

DHAKA THURSDAY, MARCH 17, 1994

Huda seeks participation in uplift

Information Minister Barrister Nazmul Huda Tuesday called upon all concerned irrespective of party affiliation to take part in development activities, reports BSS.

The information minister was inaugurating the reconstruction work of the Meghla-Tekerpur road under Dohar thana of Dhaka district.

Barrister Huda said that the present government had been constructing roads, bridges and culverts in the rural areas during the last three years in fulfilment of the election pledges of the BNP.

Information minister pointed out that roads and bridges were being constructed in each union of the country and the provision for electric supply was being provided with a view to increasing farm production.

He said that the rural infrastructure would be built throughout the country with the cooperation of local people. "In this connection, he called upon all to come forward unitedly in implementing government sponsored development programmes.

Presided over by the chairman of Narisha Union Parishad, Dr. Abul Kalam, the function was addressed among others by former chairman and local BNP leader MA Sattar, Jubo Dal leader Abdus Salam and Chhatra Dal leader Nazimuddin Chowdhury.

RAKUB disburses Tk 100 cr loan

RAJSHAHI, Mar 16: Rajshahi Krishi Unnayan Bank (RAKUB) has so far disbursed a record amount of loan amounting to Taka one hundred crore in the current fiscal year in sixteen districts of Rajshahi division to boost production, reports BSS.

RAKUB has realised an amount of Taka 84 crore from the borrowers during the same period.

The main loan disbursing sectors are production of agriculture, farming of cattle heads and poultry, rearing of milching cows, pisciculture, preservation of potatoes in cold storage and construction of small industries.

The loan disbursed by RAKUB in the current fiscal year is 66 per cent of the total target. The Bank planned to disburse a total of Taka 150 crore through its 296 branches across Rajshahi division.

Tangail DC visits pilot project in Rasulpur

TANGAIL, Mar 16: Abdul Matin Khondaker, Deputy Commissioner of Tangail, visited the on-going compartment pilot project area at Rasulpur under Gala union recently, reports BSS.

He talked with local people and sought their cooperation for the successful implementation of the project.

Abdul Jalil, executive engineer of the project, told the people of the area that with the completion of this pilot project people will be saved from flood.

Washington suspends threatened sanctions**US-Japan economic ties in 'serious disrepair': Kantor**

WASHINGTON, Mar 16: US Trade Representative Mickey Kantor said US-Japan economic ties are in "serious disrepair" and Tokyo must take big steps for trade negotiations, to resume, reports Reuters.

"Our trade and economic relationship, a key priority of the Clinton administration, is in serious disrepair. This administration's approach to Japan will be deliberate and responsible," Kantor said in prepared testimony to the House Ways and Means Subcommittee on trade.

Kantor discounted the possibility of a trade war but listed a series of trouble spots in trans-Pacific trade and put Japan on notice that the US felt it was not doing enough to spur global growth through trade.

"Recently Japan has missed a number of opportunities to

show a real interest in such a role," Kantor said. "Japan will have to be dramatically more forthcoming if we are to return to the negotiation table."

As to specifics, Kantor said that the US side, in talks later this week, will press Japan for "a stronger, more effective plan of action" to open its computer chip market.

Kantor said existing trade agreements with Japan showed mixed results and pointed to "one such troubling issue" — a potential weakening of copyright protection now granted software in Japan. Japan is now reviewing the so-called decompilation of software and Kantor said should copyrights be weakened it would seriously harm US interest, the administration has made it clear to Japan that we would view such a development with the

greatest of concern."

Kantor also expressed concern about a 1992 computer deal and agreements covering glass, wood, supercomputers, metals and beef.

AFP report says: The United States suspended threatened trade sanctions against Japan Saturday after an agreement was reached in Tokyo widening access to the Japanese cellular telephone market.

The agreement announced in Tokyo Saturday capped a five-year-old campaign by Motorola Inc, a US mobile telephone operator, for equal footing to compete in the Japanese cellular telephone market.

US Trade Representative Mickey Kantor suspended the threatened US punitive tariffs, which were to take effect Thursday, to allow completion of a mutually satisfactory deployment plan within 30 days.

Thai PM-led trade team goes to Vietnam

BANGKOK, Mar 16: Prime Minister Chuan Leekpai led a delegation of government and business leaders on a visit to Vietnam Wednesday to expand economic cooperation, reports AP.

During the four-day trip, the two sides will discuss regional cooperation of Mekong River resources and disputes over fishing rights in the Gulf of Thailand. They will sign agreements on tourism cooperation and a joint business council.

Economic issues have taken precedence in Thai-Vietnamese relations since Vietnam withdrew its troops from Cambodia in 1989 and backed a peace accord that resulted in a new government elected there last year.

Thailand established diplomatic relations with Vietnam in 1976, the year after the Communists won the Vietnam War. The previous visit made by a Thai prime minister was in January 1992, when Anand Panyarachun visited.

APEC ministers' meet to focus on US-Japan trade talks

HONG KONG, Mar 16: Anticipated trade talks between Japan and the United States on the sidelines of the first ever meeting of Asia-Pacific finance ministers look set to upstage the conference itself, officials said, reports AFP.

Though the finance ministers of the 17-member Asia Pacific Economic Cooperation (APEC) forum have stressed the informal nature of the two-day meeting in Hawaii starting Friday, the Tokyo-Washington talks will be the focus of attention.

Japanese Finance Minister Hirohisa Fujii has skipped the Group of Seven (G-7) employment summit in Detroit so he can in Honolulu to see US Treasury Secretary Lloyd Bentsen.

It will be the first time the two have met since the collapse of trade talks between US president Bill Clinton and Japanese Prime Minister Morihiro Hosokawa, which led

to trade sanction threats unless Tokyo opened its markets.

The concern of other APEC members is that a trade dispute between the two economic giants could spill over into intra-regional trade.

A Finance Ministry official in Tokyo said trade was not up for discussion in the multilateral APEC, but would likely be the focus of the bilateral talks.

Officially the APEC finance ministers will engage in an "informal" meeting, an Australian treasury spokesman saying the aim was to share information and ideas "rather than be prescriptive."

The Japanese economic daily Nikkei said three topics would dominate the talks: Maintenance of world economic growth without inflation, promotion of a healthy expansion of capital markets, and maintenance of funds for investment and construction of infrastructure.

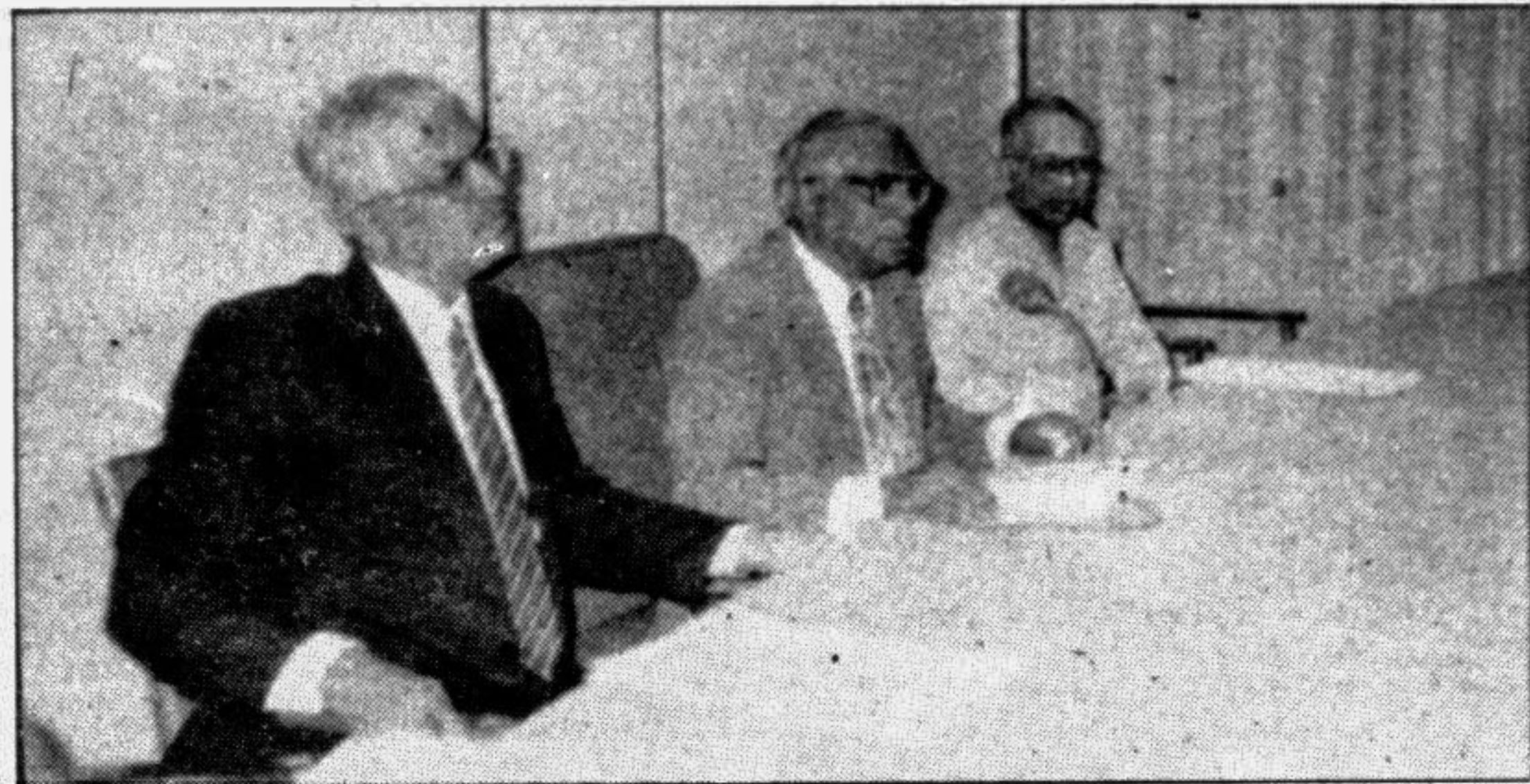
US estimates say Asia — excluding Japan — will need nearly one trillion dollars in the next decade for infrastructure such as roads and power plants to maintain economic growth.

Bentsen has said the meeting will discuss the banking sector and ways to boost private investment and capital flows to maintain dynamic growth into the next century.

"I want to expand the ministers' appreciation for foreign investment as a source of funding for both private investment and for their heavy infrastructure needs," Bentsen said last week.

But South Korea, which is sending Finance Minister Hong Jae-Hyong, indicated some reluctance towards the meeting.

"Countries other than the United States, Australia and Canada, were not so eager to hold the finance ministers' meeting," a ministry official said.



Dr Abdullah Farouk (M), Chairman of Janata Bank Board of Directors, addressing a conference on Agriculture and employment rehabilitation programme in the city recently. Muhammad Taheruddin (L), Managing Director and Golam Mostafa (R), General Manager are also seen.

Dollar slips, stocks rise in Tokyo

TOKYO, Mar 16: The US dollar fell against the Japanese yen Wednesday on renewed concerns about the nation's trade tension with the United States, while prices on the Tokyo Stock Exchange rose moderately on active buying by foreigners, reports AP.

The dollar closed at 105.83 yen, down 0.55 yen from Tuesday's Tokyo close and below its overnight New York finish at 106.05 yen. The currency opened at 106.08 yen and ranged between 105.76 yen and 106.08 yen.

Dealers said the dollar fell as players sold it on remarks by US Trade Representative Mickey Kantor that he remained "deeply concerned" about Japan's trade imbalance.

'GATT best deal for Kiwis'

Derek Round writes from Wellington

New Zealanders are looking forward to an upturn in the economy in 1994, with optimism tempered by some uncertainty over political developments here.

The optimism stems from the country's falling interest rates, inflation at 1.4 per cent, a 3.5 to 4.5 per cent growth rate and higher export earnings.

It also comes from the Uruguay Round General Agreement on Tariffs and Trade (GATT) deal finally approved in December.

The GATT settlement is crucial to New Zealand which has been fighting at the negotiating table to get its farm exports into other countries, particularly Europe.

It opens the door for New Zealand into previously barricaded markets.

New Zealand Trade Development Board chief executive Rick Christie says the GATT settlement will give exporters the confidence to double foreign exchange earnings to around 40 billion New Zealand dollars by the turn of the century.

The South Pacific nation has traditionally sold its meat, wool and dairy produce to Britain, but British membership in the European Community dramatically cut New Zealand sales there.

Britain's entry into the EC and the introduction of high subsidies created a world agricultural economy in which European and American farmers produced huge surpluses of goods which have no market.

New Zealand farmers have had their access to markets reduced through quotas or by tariffs that made their exports expensive for overseas customers.

No government subsidies are paid to farmers and manufacturers in New Zealand which has been sharply critical of subsidies paid in other countries.

Prime Minister Jim Bolger has hailed the GATT accord as

'the best possible deal for New Zealand.'

He said the benefits would reach all the economy, not just farmers.

There was no doubt it would lead to more jobs and economic growth, he said.

The advantage for New Zealand was that it had nothing to give away for the deal. It had already cut subsidies and made the adjustment other countries, including neighbouring Australia, would have to make.

The country's exporters overall expect to earn at least one billion dollar a year more through fairer trade.

Some politicians, including former Trade Minister Mike Moore, put the benefits as high as three billion to five billion New Zealand dollars.

The GATT deal will see subsidies phased down over a six-year period — a big boost for New Zealand farmers who compete on world markets against artificially high prices pushed up by European and United States subsidies.

It will mean barriers to world markets, such as quota restrictions, will largely be replaced by tariffs which will be on a sliding downward scale.

In Japan, which takes about 15 per cent of New Zealand exports, there has been progress in opening up the market, most recently for New Zealand apples.

But there are still restrictions, notably for fish and dairy products. There is also a range of tariffs on other New Zealand products including timber.

New Zealand sees the GATT Round as the way to tackle these issues.

GATT proved useful when South Korea closed its beef market, New Zealand, Australia and the United States appealed the decision to GATT and won.

South Korea has since progressively opened its market, with full liberalisation scheduled for 1997.

In the United States, the main effect of the GATT agreement will be to free up New Zealand beef exports, now worth one billion dollar.

In Europe, which takes about 17 per cent of New Zealand exports, the deal is seen here as entrenching the principle that New Zealand has a right to sell agricultural products to the European Community.

Last month's GATT settlement has little effect on New Zealand's trade with Australia which takes about 19 per cent of its exports. This is because trade between the two countries is already deregulated.

While economic prospects look much brighter, New Zealand is still grappling with 200,000 unemployed out of a population of 3.5 million.

An all-party group of politicians has been set up to tackle the problem of finding more jobs — the most urgent issue facing Bolger's National Party government, re-elected in November with a wafer-thin majority.

The government's two-seat majority is so small it persuaded an opposition Labour Party member of Parliament to take the office of Speaker traditionally held by an MP from the ruling party.

By doing this, it effectively increased its working majority slightly.

But Prime Minister Bolger also faces a constant threat from two small opposition parties — the Alliance, led by former prominent Labour Party member Jim Anderton, and New Zealand First, headed by sacked National Party cabinet minister Winston Peters, a charismatic young Maori lawyer.

If Bolger upsets Anderton and Peters on a major issue his government could fall.

Bolger's elation at the GATT agreement in Geneva could be overshadowed by the political problems he faces in Wellington.

—Depthnews Asia

Fire disrupts business in LA

LOS ANGELES, Mar 16: Emergency calls were blocked and business was disrupted Tuesday when telephone service was knocked out in Los Angeles by a fire at a switching office that routes up to 1 million calls an hour, reports AP.

Outages apparently caused more frustration than life-threatening situations. With 911 service out, helicopters, fire trucks and police patrolled the city to look for emergencies.

The fire, caused by an electrical malfunction, broke out shortly before 0600 GMT at the downtown Pacific Bell building as AT-and-T subcontractors worked on a unit that powers one of the West Coast's busiest switching offices. PacBell spokesman Gary Sanderson said.

Emergency service, knocked out in the San Fernando and San Gabriel valleys, was restored about 7 1/2 hours later. The fire affected mostly downtown customers trying to make local calls. Non-emergency service came around by afternoon.

"I can't even sign in. I can't get in to make reservations for our clients," said Miki Kobayashi, travel consultant at Kuro-neko Yamato Travel Agency. The company is so computer- and phone-dependent that it stopped using printed airline

schedules.

At Haseko-Dunn, a property management company downtown, receptionist Monica Butler read a newspaper because the phones were silenced.

"Our tenants can't call us and we can't call our other offices," she said.

The Los Angeles trading floor of the Pacific Stock Exchange operated normally, said spokeswoman Genie Williams in San Francisco.

The fire on the 13th floor of the 17-story building severed the main power source to the switching station. With power gone, PacBell couldn't transfer traffic to another switching office as it did during the earthquake, Sanderson said.

"That's the irony in all this," he said. "We could use our backup power during the earthquake. But this is part of our backup power."

About 50 people were evacuated from the building. Three workers were hospitalized for minor smoke inhalation, authorities said. Two of the workers were released later Tuesday.

Nickel stocks on the LME rose 78 tonnes to a record 133,986 tonnes.

TIN: Slightly higher. The price of tin on the LME rose slightly during the week from 344 dollars per tonne to around 360 by Friday.

Reports that China intends to restrict exports to 15,000 tonnes in 1994, despite permission to sell 20,000 tonnes under ATPC (the Association of Tin Producing Countries), helped prices slightly, although dealers placed little trust in the statement.

On the LME, tin stocks rose 220 tonnes to a record 22,665 tonnes.

COFFEE: Higher. Prices rose above 1.260 dollars a tonne, their highest level since

lifting to more than 387 dollars by midday Friday.

SILVER: Sharply up. Silver prices followed gold up, and the market was even more jittery on the speculative nature of the metal. Silver was trading at 5.45 dollars at midday Friday, compared with 5.31 at the previous close.

PLATINUM: Rising sharply. The troubles in Bophuthatswana pushed prices up to 408.5 dollars an ounce by midday Friday, representing a record rise of 11.5 dollars in 24 hours.

The territory accounts for over half of South Africa's platinum production. The country is the world's leading exporter.

COPPER: Stable. Copper prices ended the week at around 1,907 dollars per tonne, the same as at the beginning of the week, although the metal rose to 1,917 mid-week.

Dealers said prices were expected to hold around current levels before possibly attempting a move up to the next resistance level at 1,930 dollars.

LME stocks of copper fell by 9,400 tonnes to 537,475 tonnes.

LEAD: Rising. The price of lead on the LME rose from 446 dollars per tonne to 457 by the end of the week in quiet

technical trading, as dealers said the current levels were very cheap.

Lead stocks on the LME rose to a record 332,500 tonnes, up 1,800 tonnes from last week.

ZINC: Slightly rising. Zinc prices rose slightly during the week from 936 dollars per tonne on Monday to around 946 by the end of the week.

Analysts suggested the market was still oversold and due for consolidation at current levels.

On the LME, zinc stocks rose to a record 1,071,500 tonnes, up 15,350 tonnes from last week.

ALUMINIUM: Stable. The price of aluminium changed little during the week, dipping slightly from 1,291 dollars per tonne on Monday to 1,286 by the end of the week.

Traders said aluminium was currently being technically driven, as many traders have doubts about the success of the multilateral aluminium pact in reducing world production by the targeted 2.0 million tonnes per year.

On the LME, stocks rose 9,175 tonnes to a record 2,589,575 tonnes.

NICKEL: Slightly lower. Traders said the whole market was lacking news and range-trading. The metal began the

week at 5,535 dollars per tonne, dropping to 5,460 towards the end of the week.

"We had a very dull pre-market and then prices began to peel off again in the kerb, but it's all very orderly and similar to last week. Prices may pick up again, said one trader.

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Commodity markets: Prices of precious metals nervous while tea, cotton rise

LONDON, Mar 16: The prices of precious metals were particularly nervous during the week, falling on fears of a hike in US interest rates, before rising at the end of the week after violence in South Africa — the world's premier exporter of gold and platinum, reports AFP.

Brent North Sea Crude Oil began the week lower at around 13 dollars a barrel after a disappointing meeting of the ministers of the Gulf Cooperation Council (GCC) last weekend. Prices lifted later in the week.

The base metals were calm on the London Metal Exchange, with the metals essentially range trading.

Coffee was higher on strong market, while cocoa was stable. Sugar declined after rising for two months, while vegetable oils were generally higher.

The prices of grains rose, as did wool and cotton.

GOLD: Sharply rising. After a week beginning on fears of a hike in US interest rates, prices rose sharply on Thursday and Friday on the Whitewater Scandal in the US, which hurts President Bill Clinton.

Gold rose more than six dollars an ounce on Thursday,

statistics from the International Energy Agency, also lifted prices.

But news that Russian exports could reach between 85 and 90 million tonnes in 1994 against 79.9 million tonnes in 1993 pushed prices lower.

RUBBER: Higher. Prices reached 680 pounds a tonne after strong demand from the key type producers. Lower rubber production during the winter reduced availability and hence prices were higher.

GRAINS: Higher. The price of barley remained stable at around 105 dollars per tonne, while wheat climbed to 103 pounds per tonne — its highest level since September 1993.

The London market gave little reaction to statements by Russian President Boris Yeltsin, that for the first time in the last three or four decades Russia would not import any wheat this year.

TEA: Higher. Demand remained strong, but sporadic. The price of African tea rose from five to 15 pence a kilo, while Sri Lanka tea prices were generally lower.

The average price of tea rose sharply to 126.5 pence a kilo, compared with 116 the previous week.

The average price of top quality tea dipped to 190 pence a kilo, from 195 the

previous week, while medium quality tea was slightly lower at 123 pence from 125. Low quality tea prices rose four pence to 90 pence.

COTTON: Stable. The Liverpool price indicator remained stable at around 0.82 dollars per pound, thanks to continued strong demand, particularly for Asian cotton. Dealers noted a rise in Portuguese and Italian imports of cotton.

Prices continued to benefit from firm prospects of a reduction in exports from Pakistan.

Pakistan's production for the 1993-1994 season (July to June) is 7.5 million bales (170 kilos) to date, compared with 8.7 million to the same period last year.

Egyptian exports gained from the reduction in Pakistani exports and could increase four fold — by 200,000 bales or 327 kilos — this season, analysts said.

WOOL: Higher. The key price indicator of Australian wool at Bradford rose to 3.83 pounds per kilo, following the rise on Australian and New Zealand markets.

The recent revision upwards of Australian prices has scarcely affected the market as dealers appear more attentive to signs of increased demand.

December, and dealers believed the market could go up to 1,300 dollars in the short term.

The audit to check the amount of coffee withdrawn from the market by Brazil in agreement with the Association of Coffee Producing Countries began this week. Dealers are expecting good results.

SUGAR: Stable. The price of white sugar paused this week, after rising for almost two months. It stabilised at almost 330 dollars per tonne after the International Sugar Organisation expressed doubts about recent price levels.

The ISO said that much uncertainty remained about the level of future imports by India, China and Russia, and that high prices would dissuade developing countries from buying in any large quantity.

Despite this, many traders continue to believe that India will have to begin importing soon. According to the Indian daily Financial Express, the country could import up to 500,000 tonnes of white sugar this year.

Argentina is expected to buy 280,000 tonnes of white sugar from Brazil this week to compensate for a bad harvest.

Argentina is normally a net exporter.

VEGETABLE OILS: Higher. The price of soy oil was up slightly after a dry period in Argentina.

Palm oil was also up, although certain specialists think prices could drop on the abundance of soy oil harvested in Southern America.

Rape seed oil was stable despite a one million tonne rise in production for the season 1993-94 (October to September) to 27 million tonnes, the world oil review said.

CRUDE OIL: Lower. The price of Brent North Sea Crude Oil fell on lack of news from the meeting of the ministers from the Gulf Cooperation Council last weekend — dealers were expecting signs of a cut in production.

On Tuesday, prices dropped below the important 13 dollars-A-barrel level, but lifted later in the week to end at 13.20 dollars.

Dealers found the weekly US stocks figures positive, and prices also rose on news that Iran was launching a campaign to reduce the production of the OPEC countries.

Increased demand in the OECD countries for the fourth quarter of 1993 and the first quarter of 1994 shown by

statistics from the International Energy Agency, also lifted prices.

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