

500,000 tons of rice to be returned to Indonesia

JAKARTA, July 11: Indonesia is scheduled to receive the return of 500,000 tons of rice it had lent out to several countries in the past, reports Xinhua.

The rice returned from abroad will be distributed to the regions suffering from rice shortage due to drought, such as Irian Jaya, Sulawesi and Kalimantan according to reports reaching here today from Denpasar quoting Secretary to the State Minister for Food Affairs Dr Sapuan.

Dr Sapuan told the local press at a conclusion of a local food working session Saturday that with 800,000 tons in food saving abroad, the drought which hit farmland in various parts of the country would not cause food shortage.

Rice loans to the Philippines, Cuba, Vietnam and Zanzibar were due to be returned in fiscal year 1994/1995.

G-7 will award Ukraine \$200m to shut down Chernobyl Plant

NAPLES, July 11: The Group of Seven leading industrialized countries agreed here Saturday to award Ukraine an initial 200 million dollars towards shutting down its controversial Chernobyl Nuclear Power Plant, reports AFP.

The "initial sum" was conditional upon Kiev adopting wide-ranging reforms of its energy sector, as well as measures to prevent wastage, the Group of Seven leaders said in a statement.

The closure of the plant — scene of the world's worst civilian nuclear catastrophe in 1986 — was an "urgent priority," the statement added.

Kiev authorities have said closing the plant will cost between 3.5 and 14 billion dollars, while the European Union has put the cost of closure at 1.8 billion ECUs (almost two billion dollars).

In a separate declaration, the G-7 states said Ukraine

could receive more than four billion dollars in total funding if it commits itself to economic reforms.

France, Germany, and their G-7 counterparts decided to "present the Ukrainian government with a plan of action to close Chernobyl," including measures Kiev will itself have to take alongside receiving international financial aid.

The statement added that closure of the plant would have to be accompanied by the rapid construction of three other new reactors, alongside energy reforms and moves towards using different power sources.

The G-7 plan envisages the shutdown of the last two operational Chernobyl reactors and the placing of a new concrete bunker over reactor number four, the site of the 1986 disaster.

The two funding packages

should permit Ukraine to finish the construction by 1998 of three reactors at Rovno, Zaporozhe and Khamelinski, although environmentalists are critical of their safety standards.

Kiev has said it cannot do without the electricity produced by the Chernobyl Plant, which nonetheless produces only 3.3 per cent of the country's electricity.

Western states are also pushing Ukraine to stem energy wastage given that the former Soviet republic on average consumes three times as much per capita as Western nations.

The European Union has already offered 500 million ECUs (600 million dollars) for the closure of Chernobyl, to which international financial institutions are set to add sizeable loans, the G-7 statement said.

486 projects being implemented in Barisal

BARISAL, July 11: The Local Government Engineering Department (LGED) has been implementing 486 projects in the district involving about Taka 1670 crore with the financial assistance from the Asian Development Bank (ADB), reports BSS.

According to an official source, 382 projects are being implemented under rural primary education programme and the rest under post-cycle rehabilitation programme.

Meanwhile LGED has completed 326 projects in the district till June 30 and the work on other projects is going on in full swing.

The projects implemented include the repair and reconstruction of non-government registered primary schools and government primary schools, the source said.

On an average 67 per cent work has been completed and the rest will be completed within December next, the source added.



A W Rahman Riaz, National Sales Manager of Transcom Bangladesh, speaking at a function arranged in connection with the marketing of Blue Cross condensed milk at a hotel in Sylhet recently. — Star photo

Greenback closes lower against Asian units over the week

HONG KONG, July 11: The US dollar closed generally lower against Asian currencies, as the region's dealers shunned the greenback following its plunge against the yen and European currencies last week, reports AFP.

The Group of Seven (G-7) industrial countries summit in Naples, Italy did little to give Asian currency dealers confidence in the dollar, after would leaders failed to make commitments to prop up the ailing greenback.

The G-7 comprises Britain, Canada, France, Germany, Italy, Japan and the United States.

JAPANESE YEN: The yen continued to gain ground this week, closing at 98.53 against the dollar, compared with the previous week's finish of 98.78.

Brokers Schorders Australia said in a report that the Australian currency had been closely allied with moves in the Japanese yen and German mark.

"The importance of the weekend's G-7 meeting in Naples for currency markets has been downplayed by participants, preferring to focus their monetary policy prevarications on domestic issues," it added.

On the Reserve Bank of Australia's trade weighted index, a basket of major trading currencies, the Australian dollar closed at 52.8 points from the previous week's finish of 53.3 points.

HONG KONG DOLLAR: The Hong Kong dollar stabilized

during the week, ending Friday at 7.7282-7.7292 per US dollar, compared with 7.293-7.7303 last week, in the absence of US federal reserve interest rate action.

The colony's currency has for 10 years been firmly linked to the greenback, meaning that Washington's monetary policy has a direct impact on the local dollar and interest rates.

INDONESIAN RUPIAH: The Indonesian currency closed the week's trading at 2,162 compared to the previous week's finish of 2,160 rupiah. The rupiah opened the week at 2,161 rupiah against the dollar on Monday.

MALAYSIAN RINGGIT: The ringgit ended the week higher against the dollar to 2.5966

from 2.6040 previously in line with the greenback's slide against other major currencies.

NEW ZEALAND DOLLAR: The New Zealand dollar hit a three-year high here this week against the US dollar, closing Friday at 60 US cents against last week's 59.14 cents finish.

PHILIPPINE PESO: The Philippine peso gained 1.66 per cent on the dollar Friday to close the week with an average of 26.464 to the greenback, dealers said.

The rate has held steady at 26.91 to the dollar for the past two weeks.

Money market analysts say the renewed peso surge was spurred by the influx of foreign portfolio investment in anticipation of the initial public offering of local oil refining giant Petron Corp. on July 18.

Hannan distributes cheques to jute farmers

MYMENSINGH, July 11: Jute Minister ASM Hannan Shah said the government will pay the outstanding bill for sales of jute to the farmers and jute traders very soon, reports BSS.

He was distributing the cheque for Taka one crore thirty lakh against the outstanding bill of sales of jute to the farmers and jute traders at Mymensingh Jute Mills here yesterday.

Later the minister also distributed the cheques for outstanding bills to the farmers and traders for sales of jute at Katiadi in Kishoreganj district.

ABM Zahidul Haque, Deputy Minister for Shipping, Major (Retd) Aktaruzzaman MP and Presidents of Katiadi Thana BNP Habibur Rahman Dayal also spoke on the occasion.

Asia Foundation to launch 2 new family planning projects soon

By Staff Correspondent

A total of 1.2 million couples received clinical services under The Asia Foundation's population programme while the average contraceptive prevalence rate in the project areas has also increased to 60 per cent from 15 per cent when the programme was launched in 1979.

This was stated by Kristen W Lundeen, Manager of the population programme, at a press conference yesterday at the Foundation's Gulshan office.

The programme, with major funding from the United States Agency for International Development (USAID), supports 26 NGO projects delivering family planning services in 112 services sites throughout Bangladesh.

Lundeen announced the launching of two new projects under the Foundation's population programme from this year. A door-to-door injectable contraceptive project was initiated earlier this year following the guidelines established by ICDDR,B, she said. The Foundation physicians have provided training to staff at eight projects to implement the services in 1994, and the project will be expanded to twelve more projects in 1995.

The foundation, Lundeen said, also supported innovative strategies to achieve the national family planning programme goals, including female education scholarship project, family life education to adolescent girls, expanding services in urban slum areas and low CPR areas like Chittagong Division, increasing access to and encouraging use of effective long term contraceptive methods, and introducing three pilot comprehensive reproductive health clinics.

Under the family life education project, administered by the Centre for Development Services, a total of 38 women volunteer teachers were trained in 1993, who in turn reached 3,600 female students, and conducted 667 guardian-parent and 46 community awareness meetings.

The foundation, under a pi-

lot effort started in 1992, is also providing assistance to four projects to establish community legal-assistance units.

The project directors, present at the press briefing, pointed out some field level problems in delivering family planning services.

They said that as male participation in the programmes is somewhat limited, women find it difficult to take independent decisions on family planning. However, there is a gradual change in the attitudes of people, they added.

They also pointed out to the time consuming process for getting official permission and the problem in frequent changes of the project areas as demarcated by the government.

However, Lundeen was optimistic about the fact that the existing bottlenecks could be overcome as a congenial atmosphere of cooperation is evolving between the government and the NGOs and noted the recent formation of a national steering committee, with representatives from the government, donors and NGOs working in the family planning sector.

Iran yet to wait for fresh loan

TEHRAN, July 11: Iran, buffeted by low oil prices, galloping inflation and an unruly economy, has perhaps to wait a year to attract badly needed fresh loans from abroad after succeeding in refinancing the bulk of its foreign debt, reports Reuters.

This is the view of economists and bankers in Tehran who say that although the refinancing of up to 10 billion dollars in foreign debt was a major achievement, it did not mean lenders will rush to provide new funds.

"They (lenders) will want to see if Iran will honour its pledges of prompt payment

and what happens with the economy. It will take at least a year before the Iranians could expect any new money," one economist said.

"There is virtually nil chance of new credit now," a banker said. "If they pay everything on the due date, and they've shown that they are (doing so), that will increase their chances of getting new credit (later)," he added.

President Akbar Hashemi Rafsanjani has said Iran has refinanced 10 billion dollars of its 17 billion dollars short and medium-term debt. It does not have any long-term debt.

The economist and foreign bankers broadly accept the figure, saying media reports that put Iran's total debt at up to 30 billion dollars were mistaken.

Rafsanjani told a June 7 news conference the debt will be repaid by the year 2000 at the rate of two-three billion dollars a year.

Bankers said some of the refinancing deals, such as the 2.6 billion dollar agreement with Germany, included promises by the lender to re-release agreed loans that has been frozen when Iran started having problems repaying its debts.

MANILA, July 11: The development of securities markets in Asia is helping developing countries mobilize funds to spur economic growth, but investors remained wary because of weak regulation, the Asian Development Bank (ADB) said today, reports AFP.

"It is noteworthy that of the 10 best performing world stock markets in 1992, half were from this region," ADB President Mitsuo Sato told an international capital markets conference in the Philippines, according to an ADB statement.

Sato said it was crucial to preserve the stability of the markets by fostering investor confidence.

Investor confidence, unfortunately, has not been particularly strong in many of Asia's securities markets, the statement quoted Sato as saying.

He said there were three basic reasons for this, including the absence of appropriate financial information about the domestic securities market in general and listed firms in particular.

Five best world stock markets in Asia

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US economy still faces problems on education front

WASHINGTON, July 11: The United States is gaining some ground in world economic competition, but still faces problems on the education front, the Council on Competitiveness said Monday, reports AFP.

"The competitive challenge is here to stay," said Paul Allaire, Chief Executive Officer of Xerox Corporation and the Council Chairman.

The council's 1994 competitiveness index — based on a survey of business, labour and academic leaders — reported strong growth in living standards, manufactured goods exports, manufacturing productivity and investment in plants and equipment in 1993.

But growing Asian production capacity and declining US education standards are among the main threats the US economy faces, the Council said.

"With Asian economies gathering strength, with competitive pressure spreading from autos and electronics to software and telecommunications, with US savings rates at stubbornly low levels and with intractable problems in our elementary and secondary schools, it is easy to see why many people believe that the biggest challenges are still ahead," Allaire said.

Torn between a structural adjustment programme aimed at clearing the mess in the macro-economic framework and an uplift initiative promising to improve the human development index, Pakistan government of Benazir Bhutto has embarked on a reform programme which can change the face of this South Asian country in a matter of years.

It is not an easy job. Taking an economy, just in the process of recuperating, from an acute case of macro-economic instability caused by years of careless handling, to a robust future like the one projected by the government, is like making miracles.

As it causes difficulties for vulnerable groups of people and for this, the World Bank has prescribed "safety nets" in the form of measures which can offset the effects of restructuring on the people who are going on a subsistence living. For Pakistan, such a painful process would have a political fallout, as the opposition political parties could have used it to arouse feelings among the people.

The government of Benazir Bhutto has taken the hard option and its first annual budget presented in the National Assembly in the first week of June, is reflective of the difficult choice it has taken. The fruits are, however, enormous in the context of macro-economic

British Airways has enhanced its service to passengers from Bangladesh by operating 747-400 the newest jumbo aircraft to Dhaka from July. Picture shows the first 747-400 arriving at Zia International Airport.



Development agenda for Pakistan

By M I Lashkar

Attractive fiscal incentives have also been announced for installation of new refineries and infrastructure development including pipeline and storage facilities.

The government is making special efforts for development of power sector as this is the major infrastructural deficiency which is causing bottleneck in foreign investment. Pakistan is thus in the forefront of the new structural reforms that swept the electric power industry in the world in which private sector ownership and operation of power utilities are being revived worldwide. A 1291-megawatt hub power project with worldwide support has already been launched in the private sector.

In the light of experiences gained from this project, Pakistan has devised a new policy framework package of incentives for power projects which is expected to draw investment on a scale far exceeding the target of 3000 megawatts to be developed over the next five years in the country.

With large scale privatisation in the manufacturing sector which is attracting private

ment has undertaken a three-year programme of tariff reduction from the present level of 92 per cent to 50 per cent. This is also in line with its commitment to the GATT, as part of the Uruguay Round agreement, to open its market through removal of tariff barriers, while non-barriers have been almost removed with wide-ranging deregulation measures adopted by the government.

And in line with its policy of acting as umpire, the government has provided a liberal regime for foreign investment with the vast areas in infrastructure, manufacturing and service sectors opened up for it.

A very attractive petroleum policy has been framed by the government with improved fiscal incentives, procedures and regulatory framework. Exploration sector, in general, is thus getting a major boost as a result of major changes in the fiscal package offered through reduced government participation, better oil and gas prices and new concessions in award process, besides duty-free import of equipment and materials to encourage service companies.

sector investors from both home and abroad, private sector direct investment is also forthcoming in the manufacturing sectors, in the port and shipping and in the road and telecommunications sectors. This is in addition to the foreign portfolio investment which has further strengthened the stock market symbolising the inner strength of the economy in the country.

Simultaneously, however, the government of Benazir Bhutto has embarked on an ambitious social development programme. Partly supported by international donors, the social action programme basically aims at improving literacy rate and health coverage of the country's population as a whole.

The social welfare programme, in general, however, seeks improvement in the conditions of women and children, working class in general and those living below the poverty line. The poverty alleviation programmes of the government include provisions for a food stamp scheme in which subsidized food is provided under *baatal maal* project and subsistence provisions for the poor under the *zakat system*, both based on Islamic concepts of welfare.

(The writer is the Economic Editor of Pakistan Daily News.)

Khulna Hard Board Mill exceeds production target

KHULNA, July 11: Khulna Hard Board Mill produced 1.90 crore sq feet hard board during the last fiscal, exceeding the target, reports UNB.

According to officials, the target for the year was fixed at 1.70 crore sq feet. Besides, the mill after repayment of Taka two crore VAT and loan, earned Tk one crore profit during the year.

Meanwhile, the experimental production with the use of bagasse, jute plant and sticks has already been started since the last year, they added.

Kuwaiti move to pay off budget deficit

KUWAIT CITY, July 11: The Kuwaiti government has put forward a draft law to parliament which would allow it to withdraw from its overseas assets to pay off its budget deficit, the press here said yesterday.

Kuwaiti assets abroad are estimated at between 35 and 45 billion dollars.

But Kuwaiti economists contacted by AFP said the bill, due to be debated on Tuesday, was unlikely to be approved.

Commercial flight between Islamabad, Xinjiang begins

ISLAMABAD, July 11: A Chinese airline on Sunday inaugurated the first scheduled commercial flight between Islamabad and Xinjiang in north-west China, reports AFP.

Officials here said the weekly service between Islamabad and Urumqi, capital of the vast and remote Xinjiang region, would open up new opportunities for expanded cooperation among Pakistan, China and the central Asian states.

China's Xinjiang airlines will use a Russian-designed TU-154 airliner for the 1,731 kilometre route.

Pakistan, linked to Xinjiang by an all weather road built through the Korakoram mountains with Chinese assistance, has long had regular border trade with Xinjiang, which has a large Muslim population.