

US lifts trade embargo on Vietnam

HANOI, Vietnam, Feb 4: American businessmen Friday welcomed President Clinton's lifting of the 19-year trade embargo against Vietnam as a chance to finally compete in a billion dollar market, report AP.

"That's great news," said Frank Hawke, vice president and Indochina manager for Citibank.

"It's the hottest emerging market in the world right now," said Eugene Matthews, president of Ashta International Inc, an investment and consulting firm.

Citibank and Ashta are among 34 US firms that have opened offices in Vietnam in anticipation of the US embargo being lifted.

Hours after Clinton's announcement, United Airlines announced plans to begin service between Los Angeles and Ho Chi Minh City, pending government approval.

Hawke and a spokeswoman for the Vietnamese government said restoration of diplomatic ties was not imminent.

One source who requested anonymity said that President Clinton's announcement that he would establish a US liaison office was a "mid-step" toward an embassy.

The Hong Kong daily Wen Wei Po, a mouthpiece for official Chinese comment, quoted unnamed sources as saying that Li would perform the ceremony at the Daya Bay Plant, about 30 km (20 miles) from the Hong Kong border.

China's de facto embassy in the colony, confirmed the opening ceremony for the US dollar 3.5 billion plant would be held on Sunday.

Foreign reporters were once allowed to visit the plant, which was attracted wide international attention, but in recent years their access has been limited.

The official said that only reporters for Hong Kong news organisations had been invited to the opening ceremony.

US factory orders rise in '93

WASHINGTON, Feb 4: Orders received by US factories rose for a fifth straight month during December, the Commerce Department said.

The 1.2 per cent gain in December to a seasonally adjusted 266 billion US dollars followed a revised 1.7 per cent increase in November.

Showing a solid pickup in manufacturing industries, orders during 1993 climbed by 5.9 per cent to a total of 3.1 trillion US dollar - up from a 3.0 per cent rise in 1992 and the strongest annual gain since 1988, when orders were up 8.4 per cent.

Orders for transportation equipment rose 2.9 per cent in December after increase of 5.1 per cent in November and 5.7 per cent in October.

Shipments of motor vehicles and parts gained 3.5 per cent in December after a 4.2 per cent November pickup.

Excluding transportation, factory orders were up 1.0 per cent after rising 1.3 per cent in November.

fullest possible accounting of 2,238 American missing from the Vietnam War.

Most favoured nation trade status would lower tariffs on Vietnamese imports to the United States and keep it competitive.

Families of those missing in action and veterans groups had argued against the lifting of the embargo, saying the United

States would lose its leverage in getting Vietnam to cooperate in accounting for the MIAs.

But Vietnam announced Thursday that it would turn over more remains of Americans MIAs to the United States at a repatriation ceremony Monday at Hanoi's Noi Bai Airport.

A Foreign Ministry spokeswoman, Ho Thi Lan, also told a news conference that American and Vietnamese specialists would launch another major operation beginning Feb 26 in

search of remains of MIAs. More than 100 Americans will be involved.

Ho Thi Lan said even with the lifting of the embargo, a resumption of US-Vietnamese diplomatic ties isn't imminent.

"I think the two sides will have to contact each other many times while approaching normalization of relations," she said.

She said American and Vietnamese representatives would meet Feb 15-16 in Hanoi in an effort to resolve

US claims against Vietnam for American property seized by the Vietnamese government.

Unofficial estimates put the value at \$140 million, mostly US business investments in South Vietnam that were taken when Communist North Vietnam defeated the Saigon regime and reunified the country in 1975.

Economic and diplomatic ties were broken off when the communists came to power.

US businesses have clamored for an end to the embargo, saying it locks them out of the potentially lucrative Vietnamese market.

Matthews said the big American beneficiaries would be companies in agricultural, oil and gas, pharmaceuticals, health care, manufacturing and telecommunications.

In other comments, Ho Thi Lan discounted an annual State Department report issued this week that said Vietnam still forbids basic freedoms and holds political prisoners.

"Even though there still remains untold difficulties, the Vietnamese government has made great effort in better facilitating citizens to exercise their economic, social and cultural rights as well as civil and political rights. Against the background of such efforts, the annual report is not objective," she said.



VIETNAM: Women pull a cart past an advertisement for the Vietnam Investment Review which announces the lifting of the United States' 19-year-old trade embargo on Vietnam.

Asian businessmen welcomed the end of the embargo, predicting more competition but greater market share as investment growth fuelled opportunities. — AFP photo

Vietnamese react with joy, indifference over end of ban

HANOI, Feb 4: News of the crumbling of the US economic embargo brought as many bland stares as it did satisfied smiles to the faces of Vietnamese filling Hanoi's dark streets early Friday.

"It's a great joy to Vietnam," said telephone operator Khieu Khanh Linh, 24. "America should have lifted the embargo two years ago."

Those who knew about the 19-year American embargo on trade and investment with Vietnam expected new jobs and more and cheaper consumer goods to flow from its removal.

"I know nothing about the embargo," said shop owner Nguyen Mai Phuong, 25, as she stocked her shelves with cans of 7-Up soda, Nescafe instant coffee, and Tang breakfast drink - all of them American products, all of them officially banned until Friday from Vietnam.

Sales of Johnny Walker black Label whiskey, another American brand, were brisk in the last days before Tet, the celebration of the Lunar New Year that starts next Thursday.

"It's the most popular liquor I sell," she said.

President Clinton's announcement of the embargo came at 5 am in Hanoi, as the city's residents began to gather in dimly lit noodle soup shops to eat breakfast.

Housewife Nguyen Thanh Van, 32, worried about what would come in the wake of Clinton's decision.

"The lifting of the embargo is like playing lottery," Van said. "No one knows who will win which prizes. And our life may still be the same."

Van said she would welcome Americans only if they brought more jobs to the city.

Housewives haggled with produce vendors crouching in muddy streets.

"I'm glad because now that the embargo is lifted, we'll have more opportunities to develop our country," said Nguyen Bich Thao, 17, a seller of spring rolls. "I think Vietnam will become richer."

Linh said she looked forward to the wider selection of imports that trade between the two countries would bring.

"I would buy clothes first," she said. "Blue jeans, blouses stockings. And a cosmetics kit. Of course with the embargo lifted more and more Americans will come to my office, and I'll have a chance to improve my English."

But half of the people interviewed saw no cause for excitement. Street vendors, laborers, and especially farmers from the surrounding countryside said they had never even heard of the US embargo.

"I know nothing about it," said restaurant owner Nguyen Thi Ha, 55, as she ladled steaming noodle soup from a kettle. "I'm too busy to read newspapers, and I'm not concerned about current events."

Others simply stared and grew silent when asked about the embargo.

For North Vietnam army veteran Hoang Van Tho, 54, the end of the embargo meant more than profits. It meant possible friendship between once bitter enemies in the Vietnam War.

"In the past we fought with each other. Tho said. "But now we shake hands. It's much better."

And she feared the possible impact of a large number of American businessmen descending on Hanoi and looking for houses to rent.

"I'm afraid that if they come in force, then my block will be occupied by the foreign investors," Van said. "They'll buy them all, and I'll have to move to the suburbs."

The United States first imposed sanctions against what was then North Vietnam in 1964. It extended the embargo to cover the whole country after US-backed South Vietnam fell to Communist forces in 1975.

But Vietnamese are already familiar with many kinds of American consumer goods. Coca Cola, Marlboro cigarettes, and IBM computers have found their way here by way of third countries like Singapore and Hong Kong.

"With consumer products, which have been dribbling into Vietnam, you'll (now) see the full muscle of the marketing ability of American firms," said Eugene Matthews, president of Ashta International, Inc., an American consulting and investment firm in Hanoi.

For North Vietnam army veteran Hoang Van Tho, 54, the end of the embargo meant more than profits. It meant possible friendship between once bitter enemies in the Vietnam War.

"In the past we fought with each other. Tho said. "But now we shake hands. It's much better."

15m Russians earn below 'starvation wages'

LONDON, Feb 4: Russia's leading economists have sent President Boris Yeltsin a devastating critique of the effects of two years of "shock therapy" economic reforms, saying one tenth of the population now earn below "starvation wages".

The Guardian reported here Thursday, reports AFP.

The report, obtained by the paper, revealed that 15 million people, or one tenth of the population, were estimated to be earning below "starvation wages," while one third are below the poverty line.

The reforms, spearheaded by former first deputy premier Yegor Gaidar - now head of the reformist Russia's choice group in parliament, were backed by Western governments.

The report was written by the economic division of the Academy of Sciences, which pools the research of the country's top 10 economic research institutes, and will be presented to parliamentary groups in the state Duma later Thursday.

It tells Yeltsin: "The scale of economic and social misfortunes represent a real threat to national security...this is the result of two years of shock therapy."

The report said the wealthiest 10 per cent of the population were now 10.4 times as rich as the poorest 10 per cent - a recipe for social conflict.

The number of deaths had increased from 1.6 million in 1992 to 2.1 million in 1993, it said.

Average life expectancy in the last three years had decreased from 69.2 years to 66 years, while infant mortality increased from 17.4 per 1,000 births to 19.1.

In 1990, food bills represented 30 per cent of average incomes, while today, a family spends 60 to 70 per cent of its income feeding itself and pensioners spent 83 per cent.

The report was scathing about Gaidar's price liberalisation policies, which started before a free market existed. Combined with a market still dominated by "super-monopolies" and price cartels, the policy proved lethal for industry and consumer alike, it said.

Shops were full of cheaper Western goods, and the money supply represented only one-third of the movement of goods in circulation. Unable to pay debts or wages, the Russian producer has literally run out of money.

Air Canada, Air France will expand cooperation

PARIS, Feb 4: Air Canada would be interested in acquiring a stake in state-owned Air France if it were privatized, a French business daily reported Friday, reports AP.

Air Canada's director for France, Claude Morin, interviewed by La Tribune Defoesses, also said Air Canada Chairman Hollis Harris met with Air France officials two weeks ago, and they decided to expand cooperation.

The two airlines already have a commercial link that includes code-sharing.

Air France confirmed that some of its officials had met with Harris and also confirmed various cooperation enhancements detailed in the La Tribune article.

Seat sharing arrangements will be intensified on Paris-Toronto routes.

The two airlines began their alliance in September 1992. Morin was quoted by La Tribune as saying that "if there is a privatization of Air France, Air Canada would undoubtedly be interested in taking a stake."

Filipino court seeks reply to gasoline price increase

MANILA, Feb 4: The Philippine Supreme Court on Thursday ordered the government and three major oil companies to answer within five days a petition by prominent lawyers to scrap an unpopular 22 per cent hike in local gasoline prices, reports AFP.

In a one-page resolution, the tribunal directed the government's Energy Regulatory Board (ERB), Department of Finance and Oil Refiners Caltex, Shell and Petron to reply why gas prices should not be rolled back.

The court also set a hearing next week for a petition to restrain the government from implementing the hike and asked the ERB to submit the record of its public hearings to tribunal.

The integrated bar of the Philippines, which groups the country's licensed lawyers, had asked the Supreme Court to void the increase, arguing that it was illegal, "favoured the three oil firms and due process was not observed."

The court often intervenes to settle disputes over controversial government policies.

Manila drastically raised oil prices last week, including a 28 per cent hike for cooking gas in an apparent bid to raise funds to narrow a fiscal deficit which has been the concern of the country's international creditors.

Exchange Rates

The following are the Sonali Bank's dealing rates to public for some selected foreign currencies effective as on February 3 and 4.

Table with columns: Currency, Selling TT & OD, Buying TT Clean, Buying OD Sight, Buying OD Transfer. Lists rates for US Dollar, Pound Sterling, DM, Franc, C Dollar, S Franc, Jap Yen, Indian Rupee (AMU), Pak Rupee (AMU), Iranian Rupee (AMU).

Table with columns: Currency, Selling T.T. & O.D., Buying O.D. Transfer. Lists rates for S Riyal, UAE Dirham, Kuwaiti Dinar, Singapore Dollar, D Gulder, S Kroner.

Table with columns: Currency, Selling T.T. & O.D., Buying O.D. Transfer. Lists rates for S Riyal, UAE Dirham, Kuwaiti Dinar, Singapore Dollar, D Gulder, S Kroner.

Note: AMU-Asian Monetary Unit.

Shipping Intelligence

Chittagong port

Berth position and performance of vessels as on 2/2/94

Table with columns: Berth no, Name of vessels, Cargo, Last port, Local call agent, Date of arrival, Date of leaving. Lists various vessels and their schedules.

Vessels due at outer anchorage

Table with columns: Name of vessels, Date of arrival, Last port, Local call agent, Cargo, Loading port. Lists vessels arriving at the anchorage.

Tanker due

Table with columns: Name of vessels, Date of arrival, Last port, Local call agent, Cargo, Loading port. Lists tankers due.

Vessels at Kutubdia

Table with columns: Name of vessels, Cargo, Last port, Local call agent, Date of arrival. Lists vessels at Kutubdia.

Vessels ready

Table with columns: Name of vessels, Cargo, Local call agent, Date of arrival. Lists vessels ready.

Vessels not ready

Table with columns: Name of vessels, Cargo, Local call agent, Date of arrival. Lists vessels not ready.

Vessels awaiting instruction

Table with columns: Name of vessels, Cargo, Local call agent, Date of arrival. Lists vessels awaiting instruction.

Vessels not entering

Table with columns: Name of vessels, Cargo, Local call agent, Date of arrival. Lists vessels not entering.

Movement of vessels for 03/02/1994

Table with columns: Outgoing, Incoming, Shifting. Lists vessel movements.

The above were the Wednesday's shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

Dhaka Stock Prices

Weekly comparison: At the close of tradings on January 27 and February 3, 1994

Table with columns: Company, FV/ML*, Jan 27, Feb 3, High, Low. Lists prices for various banks and investment funds.

Table with columns: Company, FV/ML*, Jan 27, Feb 3, High, Low. Lists prices for insurance companies.

Table with columns: Company, FV/ML*, Jan 27, Feb 3, High, Low. Lists prices for engineering and automobile companies.

Table with columns: Company, FV/ML*, Jan 27, Feb 3, High, Low. Lists prices for food and allied products.

Table with columns: Company, FV/ML*, Jan 27, Feb 3, High, Low. Lists prices for fuel and power companies.

Table with columns: Company, FV/ML*, Jan 27, Feb 3, High, Low. Lists prices for textile companies.

Table with columns: Company, FV/ML*, Jan 27, Feb 3, High, Low. Lists prices for pharmaceuticals and chemicals.

Table with columns: Company, FV/ML*, Jan 27, Feb 3, High, Low. Lists prices for paper and printing companies.

Table with columns: Company, FV/ML*, Jan 27, Feb 3, High, Low. Lists prices for miscellaneous goods.

Table with columns: Company, FV/ML*, Jan 27, Feb 3, High, Low. Lists prices for jewelry and other items.