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# The Daily Star BUSINESS

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**SHARIF UMBRELLA.**

## Bangladesh has low level of food security, says FAO

BANGKOK, Apr 22: Thailand is among the Asian countries classified as having a medium level of food security, according to a official bulletin available here Wednesday, reports Xinhua.

The United Nations Food and Agriculture Organization (FAO) was quoted as saying that for most of the countries in Asia, the outlook for wheat and rice crops in 1994 is favourable.

Among Asian countries, only Afghanistan ranks critical, while Bangladesh, Cambodia, Sri Lanka and Vietnam are classified as having a low level of food security.

India, Laos, Myanmar, Pakistan, the Philippines, Sri Lanka and Thailand are classified as having a medium level of food security while Indonesia and the Republic of Korea are at the high levels, the bulletin said.

## Toyota, Nissan sales decline at home

TOKYO, April 22: Japan's two biggest carmakers, Toyota Motor Corp. and Nissan Motor Co. Ltd., announced Wednesday declines in domestic output and sales of motor vehicles in March, accompanied by double-digit falls in exports, reports AFP.

Toyota, however, announced an increase in overseas production for the month while Nissan said its output at overseas affiliates declined.

The two companies also announced figures for the year to March, showing declines in domestic production and sales along with lower exports. But both Toyota and Nissan reported increased production abroad for the year.

Toyota said its domestic production dived 7.8 per cent from year earlier to 346,38 vehicles in March. Mainly because of the decrease in exports linked to increased output abroad.

Car production dropped 8.3 per cent to 275,76 units while output of trucks and buses was 3.9 per cent lower at 70,605 units.

Domestic registrations fell 3.3 per cent to 284,148 vehicles with car registrations dropping 3.7 per cent to 209,758 units. Registrations of trucks and buses were down 2.1 per cent at 74,390 units, the company said.

Toyota's exports plunged 11.3 per cent to 135,176 vehicles in the same period, mainly due to lower exports to Europe and Asia, car exports tumbled 13.6 per cent to 94,534 units while exports of cars and buses were down 5.5 per cent at 41,242 units.

But production abroad grew over 12 per cent from March last year to 92,960 vehicles, the company said.

Nissan suffered an even sharper decline in domestic output than its bigger rival, with production plunging 1.39 per cent to 160,266 vehicles, marking 21 months of uninterrupted declines.

Car output dived 11.8 per cent to 138,578 units and output of trucks and buses plunged 25 per cent to 21,688 units.

Domestic sales in March were down 10 per cent from a year earlier at 149,143 vehicles with sales of cars down 10.6 per cent at 113,313 units and sales of trucks and buses falling 8.1 per cent to 35,831 units.

## Mexico's stock market rebounds

MEXICO CITY, Apr 22: Mexico's stock market rebounded Thursday from a three-day slump, rising about 6 per cent as bargain hunters snapped up stocks beaten down by fears of rising interest rates and Mexican political upheaval, reports AP.

The main IPC index rose 117.99 points to 2,075.32 per cent, getting a boost just before midday on the dramatic recovery of the Dow Jones industrial average, which rose 53.83 to 3,652.54.

The Bolsa had lost 11.39 per cent since Monday's announcement by the US Federal Reserve boosting short-term rates for the third time this year. Mexico also has raised its prime rate, about 10 per cent since February.

The main Mexican index was still short of the 2,166.18 points achieved on Nov. 18, 1994, after the US Congress approved the North American Free Trade Agreement. On Tuesday the market dropped below that level.

## South now more willing than North to help the needy: IMF

WASHINGTON, Apr 22: Developing countries have come of age and are now often more willing than the industrial world to offer a helping hand to those still struggling, IMF Managing Director Michel Camdessus said yesterday, reports AFP.

"We are all of us used to a world where developing countries are there as the recipients of lessons and financing, and finding that the financing they receive is never sufficient," Camdessus told a press conference ahead of the spring meetings of the IMF and World Bank beginning here at the weekend.

"This was the world of three years ago, of five years ago, this is not the world of today."

Now developing countries "see themselves as full-fledged citizens of the world, accepting to work with other countries in the world to address the major challenges of the world with their own resources," Camdessus said.

This first became apparent when the IMF was seeking to establish a new Economic

Structural Adjustment Facility (ESAF) a programme for the world's poorest countries, last year, Camdessus said.

It soon became apparent that the industrial countries, heavily involved in budget consolidation, could not do the job, so "we went to the developing countries and in particular to those who had been given a new chance thanks to the first ESAF."

As a result, of the 43 countries contributing to ESAF two which took effect early this year, 20 are developing countries.

Camdessus said developing countries had shown an equal willingness to open their offers, particularly for the transition economies of the former Soviet bloc, on the question of a new allocation of Special Drawing Rights (SDRs).

Camdessus wants fund members to agree to a new allocation of 36 billion dollars in SDRs, much of which would go to Russia, but several major industrial countries oppose the idea.

He said that apart from the immediate benefits to the

transition economies — 1.5 billion dollars would be available to Russia, and about a billion to the rest of the former Soviet Union, several developing countries had offered to transfer their SDR rights to needier countries.

Camdessus said the fund should not reject a new SDR allocation particularly at a time when developing countries had accepted that "they could themselves also contribute through the SDRs they would receive to financing countries in more difficult situations."

Developing countries were among those willing to "re-channel in the direction of these countries the new SDRs they could be allocated or even SDRs they already hold."

Camdessus said that the new allocation of SDRs would loom large on the agenda of the IMF interim committee meeting beginning this weekend, along with the IMF's bi-annual world economic outlook report released Wednesday and ways to achieve growth and stability in the world economy.

The meetings would also discuss the transition econo-

mies, where there had been some notable success stories, such as Estonia and Poland, but other countries, notably Russia, had not yet managed to turn things around.

On the sidelines of the IMF/World Bank sessions proper, finance ministers and Central Bank Governors of the group of seven (G7) leading industrial nations are to meet Sunday.

Camdessus defended the IMF's decision Wednesday to release a second 1.5 billion dollar tranche of the Systemic Transformation Facility (STF), which had been delayed from late last year because of concern that Russia was not keeping on the reform track.

"If we have agreed on starting again our financing for Russia it's because we have observed that Russia is doing everything possible to continue in their progress to stabilisation and structural transformation," Camdessus said.

He also said he was optimistic that a three billion dollar standby credit facility could be agreed by the end of the year.

## Greenback rises against yen in New York

NEW YORK, Apr 22: The dollar rose against the Japanese yen Thursday after Treasury Secretary Lloyd Bentsen said the Clinton administration isn't trying to devalue the US currency as a way to narrow the American trade deficit. The dollar was mixed against other major foreign currencies, reports AP.

Gold prices rose. On the New York Commodity Exchange, gold for current delivery closed at 373.10 dollars a troy ounce, up 90 cents. Republic National Bank of New York quoted gold at 373.50 dollars as of 4 pm (2000 GMT), up 1 dollar.

Analysts said the dollar rose after news tickers quoted Bentsen as saying the US does not advocate a higher yen as a way of cutting into Japan's huge trade surplus.

Also affecting the market were rumours of European central bank intervention to buy dollars for yen on behalf of the Bank of Japan.

In Tokyo, the dollar closed at 102.90 yen, down 0.50 yen from Wednesday's close. Later in London, the dollar rose to 103.65 yen. In New York, the dollar rose to 103.65 yen from 103.03 late Wednesday.

Margaret Kudarauskas, foreign exchange analyst at Technical Data, a financial research firm in Boston, said the central bank intervention reports pushed the dollar to an intra-day high of just under 104 yen in New York.

The British pound closed at 1.4948 dollar, up from 1.4855 dollars late Wednesday. In New York, the pound fell to 1.4905 dollars from 1.4925.

## G-7 ministers meet Sunday US for lower interest rates

WASHINGTON, Apr 22: Recent rises in long-term interest rates, persistent unemployment problems in Europe and Russia's economic woes are on the agenda for Sunday's meeting here of Finance Ministers of the world's leading industrial countries, reports AFP.

US Treasury Secretary Lloyd Bentsen said yesterday he would like to see an easing of US long-term interest rates, which have climbed to more

than seven per cent on inflation fears.

Bentsen said he was worried that the rise would construct economic activity and slow down the recovery.

He said he would be stressing to his G-7 colleagues Sunday that faster-than-expected growth in the United States in recent months had not meant inflation, and that "the recent rise in long-term interest rates has to be viewed against these good fundamen-

tal". The US economy is doing well, but "recovery is still not firmly rooted in Japan or continental Europe," Bentsen said yesterday.

He said the recent rate cuts in Germany "should help turn around the disturbingly high and rising unemployment in many European countries," but added that "given the slack that still exists in continental Europe, there's still room to reduce interest rates further."

Bentsen also said that Japan must forge a recovery that brings down its massive trade surplus.

"May be the US economy is doing well now despite the drag from that surplus. But it's essential over the longer run for Japan to help global recovery rather than impede it."

If Washington is concerned over the high level of unemployment and interest rates in Europe, along with the fragility of recovery there and in Japan, its G7 partners — Britain, Canada, France, Germany, Italy and Japan — have their own worries.

Japanese Finance Minister Hirohisa Fujii has said the rise in long-term interest rates is likely to come up for discussion Sunday.



H E Sunthorn Vidhyameth, Ambassador of Thailand to Bangladesh, called on Mahbubur Rahman, President of the Federation of Bangladesh Chambers of Commerce and Industry (FCCI) at the chamber office in the city Wednesday.

## Israel urges Euro traders to pour capital into ME

BUCHAREST, Apr 22: Israeli Foreign Minister Shimon Peres yesterday urged European businesses to pour capital into rebuilding the Middle East in what he foresaw as a new era of peace and prosperity, reports Reuters.

"European governments have budgets but they don't give money, whereas firms have money but don't have ideas," Peres said in a debate at an international political and economic conference which he co-chaired with PLO Leader Yasser Arafat.

"Therefore, governments should encourage companies which invest in the Middle East and give them guarantees," he said in the debate, part of a Bucharest conference of the Swiss-based foundation, the Crans Montana Forum.

As the Palestine Liberation

Organisation (PLO) Leader Arafat looked on from the podium, Peres said Israel and the PLO were at the 'beginning of the end' in terms of sealing the deal for Palestinian self-rule in occupied Gaza and Jericho.

Peres said European companies should "export" redundant staff and help the Middle East with infrastructure projects including building nuclear power plants.

"I'm confident Europe is interested in the Middle East... and it will be still interested in the Middle East even in the period after (the conflict)" Arafat said.

"Why should one sell US weapons instead of spending that money on housing projects? this is a proposal that we want to make," Peres said.

## Bureaucracy hampering China's reforms

BEIJING, Apr 22: China's sweeping economic reforms are being hampered by a government bureaucracy intent on self preservation in the face of drastic personnel cuts, senior officials were quoted as saying today, reports AFP.

While structural reforms have made some progress, serious attention must be paid to "outstanding problems," the China Daily quoted Personnel Vice Minister Zhang Zhijian as saying.

Amid rapid economic growth, China's bureaucracy has been a notable blot on the reform landscape, with many government departments unwilling to give up the powers enjoyed during decades of central planning.

According to Qian Qizhi, a

senior official in the Central Organisation and Establishment Committee (COAEC). There is now a pressing need "to overcome resistance to the planned transfer of government functions".

"Besides some fetters in people's minds, an important factor is some government departments reluctance to relinquish their powers," Qi told a symposium on administrative reform that opened Thursday in Beijing.

As a result, there is a lack of co-ordination between administrative reforms and reform in other fields.

"Structural reforms must advance in harmony with economic, political and personnel reforms," Qi said.

## Peugeot-Citroen losses \$ 247m in '93

PARIS, Apr 22: French automaker PSA Peugeot-Citroen on Thursday announced 1993 losses of 1.41 billion francs (247 million dollars), plunging into the red from profits of 3.37 billion francs (600 million dollars) in 1992, reports AP.

Still, the loss was not as great as the 1.7 billion francs (300 million dollars) predicted by many industry analysts. President Jacques Calvet said the automaker would return to profitability this year.

But Calvet said Europe's third-largest auto manufacturer, which produces the Peugeot and Citroen brands, would not pay a dividend this year. Last year, it paid 10 francs (1.75 dollars) a share.

Peugeot-Citroen recovered from a deep slide in the first six months of 1993, when it lost 1.12 billion francs (196 million dollars), to narrow second-half losses to 292 million francs (51 million dollars).

This year is beginning with "measured optimism," amid a surprising rebound in the French market despite the woeful overall European auto market, Calvet said at a news conference.

The European market plunged 15.1 per cent last year — its worst performance in four decades — and nosedived 18.3 per cent in the French market.

But industry figures show French car sales up 14 per cent in March, due largely to a government plan to spur sales by offering a 5,000-franc (877 dollars) rebate on cars older than 10 years traded in for new vehicles.

Calvet said the government's prediction this week that the French market would grow 10 per cent "doesn't seem impossible. It could even be higher."

## Paris pledges \$17m to AIDS research

PARIS, Apr 22: Prime Minister Edouard Balladur pledged yesterday his government would donate 100 million francs (17 million US dollar) to research into AIDS after a programme on seven television channels raised the same sum this month, reports Reuters.

More than 33 million people watched the unprecedented joint programme "All against AIDS" shown on April 7 to fight the spread of the disease and public ignorance and prejudice.

"The AIDS evening raised 100 million and I have decided that we will double that amount — the government will add 100 million," Balladur said in a television interview of the private TF1 channel.

The funds raised by the programme were destined mainly for research into the disease.

France has the highest number of AIDS cases in Europe. The disease kills 15 people a day in France.

There have been 32,000 cases since the epidemic began in 1981 and an estimated 150,000 people are thought to be infected with the HIV virus which causes Acquired Immune Deficiency Syndrome.

## India may privatise railway ticket control job

NEW DELHI, Apr 22: Indian Railways, one of the largest rail networks in the world's considering handing over its massive ticket control job to private agencies, a senior railway official said Thursday, reports Reuters.

Railway Board Chairman M K Rao said the move would help cut losses incurred by people travelling without tickets. Private agencies would be expected to be more diligent in examining tickets, he said.

Rao told reporters officials were "seriously thinking of handing over ticket examination work to private agencies to increase income."

He said maintenance of the Bombay Railway station had al-

ready been handed over to private agencies.

He said the government had several other plans to improve travel facilities for passengers, a sizeable number of whom are low-budget foreign tourists.

**Forest cover increases**

Xinhua says: India's forest cover has registered a marginal increase during the past few years, according to a report of forest survey of India on Wednesday.

The state of the forest report 1993 said the increase has amounted to an annual augmentation of 1,100 hectares since 1989-91 fiscal year.

In the whole country except

north east, India's dense forest has increased from 296,375 sq km in 1991 to 296,912 sq km in 1993.

Its open forest has increased from 172,786 sq km to 173,797 sq km.

However, forest cover in most of north eastern states declined. In India's north eastern region where most of its green canopy exists, dense forest has increased from 88,634 sq km in 1991 to 88,624 sq km, while open forest declined from 77,144 to 76,478 sq km.

The grand total has increased from 639,182 sq km in 1991 to 640,102 sq km in 1993.



E A Chaudhury, Chairman of Pubali Bank Limited, speaking at the Regional Managers' conference of the bank at its head office in the city recently. Kazi Abdul Mazid, Managing Director and Shafi Ahmed Chaudhury, director of the bank are also seen in the picture.

## Regional 'growth triangles' — a new idea in Southeast Asia

The Philippines has long agonised over its failure to replicate the economic success of the neighbouring "Asian Tigers." And just as the Philippines feels left out of booming Southeast Asia, so its southern island of Mindanao feels like a backwater compared with the rest of the country.

But now the island's main city, Davao, is planning a grab for growth by turning its attention away from the capital, Manila, and towards the surrounding areas of eastern Indonesia and east Malaysia.

This "growth triangle" follows excitement over two other economic "triangles" in the region: Singapore-Johore (Malaysia)-Batam Island (Indonesia), and Aceh (Indonesia)-Penang (Malaysia)-southern Thailand.

It represents a shift away from thinking on purely national lines — which often leads to neglect of areas outside capital cities — towards planning based on cross-border regional realities.

"Of course we want to keep Japan and the United States as our markets, but we must look east," says Syvelyn Tan, who heads the Philippine government-private sector group promoting investment in Davao.

The concept is causing so much excitement in the city that it is already fuelling a

The Philippine island of Mindanao has long been a trouble spot, with both Muslim and Communist guerrillas fighting government forces. But now, reports Gemini News Service, the coastal city of Davao is going for growth by using a new idea gaining ground in the region: regional "growth triangles" which ignore national borders.

business boom. The signs include more office buildings and three recently-opened shopping malls.

Business confidence has come slowly to Davao, which has been battered by communist and Muslim secessionist guerrillas, as well as by its reputation as a crime and murder centre. But the Communist New People's Army has withdrawn after its failed experiment to turn the city into a laboratory for urban insurrection, paving the way for peace and investment.

"We have everything — law and order, adequate water supply, good climate and a large pool of skilled agricultural labour," says Rodrigo Duterte, mayor of the one million population city.

Merle Cruz, regional director of the Department and Trade and Industry, agrees. "Everybody is crazy about Davao taking off," she enthuses. "The area embraces one of the world's richest tuna fishing grounds, as well as supplies of oil and gas, rubber, copra and grains."

The private sector has led the way in establishing links between Davao and Manado, capital of the Indonesian island of North Sulawesi, and officials

feel it will play the key role in the growth area's success. The Indonesian carrier Bouraq Airlines is making twice weekly flights to Davao and Philippine Airlines is seeking landing rights in Labuan in Sabah, which is being developed as East Malaysia's financial centre.

Cross-investments have begun. A Philippines fishing company, QBRO, has invested in a cold storage facility and

ship repair operations at Bitung while an Indonesian company, P T Intimas, has bought into QBRO's soy oil processing plant in Mindanao.

Officials point to extensive opportunities for co-operation. Mindanao's rice and corn can be shipped to East Malaysia, while the Malaysian states of Sabah and Sarawak have oil and gas. Tourism links are also being discussed.

Davao has numerous col-

leges and private hospitals, facilities lacking in Manado, whose residents will find those facilities easier to get to than ones in Jakarta, officials say.

Enthusiasts also note Davao and the rest of Mindanao has an adequate supply of hydro-electricity and thermal power — unlike Manila, where daily power cuts are common.

Improvements to transport, such as flyovers, a four-lane road linking Davao to North Mindanao and upgrading of Davao airport to international standard are also scheduled.

The respective governments are helping. Agreements have been signed by the Philippines and Indonesia for postal and shipping services between Davao and Manado. A joint commission has been established to handle border and customs issues. Malaysian Prime Minister Mahathir Mohammad has also endorsed the regional grouping.

Caught up in the excitement surrounding the idea, Davao's leaders are talking of adding Darwin, Australia, to the area.

"Darwin is closer to Davao than to Sydney," says Joji Ilagan-Bian, president of Davao's

Chamber of Commerce and Industry.

Chris Ward, Australia's trade commissioner in Manila, is more cautious. He notes that his country's Northern Territories has shown great interest in joining the other cities while stressing that it must still study the region's population and disposable income before making a commitment.

"Initially, there won't be a big volume of trade but when bridges are developed, it can be quite substantial," he says.

Perkins Shipping, one of Australia's largest freight carriers, has announced it will take Japan-bound cargo out of Darwin to cities in South Sulawesi, and then on to Bitung in North Sulawesi and Davao. Goods from Japan will travel the same route to Darwin.

Japan is the chief destination for Davao's main exports — fish, bananas, pineapples, vegetables and flowers — which totalled \$360 million in 1992. United States-based transnationals Dole, Del Monte and United Fruit operate large plantations.

Paul Dominguez, Presidential Assistant for Mindanao, whose job is to make the growth area reality, is brimming with confidence: "The plan is beyond Davao City. Davao is only a gateway."

— Cement News

