

## Rescheduling of Algeria's \$ 26b external debt unavoidable

ALGIERS, Mar 8: Rescheduling of Algeria's 26 billion dollars external debt is unavoidable, Prime Minister Redha Malek said Monday in interviews in two newspapers, reports AFP.

He said a stand-by credit agreement was being negotiated with the International Monetary Fund and should be finalised soon. Malek gave no figure, but financial sources here expected the credit to be set at about 800 million dollars. They said 300 million dollars of that sum would compensate Algeria for a fall in the price of its oil by seven dollars a barrel.

Official estimate for the 1993-97 period had set the price at 21 dollars a barrel, but it currently stands at 14 dollars.

The growing burden of debt service, coupled with the oil price fall, "has made rescheduling unavoidable," Malek said.

The stand-by agreement is expected to be followed by a three-year enlarged credit facility and a structural adjustment programme.

Economics Minister Mourad Benachenhou, who is leading the talks with the IMF in Washington, is meanwhile in Tokyo for talks on economic and financial cooperation with Japan, which is opposed to the debt rescheduling.

Japan is Algeria's number two creditor after France, to the tune of 4.5 billion dollars. Press reports here said Japan had made no provision for the rescheduling and had hinted it might cut back on credits if it took place.

In 1992-93, Japan provided 1.4 billion dollars of credit to the Algerian state oil company Sonatrach to refurbish its gas plants.

## Two Indian airlines turn into public limited company

NEW DELHI, Mar 8: The Indian parliament Monday approved a bill turning the two national carriers, Air India and Indian Airlines, into public limited companies, reports AFP.

The bill was passed in the upper house of the federal parliament by a huge majority amid charges from opposition members that the two airlines would face unfair competition from private companies.

The MPs also demanded a ban on liquor, served by some private operators, on internal flights.

The two carriers, renamed Air India Ltd. and Indian Airlines Ltd., would be free to go to the public to raise capital and would no longer be dependent on state funding under the new bill, which follows a January 30 ordinance.

The move, part of the "open sky" policy aimed at restructuring the aviation sector, comes on the heels of a law permitting private operators to become full-fledged airlines and allowing them to print flight schedules.

A dozen private airlines have sprung up since 1991 to challenge the monopoly of the Indian skies previously enjoyed by Indian Airlines and Air India.

## Cargill abandons project to export salt from India

NEW DELHI, Mar 8: US Multinational Cargill has abandoned a project to export salt from India because of a fall in Japanese demand, The Economic Times daily reported today, says AFP.

Japan was the market targeted by the project Cargill had planned to set up in the western Indian township of Kandla to manufacture one million tonnes of salt a year.

Raza Hasnain, a Cargill executive in India, told The Economic Times that the project was no longer profitable because the market had shrunk as a result of reduced imports by Japan.

In order to compete with Australian and Mexican companies, Cargill would have to sell its salt output at low prices which is simply impossible at the moment, Hasnain was quoted as saying.

India's exports of salt to Japan, the world's leading buyer of the product, fell from 5.72,000 tonnes in 1991 to 4,06,000 tonnes the following year.

The Economic Times said India had lost the market to Mexican and Australian companies because the quality of its salt was inferior.

# Japan outlawing sales of pure domestic rice

CHIBA, Japan, Mar 8: Japan banned foreign rice for decades. Now, in a paradoxical reversal intended to discourage hoarding, the government is outlawing sales of the pure domestic grain, reports AFP.

A dismal harvest last fall caused by a cool, wet summer forced Japan to break its decades-old policy strictly banning imports of rice, Japan's staple food.

Worried by reports that domestic supplies were running out, finicky consumers leery about the imported varieties have cleared rice out of supermarket shelves with panic buying reminiscent of the lean years during World War II.

While no ones in danger of going hungry, Food Agency officials announced Monday night that the government would require the 500,000 tons of rice to be released to retailers in March to be mixed in half-and-half blends with imported rice.

Set up to handle wartime

rationing, the Food Agency controls rice policy and distribution.

As angry consumers lined up outside rice shops and supermarkets Tuesday morning, hoping to snap up the last few bags of purely domestic rice, Eljiro Hata, minister of agriculture, said the government might be forced to reverse the decision if it proved too unpopular.

"The government has already increased supplies of domestic rice," Prime Minister Morihiro Hosokawa responded to critics in parliament Tuesday. "On the whole, there will be no shortage in the rice supply."

Critics of the government's policy urged the Food Agency to crack down on black market sales of domestic grain, which have soared, instead of forcing consumers to eat mixed grain.

Many Japanese say foreign varieties of rice require different cooking methods than the sticky domestic variety, and

they object to buying the rice already mixed.

Mixed rice also reminds many older Japanese of the hungry days after the war, when low quality imported grain was mixed with scarce home-grown rice.

Some of the rice imports, however, have proved extremely popular with picky palates: US-grown rice from California has quickly sold out of many stores since it was introduced last month.

"The trade war may be heating up on other fronts, but certainly not with us rice growers," the USA Rice Councils president, Phil Illich, said Monday as Japanese guests chowed down on samples of American rice at this year's FOODEX, an international food industry trade fair.

"We've got something the Japanese want," he said. "We are very competitive."

Of the 2 million tons of rice ordered from the United

States, Thailand, China and Australia, the American rice has so far been the best received.

Under pressure in international trade negotiations, the government has also promised to gradually open its rice market in the future. Next year, imports are to be given a 4 per cent share of the total domestic market.

American rice growers gained wide publicity - and won some sympathy - in 1991 when they were told by Japanese authorities to either pull down their display at the FOODEX fair or face possible arrest for breaking the Food Control Law.

On Monday, the US rice booth was again the center of attention - but this time from curious Japanese lining up for a free sample.

"The only things that matter to me are taste and price," said Mitsue Hoki. "And as far as I can tell, the American rice is just fine. No problem."

## US asks ROK to free up auto trade

SEOUL, Mar 8: The United States demanded Tuesday that South Korea lower its import barriers against foreign autos and strengthen the protection of intellectual property rights, reports AFP.

South Korean officials are worried that the U.S. demand may signal stepped-up trade pressure backed by its revived retaliatory trade law known as Super 301.

The U.S. law, revived by President Clinton, last week allows tariffs of up to 100 per cent against specific products from countries judged to be unfair traders if a year-long negotiation process fails to yield results favorable to U.S. businesses.

At two days of trade talks that opened in Seoul Tuesday, Peter Collins, a U.S. trade representative for the Asia-Pacific region, asked South Korea to lower its import duty of foreign cars from the present 10 per cent to the U.S. level of 2.5 per cent.

Chung-Ul-yong, director-general of the Foreign Ministry's Trade Bureau, replied that Seoul has no plans to reduce the tariff, saying that many European nations also

charge tariffs of about 10 per cent.

Collins also protested reports of Korean tax audits targeting foreign car owners, and the high rate of additional taxes imposed on autos.

South Korea reiterated a promise that the audits would not occur. Many foreign car

owners have reported being under extensive tax probes after purchasing foreign autos.

As for additional fees on autos such as sales tax, excise tax and subway bonds, Korean officials said the taxes do not target foreign cars, since they apply equally to both local and foreign autos.

But because the tax rates differ depending on engine size, bigger autos are subjected to higher rates. U.S. officials charge that since most imported cars have engines larger than 2,000 cc, the taxes discriminate against foreign cars.

U.S. negotiators also demanded that Seoul strengthen protection of intellectual property laws. Unlawful copying of software is reportedly widespread among computer manufacturers who do so in order to promote sales of their products.

Serious trade friction between the United States and South Korea is uncommon, since their two-way trade not too far out of balance. In the first 11 months of last year, South Korea ran a trade surplus of \$1.216 billion with the United States.

## Old German marks may be used as fertilizer!

FRANKFURT, Mar 8: The German mark is one of the world's strongest currencies but old mark bank notes could soon be worth as much as cow dung, reports Reuters.

The Bundesbank, Germany's central bank, is mulling plans to hand over shredded notes as fertilizer. Peter Walter, an official responsible for the destruction of old notes, told the Berliner Morgenpost newspaper.

The bank can no longer incinerate old notes due to environmental concerns and has turned off its ovens, which burned up to 1,000 tonnes of them a year, reports AFP.

It has been shredding tonnes of notes but these are piling up. So the bank has studied ways of disposing of them in an environmentally friendly fashion, Walter was quoted as saying on Monday.

"German bank notes are a natural product that can even be useful after they've been shredded," Walter said. "There is certainly a possibility the shredded notes will be used as fertilizer for wine growers."

## Cuban economy may improve in 2nd half of '94

HAVANA, Mar 8: Cuba's economy will improve in the second half of 1994 due to structural changes in the agriculture and the positive reaction in some sectors, stated Osvaldo Martinez, President of the Parliament's economic sector, reports PL-Pool.

Martinez, Director of the center of World Economic Studies, assured at a conference with the press and students of Havana's University, that we already overcame the worst, in 1993, and there will be an improvement in 1994, said a report from radio Rebelde station.

The improvements will become apparent in the halt of the economic collapse, a trend in fashion since the collapse of the European socialist block and the Soviet Union (between 1989 and 1991), as well as in a modest growth some strategic sectors will experiment.

## US to unveil \$ 13b job bill this week

WASHINGTON, Mar 8: The Clinton administration plans to unveil this week its 13 billion US dollars programme to overhaul job training as part of its three-pronged strategy to improve US labour market, reports Reuters.

The legislation will give the administration a key proposal to showcase at the group of seven meeting on employment of ministers from major industrial nations in Detroit March 14-15.

Assistant Labour Secretary Doug Ross said the reemployment act will illustrate how the United States is tackling entrenched problems in its labour markets of a widening wage gap, a rising long-term jobless rate and a mismatch of skills to job available.

This concern about the quality of US jobs and their uneven spread prompted President Clinton last July to call for the G7 jobs meeting - the first of its kind by ministers of top industrial nations to address employment issues.

The reemployment act to be unveiled this week is key part of the administration's vision to "allow Americans to

take control of their working lives" by providing school-leavers, welfare recipients and job changers with support as they seek new employment opportunities, Ross said.

Two other key proposals to tackle labour-market problem in the US already are working their way through congress and are expected to be ready for Clinton's signature this summer. The school-to-work act is designed to help school leavers. It provides 300 million dollars in federal seed money to finance one year's training for school leavers in a specific work area.

The goals 2000 act is designed to help people laid off, re-entering the workforce, or coming off welfare now what skills they need. A skills board would establish national standards needed to qualify to work in various industries.

The reemployment act, however, is more ambitious.

The bill also proposes merging a mish-mash of six existing training programmes into one, making them more efficient. While the reforms would cost 13 billion US dollars over a five-year period.

## OPEC output up by 120,000 BPD in February

NICOSIA, Mar 8: OPEC oil production went up by 120,000 barrels per day (BPD) in February, mainly because of output rises in Venezuela, the Middle East Economic Survey (MEES) said Monday, reports AFP.

The Cyprus-based newsletter said output reached 24.76 million BPD, up from 24.64 million BPD in January. The February total represented an excess of 240,000 BPD over the OPEC ceiling of 24.52 million BPD.

The OPEC crude reference price in February was around 13.70 dollars per barrel, slightly up from January's 13.67 dollars. But the figure was still more than seven dollars below OPEC's benchmark of 21 dollars.

An output increase of 90,000 BPD was recorded in Venezuela in February.

A 40,000 BPD increase was also recorded in the emirates, largely because of an output rise from Abu Dhabi's offshore upper Zakum field, the newsletter said.

Algeria, Indonesia and Libya also increased production, whereas Iranian output registered a further drop of 55,000 BPD in February, after a fall of 220,000 BPD in January, compared to December.

Iran's February output total of 3.475 million BPD was 125,000 BPD less than its OPEC quota of 3.6 million BPD.

## Egyptian envoy meets Tourism Minister

Ambassador of Arab Republic of Egypt in Bangladesh Mohamed Kamal Elmilgy called on the State Minister for Civil Aviation and Tourism Abdul Mannan at his office yesterday in the city, reports UNB.

They discussed matters of mutual interest and bilateral relations including air services between Bangladesh and Egypt.

Secretary, Ministry of Civil Aviation and Tourism Afzalur Rahman, Joint Secretary of the Ministry Shahidul Alam Chowdhury among others, were present on the occasion.

## Unemployment rate drops in US

WASHINGTON, Mar 8: The US civilian unemployment rate fell in February despite severe winter weather that hampered employment in the construction industry, says USIS, release.

The US Department of Labour's Bureau of Labour Statistics (BLS) reported March 4 that the unemployment rate fell to 6.5 per cent in February, down from 6.7 per cent in January, when the bureau changed the way it measured employment statistics. Nonfarm jobs rose by 2,17,000 as gains in service industries, retail trade and manufacturing outweighed employment declines in construction. There had been virtually no change in the number of jobs the month before.

"The labour market continued to improve in February, despite the impact of this winter's unusually harsh weather," BLS Commissioner Katharine Abraham told the Congressional Joint Economic Committee March 4. "The adverse effects of winter remained apparent, however, both in the decline in construction employment and in the sharp drop in factory hours. Unemployment appears to have continued its downward trend, but we need additional months of data before we can be confident as to the extent of the improvement."

## BIBM course concludes

The course on 'accounting techniques' has ended, says a press release.

It was conducted by the Bangladesh Institute of Bank Management (BIBM) in the city yesterday.

The concluding session was presided over by A H N Nurul Islam Chowdhury, Director General, BIBM.

Participants were drawn from different banks and financial institutions.

The course was designed to familiarise the participants with various concepts, conventions, techniques and approaches to accounting in banks and financial institutions.

BIBM Faculty Member Md Saurur Rahman was the main coordinator of the course.



Alhaj A B M Mohiuddin Chowdhury, newly elected Mayor of Chittagong City Corporation inaugurated Singer show room-cum-sales center at Hazara Complex 52, Sadarghat Road, Chittagong on Sunday.



Abu Alam Chowdhury, Member, ECG Management Committee of Sadharan Bima Corporation and a representative of Federation of Bangladesh Chambers of Commerce and Industries (FBCCI) handing over cheques to S M Hassan Imam, Deputy General Manager, Sonali Bank, Foreign Exchange Branch, and Abdur Rahman Chishti, Asst. General Manager, Agrani Bank, Amin Court branch for payment of losses under Export Finance Guarantees recently. M Lutfor Rahman, General Manager and M Rezaul Karim, Manager, SBC, are also seen in the picture.

# Clinton denies charges of wrongdoing in real estate deal

WASHINGTON, Mar 8: President Clinton made an impassioned defence of his wife against any suggestion of wrongdoing in a real estate deal under investigation by a special counsel, reports AFP.

Defending himself on Monday, he declared, "There is no credible charge that I violated any law."

Republicans levelled accusations at the President and Hillary Rodham Clinton, members of the opposition Democratic Party, over the Clinton's role in the business venture known as Whitewater.

"There will not be a cover-up, there will not be an abuse of office in this White House," Clinton said, defending his conduct both as president and as Arkansas governor, when most of the episodes under investigation took place.

Clinton stressed that he and his administration are cooperating fully. The White House, which has until Thursday to provide key documents requested by a special counsel, Monday ordered all staffers to scour trash cans, bags and files for the paperwork.

Special prosecutor Robert Fiske has subpoenaed White House officials involved in meetings with federal regulators that have come under investigation. White House Chief Counsel Bernard Nussbaum, who took part in the briefing, on Saturday announced his resignation.

White House officials also expected Chief of Staff Mack McLarty to be subpoenaed, because he helped arrange one of three meetings in which federal regulators discussed the Whitewater affair with Clinton aides.

Eiske is trying to learn

whether funds from the failed Madison Guaranty Savings and Loan were diverted to the Whitewater Development Corp, a real estate venture owned jointly by the Clintons and James McDougal, the thrift's owner. The prosecutor also is investigating whether Madison funds were improperly used to help retire Clinton's 1984 gubernatorial campaign debt.

Rep. Jim Leach of Iowa, the ranking Republican on the House Banking Committee, warned that "unless this White House operates with a greater sense of the law it is going to find itself in far worse shape than it has any reason to be."

But Vice President Al Gore said, "There is still no credible allegation of wrongdoing by anyone in the administration."

In another Whitewater report Monday, The Washington Times reported that during the 1992 presidential campaign,

Hillary Rodham Clinton summoned couriers from a law firm in Little Rock, Ark, to the governor's mansion, where she gave them records to be shredded. President Clinton was governor of Arkansas at the time.

The Times quoted three current or former Rose employees as saying the shredding began after The New York Times reported on the involvement of the Clintons in the Whitewater deal. The Washington Times quoted one source as saying more than a dozen boxes of documents were destroyed, but the newspaper said the nature of the records was not clear.

Leach stressed that full disclosure by the White House was crucial. "And not to have full disclosure is what is causing this ruckus to reach such a crescendo of ineffectiveness from the perspective of the

White House."

Mrs. Clinton's role in the Whitewater affair has also come under scrutiny.

She managed the family's financial affairs, including the Clinton's involvement in Whitewater. Also, as a Little Rock attorney, she represented McDougal's Madison Guaranty Savings and Loan with ties to Whitewater.

Clinton brushed aside allegations that she had ordered documents shredded at her old law firm in Little Rock. "Law firms dispose of their documents all the time," he said.

Clinton said there should be no question about Mrs. Clinton's conduct. "I'm just telling you, the American people can worry about something else. Her moral compass is as strong as anybody's in this country, and they will see that."

Separately, Mrs. Clinton

told "Elle" magazine that much recent criticism was based on "the wildest kind of paranoid conspiracies."

In an interview, which took place before the subpoenas were issued, she said, "This is a well-organized and well-financed attempt to undermine my husband, and by extension, myself, by people who have a different political agenda or have another personal and financial reason for attacking us."

George Stephanopoulos, a senior adviser to the president, denied that the first lady or the president were involved in any shredding of documents at Mrs. Clinton's former law firm.

The White House had absolutely nothing to do with that, the Clintons had absolutely nothing to do with that," Stephanopoulos said in a television interview Monday evening.