

Task force to be set up soon to study GATT accord

A task force will be set up soon for best exploitation of the GATT accord with special attention to local industries, Commerce Minister M Shamsul Islam said here yesterday, reports UNB.

Islam said that the task force comprising local and foreign experts would study the general trade agreement and the World Trade Organisation (WTO) to see how best the country could benefit from the accord.

Some 140 countries have signed the General Agreement on Tariffs and Trade (GATT) accord recently at Marrakesh in Morocco. World Trade Organisation, to be set up soon, would supervise the accord after its implementation from next January.

Inaugurating a seminar on "Free Market Policies and Their Impact on Bangladesh Economy," the commerce minister termed GATT as a part of free market economic system and stressed that the

country should utilise the treaty.

"We should be integrated with the globalised system. The country has to make separate agreements with 140 countries if it does not abide by the accord."

In this context, the minister stressed the need for further expansion and diversification of export which made a commendable advancement in last few years compared to other neighbouring countries.

FBCCI president Mahbubur Rahman, DCCI president A Rob Chowdhury and vice president Sajjatu Juma also spoke at the inaugural function of the day-long seminar, organised by DCCI at its auditorium.

Referring to the government's various measures towards economic liberalisation, the commerce minister said more steps should be taken for the success of free market economy.

Islam called on the busi-

nessmen to improve the quality of products and maintain stable price for the benefit of general consumers.

FBCCI president Mahbubur Rahman said the country is now at the doorstep of a weak public sector and an active private sector as the result of the economic and financial measures carried out during the last few years.

"Bangladesh should frame up strategy conforming with the reality of the country's socio-economic context following the signing of general agreement," he observed.

The FBCCI president said the developed world is protecting its interest through market mechanism and it has become imperative to protect the interest of our own industry.

"We want free market economy, but we want an ethical practice in the market," Rahman said.

About the country's present economic situation, DCCI

president A Rob Chowdhury said the government should be ready to provide every kind of assistance to create a congenial environment for the flourishing of local industries.

He also stressed the need for an integrated strategy for economic development.

The DCCI president made a pointed reference to hartal and strike and said the Opposition should pursue alternative programmes to realise their demands.

DCCI economic consultant Dr C A F Dowlah presented the key-note paper based on a recent survey on the country's economic situation at the first working session presided over by Dhaka Stock Exchange chairman Khurshid Alam.

Former Deputy Prime Minister Jamal Uddin Ahmed was the guest of honour in the session. Former DCCI president M Yunus and Holiday editor A Z M Enayeturrahman took part in the discussion.



M Shamsul Islam, Commerce Minister (3rd R), inaugurating a seminar on "Free Market Policy and Its Impact on Our Economy" as chief guest, organised by the Dhaka Chamber of Commerce & Industry (DCCI) yesterday at its auditorium. A Rob Chowdhury (3rd L), President, DCCI, Mahbubur Rahman (2nd R), President, Federation of Bangladesh Chambers of Commerce & Industry (FBCCI), Sajjatu Juma (2nd L), Sr Vice-President, DCCI, Md Sirajuddin Malik (Extreme R), Vice-President, DCCI and A S M Quasem (Extreme L), Convenor, Seminar and Symposium Standing Committee. DCCI are also seen the picture.

ECNEC approves Tk 1,032cr project

The government yesterday approved the second road rehabilitation and maintenance project (RRMP-II) at a cost of over Tk 1,032 crore including a foreign exchange component of Tk 476 crore, reports BSS.

The approval was given at a meeting of the Executive Committee of the National Economic Council held at the cabinet conference room with Finance Minister M Saifur Rahman in the chair.

Under the project, 170-kilometre roads will be reconstructed and rehabilitated in greater Rajshahi and Rangpur districts. It also aimed at periodic maintenance of another 2,000 kilometres of roads in greater Khulna, Jessore, Barisal and Rangpur districts.

Of the total amount, the World Bank will provide Tk 619.50 crore for the project scheduled to be completed by 1998-99. The remaining expenditure of Taka 412.62 crore will be met from the government's own resources.

LGRD and Cooperatives Minister Barrister Abdus Salam Talukdar, Communications Minister Oli Ahmed, Commerce Minister M Shamsul Islam, Minister of State for Planning Dr Mayeen Khan, members of Planning Commission and secretaries concerned attended the meeting.

US seeks to fine 26 firms over \$1 m

WASHINGTON, May 31: US officials are seeking to fine 26 companies more than one million dollar for allegedly spilling oil or other hazardous materials into US lakes or streams, according to a USIS press release.

In another case, the US Environmental Protection Agency (EPA) and the Department of Justice have begun criminal proceedings against a cruise ship that is said to have dumped waste oil and bilge water that left a four-kilometer slick off the southern Atlantic Ocean tip of the United States.

The ship was identified as the Viking Princess and under several federal laws the owner, Palm Beach Cruises, SA could be fined up to dollar 500,000 and officials sent to jail for up to 10 years.

The two agencies also brought two civil suit against the Burlington Northern Railroad Company, charging that three derailments resulted in the spilling of oil and other hazardous substances into several rivers. One spill forced the evacuation of 50,000 nearby residents, the two agencies said in a press release May 26.

Washington showing more interest in energy efficiency: IEA

WASHINGTON, May 31: The International Energy Agency (IEA) says that the Clinton administration is showing a greater commitment to energy efficiency than its predecessor and this is a major reason for giving its energy policy "generally high marks," says a USIS press release.

Heiga Steeg, IEA executive director, praised at a news conference May 26 the Clinton administration's goals of greater energy efficiency, reduction of greenhouse gases and promotion of technology that uses such renewable sources of energy as the sun.

"The ... direction of the US policies is consistent with agency objectives," she said. The IEA was formed by 23 industrialized countries after several Middle Eastern states stopped oil sales to industrialized countries during the Egyptian-Israeli war of 1973. The agency encourages cooperation among its members to promote energy security.

The Bush administration began to stimulate energy efficiency through legislation that created efficiency standards for electrical appliances, gave tax incentives for renewable sources of energy and required federal and state motor vehicles to switch to natural gas and other alternative fuels, according to an IEA report made public by Steeg.

But the current administration has gone further and enlisted the cooperation of private industry to increase energy efficiency while aiming to reduce emissions of greenhouse gases to 1990 levels by the year 2000, she said. The United States has ratified a treaty that sets that reduction as a nonbinding goal.

An intergovernmental panel of scientists has warned that Earth might warm and produce drastic changes in climate if greenhouse gas emissions are not reduced. Steeg warned, however, that it will not be easy in the United States or other industrialized countries to reduce greenhouse gases because they are produced largely by the burning of such fossil fuels as coal and oil, which are the prime sources of energy for industry, offices and homes.

The United States may find that it will have to increase efforts to improve energy efficiency at the use of alternative fuels to achieve its greenhouse gas reduction goal, she said.

Another area of concern to the IEA, which reviews the energy policies of each member country once every four years, is the growing US dependence on imported oil, she said.

According to an IEA report made public by Steeg.

But the current administration has gone further and enlisted the cooperation of private industry to increase energy efficiency while aiming to reduce emissions of greenhouse gases to 1990 levels by the year 2000, she said. The United States has ratified a treaty that sets that reduction as a nonbinding goal.

An intergovernmental panel of scientists has warned that Earth might warm and produce drastic changes in climate if greenhouse gas emissions are not reduced.

Steeg warned, however, that it will not be easy in the United States or other industrialized countries to reduce greenhouse gases because they are produced largely by the burning of such fossil fuels as coal and oil, which are the prime sources of energy for industry, offices and homes.

The United States may find that it will have to increase efforts to improve energy efficiency at the use of alternative fuels to achieve its greenhouse gas reduction goal, she said.

Another area of concern to the IEA, which reviews the energy policies of each member country once every four years, is the growing US dependence on imported oil, she said.

Total US energy demand rose in 1992, the last year for which the IEA has figures, to 1,984 million metric tons of the equivalent of oil, after two years of decline. US oil production fell in 1992 while net imports increased 11 per cent, according to the IEA report.

Oil imports now account for about 44 per cent of total US consumption of oil and are expected to continue rising.

Steeg urged US officials to consider lifting the ban on oil exploration on parts of the outer continental shelf off the Atlantic, Gulf and Pacific shores. She also urged lifting the ban on exports of oil produced in Alaska.

Both bans are in force largely at the insistence of environmentalists who are trying to protect what they consider ecologically fragile zones.

Susan Tierney, assistant secretary of energy for policy, planning and programme evaluation, said at the same news conference that the administration is studying whether the ban on Alaskan oil should be lifted. When asked how long before the study is completed, she said: "Not long."

She praised the IEA report as a whole as being a "very fair and balanced review."

Malaysian trade team meets Zahir

A three-member Malaysian investors team led by Abdul Karim Ahmed Tarmizi called on Industries Minister A M Zahiruddin Khan at his office here Tuesday, reports BSS.

During the meeting, the team informed the minister that they intended to set up a PVC plant with a production capacity of 40,000 tons per annum in Bangladesh. They discussed setting up of joint venture projects in Bangladesh on the basis of mutual and comparative opportunities and advantages.

The team informed the minister that the Bangladeshi workers in Malaysia were performing their duties well with skill and responsibility. Malaysians are employing Bangladeshi workers in their own plants and intend to increase their number, the team said.

Rouble continues downward slide

MOSCOW, May 31: The rouble continued its downward slide Monday and was quoted at 1.908 to the US dollars, down from 1.904 during the previous trading session on the Moscow interbank currency exchange, reports AFP.

Volume of trade totalled 11.25 million dollars with demand for dollars at 42.3 million dollars exceeding offers of 38.55 million dollars.

The rouble crossed the 1,900 threshold last week as President Boris Yeltsin announced a series of economic decrees to stop a dramatic plunge in production.

Industrial output fell 24 per cent in the first quarter compared to last year and experts have warned of mass unemployment and shutdowns this summer.

US dollar down, gold up

LONDON, May 31: The US dollar fell against other major currencies in early European trading Tuesday. Gold prices were higher, reports AP.

In Tokyo, the dollar closed at 104.38 yen, down 0.02 yen from Monday's close. Later in London, the dollar was quoted at 104.57 yen.

Other dollar rates compared with late Monday: 1.6402 German marks, down from 1.6455; 1.3991 Swiss francs, down from 1.4025; 5.6090 French francs, down from 5.6210; 1.8440 Dutch guilders, down from 1.8500; 1.590.75 Italian lire, down from 1,598.50; 1.3849 Canadian dollars, down from 1.3853.

The British pound was quoted at 1.5105 dollars, up from 1.5095 dollars late Monday.

London's major bullion dealers fixed a recommended gold price of 386.25 dollars per ounce at mid-morning, up from 385.75 dollars bid per ounce late Friday. London markets were closed Monday for a national holiday.

In Zurich, the bid price was 386.10 dollars up from 385 dollars late Monday.

In Hong Kong, gold rose 0.54 dollars to close at a bid 385.92 dollars.

Silver traded in London at 5.47 dollars a troy ounce, down from 5.50 dollars a troy ounce Friday.

57pc traders disclose in DCCI survey

Economy worse than pre '91 days

Some 57.14 per cent Dhaka-based business people feel that the present state of the economy is worse than pre-1991 days, says a survey report of Dhaka Chamber of Commerce and Industry (DCCI), reports UNB.

According to the survey conducted by the Research Cell of DCCI from April-May this year, 24.37 per cent respondents said that the overall economic situation is "better than before" while 17.65 per cent described it as "normal" or "average."

The survey showed that 54.62 per cent respondents said the industrial environment in the country is worse than the pre-1991 period while 26.05 per cent said it is "better" and 10.92 per cent said normal or average.

About the current taxation policies in the country, an overwhelming 85.71 per cent respondents said they did not support the policies while only 11.76 per cent support it and 2.52 per cent did not give any comment.

Some 71.43 per cent respondents disliked current banking and financial policies in the country, 21.85 per cent expressed their support, 1.68 per cent showed indifference and 5.04 per cent gave no comments.

DCCI economic consultant Dr C A F Dowlah presented the findings of the survey in a seminar on "Free Market Policies and Their Impact on Bangladesh Economy" yesterday at DCCI auditorium.

He said the survey conducted among 119 people covered Motijheel, Kakrail, New Market, Gulshan, Banani, Dhokhal, Moulvi Bazar, Shyam

Bazar, Chawak Bazar, Babu Bazar and Tejgaon areas. Leading personalities of business community were also interviewed.

The respondents represent all types of industries — small, medium and large-scale, retail and wholesale trade, indenting, manufacturing and other production areas, Dowlah said.

The survey revealed that 59.66 per cent respondents did not approve the current liberalisation policies in the country while 35.27 per cent were happy with those and 5.04 did not give any comment.

About the current industrialisation practices, 42.02 per cent gave their opinion in favour, 54.62 per cent did not support, 0.84 per cent expressed indifference and 2.52 per cent did not comment.

Most of the respondents pointed out that the current state of their business is worse than before and the flow of business income has decreased.

Some 60.50 per cent respondents said their business state is worse than before, 15.13 per cent said better and 21.01 per cent said it was normal or average while 3.36 per cent preferred not to comment.

With regard to flow of business income, 63.03 per cent said it has decreased, 15.97 per cent said increased, same percentage of people said it remained at the same level as before and the others did not comment.

The maximum increase in income was reported to be about 50 per cent while maximum decrease of income was almost 80 per cent.

In response to a question whether they took up any expansion programme for their business in last three years, 28.57 per cent answered in the affirmative, 68.07 per cent answered in the negative and 3.36 per cent refrained themselves from making any comment.

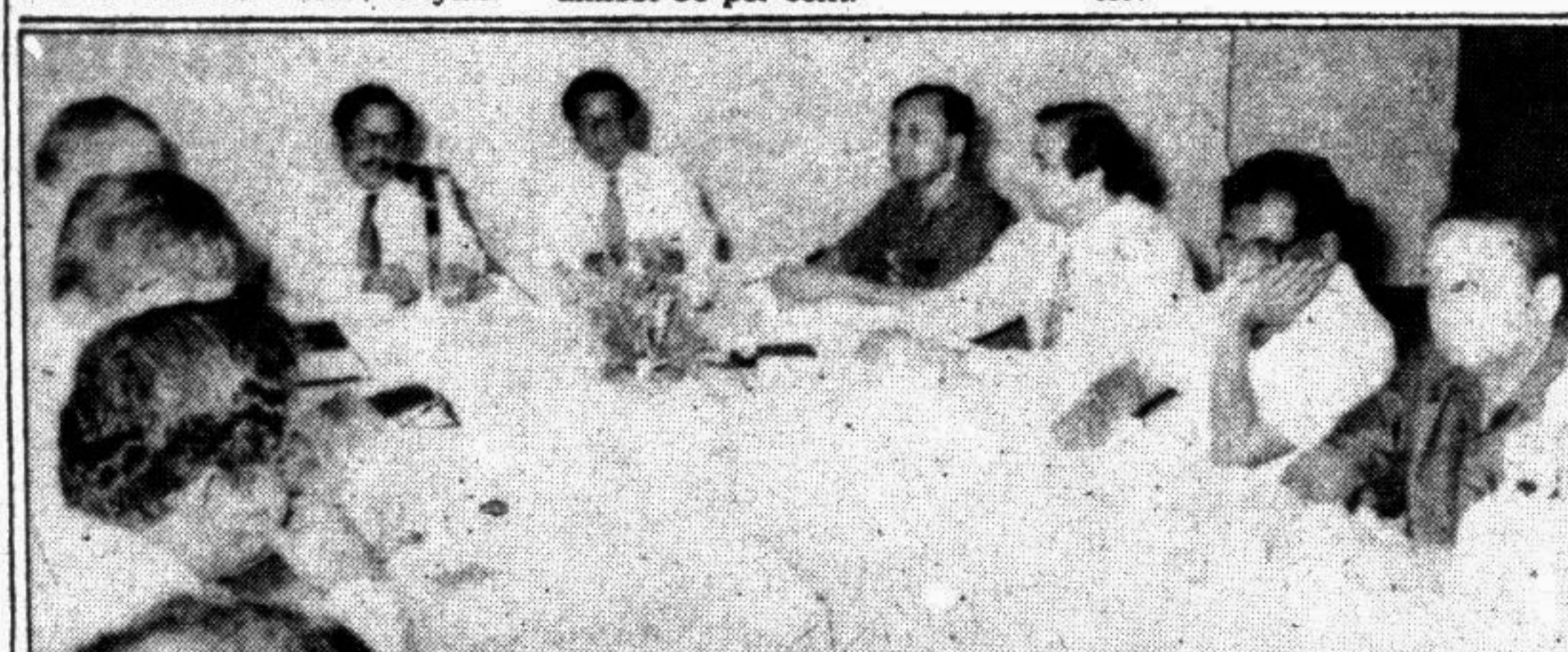
The respondents identified frequent changes of government policies, political instability, deteriorating law and order situation, lack of government planning, corruption, reduction of purchasing power, depriving the peasants of fair prices for their products and increasing taxes, including corruption associated with VAT collection, as the major reasons for sluggishness of the overall economy.

They also identified problems relating to industrial environment, business activities, industrial and taxation policies and banking sector.

The DCCI suggested a package of 18 recommendations.

Those include a clear national consensus agreed upon by the government and opposition leadership, dynamic comparative advantage based industrial strategy, creating business friendly institutions and attractive package of incentives.

The recommendations also include raising the utilisation capacity of ADP and reducing system loss in public sector enterprises, liberalisation of policies in consultation with the private sector, making a facilitatory bureaucratic system, development of capital market and enabling environment for a robust private sector.



A H Mofazzal Karim, Commerce Secretary, speaking on the government's import policy at the monthly luncheon meeting of the Foreign Investors Chamber of Commerce and Industry at Dhaka Sheraton in the city yesterday. FICCI President Mahbub Jamil presided over the meeting.

Singapore suspends sale of tobacco for one day

SINGAPORE, May 31: Stores were asked not to sell cigarettes Tuesday to mark World No-Tobacco Day, and all tobacco products must carry more conspicuous health warnings from June 1, reports AP.

Several retail outlets agreed to the request to suspend sales for one day, the Health Ministry said.

Warning labels must be displayed on all cigarettes, cigars, pipe tobacco and other items with one of four messages to push Singapore's drive against smoking.

"Smoking kills" and "smoking harms your family" have been added to "smoking causes heart disease" and "smoking causes cancer."

Tar and nicotine content must also be printed on cigarette packs under a new law which also specifies the type and size of print to be used in the warnings.

First offenders can be fined up to 10,000 dollars (US 6,536 dollars) and/or be jailed for up to six months. Later convictions carry a penalty of up to 20,000 dollars (US 13,072 dollars) and a year behind bars.

Last year, fines were imposed on youths under 18 carrying cigarettes in public, whether or not they were actually smoking.

Under the same law, school teachers can recommend fines for students found smoking. Those caught selling tobacco to minors face a 10,000 dollar

fine. Despite years of effort in this socially-engineered island, a survey showed that the smoking rate among youths aged 18 and 19 tripled from five per cent in 1987 to 15 per cent in 1991.

Paradoxically, 25-year of anti-smoking measures have helped fatten the earnings of tobacco companies. Because the government has banned most forms of advertising and promotions related to tobacco, producers have saved on these costs. And because the market is supported by die-hard smokers, tobacco firms can raise prices with hurting sales substantially.

In his World No-Tobacco Day message, Dr Han Sang Tae noted that in the region only

Singapore, Australia, New Zealand and Vietnam have banned tobacco advertising.

The Manila-based Han, Western Pacific Director for the World Health Organisation, said the tobacco industry is now targeting the youth, women and Asian markets.

According to industry projections cited by the WHO, cigarette sales in Asia should grow by 33 per cent by the year 2000, with much of the revenue going to multinational companies eager for an alternative to the shrinking market in the United States.

Campaigns in Singapore and a few other countries that cut the rate of smoking among men to less than 30 per cent are offset by increases elsewhere.

According to WHO figures, more than 60 per cent of Chinese men now smoke, with similar or higher levels reported in Japan, South Korea, the Philippines, Cambodia, Fiji, Papua New Guinea, Tonga and Kiribati.

Meantime, Singapore authorities say they are determined to make this city-state of 3 million people the world's first smoke-free nation.

Fines are imposed on members of the armed forces who smoke in public while in uniform. Smoke breaks have been abolished and lighting up on military bases is restricted to a few designated areas.

Smoking is already a no-no in restaurants, supermarkets, department stores, museums, billiard parlors, public toilets,

libraries, indoor sports arenas and other public halls. Smokers may light up in pubs, but only during hours in which no food is served.

It is barred in cinemas, fast food outlets, public buses, subways, government offices, hospitals and clinics. Smoking is tolerated in homes and private motor vehicles. It is frowned upon but not yet against the law in private offices and clubs.

The display of point-of-sale signs for cigarettes in stores and the name or trademarks of cigarettes are not allowed on motor vehicles, souvenirs and gifts.

Free samples are illegal and tobacco products cannot be given as prizes in lotteries or other contests.

Global rubber prices to go up this year

COLOMBO, May 30: Natural and synthetic rubber prices should continue to rise this year as the world economy recovers, the International Rubber Study Group said yesterday, reports Reuters.

Global rubber demand will rise 2.5 per cent this year to 14.6 million tonnes as car and truck sales pick up with the upturn in the US economy and projected recoveries in Europe and Japan, the group said in documents issued after its six-day assembly.

Increasing demand, especially from US tyre manufacturers have strengthened rubber prices, the IRSG said.

The sharp US recovery in the final quarter of 1993 not only increased American elastomer demand, but also stimulated demand from other important exporters such as South Korea and Taiwan, it added.

Conference delegates said rubber prices have been low because of global overproduction amid the economic recession.

US-Japan trade talks in Tokyo next week

TOKYO, May 31: Japan and the United States will hold working-level talks in Tokyo next week to discuss government procurement areas of the bilateral trade framework talks, a senior official of the foreign ministry said yesterday, reports Reuters.

The official said the working group meeting on telecommunications equipment will be held on June 3-4 and the meeting on medical equipment will be held on June 7-8 in Tokyo.

He said the dates for meetings on auto and insurance have not been fixed.

Last week, Japan and the US agreed to resume their bilateral trade talks after a three-month deadlock.

The trade talks have been stalled since February due to differences over definitions of objective criteria.