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Scientists say
world faces
food shortage

WASHINGTON, May 27: World food production may need to triple to feed the growing population, and a pair of scientists say mankind may lack the ability to raise crops on that scale, reports AP.

"A business-as-usual scenario points to looming shortages of food," said Massachusetts Institute of Technology Professor Henry Kendall, a Nobel winner, and David Pimentel, Cornell professor of insect ecology and agricultural sciences. Their report was sponsored by the Union of Concerned Scientists.

Under the middle of three UN estimates of growth, the population will double to more than 10 billion by 2050.

In this case, the authors said, food production would have to triple. That, they write, is unrealistic.

The human race now appears to be getting close to the limits of global food productive capacity based on present technologies, the scientists said.

In an interview, Kendall said that a wide spectrum of agricultural experts "are desperately worried about the food problem."

Pakistan's forex reserves reach record \$ 1.99 b

KARACHI, Pakistan, May 27: The State (Central) Bank of Pakistan said foreign exchange reserves rose to 1.99 billion dollar on May 19, from 1.91 billion dollar on May 12, the highest level since hitting 1.97 billion dollar on April 28, reports Reuter.

The bank gave no reason for the rise.

It said it also held gold coins and bullion-worth 667 million dollars.

The reserves include 465 million dollars in cash and short-term securities held abroad, 1.52 billion dollar in foreign exchange within Pakistan and 3.6 million dollar special drawing rights held with the International Monetary Fund.

Malaysia lauds US decision to renew China's MFN status

KUALA LUMPUR, May 27: Malaysia lauded the US decision to renew China's most-favoured-Nation (MFN) status against the wishes of human rights activists, saying today that the decision recognized Asia's growing clout, reports AFP.

"We are very happy for China," Foreign Minister Abdullah Badawi said of the MFN decision, announced Thursday by President Bill Clinton, which also abandoned a controversial US policy of linking trade and human rights.

Abdullah said the decision would give China more influence as a leading Asian economic power and end worries about Washington's commitment to trade in the region.

But he warned regional businesses involved in China that they would now have to work harder as US companies could be expected to attack the Chinese market more vigorously.

"American companies have always been interested in China and I think they'll be growing in a bigger, 'bigger way,'" Abdullah said.

"You cannot expect the playground to be laid in the way most convenient to US. No place is so favourable that you can do nothing and hope to gain everything."

Air India ground staff on strike

BOMBAY, May 27: Air India's round staff, including ticket issuers, have gone on strike for higher wages, disrupting several international flights out of Bombay, an airline spokesman said today, reports Reuter.

The spokesman for the state-run airline said flights to London, Abu Dhabi, Frankfurt, Jeddah and Muscat were cancelled on Thursday night because of the strike.

Three other flights — to Singapore, Nairobi and London — were rescheduled for today, he said. He had no comment on today's scheduled flights.

The strike was the latest in a series of labour disputes involving Air India staff, including pilots.

China, Russia call for expanded bilateral economic, trade ties

BEIJING, May 27: The premiers of Russia and China called here today for expanded bilateral economic and trade ties, saying current levels of cooperation were falling far short of their vast potential, reports AFP.

During more than two hours of talks, visiting Russian Prime Minister Viktor Chernomyrdin and his Chinese counterpart Li Peng agreed that both sides needed to explore new avenues of cooperation to boost the development of trade links, especially across their common border.

Following their talks, the premiers signed seven agreements, including accords on a system for administering their 4,000 kms (2,500 miles) border, the avoidance of double taxation, marine transport, and economic, scientific and technological cooperation.

During their meeting, both men stressed the importance of improving transport links to support the development of trade ties, calling for railways on both sides of their eastern border to be connected.

Describing the signing of the seven agreements as a

"concrete manifestation of friendly bilateral relations," Chernomyrdin said the accord on administering the Sino-Russian frontier paved the way for a "border of peace, friendship and cooperation."

Moscow has repeatedly expressed concerns over the number of Chinese crossing the Sino-Russian border and announced new visa restrictions for Chinese nationals earlier this year.

The Russian side has also complained about the poor quality of Chinese imports and high Chinese tariffs for Russian goods.

"So long as both sides adopt a positive attitude and improve macro regulations these problems will be resolved gradually," Li told his counterpart.

The two sides also agreed to develop cooperation in the field of military technology, although the foreign ministry spokesman stressed that the scope for cooperation was slight.

"China's defence budget is

very small, so what we can do in this field is very limited," Wu said.

The country's defence budget for 1994 is estimated at six billion dollars but western experts say the actual sum is far greater.

The two premiers also discussed the need to move away from barter trade, which currently accounts for some 70 per cent of bilateral transactions.

"Both sides agreed to develop trade by gradually introducing the use of convertible currency," Wu said.

Li and Chernomyrdin both emphasised that Sino-Russian relations were a foreign policy priority for Beijing and Moscow, and that friendly relations were essential to regional peace and stability.

Chernomyrdin was scheduled to hold talks with President Jiang Zemin later in the day before leaving for the eastern city of Shanghai. The Russian premier will also visit the northeastern city of Dalian before returning home.



The visiting Vietnamese Foreign Minister Nguyen Manh Cam called on President Abdur Rahman Biswas at Bangabhaban on Thursday. — PLD photo

Asian stock markets close mostly higher

ing eroded early gains.

HONG KONG, May 27: Asian stock markets closed mostly higher Friday, with both the US dollar and share prices rising in Tokyo, reports AP.

Tokyo's 225-issue Nikkei Stock Average gained 281.36 points, or 1.37 per cent, to 20,777.16, its highest finish this year. On Thursday, the average fell 167.83 points, or 0.81 per cent, closing at 20,495.80.

The Tokyo Stock Price Index of all issues listed on the first section was up 19.78 points, or 1.20 per cent, to 1,670.76.

Meanwhile, the dollar finished at 104.53 yen, down slightly from its "open" at 104.55 yen but up 0.38 yen from its previous close in Tokyo.

In Hong Kong, share prices closed mixed after profit-taking.

DSE price index rises by 14.30 points in 2 days

Though the country's bourse, Dhaka Stock Exchange, operated only for two days after a long break of five-day government holiday, the presence of foreign buyers and the activity of enthusiastic local buyers pushed DSE All Share Price Index 14.30 points up, reports BSS.

However, the volume of shares which changed hands was thin as the investors and market operators are yet to join the activity after ending their holidays.

The brokers at DSE apprehended a surge in the trading in the Dhaka Stock Exchange in the next week which suffered prolonged sluggish trend due to the absence of foreign investors.

A broker said the market would be more active with big investors taking part in the trading next week unless there is any political or other major disturbances.

Market analysts also said the speech would give confidence to overseas investors who have been delaying their entry into South Africa until their clarity on future economic policy.

JOHANNESBURG, May 27: Business, labour and the media yesterday hailed President Nelson Mandela's speech to parliament in which he launched an attack on poverty but remained committed to fiscal discipline, reports AFP.

"Encouraging and reassuring" was the verdict of the South African Chamber of Business (SACOB), which represents the bulk of the country's large companies.

A SACOB spokesman also said business was more than willing to support Mandela's Reconstruction and Development Programme (RDP) which aims to attack the backlog in black areas created by apartheid.

Dealers said the market had reacted positively, especially to the re-appointment of central Reserve Bank governor Chris Stals.

Market analysts also said the speech would give confidence to overseas investors who have been delaying their entry into South Africa until their clarity on future economic policy.

BCCI liquidators win court victory in London

LONDON, May 27: The liquidators of the Bank of Credit and Commerce International (BCCI), which was forcibly closed in 1991, won a court victory in London on Wednesday enabling them to move forward with their biggest single legal claim, reports Reuter.

The British High Court gave its go-ahead for a 10.5 billion dollar law suit filed in 1992 by liquidators against a top Saudi banker, Sheikh Khalid Salim Bin Mahfouz, Saudi Arabia's National Commercial Bank (NCB) and a Pakistani banker, Haroon Rashid Kahlon, to proceed.

The three defendants had tried for over a year to get the court to throw out the suit before formal hearings even began.

Mandela focused on the RDP in his state of the nation address to parliament in Cape Town on Tuesday, ending his speech with an appeal to all South Africans: "Let us get down to work..."

Mandela set himself a target of 100 days to address "major areas of desperate need" with projects "under the direct supervision of the president."

He listed these as free medical care in state hospitals for pregnant others and children under six, a feeding scheme in primary schools, the electrification of 350,000 homes during the current fiscal year, a campaign to rebuild townships, and efforts at job creation and training.

Mandela also committed the government to "overall financial stability" and limits on spending, a promise praised by

The media also heaped praise on Mandela Wednesday, with Johannesburg's financial newspaper Business Day terming the speech an "inspired, positive and attainable vision."

The Star newspaper called Mandela's address "romantic and wonderfully unifying".

In an editorial, the Cape Times newspaper termed Mandela's speech "appropriately positive and hopeful and well-calculated to inspire confidence in the fiscal policies of his government of national unity."

Delhi's decision to exempt duties from imported sugar slated

NEW DELHI, May 27: Indian traders on Thursday slammed the government's decision to exempt imported sugar from duties, saying it promoted unequal competition and a further slump in production, reports AFP.

The Indian Sugar Mills Association (ISMA) urged the government to impose duties, limit imports to 500,000 tonnes and to revise prices of both indigenous and foreign sugar.

"While imports may be a short-term expedient (to meet shortages), it would be a pity of India, basically in agro-base country, is relegated to the position of a regular sugar importer," ISMA chief V K Goel told reporters.

Goel called for an increase in the prices of locally-produced sugar, saying the "ridiculously low" level set by the government did not offset production costs.

"If the sugar prices are artificially pushed to lower economic levels, output may not keep pace with the requirement an uneconomic working would cause a decline in production," he warned.

India decided to import sugar to control prices after domestic production fell by a million tonnes from its target this year to about 10.6 million tonnes.

Chile privatises airline

SANTIAGO, May 27: The government on Thursday completed the privatisation of LAN-Chile, the largest Chilean airline, by selling 23.82 per cent of the stock it still retained in the company, reports AP.

LAN said Enrique Cueto, a private Chilean investor who already owned 21.47 per cent of LAN-Chile, paid 10.7 million dollars for the stock by the government.

LAN was the first state company earmarked for nationalisation by the two-month-old government of President Eduardo Frei.

The others are the shipping company Empresarial, a subsidiary Trans Container, and a power company supply a large northern area.



Singapore Prime Minister Goh Chok Tong shows to three-year-old William Yeo, the youngest son of George Yeo, Minister for Information and the Arts, leopards Thursday after officially opening the night safari park. The 40-hectare park which cost \$ 3.9m is first of its kind in the world. — AFP photo

and sales opportunities in China for American companies, economists and trade experts say.

"You will see relatively more US firms making commitments in China and American companies winning contracts in China that would have otherwise gone to their foreign rivals," said R K Morries, who oversees international trade policy for the National Association of Manufacturers in Washington.

The Japanese government's food agency plans to stop sales of Thai rice to wholesalers at the end of August, Kyodo news service quoted officials as saying.

Thai rice is reportedly not popular among Japanese consumers because of its taste, different from Japanese rice.

Japan's rice sales of Thai rice since late last year have reached 570,000 tonnes, against its total rice imports of 1.7 million tonnes in the same period, officials said.

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With MFN, which is ex-

"China is going to import \$1 trillion worth of capital goods by the end of the decade," said Lardy. "The US has a chance to capture a significant portion of that. Exports to China would continue to be our most rapidly growing market."

Clinton's decision also is good news for consumers, who will continue to enjoy low prices for clothing, toys and other goods for which China — the world's low-cost producer — has become a key supplier to US markets.

"We've preserved access to this huge and important market," he added. "The political risk associated with US policy has been dramatically diminished. One problem of US competitiveness has been eliminated."

Added Nicholas Lardy, a University of Washington economist who studies China: "For many Fortune 500 companies thinking about making investments, the potential for Chinese retaliation if MFN was lost was a major calculation."

Even while the MFN question wasn't resolved, US firms last year signed contracts to invest \$1.68 billion in China, more than double the amount pledged in 1992, reflecting the intense interest in China's booming economy.

Clinton on Thursday renewed most-favoured-nation status for China, granting the lowest possible US tariffs to Chinese goods, and said there would be no link between future MFN renewals and human rights.

It was a retreat from last year, when Clinton said that

China must show "overall significant" human rights progress to win MFN renewal this year.

In a statement, China's Foreign Ministry said Clinton's decision would pave the way for better trade cooperation and relationships between Washington and Beijing.

But it urged Clinton to lift existing US trade sanctions on China, mostly bans of high-tech equipment that were imposed after the Chinese army assaulted protesters at Tiananmen Square in 1989.

Human rights campaigners were incensed at Clinton's decision, saying Beijing's human rights record was worse not better than when Clinton linked it to MFN renewal last year.

"Clinton has left his administration looking vacillating and hypocritical, while the Chinese leadership, by contrast, has emerged as hardened, uncompromising and victorious," said Sidney Jones, executive director of Human Rights Watch/Asia, based in New York.

Clinton's decision Thursday renewed most-favoured-nation status for China had been the basis of an annual battle in Washington, forcing American businessmen to lobby hard for its renewal.

On Friday, businessmen

had a sigh of relief.

"It means I won't have to spend one-third to one-half of

my time each year trying to get MFN renewed ... Time I would rather have spent improving relations with my Chinese partners," said Phil Carmichael, president of the American Chamber of Commerce in Beijing.