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Spain to lend Iran \$ 150m

TEHRAN, Apr 16: Spain has agreed a 150 million dollar loan to the Iranian central bank to help Iran pay its debts to Spanish businesses, Tehran radio said yesterday, reports AFP.

The Radio said the two countries signed an agreement Wednesday on a loan to allow Iran to pay back its "public and private debts to commercial partners in Spain."

The loan is to be paid back over six years with a two year grace period, the radio said.

Iran has already obtained refinancing accords worth over five billion dollars over a four-year period from Germany, Japan, Switzerland, Poland and Austria to meet its 1994 debts and obligations.

Talks were also due to take place on the 220 million dollars due in back-payments to France.

According to Western estimates Iran's total short and medium-term debt is about 30 billion dollars, while a sharp drop in oil prices has led to falling revenue of about 14 billion dollars in 1993.

Marrakesh Declaration lays basis for new world trade order

MARRAKESH, Morocco, Apr 16: A 124-Nation GATT ministerial conference laid the basis yesterday for an unprecedented freeing-up of trade in a bid to shape a fairer world economic order for the 21st century, reports AFP.

The Marrakesh Declaration officially endorsing the results of the Uruguay Round of trade negotiations was adopted by ministers from industrial and developing countries, including many ex-communist economies.

The new pact means global tariff cuts of 40 per cent, which will boost trade, investment, jobs and growth across the world over the next decade, the ministers said.

They also cited a new emphasis on environmental concerns and sustainable development in the trade context.

The declaration formally gave the go-ahead for the creation of a new World Trade Organisation (WTO), with a status similar to that of the International Monetary Fund

(IMF) and the World Bank.

The WTO will replace the Geneva-based General Agreement on Tariffs and Trade GATT, and will have more muscle to enforce the rule of law in international trading relations.

The declaration said the establishment of the WTO would herald "a new era of global economic cooperation," reflecting a widespread desire for a "fairer and more open multilateral trading system" for the benefit and welfare of all people.

It said the wide and active participation by developing countries in the Uruguay Round negotiations marked a historic step towards a more balanced and integrated global trade partnership.

Ministers and delegates rose to cheer as the conference chairman, Uruguay's Foreign Minister Sergio Abreu Bonilla, officially closed the meeting — and seven and half years of often acrimonious talks — at 1025 GMT.

The ministerial declaration stressed that developing countries would receive "differential and more favourable treatment" under the final act, with "special attention" to the situation of the Least Developed Countries, including some large Asian economies and most Sub-Saharan African states.

The ministers undertook to complete ratification in time for the WTO to begin operating next January 1, or "as early as possible thereafter."

Some countries face legal hurdles, The United States, for instance, must find ways of replacing the loss of large revenues from customs duties by other income before Congress can ratify the agreements.

Summing up, Abreu said an "implementation conference" of senior officials would be called this year, when a preparatory committee for the WTO had completed its work.

He said Singapore had offered to host the first WTO conference, to be held within

two years after the Organisation starts up.

In a preamble to the declaration, the ministers specifically said the world trading system would be based on "open, market-oriented policies" and the commitments made under the Uruguay Round.

Besides massive tariff cuts for industrial goods, they involve extending GATT multilateral disciplines to trade in the fast-growing services sector, and providing protection of trade-related intellectual property rights.

Participants also committed themselves to gradually freeing up trade in agriculture and phasing out imports curbs on textiles and clothing over a ten-year period.

But they left substantial unfinished business. Talks will soon resume on several tricky issues, including financial services, audiovisual services, telecommunications, shipping, aircraft and steel.

Jakarta keen to start joint venture trade with Dhaka

Indonesian businessmen and entrepreneurs have shown keen interest in joint-venture initiatives and assured the visiting State Minister Major (ret'd) Abdul Mannan that they would send a delegation with prospective investors on a fact-finding mission to Bangladesh soon, reports UNB.

The State Minister leading an 11-member delegation visited Indonesia from 9-13 April, according to a delayed message received in the city on Saturday.

During the visit, the delegation held extensive talks with officials of Indonesian industries and Textile Ministry, with the members of Indonesia Textile Association and with Textile Compartment of the Indonesia Chamber of Commerce and Industries.

The State Minister apprised the Indonesian businessmen and entrepreneurs of the favourable investment climate existing in Bangladesh and requested them to take advantage of the incentives by investing in joint-venture textile industries as well as relocating some of their textile factories in Bangladesh.

Major (ret'd) Mannan paid courtesy calls on coordinating Minister for Trade and Industries, Minister for Planning and Investment on Wednesday.

Grameen Bank bags 2 foreign awards

Grameen Bank, one of the leading non-government organisations in the country working with the rural poor, received two prestigious awards from Malaysia and Sri Lanka, reports UNB.

The prestigious Tun Abdul Razak Foundation of Malaysia has conferred the Tun Abdul Razak Award for 1994 "for organisation" to Grameen Bank of Bangladesh.

Grameen Bank has been chosen for its success in helping the poor people in Bangladesh to become self-employed and improve their standard of living.

This success has encouraged other countries including Malaysia, the USA, Canada, France, the Philippines and many African and Asian countries to use the same approach to help the poor in their respective countries.

Tan Sri Abdullah Mohammad Salleh, Chairman of the Tun Abdul Razak Foundation, founded by the government of Malaysia, announced the awards for 1994 in a press conference in Kuala Lumpur recently.

The recipients of the award will be given a financial grant of Malaysian ringgit 50,000 equivalent to Taka seven lakh, a gold medal and a certificate.

The award ceremony will be held in Kuala Lumpur later this year. It will be given by Tun Rahmah Mohammad Noah, wife of late Tun Razak.

The Managing Director of Grameen Bank, Dr Muhammad Yunus, has been honoured by the prestigious Dr Shahabuddin Award of Sri Lanka.

The award was handed over to him on March 23 at Colombo's International Conference Centre.

Before the award giving ceremony Dr Yunus was received by Shri Lankan President D B Wijetunge at the President's house. They discussed experiences of poverty alleviation programmes in SAARC region.

Macroeconomic reforms can help South Asia match its neighbours

MANILA, Apr 16: South Asia, which lags behind most of the booming economies of the region, can match its neighbours provided it sticks to macroeconomic reforms, the Asian Development Bank said yesterday, reports Reuter.

Growth in the sub-region was expected to accelerate this year and next year on the back of a recovery in India and Pakistan, it said in its development outlook report.

Overall growth in Gross Domestic Product (GDP) for the sub-continent is projected to reach five per cent this year and 5.6 per cent in 1995 from 3.8 per cent in 1993.

More outward-looking policies in South Asia would lead to further integration of the region with the rest of Asia and the world, the Manila-based regional bank said.

"With appropriate domestic macroeconomic and industrial policies and further reform of tariff and liberalisation measures to increase trade, South Asia could easily achieve growth rates comparable to the high growth economies of Southeast Asia."

The return of private investor confidence in India is likely to lead to higher industrial growth and exports. The bank forecasts that India's GDP will grow 4.8 per cent in 1994 and 5.5 per cent in 1995 from 3.8 last year.

Pakistan's economy was likely to recover with GDP growth projected to hit 5.5 per cent in 1994, improving further to 6.5 per cent next year, from a low three per cent in 1993, it said.

With improved private investment and further implementation of policy reforms, GDP growth in Bangladesh is forecast at five per cent this year and 5.5 per cent in 1995.

The prospects for Sri Lanka were generally favourable, the ADB said, though 1994 GDP growth might slow to 5.9 per cent from 6.1 last year due to lower growth in agricultural output.

High export growth should help Nepal lift its growth rate to six per cent from 2.9 last year, while the economies of the Maldives and Bhutan were expected to expand by around six and seven per cent, this year and next, it said.

Anti-GATT protestors storm Union Carbide office in India

BANGALORE, Apr 16: To protest against the world's biggest commercial agreement Friday, Indian demonstrators ransacked an office of Union Carbide, terming it a symbol of Western trade hegemony, reports AP.

About 15 members of a farmers' group stormed the sales office of Union Carbide India Ltd, a subsidiary of the US-based multinational. They hurled furniture, yanked telephone wires and smashed windows and a glass partitions, police said.

No injuries were reported, and no arrests have been made.

The protesters shouted slogans against General Agreement on Tariffs and Trade and fled before police arrived, said

office manager PKS Menon.

The raid was organized by Karnataka State Farmers Association, which in similar protests in December 1992 and July 1993 ransacked the offices of another US company, Cargill Inc.

The first attack on a Cargill administrative office also took place in Bangalore, the capital of the southern state of Karnataka, and the second one targeted Cargill's seed factory being built in a nearby town.

"All the nationalist forces will continue to destroy the property of all multinational companies, where ever they are from", MD Nanjundaswamy, the associations leader, told reporters, after the Union Carbide raid.



Sir Peter Leslie, (2nd-L) Chairman, Commonwealth Development Corporation (CDC) with A S F Rahman, (extreme right) Chairman, BEXIMCO Group visited Padma Textile Mills Ltd. at Tatki, Rupganj, Narayanganj on Tuesday.

Row over Benazir's import of Mercedes-Benz

ISLAMABAD, Apr 16: A Mercedes-Benz imported by Pakistani Prime Minister Benazir Bhutto has triggered a noisy row between government and opposition here, adding fuel to their unrelenting political confrontation, reports AFP.

The government, which says Bhutto acted according to the law by paying for the car from her own wallet, has termed opposition depictions of her extravagance "mischievous and libelous."

It hit back as the controversy dragged into a second week, holding a public display here on Thursday of more than three dozen costly limousines "imported" by opposition leader and former Prime Minister Nawaz Sharif during his rule.

Sharif, who quit in July last year amid a political crisis and now leads the opposition, had a "knack for expensive sports cars, but he pursued his obsession at the cost of the nation," the official Associated Press of Pakistan said in a commentary.

The cluster of glistening cars lined up near the government secretariat buildings, located close to the official residence of Prime Minister,

attracted a stream of people despite a rainy day.

The car flap is another episode in the long-running confrontation between Sharif and Bhutto since she was returned to power in an election in October.

When Bhutto was opposition leader, she had sided with former President Ghulam Ishaq Khan during his power struggle with Sharif. In the end both men resigned under an army-brokered formula.

Analysts said Bhutto had a tough time ahead with an opposition bent on revenge, keen not to miss any opportunity to kick up the dust on domestic and external issues.

Bhutto, due to leave for Germany Monday on an official visit, faces ethnic troubles in her home province of Sindh, rising inflation and a politically unstable North West Frontier Province where direct federal rule was imposed in February.

On the external front, she has to grapple with rising tensions with neighbouring India over Kashmir, while difficulties persist with the United States over the nuclear issue.

Lashing out at Bhutto and her spouse, Asif Ali Zardari, the opposition leaders have

accused them of behaving in the style of Mughal kings.

Citing reported remarks by Bhutto that she was not in the habit of using luxurious cars, the opposition leaders have accused her of deliberately making a wrong statement and demanded that she resign.

The opposition also circulated what it said was a brochure published abroad by Mercedes, with the caption "beauty for a beautiful lady — a Mercedes for a Prime Minister."

Government members tabled a motion in the National Assembly on Thursday that the house punish opposition leaders for spreading a "forged brochure" that used a "serious breach of privilege not only of the Prime Minister but also of other members of the house."

"The offending persons must be dealt with according to the law," ruling Pakistan People's Party Deputy N D Khan said in the assembly, adding the Mercedes Benz company had denied publication of such advertisement.

In a countermove, the opposition has also presented a separate motion for a debate on the Mercedes issue,

US chamber seeks continued MFN status for China

WASHINGTON, Apr 16: The US Chamber of Commerce said yesterday it had asked its local members to urge their Congressmen to support continued Most Favourable Nation (MFN) trade status for China, reports Reuter.

Chamber Vice President Willard Workman, said in a letter to member groups that "our vital economic issues in China are at stake."

President Clinton has said he would renew MFN, which gives China the same low tariffs the United States gives its other major trading partners, only if China made significant improvements in its human rights policies.

Workman said that while China had made some improvements, many Congressmen do not believe the moves are enough and are ready to back legislation barring MFN renewal.

If MFN is revoked, he said, US tariffs on Chinese shipments could rise by as much as 100 per cent.



Mahbubur Rahman, Chairman, National Bank Ltd is seen inaugurating the 55th branch of the bank at Pahartali in Chittagong Wednesday. Alhaj Khalilur Rahman, Abdul Halim, M Nurul Islam, Ali Akbar Khan, Ahsan Ali Sarker, M A Reza and Mohammed A Awal all directors and M A Wahhab, Managing Director (Current Charge) of the bank are also seen in the picture.

World oil prices remain high

LONDON, Apr 16: World oil prices continued to trade at around their highest point of the year on Friday as evidence of tight North Sea supplies supported gains made in a surprise rally, reports Reuter.

The June contract for the benchmark Brent Blend of crude traded around 14.80 dollar per barrel in London on Friday afternoon.

This was a few cents down on Thursday but well above a five-year low of 12.90 dollar on February 16.

News that there will be less Brent in May because of spring maintenance on the offshore oil fields fuelled the rally this week, traders said.

They added that the rally may be precarious if gasoline demand — which is difficult to predict — turns out to be sluggish during the US and European summer holidays.

It is election year in Sri Lanka, and trouble is brewing on the semi-privatised tea plantations in the central hills.

Management of estates was handed to private companies under a profit-sharing agreement with the government in mid-1992. In the first half of the following year production totalled 117 million kilograms, a 37 per cent rise over the drought-affected first half of 1992.

But many of the nearly one million workers, most of whom are descendants of south Indian labourers brought to the island by British planters in the late 18th century, are against privatisation.

Their vote could decide who will become the next President of Sri Lanka and which party will form the next government.

The second complication is that the majority of plantation workers are members of the Ceylon Workers' Congress (CWC) controlled by S. Thondaman, who is also Minister of Rural Industrial Development and Tourism in President D B Wijetunge's right-wing United

Privatisation of tea sector may change govt of Sri Lanka

National Party (UNP) government.

As a minister, he supported the partial privatisation of the tea estates — re-structuring the ailing plantation industry, as it was called — but only with a guarantee that the workers would not lose out in any way.

The guarantee was violated by most of the 22 private companies which two years ago were given control of the government-run estates, and the workers are up in arms, posing a serious threat to the government and to Thondaman's leadership.

The agreements signed between the government and the companies with local and foreign capital stipulated that there would be no sacking of workers, that they would receive the same economic and social benefits that they en-

joyed under state management, and that they could look forward to a brighter future.

The workers were assured of 300 work days a year, the **The electoral success of the opposition alliance in Sri Lanka's southern province — winning 32 seats against the ruling party's 23 — has given President D B Wijetunge pause for thought. He is keen to press on with full privatisation of the economically crucial tea plantations. But many workers are unhappy with the estates' new commercial management, reports Gemini News Service, and the government does not want to alienate them in advance of parliamentary and presidential polls.**

same as under state management since 1973, when the mostly British-owned estates were nationalised by Prime Minister Sirima Bandarnaike's United Front government which included her Sri Lanka

Freedom Party, the Trotskyists and the Communists.

The tea industry, which had been the country's main foreign exchange earner for over

pluckers were raised twice after the private management companies took over, but the companies argue that wages account for 60-70 per cent of production costs, compared with only 40 per cent in rival producers India and Kenya.

And the private companies offered workers only 13 days of work per month, instead of 25 days offered under the earlier arrangement.

Dismissals have also been carried out.

The measures, say the companies, were the only way of restoring the industry to health, particularly as the type of tea produced is being changed to meet world demand. The conversion programme is said to cost 18 million US dollars.

The changes have resulted in serious financial losses for the workers who have turned

Britain's Retail Price Index up

LONDON, Apr 16: Britain's Retail Price Index (RPI) — the country's main inflation measure — rose by a modest year-on-year 2.3 per cent in March, compared with 2.4 per cent in February, official data showed, reports Reuter.

The Central Statistical Office (CSO) said the monthly increase in RPI slowed to 0.3 per cent from 0.6 in February, compared with market expectations of a 0.4 per cent rise.

During the same period the underlying rate of inflation which strips out volatile interest rate payments rose by a year-on-year 2.4 per cent, the lowest increase recorded since May 1975, the CSO said.

The news wiped away fears that inflation was about to take off as the economic recovery continues and opened the door for a possible cut in the 5-1/4 per cent base rate in the coming weeks, analysts said.

against Thondaman — and also against the government.

It was the plantation vote that assured the UNP's massive parliamentary election victory in 1977 under J. R. Jayewardene, as well as his presidential victory in 1982 and that of his successor Ranasinghe Premadasa in 1988.

If the Workers Congress membership throws its weight behind the opposition, the UNP would be doomed.

The "restructuring" of the entire economy is part of a package deal with the World Bank and the International Monetary Fund worked out in 1977 as a pre-condition for continued assistance to bolster the country's doddering economy, with its precarious balance of payments deficit, soaring living costs and unemployment.

Some leading local economists have claimed that the remedies proposed by the Bank and the IMF appear to be worse than the disease and favour the mostly Western investors at the expense of national investors.

The author is Editor of Sandesa News Service.