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PLO, Israel facing problems in resolving crucial trade issues

PARIS, Apr 23: The chief PLO negotiator on economic relations between Israel and the future self-governing Palestinian territories said yesterday the talks were making progress, but the crucial trade issue remained to be solved.

Abu Ala (Ahmed Korei) told Reuters in an interview that the two sides had touched "the heart of the problem" in a difficult round of talks that ended on Friday and would resume work next Monday. He defined the issue as "whether there will be a Palestinian policy for imports and trade or not."

He also said the Palestinians were still pressing to issue their own independent currency, initially in symbolic amounts, and for free movement of Palestinian labour into Israel.

It was very difficult to discuss free movement of labour when Israel was barring tens of thousands of Palestinians from travelling to their jobs in the Jewish state.

"There's a big, big difference between what is happen-

ing on the ground and the spirit of the talks in Paris," Abu Ala said.

Israel wants open markets between the Jewish state and the territories and is demanding the Palestinians set Israeli-level customs, tariffs on all but a limited list of goods to avoid becoming a gateway for smuggled goods.

However, Abu Ala said the right of the Palestinians to import basic items according to their own needs, from the Arab and Islamic world, including countries which boycott Israel, and from third countries, was at stake.

"We face a real problem because they want to put constraints on us. We believe this is mainly an attempt to protect Israeli production rather than for standardisation, health or safety," he said.

He cited cement as an example. The Israelis had wanted the Palestinians to buy from Israel rather than importing cement from outside, but had eventually conceded the Palestinian demand for free competition, he said.

The two sides have agreed on a list of goods which the Palestinians may import independently from the Arab and Islamic world. This included construction materials and plant and agricultural equipment.

The second list of household items the Palestinians will be able to import from around the world at their own customs tariffs but with a common import policy and technical standards.

"We have to be to improve the standard of living of our people, who have a much lower level than the Israelis," he said.

Israel has one of the highest customs duties in the world on imported consumer goods such as cars and electrical goods. Israeli delegates said the Palestinians had doubled the number of items on the second list at the latest round of talks.

On the currency issue, Abu Ala said the Palestinians wanted more than just their name on a Jordanian banknote.

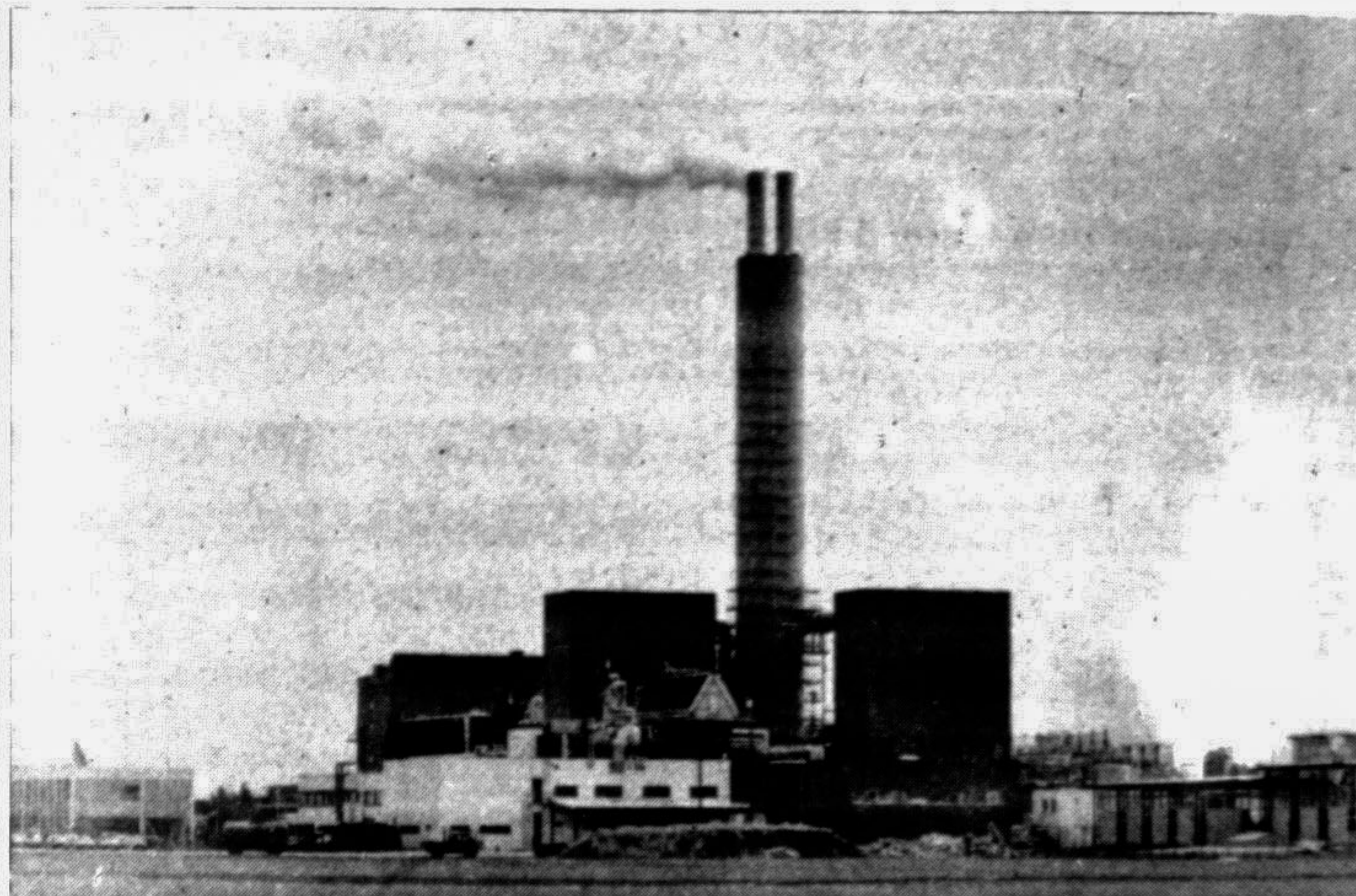
"We are speaking about a Palestinian independent currency, the right of the Palestinian authority in principle to issue a Palestinian currency at the appropriate time," he said.

The currency would not be convertible and only symbolic amount would be issued initially. Its value would not be pegged to the Jordanian dinar, Israeli shekel or Egyptian pound.

The Israeli and Jordanian currencies would remain in circulation in the territories. The Israelis have opposed an independent Palestinian currency during the five-year period of interim self-rule.

The two sides have already agreed on industry, agriculture, tourism and petroleum. The Palestinians will import and price oil products freely except for petrol, for which the pump price may not be more than 15 per cent below the Israeli price.

Abu Ala said he doubted that Israeli motorists would drive to Ramallah or Bethlehem just to tank up at cheaper Palestinian filling stations.



Waste incineration: Exemplary technology of the future for the destruction of dioxins and furfurans. This incineration plant is at Biebsheim, near Frankfurt/Main.

30 seed stores on verge of collapse

SAVAR (Dhaka), Apr 23: About 30 seed stores in two thanas of the district are on the verge of collapse in absence of maintenance and repair works, reports UNB.

There are 17 union level seed stores in Dhamrai thana and 13 others in Savar thana of the district. But the seed stores were not repaired since their establishment during the Pakistani regime in 1961-62 fiscal officials said.

Local farmers said after the independence of the country, the distribution and selling of the seeds were transferred to the BADC and the seed store godowns were turned into residential quarters for the union block supervisors.

But the godowns could not be used as quarters without necessary renovation works, they added.

Local elite urged the concerned authorities to take necessary steps for the renovation of the seed stores immediately.

Claims for jobless benefits increase in US

WASHINGTON, Apr 23: The number of newly laid-off workers filing claims for jobless benefits unexpectedly rose by 14,000 last week. It was the third straight increase, and analysts said that suggested economic growth was moderating, reports AP.

New applications for unemployment insurance totalled a seasonally adjusted 364,000, up from a revised 350,000 during the week ended April 9, the Labour Department reported Thursday.

It was the highest level of first-time claims since 375,000 were filed during the week ended February 19. Many analysts had expected a drop of about 8,000 claims.

The revised figure for the April 9 week showed that even more newly laid-off workers had filed claims than initially thought. The department's original estimate was 348,000. First-time claims had edged up by 5,000 a week earlier, to 336,000, the first increase in

four weeks. The four-week moving average of weekly jobless claims was 345,250, an increase of 6,000 and the highest level in a month.

Economists prefer to track the four-week average because it smooths out the spikes in the weekly reports and is considered a more reliable measure of hiring trends.

"This slowdown in the volatile claims data lends support to the view that the economy is slowing to a more sustainable rate of growth," maintained economist Bruce Steinberg of Merrill Lynch and Co. in New York.

The nation's economy grew at a brisk 7 per cent annual rate during the fourth quarter, the best since it raced ahead at a 7.9 per cent pace during the first quarter of 1984.

But many analysts said that pace could not be sustained and growth would slow to a rate of between 3.5 per cent and 4.5 per cent during the

first three months of this year. The government plans to announce first-quarter growth on April 28.

Treasury secretary Lloyd Bentsen told Congress on Wednesday that until the federal reserve began boosting short-term rates, the economy was en route to a 3.5 per cent expansion this year.

But, he added, the three separate increases in the federal funds rate since February, to 3.75 per cent from 3 per cent, and an accompanying increase in market-driven long-term rates likely will slow growth to 3 per cent.

Fixed-rate, 30-year mortgages averaged 8.49 per cent this week, highest since 8.54 per cent during the week of June 12, 1992, the Federal Home Loan Mortgage Corp. said Thursday. The rate, now 1.75 percentage points above the 25-year low of 6.74 per cent last October, was 8.26 per cent last week.

Fujii to attend G-7 meet

WASHINGTON, Apr 23: Japanese Finance Minister Hirofumi Fujii will attend a G7 meeting in Washington Sunday following the resolution of the political turmoil at home, a Japanese official here said Friday, reports AFP.

"Fujii will definitely be coming" to Washington for Sunday's meeting of finance ministers and central bank governors of the Group of Seven leading industrial countries, a senior embassy official said.

There had been some doubt if Fujii would represent Japan at the G7 meeting as Japan's ruling coalition struggled to resolve policy differences and agree on a new prime minister following the resignation two weeks ago of Morihiro Hosokawa in a financial scandal.

The coalition finally named Foreign Minister Tsutomu Hata — who had been frontrunner for the post — as its choice Friday and a parliamentary vote on the nomination is due Monday.

Japan, US resume trade talks in May

TOKYO, Apr 23: Japan and the United States are to resume stalled trade talks May 24 in Washington, aimed at achieving a breakthrough in time for a July summit of the Group of Seven (G-7) industrialised nations in Naples, Italy, news reports said Saturday, according to AFP.

It will be the first trade negotiations between the US and a new Japanese government led by Tsutomu Hata.

Jiji Press, citing US government officials, said the talks would cover Japan's imports of US cars and auto parts as well as common concerns including AIDS (Acquired Immune Deficiency Syndrome) and population problems.

40,000 child labourers in Patuakhali

PATUAKHALI, Apr 23: The number of child labourers is on rise in the district headquarters due to abject poverty causing great concern among the conscious people, reports UNB.

Children of the poor family are compelled to take the odd jobs in the town to earn their livelihood. On the contrary, the parents encourage their kids to take the odd job for their very existence.

These children are found working as helping hands in the hotels and restaurants, factories, motor-workshops, bicycle repairing shops and in the mess. Some of them also work as domestic servants.

In most cases these children face physical torture and are being exploited by their masters. They do not even get real wages for their 16-20 hrs labour a day.

According to international labour law children below the age of 15 are not allowed to take up hard jobs.

About 40,000 child labourers in greater Patuakhali region comprising of Patuakhali Sadar, Bamphal, Dashmina, Kalapara, Pirojpur Sadar, Ghalachipa, Amtali, Betagi, Patharghata, Barguna Sadar and Banna are carrying out these odd jobs for quite a long time.

Most of these children have no shelter to spend night. A good number of them pass their night at station platforms, veranda of the offices and on the streets.

Local leaders urged the concerned authorities to take necessary steps to rehabilitate these children for the greater interest of the society immediately.

450 projects completed
Another report says: At least 450 development projects were completed in the district under the Test Relief Progra-

Call money rate ranges from 1.15 to 8 pc

Money rates in the Call money market during the week ending April 20 ranged from 1.15 per cent to 8 per cent, reports UNB.

During the same week interest rates offered by the bank on Certificate Deposits varied from 4 per cent to 8.75 per cent.

The Bank rate, however, remained unchanged at 5.50 per cent, said a press release in the city on Saturday.

India repays \$1.13b IMF loan

NEW DELHI, Apr 23: India, its confidence bolstered by plentiful foreign exchange reserves, has announced the lump-sum repayment of a 1.13 billion dollar loan it took from the International Monetary Fund (IMF), reports AFP.

The repayment Friday, excluding interest, was in line with a February pledge by Finance Minister Manmohan Singh that the government would pay back the IMF all at once instead of following an installment schedule.

Interest charges on the 1991 loan have to be worked out. As a result of the repayment of the principal amount, India's foreign currency reserves have come down to 14.5 billion, the Reserve Bank of India (RBI) said in a statement.

Hosokawa's office fail to report investment profit

TOKYO, Apr 23: Japanese Prime Minister Morihiro Hosokawa's private office said yesterday that it had failed to report investment profits of 29 million yen (280,000 US dollars) to the tax authorities, reports Reuters.

Hosokawa's Secretary, Namio Yatsuka, told reporters nothing illegal was done and that the office would report revised profits.

Hosokawa announced on April 8 that he would resign after eight months in power to take responsibility for a row over controversial personal loans. The controversy had paralysed parliament.

The same day, Hosokawa acknowledged having discovered there were unspecified legal problems in the way an old friend had managed his funds in the early 1980s.

Yatsuka said that between June 1, 1981 and November 6, 1991, Hosokawa's office had deposited funds about 20 times — one million yen (900 US dollars) and 20 million yen (92,000 US dollars) at a time — with Yusei Kuwahata, the former publisher of an economic magazine, to manage.

Media have quoted Kuwahata as saying that in investing Hosokawa's funds he made profits of between 20 million yen (19,000 US dollars) and 30 million yen (288,000 US dollars) for Hosokawa from around 1981 to 1985.

Yatsuka said the office has not been able to find out how Kuwahata invested the money, but said that yields on the investment ranged from two per cent and five per cent a month.



Muhammad Taheruddin, Managing Director of Janata Bank, inaugurating a conference on financing agro-based industry on Wednesday.

Ukraine won't close down Chernobyl N-plant

VIENNA, Apr 23: Ukraine has refused to close down its incident-prone Chernobyl nuclear plant, scene of the world's worst nuclear disaster in 1986, a spokesman for the International Atomic Energy Agency (IAEA) said, reports Reuters.

"The Ukrainians are taking a firm line, that Chernobyl will continue to operate... even as and when new nuclear power stations are brought on stream," IAEA spokesman David Kyd told Reuters as two-day emergency talks here drew to a close.

Chernobyl's operators were planning to issue a statement in Kiev adopting an uncompromising line on keeping the plant open, officials there said.

"I have seen the statement and we are getting the same message here. No deals," Kyd said.

"If you want to help us, we are delighted, but whatever happens Chernobyl will continue to produce electricity in this decade," he quoted the Ukrainian statement as saying.

Malta's loss-making industries worrying government

What should be done with an industry making enormous losses every year? The Maltese Finance Minister has come up with the same answer as politicians all over the world — continue pouring money into it.

The Minister, John Dalli, admits it is "the equivalent of pouring water through a sieve." But he feels he has no choice. And he has the support of the entire community.

Malta Drydocks made a loss of 2.4 million Maltese liri (7.2 million US dollars) last year. Next year, says Dalli, the taxpayer will be subsidising the yard to the tune of 14.1 million liri.

"Were all this money to be invested in development, such as the purchase of plant or construction, it would not matter that such a substantial part of the country's resources was applied to this sector," he said.

But that is not the case. The money simply covers production losses by the island's single biggest employer.

With 5,281 workers on the payroll, dismissals seem inevitable — and inconceivable. Such a move would lead to enormous industrial unrest, particularly by the island's biggest union, the General Workers, to which most workers at the yard belong.

It would also be political

Loss-making industries are a headache for governments, which are under increasing pressure to sell off or kill off. But surgery is risky if the industry in question is the country's biggest employer and a major foreign exchange earner. Gemini News Service looks at the tough choice facing Malta.

suicide. The opposition Labour Party draws support for its action from the dockyard workers, so it certainly does not want to come into conflict with them.

The ruling Nationalist Party is equally against discharging workers. When it won the 1987 election after 16 years in the wilderness, it found that hundreds of people had been given jobs in the already over-staffed public and parastatal sector during the months before the poll in an attempt by Labour to hold on to power. But no-one has since been fired.

In any case, there is no other industry to offer alternative jobs. In addition, the dockyard workers are among the most skilled in the country. Shipping companies such as Britain's Cunard Line, whose ships regularly use Maltese facilities for refits and refurbishments, have been unfailingly full of praise for the speed and quality of the work.

Part of the problem is the international recession in ship-repair and shipbuilding, with a consequent tightening

of competition between shipyards.

Many other yards are experiencing similar difficulties. Malta Drydocks' closest competitors, Lisnave in Portugal

and Skaramanga in Greece, have both laid off workers. Competition from low-cost East Europe has been severe. Even to maintain its present unsatisfactory position, Malta

has been forced to give discounts of up to 60 per cent on contracts.

However, Prime Minister Eddie Fenech Adami says the international situation cannot allow account for the crisis.

"Management was not good enough and there had been no innovative thinking on ways to pull the yard of this situation," he commented during a radio interview.

Some efforts have been made. A revitalisation drive was launched by the Nationalist Government in 1989 through a promised injection of 10 million liri over a 10-year period. The aid included financial arrangements that wiped out a number of debts and put a moratorium on loan and interest repayments. Another 500,000 liri was added to the taxpayers' bill when the yard's training centre became the responsibility of the Ministry of Education.

An early retirement scheme offered inducements in the hope of cutting the workforce by 1,500. Only 334 workers took advantage of it. Another loss-making industry, Malta Shipbuilding, is also worrying the government. It has proved

