

Palestinian economists warn

Fund constraints may hamper peace process in Gaza, Jericho

JERUSALEM, July 16: Palestinian economic experts, keen to rebuild the dilapidated infrastructure of the autonomous Gaza and Jericho areas, warn the peace process could be jeopardised if the necessary funds are not made available, reports AFP.

But they have set conditions for the methods of payment and monitoring how the money is spent. The Palestinians regard such restrictions as interference in their economic and even political affairs. Recently the Palestinians decided to put the management of funds destined for the Gaza Strip and West Bank enclave of Jericho in the hands of a subsidiary of the powerful US merchant bank Morgan Stanley.

mat said in June, on the eve of a meeting of donor countries in Paris. The European Union, Japan, Norway, Russia, Canada and the United States are the main donor countries. Abul Libdeh said the donor countries could decide through which channels the funds would be released, but the Palestinians should decide on spending priorities. He called on the new Palestinian authority to draw up a development programme "as soon as possible."

of its recommendations on introducing a financial system and tax collection. In Jericho, dozens of Palestinian farmers protested Wednesday over the construction of new buildings on agricultural land, which is the enclave's main resource. And in Gaza, businessmen protested outside the Investment and Development Department, demanding special entry permits for Israel and the West Bank and protection for their products against Israeli competition. Only 20,000 Palestinians in the Gaza Strip are allowed to work in Israel. The per capita annual gross national product (GNP) of the Strip is 780 dollars, compared with 11,000 dollars in Israel.

ADB officials visit KSFL

Peter McCawley, Executive Director, along with N Cinnamon Dornside, Teoman Keriman, Colin Pratt, Zhou Yuequn and Qazi Shamsul Alam, Alternate Executive Directors of the Asian Development Bank (ADB) and S A B R Thalakada of BRO, ADB Alternate Director of KSFL Board, visited Kader Synthetic Fibres Ltd (KSFL) on Friday, says a press release. Md Sahabuddin Ahmed, Managing Director of KSFL, received the guests at the factory site and showed them around. KSFL is the only plant in Bangladesh which has been producing polyester filament yarn from PET chips. The plant has been established with process and production technology from TORAY, Japan. KSFL, the most modern and largest plant of this kind in Bangladesh has been financed by Asian Development Bank (ADB), Netherlands Development Finance Company (FMO), Asian Finance and Investment Corporation Ltd (AFIC), Saudi-Bangladesh Industrial and Agricultural Investment Company Ltd (SABINCO) and Bangladesh Shilpa Bank (BSB).



Members of the Board of Directors of Asian Development Bank (ADB) led by Peter McCawley, Executive Director of ADB, visited Kader Synthetic Fibres Ltd. (KSFL) on Friday.

Puerto Rico rations water

SAN JUAN, Puerto Rico, July 16: A new, tougher rationing plan was announced for this US commonwealth Friday that will leave half of the Caribbean island's residents without water for up to 32 hours at a time, reports AP. Water authorities, facing dry skies and dwindling supplies, said the restrictions are meant to stretch eight days worth of water left in the Carraizo reservoir, the major reservoir for San Juan area, to last 14 days.

"When you have less, you have to make do with less. It's no longer a matter of choice," said Emilio Colon, Executive Director of the Aqueducts and Sewers Authority.

US experiencing 'ideal' economic times

WASHINGTON, July 16: Federal Reserve Chairman Alan Greenspan Friday said the United States is experiencing "ideal" economic times but warned that future prosperity was jeopardising the country's still huge budget deficit, reports Reuter.

"The US economy has recently been experiencing the ideal combination of rising activity, falling unemployment and slowing inflation," Greenspan told a bipartisan commission on government spending and tax reform.

But he made clear that the country must not let good economic ties create an atmosphere in which policy makers take the view that the deficit, despite some recent improvement, is no longer a critical problem.

"We cannot let this good behaviour lull us into neglecting the underlying problems of our economy," Greenspan told lawmakers.

At the same, he said he detected a dramatic shift in the public's attitude toward the deficit and a willingness to make the hard choices necessary in bringing the economy more into balance.

"I hope and really do believe (that progress will be made)," Greenspan told the commission, adding that improvement will show up in the levels of interest rates.

But Greenspan made it clear that the United States really has no choice but to deal with the deficits since eventually they will produce economic instability and very hard times. "There is no alternative to scaling back growth in federal spending if we are to avoid growing deficits as we move into the next century," he said.

Greenspan dodged questions about tax policy and specific revenue cuts, saying as he

has in the past that such choices are political in nature and he would rather not add his voice to the debate.

At the same time, he said the deficit in the years ahead is mostly the creature of health care costs, expected to balloon as American society increasingly ages.

"Entitlements are programmed to grow at a rate that will surely exceed growth in the tax base, threatening a destabilising escalation of deficits," he said.

US dollar dips in New York

NEW YORK, July 16: The dollar dipped in New York Friday on investment funds' profit-taking, reports AFP.

Gold picked up 1.60 dollars to trade at 385.40 dollars per ounce. The US currency was trading at 1.5522 German marks, down from 1.5547 late Thursday, against the yen, it was trading at 97.97, down from 98.55.

The greenback also slipped against other major European currencies to trade at 5.3275 French francs from 5.3295 and at 1.3095 Swiss francs from 1.3110.

But the dollar edged higher against the pound sterling to 0.6410 from 0.6408.

Profit-taking by investment funds followed remarks by Treasury Secretary Lloyd Bentsen Thursday, and was weighing on the greenback. It was moving in a narrow range, between 1.5495 and 1.5530 German marks, a trader with a European bank here said.

Dollar purchases by investment funds Thursday sent the dollar somewhat higher after Bentsen said the United States wanted a strong dollar, the trader added.

Zahir visits Dhaka Leather Complex

By Staff Correspondent Industries Minister A M Zahiruddin Khan yesterday said that the government was determined to accelerate the process of industrialisation through establishing a series of export-oriented industries in the country.

While visiting the newly constructed export-oriented Dhaka Leather Complex in Savar, the minister expressed his satisfaction at the performance of the complex which is currently undergoing trial operation and asked concerned officials to immediately go into commercial operation on "contract processing" basis.

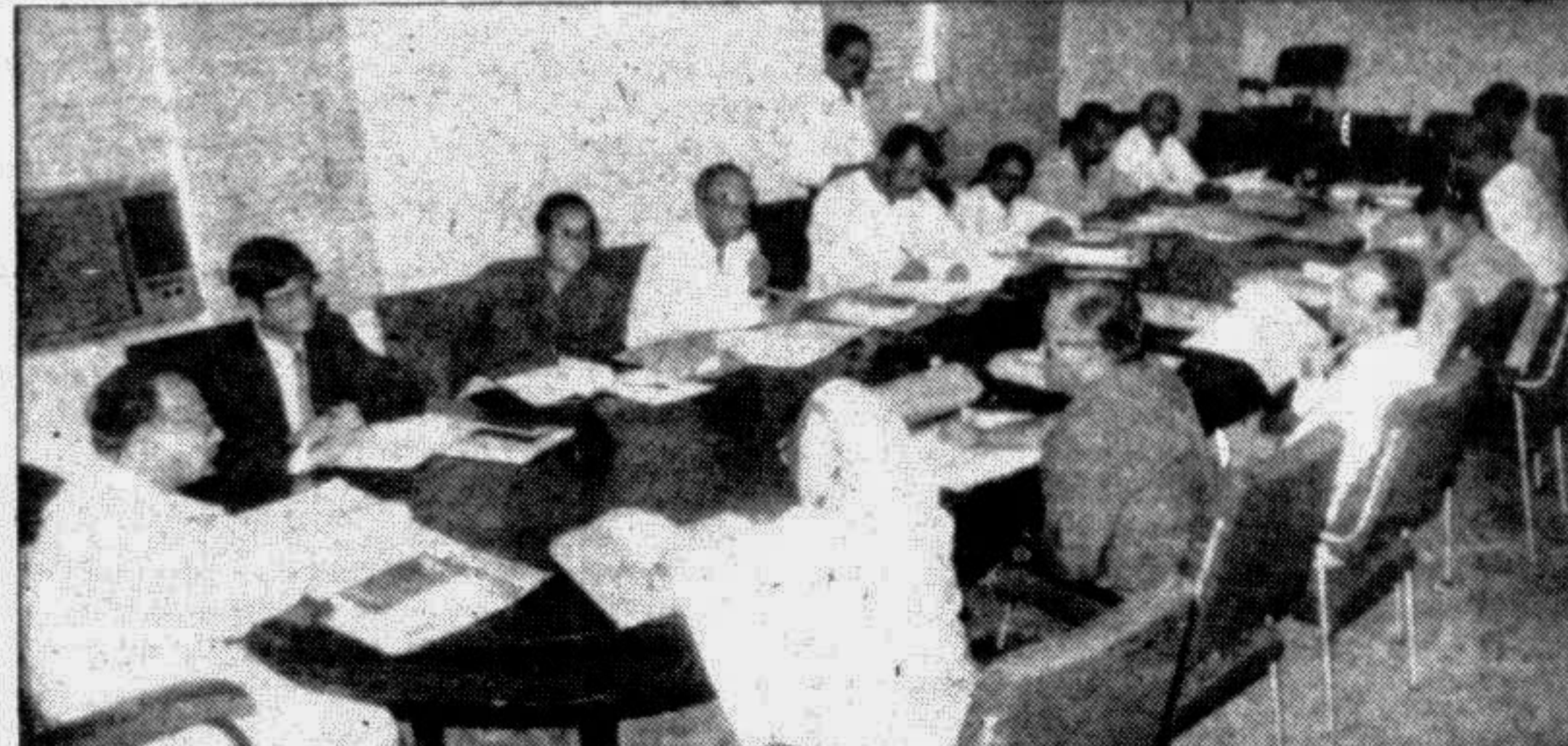
The Industries Minister was accompanied among others by industries secretary AHM Abdul Hye, local MP Niamutullah Sabu and BCIC Chairman Wasseq Al Azad.

The Dhaka Leather Complex is set up at a cost of Tk 61 crore by the Bangladesh Chemical Industries Corporation (BCIC) with the techno-financial assistance from the Czech Republic.

Located on an area of 16 acres on the bank of River Bangshi, the leather complex is designed to process 600 pieces of cow-hide and 5000 pieces of goat skin per day. The annual production capacity of the plant is 9.26 million square feet leather. It is expected that the factory would fetch foreign exchange of 16 million US dollar annually.

Foreign arrivals in India rise

NEW DELHI, July 16: Foreign tourist arrivals in India rose 19.5 per cent during the first six months of the year over the same period in 1993, Tourism Minister Ghulam Nabi Azad said yesterday, reports AFP.



LGRD and Cooperatives Minister Barrister Abdus Salam Talukder presided over the 53rd meeting of the Board of Governors of Bangladesh Academy for Rural Development (BARD), Comilla at the Conference Room of the Ministry of LGRD and Cooperatives yesterday.

5837 get BARD training

Bangladesh Academy for Rural Development (BARD), Comilla, conducted a total of 171 training courses, workshops and seminars during the fiscal year 1993-94 and provided training to 5837 national and foreign officials and undertook 18 research projects, says a press release.

All these programmes have been directed towards the benefit of rural poor and human resource development.

This was disclosed in the 53rd meeting of Board of Governors of the Academy held yesterday at the conference room of the Ministry of Local Government, Rural Development and Cooperatives. LGRD and Cooperatives Minister Barrister Abdus Salam Talukder presided over the meeting.

The meeting reviewed the BARD's activities during the year 1993-94 and took a number of decisions relating to management and administrative affairs.

It was mentioned in the meeting that the international training courses conducted by

the academy were on poverty focussed rural development for the officials of Commonwealth countries; monitoring and evaluation; local level planning and management, gender analysis and development for Nigerian government officials and preparedness and management of disaster for SAARC countries officials.

Apart from these, BARD also conducted training courses and workshops on poverty alleviation, enhancement of production and employment, health and nutrition, research methodology, foundation course for cadre officials, environment, etc. for Bangladesh government officials and other participants of the country.

The meeting also disclosed that besides several research, experimental and technical assistance projects, the academy had been implementing two important investment projects of the government known as Small Farmers Development Project and Comprehensive Village Development Project.

Nuclear workers in Russia stay underground to demand wages

KRASNOYARSK, Russia, July 16: About 30 workers at an underground nuclear plant near this Siberian city refused to come out when their shift was up Thursday and say they will stay until they receive their wages, reports AP.

The reactor at the plutonium production plant is shut for scheduled repairs, and plant officials told the ITAR-Tass news agency there was no threat to safety.

The plant's workers have not been paid since May, the news agency said. Russia's energy sector has been crippled by a cycle of non-payments: Industrial consumers that used to get state-subsidized energy now have difficulty paying for it, which means the government has trouble paying workers.

Nuclear industry officials in particular have been clamoring for more funds.

US industrial output up

WASHINGTON, July 16: Hot weather linked to surging utility outputs sent US industrial production 0.5 per cent higher in June, the government reported Friday, says AFP.

Without the higher utilities use, the Federal Reserve said production was up a slight 0.1 per cent last month, the same as the overall increase for May. Production at US factories, mines and utilities plants has risen for the past 13 consecutive months.

Plants operated at 83.9 per cent capacity for the month, up 0.3 per cent.

Malaysian firm opens manpower training centre in city

Sensamewah Company Ltd, a top manpower recruiting agency of Malaysia, yesterday opened a liaison office and training centre here to facilitate recruitment of Bangladeshi workers, reports UNB.

Food Minister Lt Gen (Retd) Mir Sawkat Ali formally unveiled the plaque of the new centre at Gulshan which will provide basic training for in-bound Bangladeshi workers in the industrial, construction and plantation sectors of Malaysia.

Welcoming the Malaysian company, Mir Sawkat Ali held out the assurance that the Bangladesh government would extend all cooperation to foreign investment.

"We would like to see more of Malaysia in Bangladesh and more of Bangladesh in Malaysia," the Minister said underlining bilateral cooperation. He hoped that the

Bangladeshi workers would be useful in helping Malaysia in their efforts for speedy development. "Our workers are proud, intelligent and quick to learn," he said adding that they are also the cheapest in the world.

Dato Radzi Bin Sheikh Ahmed, Chairman of Sensamewah Company, said that Malaysia always looked upon Bangladesh as an important source of manpower in their efforts for development and industrialisation.

He said his company and its new training centre aimed at meeting Malaysia's demand for quality manpower.

The training curriculum of the centre includes, besides upgrading trade skills, orientation programme to provide the in-bound Bangladeshi workers with insights into Malaysian culture, tradition and industrial and labour laws.

Malaysian car gearing up for overseas sales drive

The concept of producing a national car was the brain-child of Malaysian Prime Minister Mahathir Mohamad, as part of his goal to take the rubber, palm oil, tin and timber-producing country to the status of a fully industrialised nation by the year 2020. Malaysia was in the automobile industry as early as 1987 but largely as an assembler of foreign vehicles. Manufacturing its own cars would allow the country to increase industrialisation through the development of a domestic parts supply sector and technological transfer from foreign partners.

The shortest route to Mahathir's dream of a national car was a joint venture with Japanese giant Mitsubishi Corp. Proton was officially launched on September 1, 1985, in an assembly line ceremony presided over by the Prime Minister and broadcast live on Malaysian television.

Today, two Malaysian government agencies own 45.1 per cent of Proton, with Mitsubishi holding 17 per cent and the rest in the hands of local and foreign investors.

The government's ownership stake has resulted in many benefits for the company. Tariffs on imported parts that are dramatically lower than competitors result in the Proton Saga selling for about 31.00 to 33,000 Malaysia ringgit compared to 39,000 ringgit for its rivals from Ford or Nissan. The sportier Proton

Wira is about 55,000 ringgit while the Toyota Corolla and Honda Civic come in at about 73,000, ringgit. The plan has worked. Following recession-battered sales in 1986 and 1987, the vehicle's fortunes turned with the Malaysian economy, topping 40,000 in 1988. Sales have increased steadily since, with forecasts of domestic sales hitting 95,000 this year, giving it a 69 per cent share of all cars sold in the country.

And with increasing affluence across Malaysian society, the local market is expected to continue growing. Domestic content of the

Daniel Girard writes from Malaysia

dent, becoming "a cardboard car" and folding all around the passenger. "It's the Malaysian government's pet so they give it any help they can," Chow said. "The only reason people buy them is because of the cheap price."

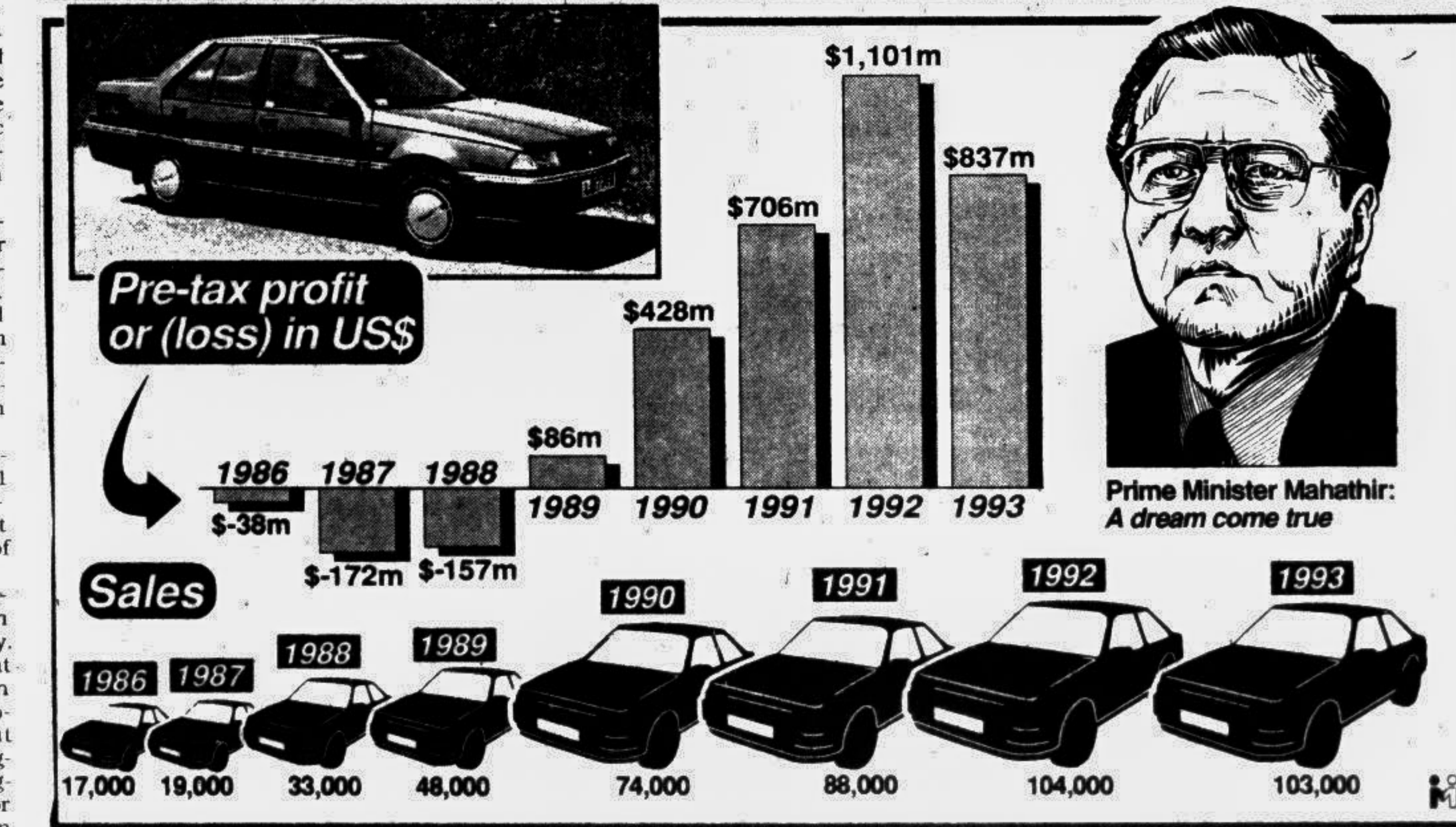
But it is clear the Proton concept has more admirers than critics. A second national car, appealing to the small, low-end auto market with a price of about 25,000 ringgit, is scheduled to be launched later this year by a private sector group including Malaysian companies and Japanese automaker Daihatsu. Mahathir recently said that US automakers have shown interest in manufacturing cars in Malaysia and French Citroen cars may also be produced in the country.

And buoyed by the reception of Proton, the Malaysian government is introducing a national boat in June. Public Enterprises Minister Yusof Noor recently made it clear to reporters there are great expectations for that scheme too.

"We are confident that the project will follow the success of the national car project where the boats will be sold locally and abroad," Gemini News

Exchange rate: One dollar = 2.7 Malaysian ringgit. (Daniel Girard, is a reporter with The Toronto Star currently on a one year internship with Gemini News Service sponsored by the Ottawa-based International Development Research Centre)

Proton: A Malaysian success story



Prime Minister Mahathir: A dream come true