



DHAKA SUNDAY, APRIL 24, 1994



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 Koreil) 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."

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.

"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.

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30 seed stores on verge of collapse

SABAR (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.

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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 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.

Nuclear experts from 13 western countries have been meeting Ukrainian officials at a meeting convened by the IAEA.

It would also be political

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.

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.

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 overstuffed 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 competitor, Lissave 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 alone 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

to be the white elephant the labour Government of the day had been warned it would become.

Its one major order, the construction of eight timber carriers for the Soviet Union's Sudost import company, came a cropper years ago. First came delays in delivery dates, as a result of the inexperience of the yard and constant changes in the design of the vessels by the owners.

Then came the collapse of the Soviet Union and the virtual bankruptcy of the company. Only two ships have been delivered. Four others have been completed but sit idle because the yard will not let them out of its sight until Moscow has paid for them. Work on the last two ships will continue this year.

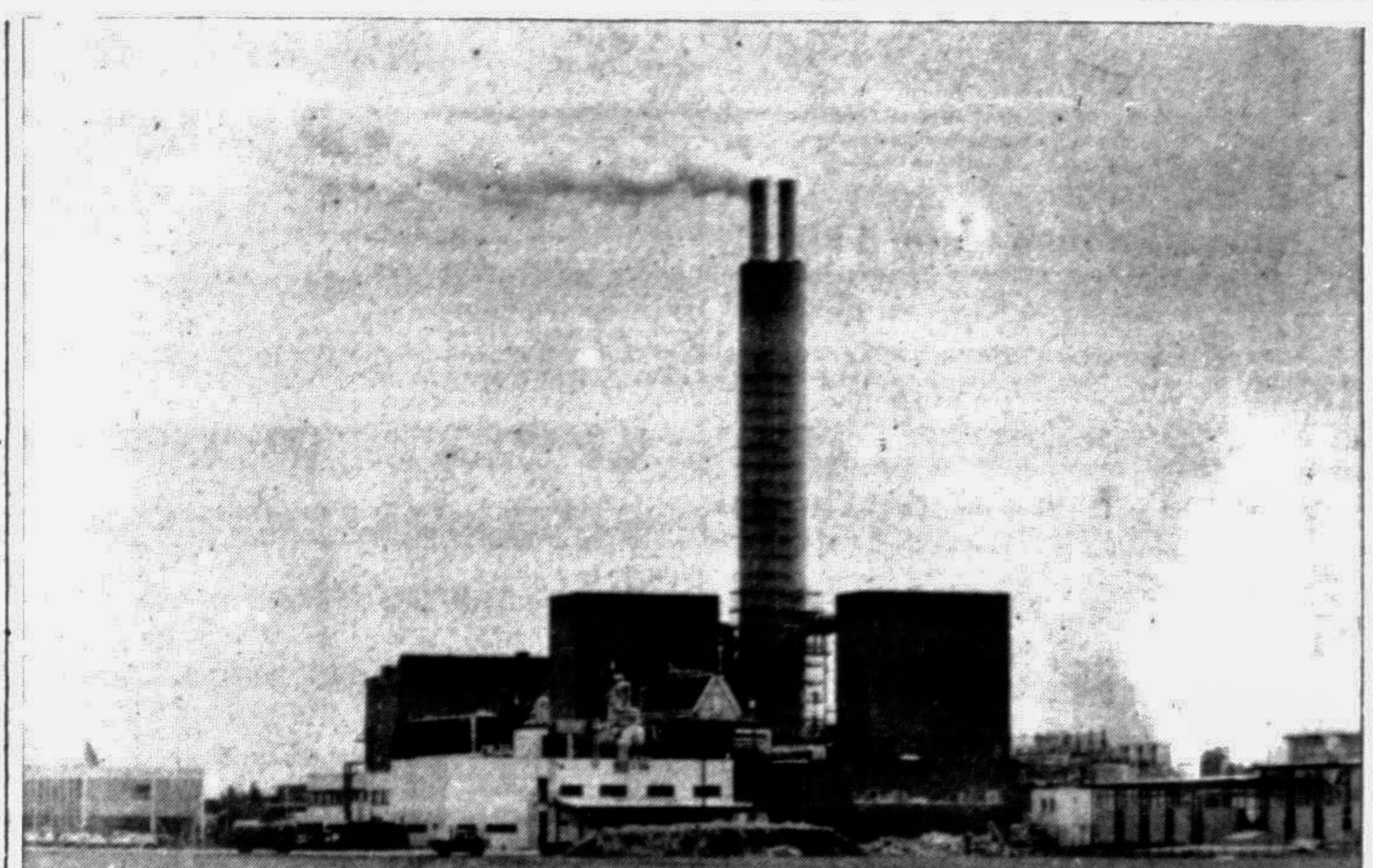
A 7,700 tonne tanker for Norway and two off-shore supply vessels for China are also under construction.

Dalli says that if Malta Shipbuilding retains its present structure, it can survive only with significant financial support from government. Steps are being taken to restructure the enterprise, said the Minister, "in an endeavour to improve its long-term prospects."

That means another hefty bill to be footed by the taxpaying government.



Malta's loss-making industries worrying government



Waste incineration: Exemplary technology of the future for the destruction of dioxins and furfuranes. This incineration plant is at Biebesheim, near Frankfurt/ Main. — IN photo

Fujii to attend G-7 meet

WASHINGTON, Apr 23: Japanese Finance Minister Hiroshi Fujii will attend a G-7 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 G-7 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.

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

Japan 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

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

According to official sources, 860 metric tons of wheat were utilised for the implementation of the projects.

The projects included construction of bridges, repair of roads and culverts, development of educational institutions, cleaning of drains, bushes and jungles.

With the implementation of the projects road communication with the district headquarters has been improved to a great extent.

Poultry farm inaugurated in Bogra

BOGRA, Apr 23: State Minister for Finance Mojibul Rahman said, the government was determined to alleviate sufferings of the unemployed by providing training and creating self-reliant schemes on poultry, pisciculture, diary and tailoring, reports BSS.

He said this as the chief guest while inaugurating a project of poultry farm of Changnir Social Welfare Association in the district yesterday.

The minister called upon all to come forward help implement the development programmes taken by the government to ensure the socio-economic uplift.

The function was addressed, among others, by programme co-ordinator of youth training centre, Bogra Dr Mir Zalal Uddin, District Fishery Officer A S M Rasheedul Haque, Deputy Director of Social Welfare Department, Bogra Abdul Majid.

The minister also opened a newly constructed non-government primary school in the district.

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 20 million yen (280,000 US dollars) to the tax authorities, reports Reuter.

Hosokawa's Secretary, Naoko Yatsuka, told reporters nothing illegal was done and 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 (9.00 US dollars) and 20 million yen (92.00 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 (19.00 US dollars) and 30 million yen (288.00 US dollars) for Hosokawa from around 1981 to 1985.

Yatsuka said the office had 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.