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400 km area will come under rural electrification in Patuakhali

PATUAKHALI, Mar 9: The Patuakhali Rural Electrification Samity will bring an area covering about 400-kilometer under its electrification programme in the current fiscal year, official sources here said.

Meanwhile, electrification works of 305 kilometer, which began in July last year, is underway.

Established in 1989, initially the samity brought an area covering 2366 kilometers of Patuakhali and Barguna districts under the programme.

It includes seven unions of Sadar thana and four unions of Bauphal thana in Patuakhali district and six unions of Amtali thana in Barguna district.

Under the programme, the samity has so far given 20,000 connections.

**US may allow China to launch US satellite**

WASHINGTON, Mar 9: Secretary of State Warren Christopher says the United States might allow launch of another US satellite by China but indicates such approval would not reflect a change in US policy, reports USIS.

Christopher made the remarks at a March 7 press conference in Canberra, Australia. The secretary is scheduled to travel March 11 to Beijing, where he has said he will press the government on human rights.

The United States prohibited export to China of certain US commercial satellites for launching them after China allegedly violated Missile Technology Control Regime obligations by sharing missile technology with Pakistan.

In January the United States allowed China to launch two US satellites that contained no critical advanced technology. Christopher said an export licence might be approved for a third satellite because the US manufacturer removed advanced encryption technology from it.

I would hope, but without predicting, that there can be a positive outcome," he said.

"I think it simply sends a signal of even handed treatment that was not a particular favour we were doing to China," Christopher said. "It was something that was consistent with our law and served our commercial purposes."

**Myanmar plans 31st annual jewel auction**

YANGON, Mar 9: The government plans to auction pearls, jade, gems and jewellery worth nearly 25 million dollars to foreign buyers at its annual gem emporium beginning Saturday, a mining official said Tuesday, reports AP.

But the government faces competition from a notorious drug trafficker who had diversified into the gems business.

Nearly 500 gems merchants from 16 countries, including more than 300 from Hong Kong and 50 from Thailand, are expected to attend the 31st annual auction, Deputy Minister for Mines Hline Win told journalists.

The annual emporium is the sole legal means for merchants to sell stones for export. But smuggling is widespread, especially across the eastern border into Thailand.

Reputed drug lord Khun Sa, who is said to control a substantial portion of the heroin trade in the Golden Triangle region where Myanmar, Thailand and Laos meet, has recently expanded his activities in the gem business, sources say.

Khun Sa, a leader of the Shan ethnic minority who commands a private army, moved into gems after taking control of some important ruby mines around Mong Hsu, about 590 kilometers (370 miles) northeast of Yangon.

His gem stone business specializes in cheap, low-quality stones that can be sold as mass market items abroad, a gems expert in Bangkok told the Associated Press. Khun Sa had reportedly established a workshop at his jungle headquarters of Homong, near the Thai border, which employs 100 workers to cut stones and make jewellery.

The Hong Kong-based magazine Far Eastern Economic Review recently estimated that Khun Sa's operation was selling 80,000 dollars worth of gems and jewellery per day.

## Economic crisis hits Gulf states

ABU DHABI, Mar 9: Gulf Arab States are still sitting on the world's largest deposits of oil, but they are finding their riches dwindling fast as oil prices keep plummeting reports IPS.

Bloated budgets and shrinking income has precipitated the worst economic crisis in the Persian Gulf region in 20 years.

After living it up in the decades following oil's transformation into black gold in the 1970s, the region's six countries — Bahrain, Saudi Arabia, Oman, Qatar, Kuwait and United Arab Emirates (UAE) — are troubled by serious problems of unemployment, high inflation and slow economic growth.

Even Saudi Arabia, the richest in the region seems hard up, in January, it was forced to reach an agreement to restructure US \$9.2 billion dollars in payments due to major US defence contractors.

The agreement was signed late January for rescheduling the payback of US \$9 billion dollars in loans for the country's purchase of 72 F-15 fighter aircraft. The deal will also clear the way for the Saudis to buy new commercial aircraft.

Observers respected Kuwaiti economist Jassim Al-Saoudoun: "Gulf Arab States started the 1990s having drained all what

they have achieved during the 1980s.

Experts here blame the economic mess on the Gulf state's short-sighted spending policies, which considerably reduced the savings from the boom years when the region's governments built up vast investment empires abroad.

The regional grouping Gulf Cooperation Council (GCC) at the time was power full enough to influence world oil prices.

But the GCC seems to have little clout left these days and experts fear the Gulf economies are likely to remain weak through the 1990s as oil prices are unlikely to rise dramatically.

Gulf states still rely heavily on oil export earnings. The decline in crude prices over the past few years has resulted in persistent budget deficits despite attempts to tighten spending.

Low oil prices have forced Saudi Arabia, the world's top crude producer and exporter, to slash its 1994 spending by 20 per cent, and Oman by 10 per cent. Kuwait said it planned similar measures.

Yet budget deficits will remain because of swelling defence costs and ambitious schemes to raise oil output capacity to around 25 million barrels per day by the year

2000 from 15 million currently.

A sharp rise in defence spending following the 1990 Iraqi invasion of Kuwait and large payments for the allied offensive to liberate the Emirate have severely hit GCC budgets and turned some members into debtors.

Such payments are estimated at US \$6 billion dollars, more than 80 per cent of the GCC's income. As a result, their combined budget suffered its worst shortfall in 1991, when the deficit swelled to US \$5.5 billion dollars.

Economists say the Gulf States are trapped in a vicious cycle of shrinking savings and expanding expenditure.

The continuation of the deficit will inevitably lead to all traditional economic ailments — coupled with their social and political consequences," Al Saoudoun warned in a recent article in the UAE daily Al Khaleej.

Other oil producers outside of the GCC are also down on their luck indeed the GCC's non-Arab neighbour, Iran is finding it difficult to balance its budget and its attempt to integrate into the world market has plunged the economy in serious crisis.

Iran's liberalisation drive was launched by president Ali Akbar Rafsanjani in 1990. But market reforms and the sharp

depreciation of the rial produced runaway inflation and impoverished most people as state subsidies were also withdrawn.

Western diplomats said Iran, for the first time ever, is unable to repay debts, and has accumulated US \$13 billion dollars in 18 months.

The belt-tightening over the past year to resolve the financial crisis has only added to Iran's problems. A steep fall in imports has set-back industry which depend heavily on imported equipment.

Meanwhile, in Iraq, the arch-rival of the GCC states and Iran, the dinar has tumbled while prices have soared.

This has added to the problems of millions of ordinary Iraqis already suffering from trade sanctions imposed by the United Nations which was clamped on Iraq after its troops invaded Kuwait in 1990 and triggered the Gulf War.

Regional bankers say the currency's collapse is fuelling Iraq's hyperinflation, believed to be among the highest in the world.

Because of the UN sanctions, Iraq is still banned from exporting oil. But Iraqi officials have voiced optimism over the expected repeal of the embargo this year after they meet most UN Gulf War resolutions, including long term monitoring of its military industries.

Australian HC, Huda discuss assistance in uplift

The Australian High Commissioner in Bangladesh K W Aspinall called on Information Minister Barrister Nazmul Huda at his Secretariat office, reports BSS.

They discussed Canberra's continued assistance and co-operation in the development activities of the country.

They also discussed on the progress in the field of industry, commerce, agriculture, population control and expansion of education programme.

The Information Minister told the High Commissioner that the quality of domestically produced industrial goods were improving day by day as a result of the competitive climate created due to free market economy.

Referring to the fuller development of democratic institutions as a result of institutionalising democracy, the Information Minister said under the present government all elections including by elections, municipal, mayoral and union parishad were held in a peaceful, proper, free and neutral manner.

The election commission could also play a very powerful role thereby helping consolidation of the hard-earned democracy, he added.

## Tea auction season ends on strong note

CHITTAGONG, Mar 9: The last tea auction of the season ended Tuesday on a strong note with practically all tea selling at higher levels, reports UNB.

Pakistani buyers were operating actively and accounted for the bulk of Fannings and small brokens on sale. Internal market was also quite active especially for the popular types. There was a fairly useful support from buyers for Poland and Russia.

CTC: Bold and large brokens had a good market at slightly lower rates. All medium and smaller brokens, specially cleaner types, were again dearer with prices appreciating up to Taka three.

Fibrous poor leaf types generally were lower. A small weight of popular types sold at higher rates between Taka 54.50 and Taka 56.50.

Primary Fannings were two a stronger feature and prices moved up further, often by Taka 2. Medium Fannings were also dearer following quality.

Fibrous types were again irregularly lower. A limited quantity of popular types received good support at generally dearer levels selling between Taka 55 and Taka 58.

Dust: 1,766 chests, three paper sacks and 50 chests

of New Season on offer once again met with strong demand at dearer levels.

Clean good liquorice varieties were strongly competed for and appreciated substantially over last auction. Only internal buyers operated in this section of the catalogue.

## Food prices in US increasing

NEW YORK, Mar 9: Food prices in the United States are rising after three-year slumber, according to a widely read newspaper here yesterday, reports Xinhua.

Price for a grocery cart of items have already jumped this winter. And bakers are paying more for flour and cooking oil, reported the Wall Street Journal in a front page story.

Some economists expected that food inflation in the United States this year to be between 3.3 per cent and 3.5 per cent, up from 2.2 per cent in 1993 and 1.2 per cent in 1992.

That would be the first time in about four years that food prices exceeded the general inflation rate, which was expected to run about 3.0 per cent, the journal commented.

## Delhi asks Tokyo to invest more

NEW DELHI, Mar 9: India, worried over a sharp fall in investment from Japan, on Tuesday asked Japanese industry to invest more, reports Reuter.

There are immense possibilities of cooperation in sectors like electronics, telecommunications, petrochemicals, automobiles, engineering, plastics and ship-building," a government minister told a high-level business delegation from Tokyo.

With a view to furthering investments in India an investment centre has been set up in the embassy of India, Tokyo," Krishna Saini, India's junior minister for industry said.

Investments from Japanese companies in Indian joint ventures in 1993 fell to 2.6 billion rupees (83.9 million US dollars) from 6.1 billion rupees (199 million US dollars) in 1992. It had increased 10-fold.

I would hope, but without predicting, that there can be a positive outcome," he said.

"I think it simply sends a signal of even handed treatment that was not a particular favour we were doing to China," Christopher said. "It was something that was consistent with our law and served our commercial purposes."

**M Haider Chowdhury, Chairman of National Life Insurance Company giving away Chairman's award to a recipient. The company introduced the award recently. — Star photo**

## Because empress wore the shoes

VIENNA, Mar 9: A pair of silk shoes worn by an assassinated Austrian empress fetched six times the expected price at an auction in Vienna on Tuesday, reports Reuter.

The shoes, worn by Empress Elisabeth before she was stabbed to death by an Italian anarchist in Geneva in 1898, were bought by an anonymous bidder for 180,000 schillings (16,000 dollars).

Yamashita told the meeting on Tuesday that Japanese businessmen were supportive of India's economic policies.

He said apart from approvals from the federal government, cooperation of the state governments were also necessary in implementing investment programmes.

A house cap belonging to her husband Kaiser Franz Josef, who ruled the Austro-Hungarian empire for 68 years until his death in 1916, failed to match the interest in Sissi's shoes but reached the princely sum of 35,000 schillings (3,100 dollars).

The Habsburg dynasty collapsed in 1918 at the end of World War One.

A collection of notes written by 18th century Empress Maria Theresa and footbaths, paintings and porcelain once owned by the imperial family were among other items auctioned.

US airline to train 250 Chinese pilots

BEIJING, Mar 9: Northwest Airlines of the United States is to train 250 Chinese pilots over the next few years to help ease the severe shortage of qualified personnel in the sector, The China Daily said yesterday, reports AFP.

Flights from China Eastern Airlines and Shanghai Airlines are to join those from three other domestic Chinese carriers — China Southwest, China Northern and Xiamen Airlines — for initial or refresher courses at Northwest Aerospace Training Corp in Minneapolis, the report said.

They will train on McDonnell Douglas 82 and Boeing 757 mid-range aircraft on courses ranging from eight days to two months, it said.

China's air industry, which is growing at a rate of some 30 per cent, needs an estimated 600 new pilots a year.

The country's three training schools are only able to handle about one third of that number, causing a severe shortage that leaves many planes underutilised and forces pilots to fly long hours at the risk of safety.

Shanghai Airlines President Sun Zhongli was quoted as saying that almost all Chinese pilots suffered from stress.

Of the eight "Major" accidents last year, 80 per cent were caused by operating errors, the paper cited a civil aviation administration of China report as saying.

Some 76 people died in last year's accidents, while the figure for the past two years is about 400.

Singapore Chinese can take advantage of their knowledge of Mandarin to do business in China, but Goh stressed that "we must never make Indian on Malay Singaporeans feel sidelined or pushed aside."

Foreign Minister Wong Kan Sen has explained that Singapore's interest in China is driven by geo-political realities.

The Bangladesh Bank and all other scheduled banks will remain closed on March 13, 14, and 15 on account of Eid-Ul-Fitr, according to a bank press release yesterday, reports BSS.

## Bonn defends relaxing limits on 'dual use' material export

BONN, Mar 9: Chancellor Helmut Kohl's government yesterday defended plans to relax limits on exports of products that can be used for both military and civilian ends, arguing it had to conform to common European standards, reports Reuter.

The rules were introduced after the United States criticised German Industry in 1988 for helping Libya to build and alleged chemical warfare plant, dubbed "Auschwitz in the sand" after the Nazi death camp by one US newspaper columnist.

Economics Minister Guenter Rexrodt said other European Union (EU) countries refused to accept Bonn's stringent controls on exports of so-called 'dual use' materials.

Parliament was debating a proposal by Kohl's centre-right coalition to lower export barriers for dual-use materials while giving export authorities greater power to investigate

ernment position that Bonn would have to accept laxer controls in a common export policy, which is in the final stages of discussion after two years of negotiations in Brussels.

German companies have complained the rules give unfair advantages to competitors in other European countries with more liberal controls and hinder joint projects between Germany and other EU firms.

Opposition Social Democratic politicians accused Kohl's government on Friday of bowing to pressure from the defence industry by proposing the lower export barriers.

Parliament was debating a proposal by Kohl's centre-right coalition to lower export barriers for dual-use materials while giving export authorities greater power to investigate

## Shanghai approves \$ 640 m overseas-funded projects

SHANGHAI, Mar 9: Shanghai, the financial and commercial centre of China, approved in the past month some 308 overseas-funded projects, involving a total investment of about 640 million US dollars, according to official sources, reports Xinhua.

Official statistics show that though the number of foreign-funded projects in February was slightly higher than in the same period last year, the total of contractual foreign investment was 150 million US dollars less than last year.

According to sources from the Commission, Hong Kong is currently ranking top among investors, pouring some 410 million US dollars into 136 projects, accounting for 64 per cent of the total overseas investment.

However, experts say that overseas investors will still

take interest in the real estate sector as Shanghai is stepping up the construction of an international financial and trade power house. "Anyway, the amount of foreign investment in real estate this year will not be less than 1993's," they predicted.

Official statistics