

DAKKA WEDNESDAY, MARCH 23, 1994

# WB accused of violating policy on energy projects

WASHINGTON, Mar 22: Two prominent private environmental groups on Monday accused the World Bank of violating its own policy of promoting environmental protection and more efficient use of electricity, reports AP.

Of 46 energy loans being prepared by the World Bank, only two—in Poland and Colombia, they said, comply with policy that the Bank should equalize priorities among financing new power plants, curbing pollution and supporting power efficiency measures like fluorescent lighting and modern industrial motors.

"Brazil, India, China and many other developing countries could have their energy demand growth through investments in energy efficiency," said Robert Watson, senior en-

ergy scientist of the National Resources Defence Council.

But the World Bank is under pressure from major donors including the United States to fund big dams and steam power plants with huge procurement contracts in an international version of the "pork barrel" of national politics, said Bruce M. Rich, senior attorney of the Environmental Defense Fund.

He said France and Britain recovered three-fourths of their World Bank contributions through earnings from such contracts.

The two environmental organizations joined in issuing "Power Failure," a 50-page report critical of energy project lending by the World Bank, major source of credit for developing countries.

"The Bank's continued

support of fossil fuel energy projects could severely undermine the 1992 Rio Climate Treaty" which became effective Monday, Scott Hajost, EDF international counsel said at a news conference. The treaty requires a rollback during this decade to 1990 levels of carbon dioxide emissions blamed for global warming.

EDF analyst Karam Cappor, a co-author of "Power Failure," said the World Bank has failed to implement a 1992 policy to encourage investments in energy efficiency in developing countries. Recently approved loans for coal-fired electric plants in India are helping to create one of the world's largest new sources of greenhouse gas emissions, he said, bypassing alternatives that could meet Indian power needs at much lower cost.

Asserting that energy efficiency is now a high World Bank priority, it said Rich is speaking from a country (US) where the average citizen consumes 12,000 kilowatt hours of electricity a year, more than 30 times that of the average Indian.

## Japanese tycoons keen to invest in fisheries

CHITTAGONG, Mar 22: Japanese entrepreneurs are willing to invest in fisheries sector of Bangladesh at reduced interest rate and 75 per cent share investment, said Haro Takahashi, adviser of Japan Overseas Fisheries Cooperation Foundation on Monday, reports BSS.

Takahashi said this while exchanging views with Chittagong Chamber President SM Abul Kalam at the chamber house here, a chamber press release said.

Takahashi said he had gathered good experiences about fisheries sector of Bangladesh and he would impress upon Japanese investors to set up joint venture industries here.

He also hinted that Bangladeshi might be trained in Japan on fisheries. Japanese experts on fisheries may also come to Bangladesh to train people involved in fisheries.

Chamber President SM Abul Kalam said Bangladesh has now a liberal investment policy and Japanese investors may avail the opportunity. The Export Processing Zone in Chittagong offers better opportunity for foreign investment, he added.

## Prices of shares, US dollar fall in Tokyo

TOKYO, Mar 22: The US dollar finished slightly lower against the Japanese yen in Tokyo Tuesday as traders remained uncertain over US interest rates, while share prices fell in moderate trading, reports AP.

The dollar finished at 105.95 yen, down 0.13 yen from Friday's close and also below its overnight New York finish at 106.00 yen. Tokyo markets were closed Monday because of Spring Equinox Day, a national holiday.

After opening at 105.92 yen, the dollar ranged between 105.80 yen and 106.18 yen.

Some traders covered their short positions by buying dollars ahead of a Federal Open Market Committee meeting scheduled for later in the day in the United States.

Market players suspected the US central bank's policy-making committee could vote to raise interest rates at the meeting to nip potential inflation in the bud, dealers said.

## China's inflation rises by 20 pc in 2 months

BEIJING, Mar 22: China's inflation jumped 20 per cent year-on-year in the first two months of 1994 as fixed asset investment continued to soar, threatening sound economic development, the China Daily said Tuesday, reports AFP.

The State Statistical Bureau (SSB) said state unit investment in new projects in January and February rose a massive 77.5 per cent, despite strict controls announced at the beginning of the year, report said.

While industrial production increased 18.2 per cent in the first two months of the year, output at state enterprises came to a virtual standstill, rising only 1.2 per cent, the SSB said in its latest report.

It blamed the situation at state firms on the impact of high inflation, with the 20 per cent rise in prices in January and February year the same period last year up from an annualised level of 18.8 per cent in December and 16.7 per cent in November.

# Dhaka-Canberra trade gap can be bridged: Hook

Australia is an open market which augurs well for Bangladesh's burgeoning export trade, a senior Australian trade official has said, reports UNB.

"But you will require marketing skills to exploit it... and you got to compete with others," said Colin E. Hook, Australian Trade Commissioner for South Asia, based in New Delhi.

Hook, who was on a visit to Bangladesh, told a group of journalists in the city on Monday that any gap in bilateral trade between the two countries could be narrowed by vigorous efforts by the Bangladeshi exporters who should prove their competitiveness, both in quality and price.

Australian imports from Bangladesh are worth about 35 million Australian dollars annually. They buy from Bangladesh items like tea, jute bags, garments and toys.

Bangladesh's imports from that country amount to 80 million Australian dollars a year.

The items being dairy products, wheat, zinc, ferrous metals and different manufactured products.

"Bangladesh look to be an

Mahathir to attend APEC summit in Jakarta

KUALA LUMPUR, Mar 22: Malaysian Prime Minister Mahathir Mohamad said Tuesday that he would attend the informal summit of the Asia Pacific Economic Cooperation in Jakarta in November, stressing that it was called by APEC and not unilaterally by anyone, reports AFP.

In this context, he referred to the interest of the Broken Hill Properties (BHP) Minerals, one of the world's top mining companies based in Australia, which is expected to come up in a big way to help Bangladesh in exploiting coal reserves in the country's north-western region.

ANZ Grindlays Bank has been one of the top Australian companies having substantial business interest in Bangladesh.

## Indian finance minister assures

# Inflation won't be allowed to gain further strength

NEW DELHI, Mar 22: Indian Finance Minister Manmohan Singh said today that inflation would not be allowed to gain further strength, reports Reuter.

"This challenge will be met," he said, speaking about worries that inflation could creep back up to double digits.

"Inflationary expectations will not be allowed to gain further strength," Singh added in a speech at the opening of a two-day conference on the Indian economy, organised in New Delhi by Euromoney magazine.

The annual inflation rate

rose to 9.05 per cent in the week ended March, crossing the nine-per cent mark for the first time in 68 weeks.

The inflation rate began

falling from a high of almost 17 per cent in August 1991 after the government initiated a series of economic reforms in July that year.

The annual rate at the end of the 1992/93 fiscal year ending in March 1993 was seven per cent against 12.8 at the end of the 1991/92 year.

Singh said India now had

foreign exchange reserves of more than 17 billion US dollars and food grain stocks of

almost 23 million tonnes. The exchange reserves were equivalent to seven months of imports.

He said if necessary the government would use the foreign exchange to import supplies of essential commodities to stabilise prices.

Last week the government allowed sugar imports to check rising prices because domestic production was expected to fall by 200,000 tonnes in the crop year ending in September.

Singh also said the government would strictly control its own spending.

## Japan's economy grows by 0.1 pc in '93

TOKYO, Mar 22: Japan's giant economy grew a miserly 0.1 per cent in calendar 1993 after gross domestic product (GDP) shrunk in the final quarter of the year, the Economic Planning Agency (EPA) said today, reports Reuter.

In October-December, GDP contracted 2.2 per cent on an annualised basis and a real 0.6 per cent from the previous quarter.

Japan's gross national product (GNP) fell 1.6 per cent in the October-December quarter on an annualised basis and a real 0.4 per cent from the previous quarter.

The closure cut 60,000 Palestinian workers off from their jobs in Israel, which is the mainstay of the Palestinian economy. Israeli earnings make up half of Gazan incomes and one third of West Bank incomes.

# UN-Iraq oil talks conclude with little progress

UNITED NATIONS, Mar 22:

Iraq's Deputy Prime Minister Monday ended his official UN visit by meeting UN Secretary-General Boutros Boutros-Ghali with little progress sight on allowing Baghdad to sell oil again, reports Reuter.

"I reminded him of UN obligations towards Iraq" as well as Iraq's obligations to the United Nations, Aziz said after the meeting. He plans to return to Baghdad today.

The Iraqi Minister has been in New York for a week along with a high-level technical team. He has lobbied Security Council members and asked the UN Special Commission, in charge of dismantling Iraq's weapons of mass destruction, to speed up its crucial

## Coal-miners plan to demonstrate in Moscow

MOSCOW, Mar 22: Russian coal-miners from across the country plan to demonstrate in Moscow on March 30 in protest over long delays in salary payments, a trade union official said yesterday, Reuter.

Paragraph 22 of that resolution links weapons' requirements to allowing Iraq to export oil again while imports of goods to Iraq are linked to a host of other council demands.

Some traders covered their short positions by buying dollars ahead of a Federal Open Market Committee meeting scheduled for later in the day in the United States.

Market players suspected the US central bank's policy-making committee could vote to raise interest rates at the meeting to nip potential inflation in the bud, dealers said.

## China's inflation rises by 20 pc in 2 months

BEIJING, Mar 22: China's inflation jumped 20 per cent year-on-year in the first two months of 1994 as fixed asset investment continued to soar, threatening sound economic development, the China Daily said Tuesday, reports AFP.

The State Statistical Bureau (SSB) said state unit investment in new projects in January and February rose a massive 77.5 per cent, despite strict controls announced at the beginning of the year, report said.

While industrial production increased 18.2 per cent in the first two months of the year, output at state enterprises came to a virtual standstill, rising only 1.2 per cent, the SSB said in its latest report.

It blamed the situation at state firms on the impact of high inflation, with the 20 per cent rise in prices in January and February year the same period last year up from an annualised level of 18.8 per cent in December and 16.7 per cent in November.

# Kuwait's budget deficit to reach \$ 7b by 2000

KUWAIT, Mar 22: Kuwait's budget deficit will grow by eight per cent a year to reach 7.7 billion dollar by the end of the century, according to a government forecast released Monday, reports AP.

The Supreme Planning Council report, published in the Al-Watan daily, questioned whether the oil-rich state had the means to deal with such a high deficit.

Based on conservative estimates of public spending and in view of falling oil prices, the report predicted the deficit would increase from 5.2 billion dollar in the current 1993-94 fiscal year to 7.7 billion dollar

for the fiscal year 1990-2000.

The danger of budget deficit does not lie only in its unprecedented numbers or in its continuation for a number of years, but also in the waning ability of the government to finance it in the future if things stay the way they are," the report said.

Three years after the end of a devastating Iraqi occupation, Kuwait is producing 2 million barrels of crude a day and struggling to rebuild its economy. Like other oil-producing Gulf Arab states Kuwait has been hit hard by a collapse in oil prices.

BEIJING, Mar 22: China's inflation jumped 20 per cent year-on-year in the first two months of 1994 as fixed asset investment continued to soar, threatening sound economic development, the China Daily said Tuesday, reports AFP.

The State Statistical Bureau (SSB) said state unit investment in new projects in January and February rose a massive 77.5 per cent, despite strict controls announced at the beginning of the year, report said.

While industrial production increased 18.2 per cent in the first two months of the year, output at state enterprises came to a virtual standstill, rising only 1.2 per cent, the SSB said in its latest report.

It blamed the situation at state firms on the impact of high inflation, with the 20 per cent rise in prices in January and February year the same period last year up from an annualised level of 18.8 per cent in December and 16.7 per cent in November.

Some traders covered their short positions by buying dollars ahead of a Federal Open Market Committee meeting scheduled for later in the day in the United States.

Market players suspected the US central bank's policy-making committee could vote to raise interest rates at the meeting to nip potential inflation in the bud, dealers said.

China's inflation rises by 20 pc in 2 months

BEIJING, Mar 22: China's inflation jumped 20 per cent year-on-year in the first two months of 1994 as fixed asset investment continued to soar, threatening sound economic development, the China Daily said Tuesday, reports AFP.

The State Statistical Bureau (SSB) said state unit investment in new projects in January and February rose a massive 77.5 per cent, despite strict controls announced at the beginning of the year, report said.

While industrial production increased 18.2 per cent in the first two months of the year, output at state enterprises came to a virtual standstill, rising only 1.2 per cent, the SSB said in its latest report.

It blamed the situation at state firms on the impact of high inflation, with the 20 per cent rise in prices in January and February year the same period last year up from an annualised level of 18.8 per cent in December and 16.7 per cent in November.

Some traders covered their short positions by buying dollars ahead of a Federal Open Market Committee meeting scheduled for later in the day in the United States.

Market players suspected the US central bank's policy-making committee could vote to raise interest rates at the meeting to nip potential inflation in the bud, dealers said.

China's inflation rises by 20 pc in 2 months

BEIJING, Mar 22: China's inflation jumped 20 per cent year-on-year in the first two months of 1994 as fixed asset investment continued to soar, threatening sound economic development, the China Daily said Tuesday, reports AFP.

The State Statistical Bureau (SSB) said state unit investment in new projects in January and February rose a massive 77.5 per cent, despite strict controls announced at the beginning of the year, report said.

While industrial production increased 18.2 per cent in the first two months of the year, output at state enterprises came to a virtual standstill, rising only 1.2 per cent, the SSB said in its latest report.

It blamed the situation at state firms on the impact of high inflation, with the 20 per cent rise in prices in January and February year the same period last year up from an annualised level of 18.8 per cent in December and 16.7 per cent in November.

Some traders covered their short positions by buying dollars ahead of a Federal Open Market Committee meeting scheduled for later in the day in the United States.

Market players suspected the US central bank's policy-making committee could vote to raise interest rates at the meeting to nip potential inflation in the bud, dealers said.

China's inflation rises by 20 pc in 2 months

BEIJING, Mar 22: China's inflation jumped 20 per cent year-on-year in the first two months of 1994 as fixed asset investment continued to soar, threatening sound economic development, the China Daily said Tuesday, reports AFP.

The State Statistical Bureau (SSB) said state unit investment in new projects in January and February rose a massive 77.5 per cent, despite strict controls announced at the beginning of the year, report said.

While industrial production increased 18.2 per cent in the first two months of the year, output at state enterprises came to a virtual standstill, rising only 1.2 per cent, the SSB said in its latest report.

It blamed the situation at state firms on the impact of high inflation, with the 20 per cent rise in prices in January and February year the same period last year up from an annualised level of 18.8 per cent in December and 16.7 per cent in November.

Some traders covered their short positions by buying dollars ahead of a Federal Open Market Committee meeting scheduled for later in the day in the United States.