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Human rights groups claim

Child labour on the rise in South Asia

WASHINGTON, July 15: Child labour is increasing dramatically in South Asia due mainly to the expansion of garment and carpet exports to the West, human rights groups said Thursday, reports AP.

The problem, alongwith child prostitution, has become a primary human rights concern in India, Pakistan, Bangladesh, Nepal and other nations of the Subcontinent.

About one million children under the age of 12 are employed in Pakistan's carpet industry alone, said Zohra Yusuf, head of the Human Rights Commission of Pakistan.

A recent study predicted that almost a half of them would be maimed or would die of diseases contracted in the workplace before they reach the age of 12, she said at a briefing organized by Freedom House, a US human rights organization.

Other countries on the Subcontinent are affected to an even greater degree, other reports said.

The International Labour Organization estimates that up to five million Indian children are being held as indentured labourers. More than 300,000 of them work 14-16 hour days in India's expanding carpet industry.

In Bangladesh, hundreds of thousands of children work as bonded labourers in garment factories producing apparel for sale in American discount store chains, said Salma Ali, co-founder of that country's Committee for the Preservation of Human Rights.

Paid the equivalent of 0.05 dollar an hour, they are constantly indebted to their employers, making it impossible for them to quit a job. Typically, they work 70 to 80 hours a week.

This was a direct result of the rapid growth of apparel exports, particularly shirts and blouses, to Western countries, including the United States, she said.

"There is more and more child labour because there are more and more factories," Ali said, adding that "10 years ago there was less (child labour) because there were very few industries."

But she cautioned that an outright US ban on imports of the products of child labour would only make matters worse. A bill is pending in Congress, that would impose such a ban.

Instead, both Zohra and Salma proposed a gradual approach, including legislation banning employment of minors under 16, and making primary education compulsory in their countries.

Of particular concern to human activists is the reported increase of trafficking in South Asian children who are taken to the Middle East to serve as camel jockeys.

A child has to be very light and small — practically malnourished -- to ride the animal, and serious injuries and deaths during the races are commonplace.

Although the government of the United Arab Emirates has recently prohibited the use of children under 11 in the races, the practice has continued. Bangladeshi police are currently holding four men charged with kidnapping and trying to smuggle 37 children to the Middle East, Salma said.

India promoting business in Gaza

NEW DELHI, July 15: A government bank Thursday distributed a 23-page booklet of business opportunities in the Gaza Strip hoping that India will get in on the ground floor of the new Palestinian economy, reports AP.

"This is an evolving market that can carry rich rewards for early entrants," said the report by the Export-Import Bank of India, which finances and promotes foreign trade.

Hundreds of businessmen have been inquiring about contracts, ranging from building schools to sewage lines, said bank spokesman Rajeev Chalisgaonkar.

The report was mailed to 500 Indian companies and bank clients, he said.

Investments in Gaza were protected by a World Bank pledge of 50 million dollars in development funds for the Palestinian self-rule zone, which had been occupied by Israel from 1967 until last September.

Governments around the world have pledged more than 2.3 billion dollars in aid for the Palestinian autonomy, but have demanded proper accounting procedures before releasing the funds.

India has a good chance to win contracts for Palestinian reconstruction programmes, said the bank.

Contracts were expected to be below 5 million dollars — too small for the big multinational companies to bid for, said Chalisgaonkar by telephone from Bombay.

Historically, India counts itself as one of the strongest supporters of the Palestine Liberation Organization. Until last year, government trade with Israel was banned.

Govt taking planned measures to achieve self-sustaining economy

State Minister for Planning Dr Moyeen Khan has said the present democratic government is implementing series of measures for achieving self-reliant national economy, says a press release.

He was inaugurating the purchase centre of green jute at Raipura of Narsingdi on Thursday.

Dr Khan said the programme for using green jute (whole jute plant) for production of pulp and paper represents a major step in this direction.

The present democratic govt., the state minister said, is pledge-bound to safeguard the interest of the country's commonman in general and jute farmers in particular.

During the current season, Sylhet Pulp and Paper Mill will purchase 5000 MT pulp and procure 30,000 MT (8,17,500 maund). The mill will purchase 5500 MT (1,50,000 maund) from Raipura purchase centre.

Dr Moyeen Khan observed that expeditious industrialisation is indispensable for attaining self-sustaining economy and the government is taking planned measures for this purpose both in public and private sector. The current programme to use green jute, through chemical process, will yield multi-dimensional benefits in this regard.

Tracing the chequered history of golden fibre, he recalled jute as the biggest cash crop of the country. Jute is the prime-mover of the economy in terms of employment and foreign exchange earning. The advent of synthetic has cast a gloom on the jute. But the most timely move of BCIC and Ministry of Industries with green jute technology is going to remove the curse.

At present the country imports around 1,43,000 MT industrial grade paper costing over Taka 1000 crore in foreign exchange. The current programme of using green jute as raw material as pulp input would ensure attaining self-sufficiency in meeting this requirement yielding substantial saving in foreign exchange.

State Minister for Planning Dr Moyeen Khan attended as chief guest the inaugural function of lucky purchase centre of green jute at Raipura of Narsingdi on Thursday.

Besides enhancing the income of the jute farmers and improving the operating performance of the pulp and paper industry, the use of green jute will decrease the pressure on scarce forest resource of the country.

Abdul Ali Mridha MP, Waseq al Azad, Chairman of BCIC, Dr Azizur Rahman, Director (Production & Research), Abdur Rashid, Director (Finance), Mohammad Ayub, Deputy Commissioner, Narsingdi, A S Abdul Baten Khan, Managing Director, Sylhet Pulp and Paper Mill, among others, spoke on the occasion.

The BCIC Chairman said the corporation's four Pulp and Paper Mills — Sylhet Pulp & Paper Mill, Karnaphuli Paper Mill, North Bengal Paper Mill and Khulna Newsprint Mill — would produce 25,000 MT pulp by processing 1,32,500 MT green jute in the current fiscal year.

Soaring yen may cost Japan 3.56 m jobs by 2000

TOKYO, July 15: Japan's economy could low dramatically and lose 3.56 million jobs by the end of this decade if it does not adjust to the soaring yen, a research group says, reports AP.

The Japan Research Institute Ltd said unemployment could rise from the current 2.8 per cent to 6.4 per cent if new jobs aren't created through deregulation to replace ones lost because of the high yen.

The yen has risen by about 27 per cent against the US dollar since January 1993. As it rises, Japanese products become more expensive and less competitive overseas.

That's forcing manufacturers to shift production — and jobs — overseas to lower costs.

"Jobs are going to be lost as companies move production overseas, and there's no way to avoid that," Shinichi Kihara, an economist at the private institute, said Thursday.

As of 1993, Japanese manufacturers had located 6.4 per cent of their production overseas. That proportion is likely to reach nearly 10 per cent by 1998, the report said.

The resulting "hollowing out" of domestic industry could cause economic growth to sag to 1.4 per cent by the year 2000 and unemployment to rise to six per cent or more, the report said.

It said bureaucratic over-regulation makes it had to stimulate non-export sectors of the economy to make up for the lost growth.

"The growing gap between domestic and foreign prices, and bureaucratic regulations are like fetters on economic growth," Kihara said.

He said the government should reduce the thousands of regulations it imposes on service industries as diverse as law, tourism and distribution. Japan recently announced a plan to cut through some of the red tape on goods and services like food, building materials and telecommunications. Trading partners say the restrictions raise prices and lock them from doing business in Japan.

Some critics of the deregulation package say it costs jobs in the short term, but others, especially trading partners like the United States, which has a 59 billion dollars annual trade deficit with Japan, say much more has to be done to open Japan's markets.

The deregulation "would not only allow more foreigners to participate in markets here, but spur log-term economic growth in areas other than manufacturing and exporting," Kihara said.

The report predicted that Japan's economy would grow by only 0.9 pr cent in the current fiscal year, which ends next March 31, because of the lingering effects of Japan's worst economic downturn since World War II. Growth will rise to 1.7 per cent the next year and 2.5 per cent the following year, but could fall back by 2000 if consumer demand is not stimulated, it said.

Unemployment reached a record high of 2.9 per cent in February, and has hovered around 2.8 per cent since then as companies restructure to cope with the high yen and declining profits.

US retail sales rise

WASHINGTON, July 15: US retail sales rose 0.6 per cent in June, rebounding from two straight monthly declines, the government said Thursday, reports AP.

The Commerce Department said the turnaround was led by durable goods, including cars and building materials.

Sales had dropped a revised 0.4 per cent in May — double the earlier 0.2 per cent estimate — and a full one per cent in April as the consumer-led rapid economic growth the nation experienced in the closing months of 1993 slowed to a more moderate pace.

With rising interest rates, many say the pace could slow even further in the second half of the year. But the June recovery was anticipated by analysts, most of whom predicted a rise in line with the government's figures.

Retail sales represent about one-third of the nation's economic activity.

Sales totalled 183.8 billion dollars in June, up from 182.7 billion dollar a month earlier. For the second quarter of this year, sales were 6.9 per cent higher than the same three-month period a year ago.

Sales have now risen in three of the first six months this year, climbing also in February and March when they rebounded from low levels related to the unusually bitter and stormy winter and the January earthquake in California.

Clinton admn floats suggestions for financing GATT

WASHINGTON, July 15: Two key congressional committee plan next week to begin debating ratification of a new world trade agreement now that the Clinton administration has patched together a proposal to pay for it, reports AP.

"I think the main thing is to get the agreement passed, ratified, because a lot of jobs are at stake," said Sen. Bill Bradley, a senior member of the Senate Finance Committee.

The administration has been under pressure from Sen Daniel Patrick Moynihan, Chairman of the committee, to propose financing this week.

Moynihan had threatened to cancel a committee meeting scheduled for Tuesday unless a plan was forthcoming. But after reviewing the proposal Thursday at a closed meeting of his panel, Moynihan said he would proceed, committee members said.

The treaty, agreed to during the Uruguay Round of the General Agreement on Tariffs and Trade would cut US tariff revenue by an estimated 12 million dollars during its first five years.

Under congressional budget rules, offsetting spending cuts or tax increases must be found before the treaty can be approved.

Treasury Secretary Lloyd Bentsen, outgoing budget director Leon Panetta and US Trade Representative Mickey Kantor met privately with members of the Finance Committee and separately with members of the House Ways and Means Committee, which also plans to consider GATT implementing legislation next week.

Bentsen told reporters at the White House that the list presented was "a series of options ... that we would recommend" but he refused to elaborate. However, a congressional aide, who spoke on condition of anonymity, said the administration's plan included:

— Agricultural subsidy cuts, 1.7 billion dollars.

— Leftover Superfund money, 1.5 billion to 1.7 billion dollars.

— Excess revenue in government "paygo" accounts reflecting previous budget savings, 1.4 billion dollars.

— Requiring businesses in Puerto Rico to switch from annual to quarterly tax filing, 1.3 billion dollars.

— Changing in inventory accounting for retailers, 1.3 billion dollars.

— Having the Federal Communications Commission charge telephone companies for so-called 'pioneer preference' licences, which now are issued free for innovative services, 1.2 billion dollars.

— Pension Benefit Guaranty Corp reform, one billion dollars.

— Eliminating rebates for certain customs duties for autos and chemicals, 600 million dollars.

— Requiring companies that provide employees free leased parking worth 80 dollars or more a month to offer the option of cash, which would then be taxed, 400 million dollars.

— Voluntary withholding on federal payments such as Social Security and disaster assistance, 300 million dollars.

— Moving the due date of excise taxes on tobacco and motor fuels from October 1 (first day of fiscal year) to September 30 (last day of fiscal year), 300 million dollars.

US House debates plans to curb govt spending

WASHINGTON, July 15: The House of Representatives began a series of budget-cutting votes Thursday that Democratic leaders hope will douse support for a conservative effort to slash US government spending, reports AP.

Thursday's debate was over competing plans to grant President Clinton more power to kill individual members' projects buried in huge spending bills.

Conservatives were pushing proposals that would dramatically strengthen the president's ability to eliminate pet projects in members' home states, while Democratic leaders were offering a measure that would be much weaker.

The fight marked the beginning of several budget votes, to be held over the next month, that Democratic leaders have promised to conservative members of the party.

In exchange, the leaders hope the conservative Democrats won't support a drive to force the House to set aside a week to vote on dozens of spending-cut proposals.

The unprecedented spending-cut plan is called A-to-Z, named for its chief sponsors, Reps. Robert Andrews and William Zeliff.

Republicans said the Democrats' proposal for enhancing the president's power to cancel spending was simply a plan for providing political cover to lawmakers who face the voters in less than four months.

OPINION

A welcome move for poverty alleviation

By Atiqul Karim

The two-day SAARC Finance and Planning Ministers' meeting concluded in the city on Monday with a renewed pledge to bring the NGO bodies and government agencies closer to accelerate the process of poverty alleviation as adopted by the 'Dhaka Declaration' at the last and seventh SAARC summit here.

Poverty being a prime concern for Bangladesh as well as other SAARC countries, this ministerial level parley has obviously paved the way for coming to consensus for lunching joint venture poverty-alleviation projects through adequate credit facilities for the poor. In this context, efforts made by the Bangladesh government for successful holding of the summit can be termed as a welcome move.

We know that the government in its bid to attain short-term-macro-economic stability in the country, has adopted a wide range of economic reforms for the last couple of years through its policy of open market economy. Truly speaking, the package of economic reforms unveiled by the government can be stated as a trend-setter in realising three main objectives of our Fourth Five Year Plan (1990-91 to 1994-95) which include speedier economic growth, greater self-reliance and reduction of poverty.

In order to achieve the objectives, as stated above, Bangladesh's external position needs more improvement through a comprehensive programme of investment stimulation and export growth absolutely based on dynamic private sector and market orientation.

The government can ensure economic growth through reduction of poverty in the following manner:

First, it is incumbent on the government to undertake an input liberalisation programme to improve efficiency in our agriculture sector as well as in the field of productivity.

Second, with a view to strengthening the industrial sector, privatisation process should be geared up through the policy of large-scale disinvestment with greater autonomy for public manufacturing enterprises.

Third, efforts must be intensified to mobilise domestic resources for social sector investment by way of savings, reducing or better targeting subsidies, cost recovery and public enterprise reforms.

Fourth, more reforms should be made in the financial sector including restructuring, recapitalisation, privatisation of banking system and creation of specialised financial institutions.

But all these attempts would prove futile unless the government succeeds enormously in reducing Bangladesh's existing trade imbalance with other SAARC nations specially with India and Pakistan. It appears from the recent statement made by the Indian Finance Minister Manmohan Singh that India would exhaust all possible means to reduce trade gap with Bangladesh. He has given assurance to welcome entrepreneurs in larger numbers from Bangladesh to facilitate export of more products to his country. Fertilizer and newsprint have already been identified as the potential exportables to help reduce trade imbalance between the two countries. It is therefore, necessary to take steps to increase the volume of export of these two items to India immediately.

It is also learnt that export of Bangladeshi goods to Pakistan has remained static at 30 million dollar a year over the last five years, although import from Pakistan had grown steadily. It has been suggested by a Dhaka Chamber that commodities like jute goods, sanitary wares, tea, betel-leaf, chemical fertilizer, cables, fruit-juice etc can be exported to Pakistan in greater proportions as a means of reducing the present trade imbalance between the two countries.

Besides, preferential tariff and trade arrangement between the two countries have also been suggested to increase the flow of trade to Pakistan which is yet to be decided by the latter.

The ball is now in the court of our government to make necessary changes in export policy formulation in the backdrop of the recently concluded SAARC Finance Ministers' meeting. The sooner it is done, the better for our economy.

Optimism about Aussie economy falls slightly

SYDNEY, July 15: Optimism about the Australian economy fell slightly in July, according to a monthly survey released Thursday by the Westpac Melbourne Institute, reports AFP.

The index, based on five questions put to 1,200 adults across the country, fell 1.6 per cent to 123.5 points in July from the record 125.5 points recorded in June, the institute said.

"While the index has fallen, the level of confidence is still clearly very high and will favour continued strong growth in consumer spending," said Bill Evans, chief economist at Westpac Banking Corp.

Evans said people's confidence in the economy may have fallen after the release of labour force data on July 7, indicating the adjusted unemployment rate rose to 10.0 per cent in June from 9.8 per cent the month before.

The survey asked people to evaluate their personal financial situations over the past and coming year, economic conditions over the coming year and the next five years and whether it was a good or bad time to buy a major household item.

Lertchai Srikueja, Managing Director of the Jalppa Corporation of Thailand seen speaking at a press conference yesterday in the city introducing a new kind of bacteria killer, 'EarthTech'. Also seen in the picture are Yongyut Chmaranan, Director, and Pichie Chauhan, Marketing Manager of the company.
— Star photo

India, Pakistan should spend more on development than defence: WB

ISLAMABAD, July 15: Old enemies India and Pakistan should cut their military budget and spend more on development, a senior World Bank official said on Thursday, reports Reuter.

The World Bank Vice-President for South Asia, D. Joseph Wood, told a news conference: "Our view as a development institution is that both countries would be better off if they reallocate some of the resources currently going to the defence expenditure towards development activity.

The United Nations, which like the World Bank has urged lower military spending in the region, said last month that India and Pakistan together spent 16 billion dollars on defence in 1988-1992.

Pakistan's 1994/95 budget, announced in June, increased military spending by 8.6 per cent to 26.4 per cent of Gross Domestic Product (GDP).

The government argues that since inflation in 1993/94 was 10 per cent it is not increasing defence spending in real terms.

India has announced a 20 per cent increase in military expenditure for next year.

Wood said the World Bank recognised that defence was a "difficult, sensitive and complex issue and has to be viewed in the regional perspective." India and Pakistan have fought three wars since their independence from Britain in 1947.

Both countries have shown some restraint on defence expenditure, he said.

Beirut, Moscow sign accord to promote trade

BEIRUT, July 15: Lebanon and Russia signed an accord to promote trade and economic ties here on Thursday as they marked the 50th anniversary of the establishment of bilateral relations, state-run Tele Liban reported, says AFP.

Details of the agreement were not revealed but it was expected to be formally ratified by Prime Minister Rafic Hariri during a visit to Moscow later this year.

World oilseed output up

WASHINGTON, July 15: World oilseed production, excluding soybeans, rose 515,000 tons in June to 109.9 million tons, reflecting increases in forecasts for Chinese peanuts and Argentine sunflower seeds, the Agriculture Department says, reports AP.

The world palm kernel production outlook fell by 60,000 tons in the period, owing to a decline in forecast production of the Malaysian palm kernel, USDA's foreign Agriculture Service said in a recent report.

"Malaysian palm oil stocks ... at 492,000 metric tons, dipped below a year earlier, reflecting a below-normal seasonal gain in April output as well as strong exports," the report said.

World peanut production is expected to reach 23.9 million tons, up 367,000 tons from the May forecast. China's promising forecast accounts for June's increase in peanut production, which grew 420,000 tons to a record 2.5 million tons.

The report attributed most of the increase in China to improved yields following ideal weather conditions in 1993.

Argentina, suffering after a drier-than-usual summer, reduced its peanut production forecast by 50,000 tons to 250,000 tons, though still higher than the previous year.

World sunflower seed production was projected at 21.2 million tons, up 160,000 tons from May.