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The Daily Star

BUSINESS

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Aussie jobless rate declines to record low

CANBERRA, Apr 8: Australia's unemployment rate fell to the lowest level in more than two years last month as the national economy has been on a full upswing, reports UNB.

The Australian Bureau of Statistics announced Thursday that the unemployment rate, in seasonally adjusted terms, went down from 10.5 per cent in February to 10.3 per cent in March.

The figure was compared to 11.4 per cent in November 1992, which was the highest in the nation's history and a result of the 1990-91 recession.

The bureau said that the number of total employment climbed by 7,100 to reach 7.83 million in March, the seventh consecutive monthly rise.

Meanwhile, the number of the unemployed dropped from 913,900 in February to 902,700 last month.

Employment Minister Simon Crean commented on the figures that the nation's strong economic growth is feeding into the labour market and creating more jobs.

He expected that the unemployment rate will fall below 10 per cent later this year, better than most economists have previously forecast.

Australia's economic growth has been speeding up since the second half of last year when business investment began to pick up remarkably. The economy expanded by four per cent in 1993, leading the Western world.

'Priority given to edn, human resources dev'

Shipping Minister M K Anwar Thursday said that the government had given topmost priority to education and human resources development, reports UNB.

The highest allocation had been made in these sectors in the national budget, he said adding the government was determined to ensure the basic needs of the people including food, shelter, clothing and health facilities.

He was addressing a seminar on "Social Policy and Economic Productivity in Developed and Developing Countries" organised in the city by International University of Business, Agriculture and Technology (IUBAT) as the chief guest.

The vice-chancellor, IUBAT, Prof Dr M Alimullah Miyan presided over the seminar while the key note speech was delivered by Prof John Richards, a visiting professor of IUBAT from Simon Fraser University, Canada.

Shipping Minister said that proper policy planning and its successful implementation was the key to increasing economic productivity in a developing country like Bangladesh.

He said as long as the private sector was not sufficiently experienced, the public sector will have to play a significant role in the economy.

He said, "We must encourage private investment, but not at the cost of people's interest. We are to protect the interest of the people who are the ultimate tax payers of the country," he added.

New use for old Lithuanian money

VILNIUS, Lithuania, Apr 8: Lithuania's old money, replaced last year by a new currency, has been put back into circulation — this time as toilet paper, reports AP.

In 1992 the former Soviet republic introduced a temporary currency, called the talonas, during a transition from the Soviet ruble to its own legal tender, the litas.

Now, the government is emptying bank vaults of 30 tons of worthless talonas notes and sending them to the Grigikes Paper Factory in Vilnius for conversion into toilet tissue.

"The material is very absorbent and makes excellent toilet paper," said Kestutis Muraukas, the plant's business manager.

The toilet tissue already is on sale in Lithuania, and some has been exported to Germany.

Lithuanians nicknamed talonas bills "zoo tickets" because they bore pictures of wild animals. "I guess they served their purpose. I'm just glad they can be useful to people again," Muraukas said.

The complete or partial

Country's food reserve stands at 4.78 lakh tons

A high-level meeting attended by Finance Minister M Saifur Rahman and Food Minister Mir Shawkat Ali Thursday reviewed government's food stock and retail price of rice across the country, reports UNB.

The ministries of Agriculture and Relief were also represented to the meeting at the appropriate level.

After the meeting, the Food Minister told UNB the retail price of rice throughout the country, Taka 11.50 per kg now, is less than that of the corresponding period in 1990-91 and 1991-92. The retail price of rice then was 11.97 and Taka 12.58 respectively.

The minister, however, admitted the price of rice during the corresponding period last fiscal year was Taka 9.50

which was uneconomical hitting hard growers. "If we want the retail price of rice to remain below Taka 10, we have to reduce the price of input," he said.

In reply to a question concerning present food reserve, the minister noted with satisfaction that it stood at 4.78 lakh tons.

This includes 1 lakh 40,000 tons of rice and three lakh 78,000 tons of wheat. An additional one lakh 12 thousand tons of wheat is expected to land the country by this month.

The additional quantity of foodgrain to reach the country towards the close of current month will raise the government's food reserve to about six lakh tons.

The government, the minis-

ter said, plans to procure additional two lakh tons during the current Irra-Boro season.

Therefore, the government food reserve will be roughly eight lakh tons which is more than required.

In free market economy wherein plenty of food is lying with millers and food dealers in the private sector, eight lakh tons of food reserve is more than adequate.

The ministers said government's normal offtake of food for police, armed forces, BDR, ansars, test relief, Food for Works Programme and open market sales operation etc is 1,80,000 tons annually.

To combat calamity, the government requires 50,000 tons. In other words, the government needs 2.30 lakh tons to meet its recurring distribu-

tion requirements. Considering all aspects of the matter, government food stock is more than satisfactory, the meeting noted.

Shawkat said in 1978-79, government food stock stood at one lakh 81 thousand 227 tons. In 1983-84, it fell to 95 thousand 772 tons.

"But there was no famine then. Khaleda Zia's government has much more than the quantity stated above. Therefore, there is no need to feel concerned about the government food reserve," the minister said.

"Nor should any quarter play politics on food situation. Anyone having doubt about the food situation in the country should ascertain facts before issuing statements," Shawkat concluded.



US Deputy Secretary of State Strobe Talbott (L) and Indian Finance Minister Manmohan Singh shake hands Thursday in New Delhi. Talbott, the most senior Clinton administration official to visit New Delhi, stressed upon his arrival Wednesday that President Bill Clinton attached "great significance" to his trip to India.

— AFP photo



A model wears a dark coloured double-breasted tyrolean jacket with shorts at the Anne Klein Fall '94 collection show Thursday in New York.

— AFP photo

US team lauds Russia's commitment to reform

MOSCOW, Apr 8: US congressional leaders Wednesday praised Russia's adherence to market reforms and said they would recommend the House approve more economic aid to Russia, reports AP.

The nine-member bipartisan group is headed by House majority Leader Richard Gephardt, D-Mo., and House minority Leader Robert Michel, R-Ill.

"Russia's leadership expressed to us a strongly rooted and sincere commitment to political and economic reform," Gephardt told a news conference. "We will go back and recommend the continuation of the kind of support that is expressed in the Freedom Support Act."

Gephardt said the mood in the House for continuing aid to Russia was "positive," but that "obviously we have our own budgetary problems and anything large-scale is not going to be possible."

The House leaders said they had voiced concerns about the pace of privatisation, burden some taxes and rising crime as well some of Russia's actions in the former Soviet republics.

However, Gephardt said the US was committed to helping Russia for the "long haul."

Responding to a question on Russia's participation in NATO's partnership for peace

plan, Gephardt said he wasn't troubled by President Boris Yeltsin's statement Russia would seek special terms to adhere to the programme.

"Obviously, they are a great nation. They have a great military force. They have nuclear weapons... So, obviously, they will be given a status and a treatment that is fitting to their situation," Gephardt said.

Confusion has arisen in Moscow over the past week, with Yeltsin's press secretary saying it could take Russia six months to join the programe, while Foreign Minister Andrei Kozyrev and Defence Minister Pavel Grachev said Russia would sign the agreement this month.

The Congressmen, on a five-day visit which started Tuesday, have met with Prime Minister Viktor Chernomyrdin and with Ivan Rybkin, the speaker of the Duma, or lower house of parliament. Gephardt said no meeting with Yeltsin was planned, contradicting earlier reports.

Both Gephardt and Michel praised Russian government and parliament leaders for their attachment to reforms.

The House leaders had high words of praise for Chernomyrdin. Gephardt said he felt confident Chernomyrdin is "truly committed to reform and continuing the reforms."

Under speculative pressure in August, the ministers effectively suspended the European Monetary System that had kept currencies fluctuating in tight bands. They widened the ranges so most currencies could move up and down by a hefty 15 per cent on either side of a central rate.

So far, there have been no signs they intend to move any time soon to reimpose the narrow bands. Most of their currencies, though, have traded steadily within tight ranges.

Alexandre Lamfalussy, president of the new European Monetary Institute, was expected to argue against a hasty return to the narrow ranges. He also was to bring ministers up-to-date on plans for getting the agency up and running in its new home in Frankfurt, Germany.

EU opens talks on economic revival plan

ATHENS, Apr 8: European finance ministers opened talks Friday on a sweeping plan for public works investments to pump up their sagging economies and create millions of new jobs, reports AP.

Greece's acting economics minister, Yannos Papantoniou, led a discussion of ways to fund an ambitious economic revival plan adopted by leaders of the dozen trading block nations last December. Greece currently holds the group's rotating presidency.

Some 19 million Europeans are jobless, and analysts predict the unemployment lines will continue growing in coming months despite signs of an economic upturn in many nations.

German Finance Minister Theo Waigel was expected to caution the ministers that efforts to implement the revival plan lacked a clear direction and to call for a special group to study ways of easing government regulations hindering business investment.

The ministers, who arrived in the Greek capital Thursday, also were expected to discuss money issues.

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According to ESCAP, the regional arm of the United Nations, roads, railways and urban transport will require about 57 billion dollars each, and construction of airports about 40 billion.

Guaranteed returns offered by India for foreign power corporations.

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Unemployment high in Argentina

Buenos Aires, Apr 8: The economy is booming and inflation is virtually non-existent, but Pedro Iglesias doesn't want to hear about it, reports AP.

Iglesias, fired as a security guard at a Marlboro cigarette factory three months ago, reflects the gloomy side of Argentina's economic revival, which marks its third birthday this month.

Unemployment is nearly 10 per cent — believed to be a record high for Argentina — and is expected to continue climbing. The last time joblessness surpassed eight per cent was 1963.

"I went to all these places," said the 43-year-old Iglesias, showing a list of 15 security agencies scribbled in his imitation leather appointment book. "Nothing. How good can be economy if you can't get a job?"

Many analysts, especially foreigners, have dubbed Argentina's economic recovery a miracle. Annual inflation, more than 4,900 per cent when President Carlos Menem took office in 1989, is 6.6 per cent for the past year. The economy, which shrank in 1989, has expanded by nearly 24 per cent over the last three years.

Menem is hoping for growth, and not unemployment.

Furthermore, as Argentina has opened its economy and lowered trade barriers, companies have begun importing machines to replace employees, Rivas said.

Oil company YPF, the country's largest business, slimmed from 52,000 employees in 1990 to 7,500 as it prepared for its privatization last year.

YPF contracts out work to many former employees, but thousands were left without jobs.

Hosokawa's resignation lowers yen

TOKYO, Apr 8: Prime Minister Morihiro Hosokawa's announcement that he will resign sent the Japanese yen lower against the dollar and most other currencies Friday.

Stocks slumped, but then rebounded on bargain hunting, reports AP.

The dollar soared from around 105.10 yen to 105.80 yen within minutes as word of the resignation spread in the early afternoon. But the selling pressure gradually cooled as participants mulled the longer-term impact of the

Hosokawa said he was resigning because of a controversy over his personal finances, including a 100 million yen (\$970,000) loan in 1982 from a mob-linked trucking executive. The controversy has stalled parliamentary debate on the budget for the fiscal year which began April 1.

"The resignation itself isn't so bad, because the budgetary process had been so unclear," said Richard Beeson, senior economist at James Capel Pacific Ltd. in Tokyo. "It really depends more on whether the right person is chosen to replace Hosokawa."

Analysts have suggested that Deputy Prime Minister Tsutomu Hata will be the most likely replacement.

That would likely mean that Hata will be unable to meet as planned with US Trade Representative Mickey Kantor during an upcoming session of the General Agreement on Tariffs and Trade in Marakech, Morocco.

Japan's government had hoped the meeting could revive stalled bilateral trade talks.

"Now it's unclear what will happen," Kyodo News Service quoted a high official in Japan's trade ministry as saying.

On the stock market, share prices dropped on the news of Hosokawa's resignation and then edged up because of bargain hunting, dealers said.

The 225-issue Nikkei Stock Average

Beijing breaks the iron rice-bowl

By Fons Tuinstra

privatisation of state companies poses enormous problems for the economic reform programme and the opening up of China to world markets.

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