

Share prices, US dollar fall in Tokyo

TOKYO, Feb 14: Tokyo stock prices plunged Monday and the US dollar fell sharply against the Japanese yen in reaction to the failure of a US-Japan trade summit to produce agreement last week, reports AP.

On the Tokyo Stock Exchange, the 225-stock Nikkei Stock Average fell 531.45 points, or 2.66 per cent, closing at 19,459.25. On Thursday, the Nikkei gained 149.32 points or 0.75 per cent, to 19,990.70.

The Tokyo Stock Price Index of all issues listed on the first section was down 26.16 points, or 1.63 per cent, to 1,581.98. The TOPIX rose 10.12 points, or 0.63 per cent, on Thursday.

Traders said prices, especially of export-oriented electronics issues, fell in reaction to a surge in the value of the yen against the dollar. That surge, they said, was due to the failure of Prime Minister Morihiro Hosokawa and President Clinton to reach agreement in Washington in a weekend trade summit.

A stronger yen eats into the yen-denominated value of exporters' overseas earnings and makes their shares less attractive. It also tends to make Japanese exports to the United States more expensive, while making US exports to the Japanese market less expensive.

Many believe that could help ease the trade imbalance. The US trade deficit with Japan was 50 billion-dollar last year.

Dollar lower, gold higher in London

LONDON, Feb 14: The US dollar was lower against all major currencies except the Canadian dollar in European trading Monday. Gold prices were higher, reports AP.

In Tokyo, the dollar closed at 105.69 yen, down 2.56 yen from Thursday's Tokyo close and its lowest level since October 8, when it closed at 105.25 yen. Later, in London, it was quoted lower at 105.00.

Financial markets in Japan were closed Friday for a holiday. The dollar was quoted at 107.67 yen in London on Friday.

Other dollar rates compared with late Friday: — 1,7475 German marks, down from 1.7523, — 1,4710 Swiss francs, down from 1.4760, — 5,9450 French francs, down from 5.9585, — 1,9593 Dutch guilders, down from 1.9665, — 1,688.55 Italian lire, down from 1,689.00, — 1,3443 Canadian dollars, up from 1.3428.

The British pound was quoted at 1.4664 dollars up from 1.4650 dollars late Friday.

London's major bullion dealers fixed a recommended gold price of 381.90 dollar per ounce at midmorning, up from 381.55 dollar bid per ounce late Friday.

In Zurich, the bid price was 381.75 dollars up from 381.30 dollars late Friday.

Gold prices in Hong Kong dropped 2.52 dollars an ounce to close at 381.90 dollars compared with last Monday's 384.42 dollars.

Silver traded in London at 5.26 dollars a troy ounce, down from 5.27 dollars a troy ounce late Friday.

3 silicone breast implants makers to pay part of \$4.75b to injured women

BIRMINGHAM, Ala, Feb 14: The three largest manufacturers of silicone breast implants have agreed to pay part of a proposed 4.75 billion dollar settlement to women injured by the implants, the women's attorneys said Saturday, reports AP.

But representatives of one of the manufacturers, Dow-Corning Corp, said there was no agreement in the case. Representatives of the other two manufacturers, Bristol-Myers Squibb Co. and Baxter International, could not be reached at their corporate headquarters Saturday.

The implants can rupture and some women have blamed the silicone for triggering immune system disorders, including scleroderma, a hardening of the skin resulting from abnormal fibrous tissue growth, and arthritis.

Lawsuits over implants have been consolidated in Birmingham. US District Judge Sam Pointer is overseeing the negotiations between about 20 corporations and attorneys representing hundreds of thousands of implant recipients.

Economic reforms yielding positive results: Saifur

The visiting three-member delegation of the Asia Foundation led by its chief economist, Stephen Parker, called on Finance Minister M Saifur Rahman at his office yesterday, reports BSS.

During the discussion Parker lauded the macro-economic stability achieved by the government and said his organisation strongly supports the on-going economic reform policies pursued by the government.

The Finance Minister outlining various economic reform policies of the government said, economic reforms have

already yielded positive results and all economic fundamentals are in good shape.

The Finance Minister said, economic reform policies may be painful for some vested interest groups in the initial stages, but reforms are positively useful for the general masses in the long run.

He said commitment to reform means all reforms must have to go through some sort of accommodations.

Turning to the recently held local bodies elections, the Finance Minister said, such elections are based on local is-

sues. Reforms policies for that matter and any national issues have nothing to do with the local bodies election.

The Finance Minister expressed his happiness to note that the Asia Foundation is helping Dhaka Stock Exchange to flourish share markets in the country. The Asia Foundation delegation said, they are also willing to support the newly formed Securities and Exchange Commission (SEC) and impart training to the SEC personnel. The Finance Minister sought advisory support from the Asia Foundation in this regard.

Export volume rises to \$1287.19m in 6 months

Country's total export volume during the first six months of the current fiscal year reached 1287.19 million US dollars mark as against 1205.72 million dollars during the corresponding period of previous year.

Although the export performance of the period outstripped that of the same period last year by 81.47 million dollars, it has failed to hit the half-yearly target. The export target for July-December shipping period was 1450 million dollars.

A source at the Export Promotion Bureau told UNB the failure to reach the target was mainly due to the fact that export performance in November and December 1993 was far from satisfactory. "In November and December, we exported goods worth 188.38 and 180.47 million dollars."

"There were other reasons also for our failure to reach the target," the source said, listing the shortcomings.

Although export volumes of raw jute, hides and skin have increased, their average unit prices have registered a

marked fall, resulting in the failure to reach the target.

The export of readymade garments did not pick up in November and December. Besides, their unit prices have slid down, resulting in the overall failure to hit the target in this sector as well.

In knitwear and hosiery products, the picture is equally gloomy. The unit prices of these products have registered a rise by 25.29 per cent, although their exports during the period recorded a fall of 13.69 per cent, resulting in the failure to reach the target.

The export of jute products was equally disappointing. The volume as well as the unit price of raw jute have registered a fall by 3.69 and 9.06 per cent respectively. That is reason why export of raw jute failed to reach the target.

The performance of Export Promotion Zone is equally dismal. During July-December 1993 shipping period, its total volume of exports amounted to 44.75 million dollars, down from 52.56 million dollars it fetched during the corresponding period last year.

Indonesian workers vow to stage 2nd nationwide strike

JAKARTA, Feb 14: An independent Indonesian labour union is vowing to defy the government and hold a second nationwide strike unless its freedom to associate is recognised, reports AP.

At least 150,000 workers staged protests last Friday, demanding an increase in the minimum wage and protesting the arrest of three leaders of the 300,000-member Indonesia Prosperity Labour Union.

Police released the union's Chairman, Muchtar Pakpahan, on Saturday but maintained they would still try him on charges of fuelling hatred against the government.

Pakpahan and two other leaders of the union, Sunarty and Trisjanto, were arrested in the Central Java capital of Semarang last week for distributing leaflets urging workers to join the strike.

The government of Indonesia, the world's fourth most populous country, recognises only the official All Indonesia Labour Union.

She said the new strike will demand an increase in the daily minimum wage to 7,000 rupiahs 3.20 US dollar.

Delhi won't allow foreign airlines' operation in domestic circuit

NEW DELHI, Feb 14: India will not allow foreign airlines to operate in the domestic circuit, said Indian Minister of Civil Aviation and Tourism Ghulam Nabi Azad, reports Xinhua.

In an interview with the local press which was published today, Azad said that under no circumstances will the Indian government allow foreign airlines to operate on domestic routes.

Private air taxi operators will not be allowed to fly on international routes either, he said.

The minister also ruled out the immediate merger of Air India and Indian Airlines.



Zafar Ahmed Chowdhury, Chief Adviser, Janata Insurance Co Ltd addressing the 'Managers' Conference '94' at a local hotel on Thursday. M A Quddus, Chairman, Razaul Karim, Managing Director also seen in the picture.

Indian businessmen clamouring for tax cuts, concessions

BOMBAY, Feb 14: From manufacturers to exporters to stockbrokers, Indian businessmen are clamouring for tax cuts and concessions as Finance Minister Manmohan Singh puts the final touches on the 1994-95 budget, reports AP.

Industry is hoping that the budget unveiled in Parliament at month-end will take market reforms further, give a strong boost to production and investment and spell the end for a two-year-old recession.

Tarun Das of the Confederation of Indian Industry said corporate tax cuts and a further reduction of levies were needed to boost consumer demand and put industry on a growth path.

Industrial output grew an abysmal 1.5 per cent in the first six months of fiscal 1993-94, which ends March 31.

Prohibitive taxes, the high cost of raising funds and government curbs on public works spending are blamed for keeping growth low.

The objectives of the re-

form process cannot be achieved with this kind of 'growth', Das said. "We need an industrial growth rate of between eight and 10 per cent per year for the next decade."

He urged a cut in administrative expenditure so the government also "feels the pinch and pain of transformation" rather than just industry and taxpayers.

Singh, the architect of radical reforms who will be the first Indian Finance Minister to present four budgets in a row, has kept industry waiting two years for a cut in the corporate tax rate of 51.75 per cent.

His failure to reduce the taxes last year created an immediate backlash on the stock market.

The approach to industry should be positive," said Madan Gopal Damani, chief of the Bombay Stock Exchange's Brokers' Forum. Only that will give us the fruits of the reform process.

Brokers have their own demands in June, with rising expectations. Give their busi-

nesses the status of a full-fledged industry, reduce capital gains tax and remove taxes on company dividends.

"If banking and finance can get the status of an industry, why can't we?" asked Damani. "Brokers would then have access to bank finance. We would then be able to raise capital and take on global giants who want to enter here."

The import-intensive consumer durables industry benefited last year when Singh cut import tariffs and excise duties. But manufacturers are back asking for more.

"There should be a 10 per cent duty across the board for electronic components instead of the present range of between five and 25 per cent," said KS Raman, Secretary of the Consumer Electronics and TV Manufacturers Association.

The "almost dead" domestic consumer electronics industry won a renewed lease on life after last year's duty cuts and "this process should be continued," he said.

Exporters, who were the

chief beneficiaries after Singh's 1993-94 budget package allowed them to exchange all their earnings at the market rate, want tax relief as well.

Kashi Nath Memani, President of the Federation of Indian Export Organisations, said exporters also wanted other incentives such as tariff concessions on machinery imports to make products more competitive.

Exports are targeted to earn more than 22 billion dollars — a 20 per cent jump over the previous year — in the current fiscal year. The growth rate could swell to 25 per cent, Memani said.

The 1994-95 budget follows an economic turn around credited to the market reforms begun in 1991 by Prime Minister P V Narasimha Rao which ended decades of socialist-style economic regulations.

Inflation is still single digit, foreign exchange reserves have topped 10 billion dollars, foreign investment has risen and farm prospects are encouraging.

Asia-Pacific forex markets mixed against Greenback over week

HONG KONG, Feb 14: Asia-Pacific foreign exchange markets closed mixed against the US dollar in a week shortened by the lunar new year, a three-day holiday for many countries in the region, reports AP.

Japanese yen: The yen moderately gained ground in Tokyo to close the week 108.25 yen to the dollar, up 0.12 yen from the previous week's finish of 108.37 yen.

Trading was limited to a four-day week as markets closed Friday for a national holiday.

Investors sold dollars for yen on prospects of US pressure to guide the yen to a higher level and help cut the United States' huge trade deficit with Japan, dealers said.

Trade talks "during the week" could not be reconciled in time for a summit meeting between Japanese Prime Minister Morihiro Hosokawa and US President Bill Clinton.

Australian dollar: The Australian dollar finished trading here at 71.67 US cents, marginally up from 71.41 cents.

On Thursday, the local unit surged to a high of 72.30 US cents after labour forces data showed a fall in the seasonally adjusted jobless rate from December to January.

A report by the Commonwealth Bank of Australia said sentiment on the domestic currency remained bullish.

This sentiment is based on

strong economic fundamentals, with an improved growth outlook with low inflation, and has ignored news of reduced prices on Australian coal and iron ore exports to Japan," the report said.

On the Reserve Bank of Australia's Trade Weighted Index, a basket of major trading currencies, the Australian dollar firmed slightly to 54.3 points from last week's finish of 54.0.

Hong Kong dollar: The Hong Kong dollar closed Wednesday at 7.738 to the US dollar during a week shortened by the Lunar new year holiday, the rate compared with 7.723-7.724 the previ-

ous week.

The effective exchange rate index was at 126.5 on Wednesday.

Indonesian rupiah: The Indonesian currency lost ground against the Greenback to close the week's trading at 2,129 rupiah compared to 2,122 the previous week.

Malaysian ringgit: The ringgit climbed higher against the US dollar to 2.7570 on Wednesday from 2.7665 the previous week.

Dealers said the ringgit's rise was due to profit-taking on the Greenback which made hefty gains last week.

New Zealand dollar: The New Zealand dollar closed the

week at 57.42 US cents, up from 57.09 cents a week earlier.

Philippine peso: The currency appreciated for the third straight week against the US dollar, ending at 27.57 to the Greenback from 27.615 the previous week.

Singapore dollar: The Singapore dollar firmed against the US dollar at an exchange rate of 1.5870 Wednesday, compared to last week's level of 1.5890.

Foreign exchange markets ended trading early Wednesday and remain closed for the rest of the week for the lunar new year holiday.

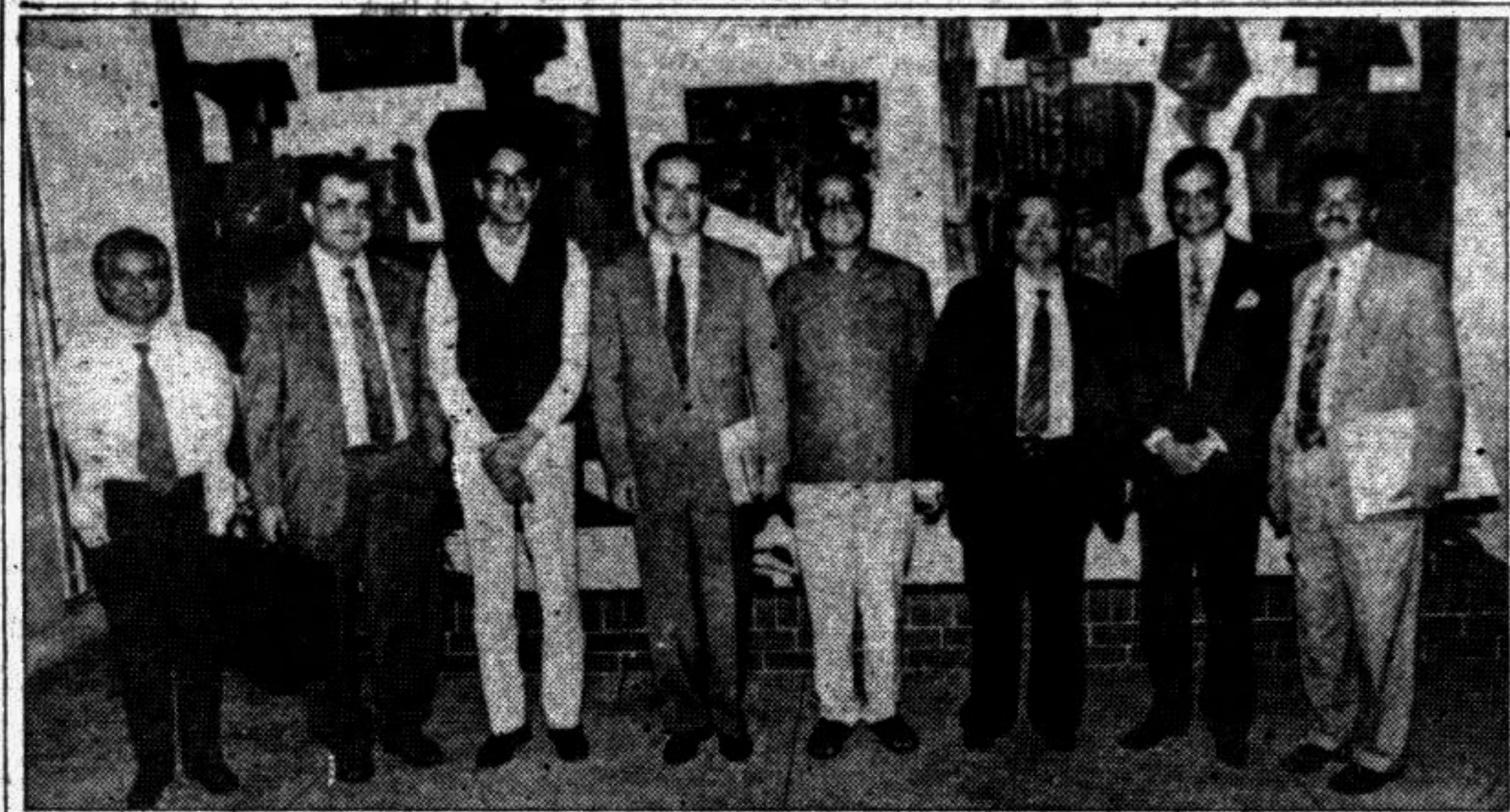
South Korean won: The won abruptly fell to 811.60 to the US dollar on Tuesday, compared to 807.60 won the previous week, as trading was shortened by the lunar new year holiday.

The central bank of Korea had to intervene to back up the sliding won as many dealers were surprised by the absence of the traditional new year pay rush.

Taiwan dollar: The Taiwan dollar eased to close Tuesday at 26.4525 to the US dollar, down from the previous week's finish of 26.3975.

The market was closed for a four-day Chinese new year holiday break.

Thai baht: The central bank's Exchange Equalisation Fund quoted the official mid-rate for one US dollar at 25.44 baht against 25.43 a week ago.



The President of the International Fund for Agricultural Development (IFAD) Famzi al-Sultan led a delegation to call on the Managing Director of the Grameen Bank, Dr Muhammad Yunus and Muhammad Shams, the Deputy Managing Director at the bank's head office in the city recently.

UAE banks turning abroad for investment as local market small

ABU DHABI, Feb 14: United Arab Emirates (UAE) banks are turning abroad for investment as the local market is relatively small and there are no major investment channels in the region, an official report said Saturday, reports AP.

Overseas investments by the Gulf country's 47 banks, based mainly in the west in stocks and securities, rose to 5.69 billion dirhams (1.55 billion dollars) in June last year from five billion dirhams (1.36 billion dollars) in June 1992, according to the report by the central bank.

Their investments in the UAE stood at only 1.1 billion dirhams (299 million dollars) in June, almost unchanged from their 1992 level.

"The local market remains limited although more secure as there is no sharp fluctuation of currency and shares here," one banker said.

The lack of investment opportunities has prompted UAE banks to concentrate on providing loans, mostly to trade and construction. By the end of June credits accounted for nearly half the banks' assets of around 150 billion dirhams

(40.8 billion dollars), according to the central bank.

Around 63 billion dirhams (17.1 billion dollars) of the assets are based abroad. They include 36.7 billion dirhams (10 billion dollars) in deposits with foreign banks and 10.7 billion dirhams (2.9 billion dollars) in loans.

The central bank report showed deposits by foreign banks with UAE banks were a fraction of those abroad, standing at 6.5 billion dirhams (1.5 billion dollars) in June and their loans at 1.12 billion dirhams (305 million dollars).

Lawmakers criticise Pentagon's sale of stockpiled zinc

WASHINGTON, Feb 14: Piled high in military depots in New Jersey and Ohio, 706 million pounds (320 million kg) of garbage-pail gray zinc slabs sit beneath a crust of winter snow, reports AP.

A vestige of the Cold War when the government stockpiled minerals and chemical compounds with a fearful eye on the Soviet Union, the zinc is no longer needed by a leaner Pentagon. If sold, it could raise an estimated 300 million dollars, for a Treasury oppressed by debt.

But it's not that simple. While the military cuts loose allotments for the auction block each month, commercial zinc producers and their allies in Congress want to suspend sales, claiming they are disrupting the domestic market at a time when zinc

value has plunged round the globe.

The programme also is being attacked as a classic case of government inefficiency — the Pentagon selling zinc at fire-sale prices while the Treasury Department pays top dollar for zinc it needs to mint pennies.

"It's just not the way business should be conducted," said Rep Ron Klink, a Democrat whose western Pennsylvania district is home to the nation's largest zinc smelter. "These are the issues that really incense the American people, and they incense me."

"The last thing the world needs is more cheap zinc," said George Vary of the American Zinc Association, which wants government sales, halted until market prices recover. "They're wasting taxpayers' money."

The Pentagon is selling zinc at three cents to four cents per pound (half kilogram) below market value, he said.

Some buyers are pleased — like Paul Helsel, President of Phoenix International Resources, a Pittsburgh metals trading company that has bought zinc from the stockpile. "If they are going to be competition, they can be an aid to the market," he said.

But industry officials and their Congressional supporters say jobs are at stake. One of four remaining domestic zinc smelters has shut down temporarily and there have been layoffs elsewhere. Meanwhile, China and former states of the Soviet Union recently flooded the world zinc market, driving down prices.

One of the major uses for

zinc is as a protective coating for steel and iron. Zinc is also used for making low-cost, high-quality die castings that are employed in the manufacture of automobile and building hardware, tools, electrical appliances and business machines.

The Pentagon sales "compete directly with the domestic zinc industry, which is staggering from the lowest prices in over 40 years," Klink said in a letter to Treasury Secretary Lloyd Bentsen, also signed by Sens Arlen Specter, and Harris Wofford of Pennsylvania. The zinc policy threatens at least 700 jobs in western Pennsylvania alone, they said.

President Clinton, in a January 31 letter to Klink, disputed that government zinc was being dumped on the

market. But he said the policy is being reviewed and the US Mint is looking at the suitability of Pentagon zinc for pennies.

If it meets minting standards, "a direct transfer would be appropriate," he said.

Meanwhile, the Pentagon has sold more than 51 million pounds (23 million kilograms) of zinc to date.

"We could have sold off a lot more than we did, but we're trying to be responsive," said Beth Offenbacher, a spokeswoman for the Defence Logistics Agency, which oversees the stockpile. "We're actually making a good profit on it, which of course is returned to the taxpayers."

The military began accumulating zinc in 1947 because of its importance as component in cartridge brass, die casting and rust protection. No major

purchases have been made since 1960.

After a 1992 Pentagon review determined its huge cache was no longer needed, Congress authorized selling the zinc over five years beginning last year. The Pentagon initially was authorized to sell up to 150 million pounds (68 million kilograms) a year in 1993 and 1994, but under industry pressure, that was reduced to 96 million pounds (43 million kilograms) last year and 100 million pounds (45 million kilograms) this year.

A recent General Accounting Office study concluded that reducing sales had avoided market disruption, and the White House noted sales so far represent less than one per cent of worldwide consumption.

Explosion rocks Haiti's gasoline, diesel centre

PORT-AU-PRINCE, Feb 14: A major explosion destroyed Haiti's centre for contraband gasoline and diesel fuel Saturday night, gutting a blocklong stretch of warehouses, stores and at least one hotel, reports AP.

The cause of the blast was unknown, and firefighters worked to contain the blaze. Police on the scene reported no casualties so far.

The explosion along the Rue de Cesar in downtown Port-au-Prince, near the Roman Catholic cathedral, was seen throughout the Haitian capital. Tens of thousands of gallons of contraband petroleum products were stored in the warehouses, in 55-gallon drums, eight-gallon plastic containers of one-gallon jugs.