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BUSINESS

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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 attacking 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).

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 Marie 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 Sjafizal, currently president of state bank Tabungan 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 Ismaula, 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's wife and other Bapindo official, from leaving the country.

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 Actra 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, Linda 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.



Prime Minister Begum Khaleda Zia is formally unveiling the foundation stone of Jamuna Multi-purpose Bridge at Shyamnagar, Bhuapur in Tangail district (top), and Mohammad Ali (R), Executive Director of JMBM explaining the plans of the bridge to the Prime Minister and Finance Minister M Saifur Rahman (bottom), after unveiling of the foundation stone at 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 active 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 shared equity.

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.

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.

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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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.

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.

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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 Azerbaijani 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-dollar 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.

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

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 Ohn Gyaw 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 Gyaw and other junta officials.

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

He added that Gyaw also assured him that Myanmar has drafted a new constitution. Gyaw 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.

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