

US businessmen urge govt to renew China's MFN status

KUALA LUMPUR, Apr 10: American businessmen in Asia Saturday pleaded with the US government to de-link trade from human rights issues, and to unconditionally renew China's most favoured nation (MFN) status, reports AFP.

And a lobby group of US businessmen is headed for Washington in June, to push President Bill Clinton to renew China's MFN preferential trade status, without attaching conditions concerning its human rights record, the businessmen said.

"Linkage results in direct retaliation, mistrust of US reliability and an overall souring of a supportive business relationship," said Douglas Henck, Chairman of the influential Asia-Pacific Council of American Chambers of Commerce (APCAC).

APCAC, set up 26 years ago, represents some 40,000 American businessmen operating in Asia-Pacific, with investments of some 40 billion dollars, excluding Japan.

"But that does not mean we are not concerned about human rights abuses," Henck told reporters at the end of APCAC's semi-annual conference, which was opened here Friday by Malaysian Prime Minister Mahathir Mohamad.

APCAC believed there were other more effective and constructive ways of addressing human rights issues, which should be tackled separately to trade, said Henck. Senior Vice President of Aetna International Inc's Hong Kong-based Asia-Pacific operations.

President Clinton has stated he wants to see improvements in China's policy on human rights, trade and arms sales

before renewing its MFN status for another year in June.

The council is to despatch a delegation of businessmen to Washington in June, to lobby for an extension of China's MFN status, said APCAC's Vice Chairman for Washington Relations, Lndis Hicks.

Hicks led a delegation to Beijing last week, and was assured by the Chinese government that Beijing was willing to work "within the framework of Chinese law to do what is necessary to help the extension of the MFN status."

Henck said: "We believe that there are other ways of addressing the human rights issues," adding that economic development had been the single greatest force in enhancing the quality of life and human rights in present-day China.

Terminating its MFN status

would simply be a setback for human rights. Experience has shown that basic human and workers' rights are enhanced by the positive influence of American arms and expatriates," Henck said.

China's growing importance as the region's major economic power should not be ignored. "It is going to be the region's major engine of growth for the next several decades," Henck said.

"The notion of de-linking human rights from trade issues, is a notion of dealing with them separately and constructively," he said.

The comments came as Chinese authorities apparently launched further crackdown on China's pro-democracy activists, in the runup to the fifth anniversary of the 1989 Tiananmen Square massacre.

Turkmenistan cuts gas supplies to Azerbaijan

MOSCOW, Apr 10: Turkmenistan suspended natural gas supplies to Azerbaijan, saying it was owed 70 million dollars, the ITAR-Tass news agency said on Saturday, reports AP.

It said the cutoff left most of Azerbaijan without gas.

The Azerbaijan gas company, Azerigas, managed to keep gas supplies flowing to the capital, Baku, and to Sumgait. The rest of the country was virtually without gas, the dispatch said, quoting the state gas company Azerigas.

Turkmenistan claims Azerbaijan has run up a 70-million dollars debt since the beginning of the year, it said.

Average earnings of Britons rise

LONDON, Apr 10: The average earnings of Britons have risen for the first time in three years as a result of the economic recovery, a survey showed today, reports Xinhua.

The survey by the research firm income data services found that the majority of pay rises this year are ahead of the current inflation rate of 2.4 per cent, indicating better living standards for ordinary Britons since the economy started recovering last year.

Since 1990 Britain has been in the grip of the longest recession of the 1930s.

The pay rises are linked to the inflation rate and there has also been compensatory increases for the tax increases programme which took effect this month.

Fewer companies have ordered pay freezes so far in 1994 compared with last year, and there have been more overtime payments and more bonuses, the survey showed.

Hanoi's industrial output increases

HANOI, Apr 10: Vietnam's quarterly industrial output value increased by 11 per cent compared to the same period last year, with state-owned enterprises leading the way, the General Department of Statistics reported Saturday, reports AP.

Total industrial production for the first three months equalled 504 million dollars, of which private firms accounted for 142 million dollars.

Government-owned companies produced 13 per cent more than last year, the statistics showed. Private enterprises lagged slightly behind, growing by nine per cent.

Myanmar's FM invited to ASEAN meet

MANILA, Apr 10: Myanmar's Foreign Minister U Onn Gyiaw has been invited to the July ministerial meeting of the Association of Southeast Asian Nations, the Philippine foreign secretary said Saturday, reports AP.

The invitation to the ASEAN meeting, to be held in Bangkok Thailand, would mark a major overture to a country which has been spurned for years because of its crackdown on human rights.

Secretary Roberto Romulo made the statement after returning from a three-day visit to Myanmar, where he met with Gyiaw and other junta officials.

Romulo said that during the meeting with Gyiaw, the Myanmar leader promised to "favourably consider the strengthening of regional linkages."

He added that Gyiaw also assured him that Myanmar has drafted a new constitution. Gyiaw said consultations with various ethnic groups about the new draft were on-going, Romulo said.

ASEAN, which includes the Philippines, Brunei, Indonesia, Malaysia, Singapore and Thailand, is supporting the concept of "one Southeast Asia," Romulo said.

Vietnam, Laos and Cambodia have been invited to attend meetings of the ASEAN as observers, bringing them one step closer to gaining membership to the association.

Call money rate

Money rates in the call money market during the week ended Wednesday ranged from 1.25 per cent to 8.00 per cent, reports UNB.

During same week interest rates offered by the bank on Certificate of Deposits varied from 3.00 per cent to 8.75 per cent.

The bank rate, however, remained unchanged at 5.50 per cent.

Monopoly in gas tender causing colossal losses

By Staff Correspondent

Unrealistic terms in procurement of gas line spares by the gas companies have created a monopolistic tender system resulting in huge losses for the state-owned agency, according to concerned sources.

In their tender schedules the gas companies stipulates that manufacturers willing to participate in the bid should have 'past experience' of supply of spares and the samples submitted by the manufacturers are to be tested by the authorities in the absence of the bidders.

But sources said this clause of 'past experience' bars most of the genuine manufacturers of spares from participating in the tender and alleged that only a handful of manufacturers get the supply contracts.

It has also been alleged that these few suppliers through

mutual understanding among themselves inflate their quoted price for spares causing huge losses for the government.

The gas companies ask for such experience based on a circular of the Bangladesh Small and Cottage Industries Corporation (BSCIC) which also asked for inclusion of such measures for suppliers which is contradictory to the sub-contracting purchase policy of the government.

The BSCIC had enlisted the names of the spares manufacturers and sent the list to the gas companies.

But manufacturers say the requirement of experience is illogical as any manufacturer who has not supplied to any gas company will never gain this required qualification because these spares are not used in private sector.

In the same international

tender, lock wing cock, another item was quoted at Tk 263 while the same was quoted at between Tk 415 and Tk 417 in the local tender.

They also pointed out that very recently two tenders of Titas gas company — one local procurement and one international — were floated where the price quoted varied greatly. While the price of domestic gas regulator was quoted at Tk 385 in the international tender, it was quoted between Tk 525 and Tk 544 in the local tender.

Moreover, manufacturers point out that two other gas companies — Jalalabad and Bakhrabad — which also operate like Titas, test the samples of the bidders in their presence eliminating any doubt about the reliability of the tests.

When contacted a Titas Gas official told The Daily Star that because of different complications such open testing is not possible for Titas.

Elaborating the point, the official said that on previous occasions unwanted situation arose during testing of samples in the presence of the bidders.

He also said the company is planning measures for the new manufacturers to gain experience so that they can also take part in the tenders.

Economist predicts trade deficit for China in '94

BEIJING, Apr 10: Inflation and a currency devaluation make it unlikely that China will be able to reverse last year's trade deficit in 1994, an official newspaper said Sunday, reports AP.

Exports were up nearly 14 percent in January-February from the same period of 1993, but imports were up 20.5 per cent for a two-month deficit of 1.24 billion dollars.

Wang Huafan, an economist with the trade ministry, was quoted by the China Daily newspaper as saying this boded ill for the year because the trade balance was usually most favorable early in the year, when export commodities, especially agricultural products, are abundant. He said imports usually peak in the second half of the year.

Exports will be hurt by domestic inflation, which has been running at an annual rate of more than 23 per cent.

Trial of BCCI officials adjourned till Apr 23

ABU DHABI, Apr 10: A criminal court on Saturday heard new reports on damages from the collapse of the Bank of Credit and Commerce International and adjourned the trial of 13 defendants for two weeks, reports AFP.

The court decided to adjourn until April 23 after the defence requested to see the final report submitted by international auditors Arthur Andersen and new memoranda by the civil claimants, Judge Shehab Abdul Rahman said.

The judge said he decided to allow the defendants, mostly Pakistanis with British citizenship, to receive copies of the reports by Arthur Andersen and the Abu Dhabi civil claimants.

The court also ordered the continued detention of the defendants after rejecting requests for their release, except for Iqbal Rizvi who has been released on bail, he said.

Lawyer said they would study the Arthur Andersen report, which covers more than 500 pages detailing the damage allegedly caused by each defendant.

During a two-hour session here behind closed, the civil claimants, the Abu Dhabi shareholders, also submitted a final report of more than 300 pages on damages sought from the accused.

"We asked to study these reports and will present our defence at the next session," said one lawyer, who requested anonymity. "I think we are now quite close to the end the final session could be set at the next hearing."

Abu Dhabi, the main oil producer in the United Arab Emirates, owned 77 per cent shares of BCCI before it was shut worldwide in July 1991, on allegations of massive fraud said to have involved more than 10 billion dollars.

The emirate has filed a civil suit seeking damages of around 10.2 billion dollars from the defendants, who also face criminal charges involving forgery, dissipation of funds and breach of trust.

Abu Dhabi agreed in February to increase its compensation offer for the creditors by 100 million dollars to 1.8 billion dollars after negotiations with BCCI liquidators.

The Defendants, two of whom are being tried in absentia, have been detained at the luxurious Abu Dhabi police officers' club since September 1991, when they were rounded up in a police raid on their headquarters.

Like previous trials, Saturday's hearings were held amid tight security and British embassy officials were present.

Inclusion of environmental resources in NAS a must

By Staff Correspondent

The country's environmental resources must be incorporated in the National Accounting System (NAS) to make the estimate of Gross National Product (GNP) more realistic.

This was observed by Fahmida Akhter, a research fellow of Bangladesh Institute of Development Studies (BIDS) doing her PhD in environmental economics in the UK, in a seminar Thursday at the Bangladesh Centre for Advanced Studies (BCAS).

Fahmida in her paper, illustrated the inadequacy of the conventional national accounting systems which do not incorporate environmental resources in the accounts.

"Household activities performed by women like cooking, fetching water, collecting firewood along with the amenities provided by the environment such as air, water and loss of natural resources due to environmental degradation are not accounted for," Fahmida Akhter observed.

She maintained that the exclusion of such non-marketed activities which are essential for the existence of life limits the scope of conventional GNP or NNP accounting.

She also explained the existing theories of Green National Product (GNP) and proposed some adjustment for GNP.

The seminar was presided over by Dr Saleemul Huq of BCAS while a number of environmental scientists and academicians took part in the discussion.

Workers protest austerity measures in Turkey

ZONGULDAK, Turkey, Apr 10: More than 50,000 people rallied in the northern city of Zonguldak on Saturday to protest lay-offs slated under an economic austerity package, reports AP.

Many of the protesters were workers in the region's money-losing mines, which are subsidized by the government. At least two mines, which employ 5,500 people, are likely to be closed by the end of the year.

"I risk my life by descending 429 meters (1,300 feet) under ground everyday to feed my three children. But I won't have them shut this place down," said miner Hasan Ordu.

Coal is my bread, coal is my life," said Niyazi Calgen, a mine worker for 18 years.

About 29,000 people are employed at five coal mines in the province. The mines lost seven trillion Turkish Lira (200 million dollars) in 1993.

Protests spread across the country after Prime Minister

Tansu Ciller on Tuesday announced measures to cut the budget deficit and curb inflation.

The measures include price increases to 100 per cent for the products and services of public enterprises, lay-offs targeting 50,000 workers, new taxes and privatization.

President Suleyman Demirel on Saturday cancelled a trip to China and Indonesia. The media has been calling on public officials to take the lead in cutting spending.

Workers traveled by the bus to Zonguldak, 220 kilometers (132 miles) north of Ankara. Despite rain, they marched, carrying banners reading, "don't darken the future of our children," and "No to the bitter medicine." They also called for a nationwide strike.

The province's coal mines are estimated to have three billion tons of coal reserves. Last year's production was close to three million tons.

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Vietnam's trade rises 19.4 pc

HANOI, Apr 10: Vietnam's trade for the first quarter rose 19.4 per cent over a year earlier to 1.4 billion dollars but still fell short of government targets, a report said Saturday, reports AP.

Exports were up 18.1 per cent over the first quarter of 1993 at 668 million dollars, but imports rose 20.6 per cent to 746 million, leaving a deficit of 78 million dollars, the Vietnam News Agency reported.

The overall trade amounted to only 20 per cent of a government target for this year, the official news agency said.

While exports of manufactured goods have been growing, aided by the government's designs to turn Vietnam into an export-based economy, overseas sales of agricultural products such as rice and groundnuts have been falling.

Rice exports fell 20 per cent in the first quarter, causing a crisis in rice growing areas, where a bumper harvest has left stocks mounting.

Tea exports saw the largest rise, up 121 per cent, while textiles and garment sales abroad rose 43.3 per cent.

The main rise in imports came from construction materials feeding a building boom here, and consumer articles such as electronic goods and motorcycles, the reports said.

Total retail sales in the first quarter were up 25 per cent on a year earlier.

US treasury redesigning dollar

WASHINGTON, Apr 10: The treasury is redesigning the US currency to deter rampant counterfeiting worldwide of the Greenback. The Washington Post said yesterday, reports AFP.

Officials of the Bureau of Engraving and Printing said that among changes being considered are moving the portraits to the side implanting holograms, printing on watermarked paper, and using multi-colored patterns.

The purpose is to counter a flood of counterfeit 100 dollar bills unleashed on the world market, believed to have been produced chiefly by Middle East terrorist groups linked to Iran and Syria.

Congressional sources told the daily that the treasury hopes to announce the proposed changes later this month.

Terrorist expert Robert Kupperman told the daily that a group of counterfeiters in Lebanon, directed by Lebanon and Syrian intelligence agencies, are believed to have printed one billion dollars' worth of "the most nearly perfect 100 dollar bills that the secret service has ever detected."

Kupperman has proposed making new Greenbacks for the United States and new "Redbacks" for overseas use.

The treasury's reluctance in the past to change the design of the dollar, a secret service spokesman said, has left the United States with "the most stable currency in the world and the easiest to counterfeit."

The increase of counterfeit dollars on the world market could cause serious economic problems for developing nations that rely on the US currency.

Indonesia's state bank director suspended

JAKARTA, Apr 10: President Suharto Saturday approved a request by Finance Minister Mar'ie Muhammad to suspend a state bank director for his alleged involvement in a 430 million dollar swindle, reports AFP.

State Secretary Mardiono quoted Suharto as saying that he had approved the request to suspend Sjarifal, currently president of state bank Tabung Negara, for his alleged role in the scandal when he was a director of another state bank, Bank Pembangunan Indonesia (Bapindo).

The suspension request was made to smooth the investigation by the attorney general into the scandal which involves a 430 million dollar credit issued to Eddy Tansil of Golden Key Group (GKG) between 1989 and 1991 by Bapindo.

The credit was backed by goods which were to be delivered, but the letter of credit was changed to a "red clause" letter allowing it to be down on immediately.

The goods were never delivered and losses in interest and other charges have brought the total loss to 613 million dollars.

The attorney general has arrested Tansil together with Subekti Ismaun, Bapindo's president at the time when the credit was issued, Towil Heryoto, Bapindo's former director for credit affairs.

The authorities have also forbidden five others, including Tansil wife and other Bapindo official, from leaving the country.



Prime Minister Begum Khaleda Zia is formally unveiling the foundation stone of Jamuna Multi-purpose Bridge at Shyamshoil, Bhupur in Tangail district (top), and Mohammad Ali (R), Executive Director of JMBA explaining the plans of the bridge to the Prime Minister and Finance Minister M Saifur Rahman (bottom), after unveiling of the foundation stone at Syedabad in Sirajganj district yesterday.

— Star photo

Arabs planning to set up common stock market

ABU DHABI, Apr 10: Arab states are planning to set up a common stock market to boost capital flow that has been blocked by local legislation and lack of major investment opportunities, an official report said, reports AFP.

The plan is part of a three-stage project by the Abu Dhabi-based Arab Monetary Fund (AMF) to develop existing stock markets in the region and encourage those without exchanges to set up floors to support economic reforms, the AMF said in a study obtained on Friday. The fund, the Arab League's main financial institution, said it had carried out surveys of all markets in member states since 1987 as part of a drive to push for reforms and encourage Arabs to open up their exchanges.

"The first objective of the project is to develop existing stock markets so they will become an active means for mobilising savings and channelling them into the best investment fields," the study said.

"The second objective is to open up Arab stock markets to pave the way for the establishment of a regional market which will go parallel with local exchanges. An appropriate infrastructure should be created for such a market so it will absorb all Arab countries. It said the third phase of the project covered extending technical assistance and training to members in share dealing.

Only 10 of the Arab League's 22 members have formal exchanges but activity in such markets has remained relatively low due to political uncertainty in some members, lack of incentives, restriction of dealing to nationals in most markets and the high government ownership in shares.

At the end of 1992, more than 1,110 banks and companies were listed in Arab stock markets with a capitalisation of

around 30 billion dollars. The figure does not include the Kuwait exchange, where market capitalisation exceeded 10 billion dollars before the 1990 Iraqi invasion.

In a report last month, the AMF said a steady capital flight from the region over the past two decades has persisted because of restriction in the stock markets and the slow pace of economic reforms.

As a result, Arab assets abroad, concentrated in the West in bank deposits, stocks and real estate, swelled to more than 650 billion dollars in 1992, far higher than the combined Arab gross domestic product of 450 billion dollars.

Arab officials and bankers will gather in Amman this week to discuss development of their stock markets.

Jordan's crown prince Hassan will open the meeting, organised by the Arab Banks Union.

Egypt, Jordan, Tunisia, Algeria, Morocco and other Arab countries have embarked on reforms to tackle their economic problems caused by decades of state control, accumulating debt and instability.

The reforms, some prescribed by the International Monetary Fund gained momentum after the Gulf War drained the coffers of the oil-rich states and forced them to slash aid to their fellow Arab League members.

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Iraqi paper for greater economic ties with CIS

BAGHDAD, Apr 10: Iraq's most influential newspaper called on Saturday for greater economic ties with CIS countries and said Iraq was willing to consider selling them crude oil once a UN embargo is lifted, reports Reuters.

"This political and diplomatic move towards the newly-independent states of the former Soviet Union has been and still is an important and required issue," Babel newspaper said.

Babel, which is published by President Saddam Hussein's eldest son Uday, added: "In addition there are the considerations of the Islamic ties between Iraq and the new Islamic states in Central Asia."

The newspaper said Iraq could offer to meet all the oil requirement of Ukraine. A similar accord could be struck with other CIS countries.

Iraqi crude oil exports remain banned under a United Nations embargo imposed

after Iraqi troops invade Kuwait in 1990.

The newspaper said that recent discussions between Iraq and foreign oil companies showed that it could negotiate quite legitimately with these countries.

Last month, the official Iraqi news agency INA said, the Iraqi oil minister had concluded deals with French oil companies that would be activated once the UN sanctions against Iraq were eased or lifted.

It quoted Iraq's Oil Minister Safa Hadi Jawad as saying that major US, British, Brazilian, Canadian and Spanish oil companies had expressed willingness to negotiate similar agreements.

Jawad said that Iraq's oil output was now 550,000 to 600,000 barrels per day (BPD), adding that it was developing previously known but untapped oilfields in central and western areas of the country.