTA, Feb 1: The government has set 12 February as the deadline for all companies in Jakarta and west Java to comply with new minimum wage regulations, a press report said here Monday, according to AFP.

The government will make no more compromises with employers on the minimum wage, the Jakarta Post daily quoted Manpower Minister Abdul Latief as saying.

"Companies which continue to violate the regulation will be punished," he added.

The Manpower Ministry increased the minimum wage in Jakarta and its surrounding towns of Bogor, Bekasi, and Tangerang starting from January 1.

The minimum daily wage for seven hours of work in Jakarta was raised from 3,000 rupiah (1.42 dollars) to 3,800 rupiah (1.80 dollars), while in Jakarta's surrounding towns of Bogor, Bekasi and Tangerang, the wage of 2,100 rupiah (1.23 dollar) was increased to 3,800 rupiah (1.8 dollar).

Since the introduction of the new regulations, there have been 43 strikes in Jakarta and surrounding towns, with workers demanding the new wage.

US establishes  
normal trade ties  
with Uzbekistan

WASHINGTON, Feb 1: The United States has established normal trade relations with the former Soviet republic Uzbekistan, says USIS.

According to the January 31 Federal Register, the two sides exchanged diplomatic notes in Tashkent January 13 putting into force a trade agreement giving each other's imports most-favoured-nation status.

MFN represents normal trade relations among countries. Imports from a country lacking MFN are subject to much higher tariffs.

The only countries now lacking MFN treatment from the United States are Cambodia, Cuba, Laos, North Korea, Vietnam and Azerbaijan.

Proper training needed to  
harness human resources

Labour and Manpower Minister Abdul Mannan Bhuiyan yesterday stressed the need for appropriate training to ensure effective utilisation of modern technology to harness the country's huge manpower resources for expediting the pace of economic growth, reports BSS.

He also felt for proper application of the technology to tap the full potential of our resources by upgrading the skill and said training had got no substitute in this regard.

The Labour and Manpower Minister was inaugurating a week-long Bangladesh-Japan training course on "attachment making technology for industrial sewing machine" at Sonargaon Hotel here.

Organised by the Association for Overseas Technical Scholarship (AOTS) of Japan in cooperation with Juki Corporation Limited, Zakaria Enterprise Limited, Bangladesh AOTS Alumni Society (BAAS) and Bureau of Manpower Export and Training (BMET), the training course is being taken part by about 20 technical persons and designers from different garment industries.

Two Japanese experts from

Juki Corporation, Hasumi and Sakuma, will conduct the training course.

The inaugural function was also addressed by Y Kuroda, Minister of the Embassy of Japan and M A M Ziauddin, Director General of BMET as special guests. Moynul Hasan, President of BAAS, T Kitamura, Executive Vice President of Juki, Iwao Ogawa, General Manager of Training Management Division of AOTS Headquarters and A K M Moazzem Hussain, AOTS Representative in Bangladesh, M Zakaria Bhuiyan, Chairman of the course steering committee and also Chairman of Zakaria Enterprise gave the welcome address.

The minister said skill especially in the garments sector, was essentially required for improvement of quality of products. Hence, skill for quality control at each stage is necessary to ensure standard of products and reduction of wastage, he said.

He said readymade garment industries had made a re-sounding contribution to the nation's economy and added this sector was one of the country's main foreign exchange earners. This sector's

contribution can easily be determined in terms of its share in national income, employment generation and the volume of exports, he added.

Bangladesh, according to official sources, earned about Taka 2420 crore by exporting garments during the first five months of the current financial year, representing about 55 per cent of the country's total export earnings.

Mannan Bhuiyan said that the government had already established garments training facilities wing at BMET with assistance from the ILO and UNDP to cater to the needs of skill, required in different garment industries. However, he said the scope and the existing facilities were negligible compared to our national requirement.

He hoped the participants would get a sure direction and necessary guidelines for improvement of their skill and thereby apply those to their respective units.

Y Kuroda, in his speech, said Japan was endeavouring for the economic development in the private sector in Bangladesh.

## Tokyo to slash income tax

TOKYO, Feb 1: Japanese government leaders agreed Monday to income tax cuts, aimed at boosting the economy, and a consumption tax hike to pay for it, officials said, reports AFP.

The accord was reached at a meeting attended by Finance Minister Hirohisa Fujii, Foreign Minister Tsutomu Hata and six other cabinet members, the officials said.

The ministers agreed that the current three per cent consumption tax on all goods and services should be increased to make up for the planned income tax reduction and the measures should be included in the same package, they said.

Prime Minister Morihiro Hosokawa's administration plans to finalise by Wednesday measures to pay for income tax cut, officials said.

Hosokawa gave his basic consent to the policy, approved at the meeting between the eight cabinet members Monday, they said.

Chief Cabinet Secretary Masayoshi Takemura said Sunday that the government would delay a proposed increase in the consumption tax included in an economic stimulus package to be announced Thursday.

Fujii told a news conference Monday that the income tax cut and consumption tax hike would be included in the same package.

Hosokawa, fresh from his weekend victory in securing the passage of political reform legislation, was reported to have distanced himself from Takemura's remarks.

The economic-stimulus package, initially expected to be announced in December but

delayed by problems in passing the political reform legislation, is expected to be as high as 16 trillion yen (145 billion dollars), including tax cuts of up to seven trillion yen.

Fujii confirmed that the government would adopt recommendations for tax system reform on February 8 and draw up its policy guide-lines for this year's budget on February 9 before Hosokawa leaves for Washington.

On February 10, the finance ministry will propose a draft of budget for the new fiscal year starting in April, as well as a third supplementary budget for the current year ending in March, Fujii said.

The supplementary budget will be submitted to parliament on February 15 by which time the budget for the new year will be finalised, he said.



A meeting of Board of Directors of the Bangladesh Shilpa Rin Sangstha was held at its head office in the city on Monday. The meeting was presided over by Dr. A M M Shawkat Ali, Chairman, BSRS and Secretary, Ministry of Post & Telecommunication.

Good times ahead for most  
Asia-Pacific economies : UN

BANGKOK, Feb 1: The economies of the developed Asia-Pacific nations should perk up slightly this year, while the newly-industrialising countries and developing ones should see continued high growth, a UN report said Monday, according to AFP.

China will continue to see the greatest economic growth, albeit less than before, the UN Economic and Social Commission for Asia and the Pacific (ESCAP) report says. China's economy grew 12.8 per cent in 1992, 13.2 per cent last year and is projected to grow 10.0 per cent this year and 9.6 per cent in 1995.

But Pacific island nations will see collective economic growth plunge from 7.0 per cent in 1992 and 8.3 per cent last year to a projected 1.7 per cent this year and 2.9 per cent in 1995, the United Nations

report says.

Their high growth was due largely to Papua New Guinea, where oil and gas investments spurred sharp economic rise.

Those investments have ended but oil and gas deliveries have not begun, so Papua New Guinea will fall from 10.6 per cent growth in 1993 to 0.3 per cent in 1994 and 2.0 per cent in 1995, it says.

Among the developed ESCAP nations, the 1994-95 outlook for Australia and New Zealand "remains strong with the likely brighter prospect of world recovery, which is likely to boost exports from both those countries," it says.

Australia's economy is projected to grow 3.0 per cent this year, up from 3.6 per cent last year and is projected at 2.4 per cent this year and next.

Gold prices rise  
rapidly in  
Vietnam

HANOI, Feb 1: Gold prices on the Vietnam market have shown a rapid and steady increase over the last four months despite government efforts to curb inflation, the English language Saigon News reader said Monday, reports AFP.

One ounce of gold was currently fetching 402 dollars here compared to between 384 dollars and 381 dollars on the international market, it said.

Four months ago the same amount of gold was selling for 356 dollars locally, the news paper added.

The rise, was attributed to fluctuations on the international market where prices are expected to soon hit the 400-420 dollar mark, experts said.

Economic revisions to cloud  
US outlook for growth

NEW YORK, Feb 1: As if natural disasters and winter storms weren't enough, analysts say upcoming revisions to several key US economic indicators will further cloud the outlook for first-quarter economic growth, reports Reuters.

Some changes, such as new seasonal adjustment factors for consumer and producer prices likely will be minor. But changes to industrial production, capacity utilisation and the rate of unemployment could significantly alter perceptions of current economic momentum. Moreover, the changes may keep the federal reserve in a steady policy stance for longer than anticipated.

"We will have all kinds of reasons to in heaven's name not know what's going on," said Robert Dederick, chief economist at the Northern Trust Company. "And, it will give anyone who doesn't want to do anything and excuse."

An upward revision to the nation's unemployment rate of about 0.5 per cent is widely expected, incorporating a larger share of women and discouraged workers into the

labour force.

Most analysts say the revisions are overdue and no will provide a more accurate picture of the labour market.

Yet politically, higher unemployment could raise eyebrows in Washington, and limit the Fed's policy options.

Seoul to import  
grain worth  
\$1.92b this year

SEOUL, Feb 1: South Korea will import some 1.92 billion dollars worth of grain this year up nine per cent from last year's 1.73 billion dollars, agriculture officials said Monday, reports AFP.

The Ministry of Agriculture and Fisheries said the nation's grain imports this year may exceed the government's projection because of soaring prices on the international spot market.

The changes to the unemployment rate may have political overtones, but all they're really telling us is that the unemployment problem has been a little larger than what the figures have been indicating," said Stuart Hoffman, chief economist at PNC Financial Corp.

Of greater importance are changes to the Fed's industrial production and capacity utilisation series, said Hoffman.

"People have been talking about the economy being a little closer to bottlenecks (in production process) ... If the Fed tells us there is a little more capacity, it would suggest the economy is a little less inflation prone."

All of these revisions are due fairly soon, with the first coming on February 4 when the labour department releases January's employment data.

For the consumer and producer price indices, new seasonal adjustment factors will be included in the January figures, due February 11 and 17, respectively.



Md. Shaver, South West Asia Marketing Manager, Coca-Cola, addressing the launching ceremony of 'Always Coca-Cola' campaign at Dhaka Sheraton yesterday.

Italian automaker  
opens showroom  
in Beijing

BEIJING, Feb 1: More evidence that Communist China isn't what it used to be: Italian automaker Ferrari on Tuesday opened a showroom in Beijing for prospective buyers of its ultra-expensive sports cars, reports AP.

"We do have several inquiries right now," said Alex WL Yip, manager of the Ferrari distributor for Hong Kong and China. "They can pay for it."

Ferrari has sold three cars in China since entering the market last year. But with price tags of 140,000 US dollar that can climb to 350,000 US dollar after taxes, the legendary vehicles are beyond the means of all but the very richest entrepreneurs.

Asked if he had the money to buy one, 35-year-old Hu Naiming, a construction firm employee, responded with an incredulous "Me?"

"There's no way I could afford it," he said.

But Wang Halli, who was busy admiring the sleek lines of a red Ferrari with tan interior, said she was not surprised that such expensive cars were now available in China.

## Asian stocks close mostly higher

HONG KONG, Feb 1: Asian stock markets closed mostly higher Tuesday, with prices surging in Hong Kong after the government announced new financing proposals for the territory's future airport, reports AP.

The Hang Seng Index, the Hong Kong market key indicator of blue chips, rose 339.87 points, or 2.9 per cent, closing at 11,826.89. On Monday, the index had gained 109 points.

Brokers attributed the surge to the airport funding proposals and continued buying by institutional investors in reaction to Monday's gains.

In Tokyo, share prices closed higher for the second straight day.

The 225-issue Nikkei Stock Average gained 187.22 points, or 0.93 per cent, closing at 20,416.34. On Monday, expectations of government moves to help the economy after resolution of a political reform battle had helped the benchmark index surge 147.24 points, or 7.85 per cent, to 20,229.12.

The Tokyo Stock Price Index of all issues listed on the first section was up 13.88 points, or 0.85 per cent, to 1,643.10. The market was closed in

Malaysia for a national holiday.

WELLINGTON: New Zealand share prices closed higher for the fourth straight day in reaction to news that the country's economy has been growing strongly. The NZSE-40 Capital Index rose 25.70 points, or 2.423.62.

AIPEI: Share prices closed higher in heavy trading despite some profit-taking. The markets Weighted Index rose 61.79 points to 6,176.91 after Thursday's 99-point gain.

MANILA: Share prices closed lower for the third straight day following the government announcement Friday of an increase in local oil prices, transportation fares and electricity rates. The Manila composite index of 31 selected issues lost 39.07 points to 2,835.49.

SYDNEY: Australian share prices closed almost unchanged after early gains were eroded by profit-taking. The All-Ordinaries index of share prices closed at 2,310.1, slightly below Monday's record level of 2,310.8.

SEOUL: Share prices closed higher in active trading. The Korea Composite Stock Price Index rose 14.39 points to 960.10.

SINGAPORE: Share prices closed higher in relatively ac-

tive trading. The 30-share Straits Times Industrials Index climbed 9.98 points to 2,349.08.

BANGKOK: Thai share prices closed lower for the second straight day in sluggish trading. The Stock Exchange of Thailand Index fell 37.87 points to 1,455.58.

Greenback falls  
sharply in  
Tokyo

TOKYO, Feb 1: The US dollar fell sharply against the Japanese yen Tuesday, while stock prices gained further after their third-largest single-day gain, reports AP.

The dollar finished at 108.20 yen, down 1.35 yen from Monday's close and also below its overnight New York close of 108.63 yen.

After opening at 108.00 yen, the dollar ranged between 107.85 yen and 108.43 yen.

Currency traders said the market remained uncertain about the prospects of US-Japan trade talks ahead of a February 11 meeting in Washington between President Clinton and Japan's Prime Minister Morihiro Hosokawa.