

US demands closure of Chinese compact disc factories

BEIJING, July 22: China must shut all 26 of its compact disc factories to stop rampant copyright piracy and avoid US trade sanctions, a senior US trade official said Thursday, reports AP.

The factories, capable of producing 75 million CDs annually, are suspected of turning out pirated CDs that sell by the millions overseas and have been found as far away as Canada, said Charlene Barshefsky, deputy US trade representative.

"These factories must be shut down," she said. "If one is going to halt piracy, one must go to the source."

She also demanded that China shut down producers of pirated computer software.

Last month, the United States gave China six months to enforce laws protecting intellectual property rights, such as copyrights and patents.

Otherwise, China faces US sanctions on 800 million dollar worth of goods, the amount that US companies say they lost to piracy in China last year.

"We expect China to take effective measures to curb piracy, including the closure of 26 CD and CD-ROM factories," Barshefsky said.

She spoke at a news conference after two days of meetings with Chinese officials, including Foreign Trade Minister Wu Yi.

Trade has replaced human rights in recent months as the focus of Chinese US disputes.

Also Thursday, China accused the United States of violating a textile agreement when it cut Chinese textile quotas on July 1 to punish Chinese companies it said illegally imported textiles to the United States through third countries, the official Xinhua News Agency said.

It called the US action unjustified and warned that China could retaliate.

Barshefsky said the United States wants China to open its markets to foreign audio-visual products as part of the battle against piracy.

There is massive demand in China for foreign music and

films, but because China restricts the entry of these products, Chinese buy pirated products, she said.

China restricts foreign films and other cultural products because it fears they spread ideas that could undermine the ruling Communist Party.

Barshefsky said Chinese officials were "quite cautious" about the US demands, but she refused to elaborate.

She also refused to speculate about why China so far failed to crack down severely on pirate CD producers.

But much of the problem is that the CD factories are often joint ventures between foreign companies and local Chinese governments that view them as good for local economies.

Lee Sands, assistant deputy trade representative, said the US government offered China satellite photos showing the location of the 26 CD factories.

Chinese officials replied that four factories and six production lines would be shut down, but the others would be

re-registered and investigated. Chinese police have raided markets and shops selling pirated CDs and computer software, but Barshefsky said this was not enough.

Opening markets and protecting intellectual property rights is also a requirement of the General Agreement on Tariffs and Trade, the major world trade body that China wants to join.

Barshefsky denied Chinese accusations that the United States is seeking to block China's GATT bid. She said many GATT members were anxious that China abide by GATT rules before it is admitted as a member.

GATT members fear that China's trade system is too closed and discriminatory against foreign businessmen. They want China to lower import tariffs, publish its trade laws and open more markets to foreign competition.

The United States will present its own tariff requests to China August 1, Barshefsky said.

Amoco to cut 3,800 jobs

CHICAGO, July 22: Amoco Corp said Thursday it will cut 3,800 jobs over the next year in a major restructuring, reports AP.

The oil company said another 700 jobs would be eliminated by the end of 1996.

A number of other oil companies, including Atlantic Richfield Co, Texaco Inc and Mobil Corp have recently announced major reorganizations and layoffs. The companies blame the cutbacks on low oil prices and restrictions on domestic drilling.

Amoco waded employees in March of a major reorganization that would involve layoffs. In June, management said in a letter the cuts would be extensive.

"The changes we are announcing today will result in a different organization," chairman and chief executive officer H. Laurence Fuller said in a statement Thursday. "We're removing an entire layer of management."

The cuts include about 2,000 support staff. Earlier this year, the company eliminated 350 marketing jobs.

Amoco employed people 46,000 at the end of 1993, including 7,750 in Illinois. In

1992, the company cut 8,500 jobs, or about 16 per cent of its work force at the time.

Amoco has already eliminated three operating divisions, replacing them with 17 smaller business units. Authority will be divided among the units rather than concentrated at the Chicago headquarters, spokesman Greg Clock said.

The company projected annual cost savings of 600 million dollars by the end of 1995 as a result of the restructuring. It said additional restructuring charges of about 200 million dollars will be incurred through 1996 for redesign, relocations, work consolidation and other measures.

"Increased competition, low oil prices, it's just a very competitive market place," said Robin Shoemaker, an analyst for Lehman Brothers Inc, financial firm.

While the oil companies are not in immediate danger, they need to position themselves for the future, said John Hillon, an analyst with Argus Research Corp in New York.

"It's not for near-term, it's to stay competitive in the long-term. They're extremely healthy financially," he said.

US dollar slips in Tokyo

TOKYO, July 22: The US dollar slipped from its opening bid but held its ground against the Japanese yen in morning trading Friday, while prices on the Tokyo Stock Exchange slipped, reports AP.

The dollar was changing hands at 99.03 yen at 11:30 am (0230 GMT). It opened at 99.20 yen, up 0.52 yen from Thursday's Tokyo close and unchanged from its overnight New York finish.

The dollar slipped slightly on profit-taking following its overnight rise in New York but was locked in a narrow range due to the lack of fresh news, said Daiwa Bank dealer Shin Akiyama.

Akiyama said the dollar continued to receive support from comments Thursday by US and German officials favouring a strong dollar, which had already caused its overnight rally in New York.

The dollar has been under strong downward pressure over the past three months, plunging to a postwar low against the Japanese yen and also falling substantially against the German mark.

On the stock market, the 225-issue Nikkei Stock Average lost 61.51 points, or 0.30 per cent, to end the morning session at 20,561.41. On Thursday, the average shed 157.84 points, or 0.76 per cent, to 20,622.92.



President of the German central bank Hans Tietmeyer gestures as he announces a drop in the interest rate at a press conference on Thursday. The German interest rate was reduced 0.03 per cent to 4.85 per cent. — AFP photo

China to control investment in finance bodies

BEIJING, July 22: China announced controls on investment in financial institutions, banning foreigners from buying stakes and limiting investments by the army, Communist Party and state organs, reports Reuters.

The China securities newspaper published draft central bank regulations, aimed at giving authorities the legal clout to regulate investment in financial institutions and prevent them falling outside official control.

There are foreign joint ven-

ture financial institutions and it is unclear how this would affect such operations.

The rules also did not spell out limits on investments by the army or the party but said the rules were aimed at "guaranteeing that the source of funds of financial institutions is legitimate, that the structure of financial institutions is reasonable and for their healthy development."

China has four main specialised banks, four nationwide commercial banks, six regional commercial banks as well as

insurance companies, rural and urban credit co-operatives, investment and trust firms and finance and securities firms.

The latest central bank figures show 182,559 in 1991. Under the new regulations, wholly foreign-owned ventures and Sino-foreign joint ventures are banned from investing or swapping shares for stakes in China's financial institutions.

The regulations will restrict investment in financial institutions by party and government enterprise, the military and state-funded enterprises.

Liberty joins Comcast bid to take over QVC

PHILADELPHIA, July 22: Liberty Media Corp. joined Comcast Corp. on Thursday in its bid to take over home shopping network QVC Inc., strengthening the proposal by changing it to an all-cash deal, reports AP.

Liberty and Comcast, who already own roughly 36 per cent of QVC, said they would pay 1.3 billion dollars cash for the remaining 29 million shares. The 44 dollars-a-share deal values QVC at 2.2 billion dollars.

Shareholders generally prefer all-cash offers. Comcast's original offer included cash and stock.

QVC said it would review the bid and "continue to explore alternatives" to increase returns for its shareholders. Comcast Senior Vice President John R. Alchin said QVC officials were to examine the latest offer during a meeting Friday.

Comcast's surprise bid last week broke up a planned merger between QVC and CBS Inc. Comcast's leaders objected to the QVC-CBS combination because they would not have had enough of a say in the merged company. The CBS offer was worth about eight dollars a share less than Comcast's bid.

Liberty Media is a Boulder, Colo., subsidiary of Tele-Communications Inc., the nation's largest TV cable company. Comcast is the third-largest.

TCI currently owns nearly 20 per cent of QVC's stock. Comcast owns about 16 per cent. The new offer calls for Comcast to control the company with 57 per cent, leaving TCI as the minority shareholder, Alchin said.

"We have less of a burden, but we still have control," he said. "We still would manage the operation."

If the offer is accepted, it would mark Comcast's first major advance into cable TV programming. The Philadelphia-based company already provides cable TV service to about three million customers, and QVC would give it access to millions more.

California bans smoking in indoor workplaces

SAN FRANCISCO, July 22: California Governor Pete Wilson signed into law a workplace smoking ban considered the nation's toughest Thursday, setting the stage for a ballot box fight over a weaker tobacco industry proposal, reports AP.

The new law will take effect January 1 unless voters approve the industry-backed measure on the November ballot, which would substitute looser statewide standards.

Wilson said the new law will have the effect of "freeing California's workers from the toxic pollution of second-hand smoke" while lowering employers' costs for health care and insurance.

The law bans smoking in most indoor workplaces and allows local governments to enforce even stricter anti-smoking ordinances.

Smoking will still be allowed in private homes when they're not used as day-care centers, in up to 65 per cent of hotel and motel rooms, in employee break rooms that meet ventilation requirements and in certain other areas.

Violations could result in a 100 dollar fine for a first offense and larger fines thereafter. "This is an historic achievement," said the bill's sponsor, Assemblyman Terry Friedman. "It's the strongest statewide anti-smoking law in America. Two years ago when I introduced (the bill) no one thought it had a chance to become law."

"This is a case where David slayed the tobacco Goliath." There was no immediate reaction from tobacco industry representatives.

The legislation was spurred by students that found serious health risks in exposure to secondhand tobacco smoke. An Environmental Protection Agency report blamed 3,000 deaths a year on secondhand smoke.

Opponents complained that the measure would violate smokers' rights and hurt the state's economy.

Friedman argued that it would help business by reducing employee health risks and workers compensation claims and by making it less likely that businesses would have to deal with conflicting local ordinances.

The ballot measure would allow smoking sections in restaurants and employee cafeterias. It would also allow smoking in bars, private offices, business conference rooms with the occupants' consent, gaming clubs, bingo parlors, race tracks, private boxes at sports facilities and smoking lounges.

Italian cabinet adopts \$86b deficit budget

ROME, July 22: The Italian cabinet adopted late Thursday a 1995 outline budget foreseeing a reduced deficit of 138,600 billion lira (86 billion dollars), largely thanks to a programme of swinging spending cuts, an official cabinet document showed, reports AFP.

The overall debt will be squeezed by 45,000 billion lira (28 billion dollars), 30 billion of which will come via public sector spending cuts and the remainder via new receipts.

But Prime Minister Silvio Berlusconi said he would hold to his promise of no new taxes.

Next year, the government hopes to achieve a positive balance net of debt-servicing interest charges worth 34,140 billion lira, equivalent to two per cent of GDP.

For this year, Rome adopted a balancing item of 5,000 billion lira to counter a budget deficit of 155,000 billion lira.

Of this 3,000 billion lira comprises new payments, with the remaining 2,000 billion taken up by budget cuts.

The cabinet met to discuss economic policy orientation for the coming three years, with their resulting document much awaited by analysts.

Up until the end of 1997, the government will need to find 117,000 billion lira worth of new receipts and spending cuts spread over the 1994-97 period. The 5,000 billion lira to be trimmed from the budget this year and the 45,000 billion in 1995 will be followed by 32,000 billion in 1996 and another 35,000 billion in 1997.

Exchange Rates

Following are the Sonali Bank's dealing rates to public for some selected foreign currencies effective as on July 21. (Figures in Taka)

Currency	Selling			Buying	
	TT & OD	EC	TT Clean	OD Sight Ex. Bills	Trans
US Dollar	40.3825	40.4125	40.1400	40.0575	39.97
Pound Sterling	62.7435	62.7901	61.0660	60.9605	60.79
DM	26.1048	26.1243	25.4262	25.3739	25.23
F Franc	7.6137	7.6193	7.4153	7.4000	7.37
C Dollar	29.5339	29.5558	28.7544	28.6953	28.55
S Franc	30.9385	30.9616	30.1209	30.0591	29.98
Jap Yen	0.4154	0.4158	0.4006	0.3997	0.39
Indian Rupee (AMU)	1.2908	1.2973	1.2754	1.2594	
Pak Rupee (AMU)	1.3204	1.3270	1.3046	1.2883	
Iranian Ryal (AMU)	0.0229	0.0230	0.0226	0.0223	
A) T. T.(DOC) US Dollar Spot Buying Tk. 40.0987					
B) Usance Rates:					
30 Days DA	39.5050	39.2207	38.9364	38.3677	180 Days
90 Days DA	39.5050	39.2207	38.9364	38.3677	38.3677
C) US Dollar sight export bill 3 months forward purchase: Tk. 40.0575					
D) US Dollar 3 months forward sale: Tk. 40.6125					

Note : AMU—Asian Monetary Unit

Bangladesh Bank Affairs

Statement of affairs of the Bangladesh Bank Banking Department as on June 30.

Liabilities	Taka	Taka
Capital Paid Up	3,00,00,000	
Reserve Fund	3,00,00,000	
Rural Credit Fund	211,05,96,000	
Industrial Credit Fund	59,78,52,000	
Export Credit Fund	61,00,00,000	
Agricultural Credit Stabilisation Fund:	205,00,00,000	
Deposits:		
(a) Government:	87,84,000	
(b) Banks:	4769,44,76,000	
(c) Others:	5029,62,90,000	9799,95,50,000
Allocation of Special Drawing Rights:		91,74,31,000
Bills Payable		200,26,91,000
Other Liabilities		2274,23,14,000
Total Liabilities		12909,04,34,000
Assets	Taka	Taka
Notes		79,54,000
Taka Coin		
Subsidiary Coin		
Bills Purchased & Discounted		
(a) Internal		
(b) External		
(c) Govt Try Bills		
Balances held outside Bangladesh*		7619,65,59,000
Special Drawing Rights held with the IMF:		
Loans and Advances to Government		20,00,00,000
Government's Debtor Balances		
Other loans and advances		1388,93,14,000
Investments		1541,74,46,000
Other Assets		2337,91,61,000
Total Assets		12909,04,34,000

*Includes Cash & Short Term Securities Registered No

An account pursuant to the Bangladesh Bank order 1972 for the week ended June 30. Issue Department

Liabilities	Taka	Taka
Notes held in the Banking Department	79,54,000	
Notes in circulation*	5966,20,13,000	
Total Notes Issued		5966,99,67,000
Total Liabilities	Taka	Taka
Assets		
1A. Gold coin and Bullion	109,15,97,000	
Silver Bullion		
Special drawing rights held with the International Monetary Fund		
Approved Foreign Exchange 3400,00,00,000		3509,15,97,000
B. Taka coin	16,60,06,000	
Government of Bangladesh securities	205,15,34,000	
Internal bills of exchange & other commercial papers 2236,08,30,000		2457,83,70,000
Total Assets		5966,99,67,000

* The statement with regard to "Notes in circulation" is made without prejudice to the claims of the Government of the People's Republic of Bangladesh/Bangladesh Bank for obtaining value from the Government of Pakistan/State Bank of Pakistan in respect of Pakistani currency Notes demonetised and withdrawn from circulation.

Shipping Intelligence

Chittagong port

Berth position and performance of vessels as on 21.7.94

No	Name of vessels	Cargo	L. port call	Local agent	Date of arrival	Date of leaving
J/1	Nand Bhagrat	HEI	Magd	OTL	7/7	21/7
J/2	Karabieverett	GI	Sing	EBPL	17/7	25/7
J/3	Jala Mudra	Cement	Jaka	USTC	6/7	24/7
J/4	Sahna-e-Islam-2	Rice/Gl	Kara	Prog	14/7	24/7
J/5	Catrona	Sugar (P)	Kass	Seacom	18/7	27/7
J/6	Sea Song	Wheat (P)	Cara	Seacoast	10/6	24/7
J/7	Salem Twelve	GI	Mong	OWSL	18/7	24/7
J/8	Perla One	Cement	Sing	PSAL	28/6	24/7
J/10	Dolores	Idle	Seacom	R/A	30/7	
J/11	Alexander Peredeiry	GI	Mala	OWSL	18/7	25/7
J/12	Irene P	Cement	Sing	PSAL	18/7	24/7
J/13	Fong Shin	Cont	Sing	Bdship	15/7	21/7
MPB-1	Ultima	Cont	Col	Baridhi	18/7	23/7
CCJ	Banglar Asha	Repair		BSC	R/A	
GSJ	Western Greeting	Wheat (G)	Rouen	LTL	5/7	23/7
TSP	Sidi Bishr	Idle/Bunker	Kara	MMI	11/7	23/7
RM/4	Akademik Vekua	CLSO	Sao	Royal	19/7	24/7
RM/6	Team Trinta	Hsd/MS	Sing	MSPL	10/7	25/7
DOJ	Banglar Jyoti	C.Oil		HSC	R/A	21/7
DD	Al Swamruz	Repair	Lena	ASLL	29/6	22/7
DDJ/1	Pearl One	Repair	Yang	ENCL	15/6	25/7
DDJ/2	Banglar Shobha	Repair	Pase	HSC	22/6	20/7

Vessels due at outer anchorage

Name of vessels	Date of arrival	Last port call	Local agent	Cargo	Loading port
Banglar Robi	22/7	Sing	ISC	Cont	Sing
Altorder	21/7	Sing	AEKA	Cement	UK Cont
Banglar Manata	22/7	Mong	ISC	GL	UK Cont
Nikola	21/7	Sing	Prog	GI	
Meur Kru	21/7	Sing	AML	Cont	Sing
Marlin	21/7	Rouen	Ancient	Wheat (G)	
Andrian Goncharov	22/7	Sing	CT	*Cont	Sing
Lhotse	22/7	Sing	RSL	Cont	Sing
Delta Star	22/7	Tekel	Ancient	Wheat (G)	
Banglar Kallol	23/7	Pena	ISC	GI	
Laemthong Glory	23/7	Ilyc	Litmond	Mop (P)	Viza
Ingenuity	23/7	Sing	RSL	Cont	C Ports
Jiang Cheng	24/7	S.Hai	Bdship	GI	C Ports
Kota Bintang	23/7	Sing	CTS	Cont	Sing
Kransno Yarski			Seacom	GI (Copro)	
Komsonolets	30/7		USC	Prior	
Tirgu Secuies	24/7		ATL (B)	Cont	Sing