

Maharashtra plans to invite global tenders for road construction

BOMBAY, Aug 19: Maharashtra, India's most industrialised state, said it is inviting global tenders for the construction of a 12 billion rupee (378.5 million US dollars) expressway to connect Bombay with Pune, the state's second largest city, reports Reuters.

This will be the first private road project under India's economic liberalisation programme launched three years ago, state officials said yesterday.

Maharashtra Chief Minister Sharad Pawar said on Wednesday global tenders would be invited for a new four-lane express highway between the outskirts of Bombay and Pune, 83 kms (50 miles) to the east.

Pawar said similar express highways would be constructed to connect Bombay with Surat and Nashik, industrial centres in western India, and Goa, a tourist destination and former Portuguese colony south of Maharashtra.

Pawar said the successful bidder for the Pune highway will be allowed to collect a toll for 20 years. The winner may also be allowed to set up satellite townships in the vicinity of the highway, in which case it may not insist on toll, he said.

Satellite towns could help ease congestion in Bombay and bring down real estate prices in the city which are among the highest in the world, Pawar said.

The successful bidder would be permitted to raise additional revenue by setting up petrol stations along the highway to meet construction costs, he said.

Pakistani money market rates

KARACHI, Aug 19: The Pakistani inter-bank market remained fairly liquid driving most overnight down to between 3.0 and 4.5 per cent, compared with 3.0 to 10.0 per cent on Wednesday, dealer said, reports Reuters.

The central bank did not conduct any open market operations, leaving surplus funds in the market, he said.

Offers in the T-bill market persisted at around 11.50 per cent with buyers giving a lukewarm response, indicating that most bids in the next T-bill auction would be placed between 11.50 per cent and 12 per cent, the dealer said.

India's share in world tea market slumps to 16 pc

NEW DELHI, Aug 19: India's share in the world tea market has slumped to 16 per cent in 1993 from 19 per cent in 1991, according to the Indian Tea Association's latest report on the tea industry's prospects in the current year, reports Xinhua.

The paper said that now India has slipped to the fourth position in tea exports, trailing behind Kenya, Indonesia and Sri Lanka.

It said that the country's total tea export in 1993 was close to 180 million kilograms.

Another report says: The Indian government has succeeded in arresting the decline in crude production, which would be 32.51 million tons in the current financial year as against 27.02 million tons in the previous year.

Petroleum and natural gas minister Satch Sharma told the Rajya Sabha (Upper House of Parliament) on Wednesday that the production is expected to go up to 38.37 million tons in 1995-96.

The government was investing over 30 billion rupees in oil exploration, he said, adding the money has been mobilized from its own sources.

Top oil companies of the world would be invited to take part in oil exploration, the minister said.

China opposes US plan to push world labour rights

BEIJING, Aug 19: China said Friday it was firmly opposed to a US plan to use the World Bank and other lending bodies to push for labour rights in borrowing countries, reports AP.

President Clinton is expected to sign a bill that would require US representatives to the lending institutions to push for internationally recognised human rights, including the right to form labour unions for bargaining, a ban on forced labour and limits on child labour.

"We are very concerned about this and firmly oppose introducing human rights labour criteria and other non-economic factors into the activities of the World Bank and other international development agencies," said a spokesman of the Foreign Ministry. He did not give his name, in keeping with min-

istry practice. China is the single largest beneficiary of World Bank loans, which have totalled 18.6 billion dollars.

The spokesman said the World Bank's charter "has laid down in explicit terms that its business activities should not interfere in the politics of any member state."

"All the decisions of the World Bank should only be related to economic considerations," the spokesman said.

He said existing international conventions should be enough to ensure that employees' rights and other human rights are protected.

The spokesman said if the bill becomes law, it would be a violation of the World Bank's charter and "seriously impede the normal activities of the World Bank in practice and affect it playing its due role as a result."

The United States is the biggest stockholder in the World Bank and wields major influence, but it does not have veto power over loans.

However, decisions by lenders like the World Bank are usually made by consensus, and the United States for years prevented loans from going to Vietnam.

The bill says US representatives in the World Bank, other banks and International Monetary Fund must use the US "voice and vote" to encourage human rights and labour rights.

Currently, US representatives are not required to vote against loans to countries considered falling short.

US law already makes labour rights in Third World countries a condition for granting favourable US customs treatment to their products.

33 commodity prices' index increases

WASHINGTON, Aug 19: The World Bank said Thursday its index of 33 commodity prices rose 16.7 per cent in the second quarter of 1994, but predicted the surge in prices would relent, reports AFP.

The jump was led by sharp rises in the price of coffee, which tripled in the last year, and rice, which doubled. Cotton and copper prices were up some 50 per cent over the year.

The index does not include oil, which rose 28.9 per cent in the first six months of 1994 based on average spot prices for crude oil.

Bank officials said the increases were to be expected after the slumps in prices over the 1980s and dismissed suggestions that they would lead to higher inflation.

Several factors suggest that the price increases during this boom will be much smaller than those of the 1970s.

Dollar falls in NY on rising trade tensions

NEW YORK, Aug 19: The dollar fell against leading currencies on concerns of rising trade tensions between the United States and Japan, reports Reuters.

Such fears were fuelled in part by a report showing a 25.8 per cent rise in the trade deficit with Japan in June. Although the overall trade imbalance for the US narrowed to 9.37 billion dollars from May's 9.52 billion dollars gap, the deficit with Japan swelled to 5.52 billion dollars from 4.39 billion dollars.

Commerce Secretary Ron Brown called the results unacceptable and said the Clinton administration was taking an "aggressive approach" in dealing with problem.

The dollar closed at 98.57/62 yen, down from 100.11/16 yen at Wednesday's New York close, and at 1.5433/40 marks, off from 1.5513/18.

China expecting bumper harvest in cotton

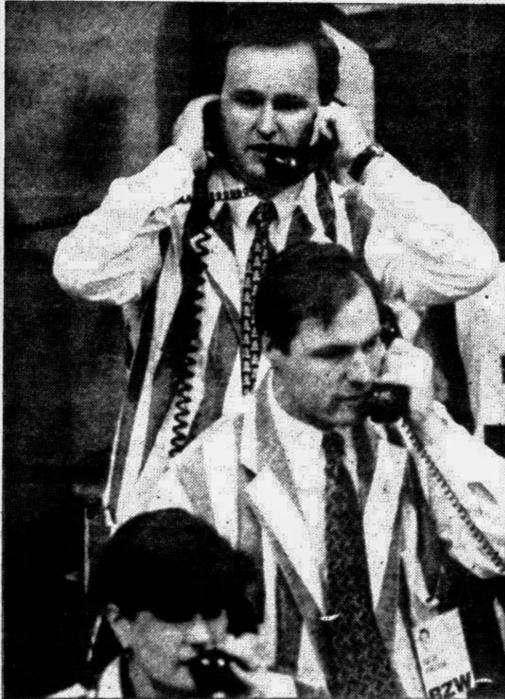
BEIJING, Aug 19: After a two-year decline in cotton output, China is expecting a bumper harvest this year, reported the Economic Information Daily yesterday, reports Xinhua.

According to the Ministry of Agriculture, cotton is being grown on 5.4 million hectares of land this year, a rise of 9.6 per cent over the same period last year, said the Beijing-based paper.

Except for in two provinces, all main cotton producers in the country have expanded their planting areas.

The paper contributed the foreseeable harvest to suitable weather, raising of cotton price and the improvement of farming techniques.

China is the world's largest cotton producer. Cotton production is vital to the development of national economy and the improvement of farmers' income.



Dealers take orders amid heavy trading at the Sydney Futures Exchange on August 17 after the Reserve Bank lifted its official interest rate for the first time in five years. Seen as a preemptive strike against inflation, the increase of 0.75 percentage points to 5.50 per cent led to a rally on bond futures, the Australian dollar and the stock market. — AFP photo

Woman wins \$2.9m lawsuit against McDonalds

ALBUQUERQUE, New Mexico, Aug 19: An 81-year-old woman has won a 2.9 million dollar lawsuit against McDonalds Corporation after she suffered third-degree burns from coffee from the fast-food chain that spilled on her lap, her attorney said, reports Reuters.

A jury Wednesday awarded Stella Liebeck 2.7 million dollars in punitive damages and 200,000 dollars in compensatory damages from McDonalds, her attorney Ken Wagner said.

A spokesperson for Oak Brook-based McDonalds was not immediately available for comment.

In 1992, Liebeck bought coffee from a drive-through McDonalds in Albuquerque, and it spilled as she tried to remove the cap from the styro-foam cup.

Wagner said McDonalds serves its coffee at 180 to 190 degrees, compared with coffee made at home, which has a temperature of 135 to 140 degrees.

"McDonalds says it's better at that temperature, it's a taste issue, not a safety issue. They've known about these injuries for 15 years. They refuse to do anything about it," Wagner said.

The trial in state district court lasted one week, and the jury deliberated about four hours before issuing its verdict.

Russia to hold confce on gold industry

MOSCOW, Aug 19: the Russian gold industry will hold a special conference next week to discuss ways of setting up domestic gold markets while preserving state control over extraction and refining, reports Reuters.

The one-day conference in Moscow on August 22 would look at plans to establish a domestic gold market to help raise the money required and create new securities which would be backed by gold, the statement, which was faxed to Reuters, said.

But it made clear the state would continue to exert strict regulatory control over extraction and refining of the metal.

The conference would also discuss ways of solving shortages of cash and equipment and high transport and electricity charges.

"Attempts to solve the problem from the state budget have not been successful," it said. "Attempts to switch the branch to market laws have also been a failure — the state does not want to let the strategically important sector out of its control."

Investors are not willing to act because of a constant threat of the industry being nationalised," the statement added.

The document proposes setting up a non-commercial

financial industrial corporation — the Gold Club of Russia — bringing together representatives of the state precious metals committee, the economics and finance ministries and the central bank as well as authorised commercial banks.

Thirty big Russian banks are currently authorised to trade gold domestically.

Lawmakers meet with Kantor

WASHINGTON, Aug 19: Key legislators met with US trade representative Mickey Kantor and said later he promised that all options would be used to open Japan's closed market for American cars and car parts, reports Reuters.

Representative Sander Levin, Democrat of Michigan, said Kantor told him that possible actions would include invoking Super 301, a section of trade law enabling Washington to open foreign markets by use of sanctions.

US trade officials say that US auto parts compose less than two per cent of Japan's whole market and that nearly two-thirds of America's dollar 60 billion annual trade deficit with Japan is caused by trade imbalance in autos and auto parts.

Ukraine facing grim economic crisis

KIEV, Ukraine, Aug 19: In Independence Square shoppers queue for ice cream, neatly dressed children splash in the fountains, and friends chat at cafes under red Coca-Cola umbrellas, reports AP.

The streets are clogged with cars, and sidewalk vendors offer an array of fruits and vegetables.

An ordinary summer day. And that, given Ukraine's dire economic and political indicators, is what's extraordinary.

"As Mark Twain might have put it, reports of Ukraine's death are greatly exaggerated," said Ian Brzezinski, an American adviser to Ukraine's parliament.

According to the statistics, Ukraine should be on the verge of collapse.

Industrial production fell by as much as 40 per cent in the first quarter of the year, compared to the same period in 1993. Inflation last year was 9,000 per cent, reportedly the highest for any nation not at war. Privatization has hardly begun, and foreign investment is at a trickle.

To make matters worse, Ukraine is sharply divided between its industrialised, Russian-speaking east and its agricultural, national west. It split down the middle in presidential elections last month.

when challenger Leonid Kuchma rode eastern discontent to an upset victory over incumbent Leonid Kravchuk.

The rift has prompted some western diplomats to worry that an unstable Ukraine would be like a Bosnia with nuclear weapons.

But while grim predictions of collapse could yet come true, huge Ukraine, with its nuclear arsenal, decaying industrial base and 53 million people, keeps muddling through.

People are struggling but not starving, and some are even thriving. Ethnic groups quarrel but don't shoot at each other or divorce. This isn't Bosnia. It's not even Czechoslovakia. What gives?

For one thing, economic disaster has been held at bay by a huge, semi-legal "gray" market that continues to provide goods, just as the black market did in Soviet days. Soviet-style controls, widespread corruption and confiscatory tax laws have driven most business underground, where it can't be measured.

"In your free time you find things to do to make more money," says Alexander Ryapushenko, 21, a police officer who moonlights as a cab driver. His police salary is

800,000 karbovantsy a month — about 17 dollars.

"I can make enough to eat what I want and have a bottle of vodka. Not your (western) Smirnoff, but Russian vodka," he said.

Another reason for Ukraine's relative calm is that the division between east and west is actually less ethnic than economic.

The misery is concentrated most heavily in the east, once the pride of the soviet industrial machine and now nearly defunct. Home to many of Ukraine's 11 million Russian-speakers, the east endorsed Kuchma's promises of closer economic ties with Moscow.

But aside from the southern peninsula of Crimea, even eastern Ukraine is mainly ethnic Ukrainian. The region voted for independence in 1991, though not as heavily as western Ukraine.

"We don't have 11 million Solzhenitsyn types who are pining for Mother Russia," said Markian Bilynskyj, director of the US-Ukraine foundation.

"What we have is a population in the most over-industrialised part of Ukraine, the part that is suffering most, who want to restore some kind of predictability... who are looking toward Russia for economic reasons, not political or emotional or nostalgic rea-

sons."

Alla Verbitskaya, a 27-year-old student in Kiev, said Russian-speaking Ukrainians like herself have more opportunities in an independent country than they would as just another far-flung region reporting to Moscow.

But she regrets the 1991 breakup of the Soviet Union as too quick, saying Ukraine's industries weren't ready to fend for themselves.

Ukraine's potential trouble spots are pro-Russian Crimea and some ultranationalist pockets in the west. Elsewhere, language and ethnic differences have so far been the stuff of campaign rhetoric and a parliamentary fistfight, little else.

The government has shown little resolve to being market reforms in earnest. Kuchma is expected to try to streamline tax and business rules soon, but he faces a battle with the communist-dominated parliament, which has opposed virtually every move toward the free market.

Real reforms might upset the seeming stability, closing inefficient factories, putting people out of work, and depriving government bureaucrats of lucrative fees, tariffs and bribes.

Trade Dept in Philippines to investigate high cost of software

MANILA, Aug 19: The Department of Trade will ask on computer software companies to explain why prices here are often higher than the United States and other countries in Southeast Asia, a senior trade officer said Friday, reports AP.

Trade Undersecretary Tomas Alcantara said in a statement that he had called for an investigation because of the excessively high cost of software in the country.

As an example, Alcantara said Word Perfect sells for 641 dollars in Manila, the highest among 11 countries surveyed. He said the same software is 185 per cent cheaper in Washington, 149 per cent cheaper in Hong Kong and 126 per cent in Jakarta.

Lotus 123 sells for 740 dollars in Manila but only 117 dollars in Hong Kong, 420 dollars in Jakarta.

"These price variations are ridiculous and should be seriously investigated," Alcantara said.

Alcantara said the Philippines is strictly enforcing the protection of intellectual property rights but the high cost of software makes piracy attractive.

US investors walking, not running, back to Vietnam

HANOI, Aug 19: Eugene Matthews seems an unlikely person to invest in 2,000 dairy cows, least of all American Holsteins imported to new homes on the Vietnamese range, reports AP.

With a Harvard University law degree and experience in high-tech manufacturing, Matthews, 35, spent five years scouting out possible investments in Vietnam before making his first move into agriculture last month.

Today, his privately owned consulting firm, Ashta International Inc., holds two-thirds of a 18 million dollar venture to make yogurt, cheese and condensed milk. The project aims to save Vietnam some of the precious hard currency it now spends on imported dairy products.

kind of investment they want." Ashta is the latest US company to announce investment plans here, since President Clinton lifted the 19-year US economic embargo against Vietnam on Feb 3. The goal for these firms is a stake in an emerging free market economy with abundant natural resources and 72 million consumers.

But sober analysis has replaced the euphoria many American business people felt at the embargo's demise. Investors must contend with the country's lack of commercial and mortgage laws, a shortage of qualified Vietnamese managers and the absence of full diplomatic relations with the United States. Still, US investors remain excited by Vietnam — even if they haven't come back in droves.

"What's happening is nor-

mal, as opposed to a grand investment thrust," says Mauric Planagan, general manager in Vietnam for the computer maker Unisys Corp. "People are carefully evaluating the business potential."

Underwriters led by the investment firm Kidder, Peabody and Co. plan to raise at least \$60 million for the first Vietnamese stock investment fund to be listed on the New York stock exchange.

The fund could open for business as early as next month, and its backers are said to have already raised their capital target to \$150 million.

pieces of its patchy infrastructure, opportunities are mostly small-scale, investors say.

Fifteen US companies now hold licenses to invest a total of \$1.63 billion here. Seven will invest no more than \$1.5 million each.

Mobil Corp., which won approval to spend \$1.27 million exploring for oil and gas, is the biggest US investor. Soft drink rivals Coca-Cola Co. and Pepsi Co. Inc. have invested in bottling plants, while Procter and Gamble Co. is formed a joint venture to make soap and toothpaste.

Yet, the actual amount US companies have invested so far is only about 33 million dollars, says Ngo Van Diem, a director of Vietnam's regulatory agency for foreign investment, the State Committee for Cooperation and Investment.

long-term," Diem explains. "You can't say: Today we start an investment, and tomorrow we're in Vietnam."

Taiwan, Hong Kong and South Korea — the three largest investors in Vietnam — came here several years before the United States. Taiwan tops the list with approved projects worth \$1.7 billion.

Peter Ryder, president of the New York-based real estate firm Manolis and Co. Asia Ltd., warns would-be investors that establishing operations here can take longer than it may seem. One reason: poorly motivated Vietnamese officials and state sector workers.

"You're sitting here with the clock running and your overhead expenses building, and the Vietnamese are to a certain extent oblivious to these concerns," he says. Another challenge is a

shortage of suitable office space. Soaring property rental rates have helped make Vietnam a more expensive place to do business than Malaysia, Indonesia or the Philippines, says Unisys' Planagan.

But investors say the diplomatic liaison office the United States plans to open any day in Hanoi will help.

"At least people will feel comfortable that they have a government representing them, that they have a place to go to ask questions," says Alfonso DeMatteis, a property developer and chairman of the Hanoi chapter of the American Chamber of Commerce in Vietnam.

Three US diplomats are currently assigned to Hanoi, primarily to help resolve the fate of Americans unaccounted for from the Vietnam war.

Exchange Rates

Following are the Sonali Bank's dealing rates to public for some selected foreign currencies effective as on August 18, 1994. (Figures in Taka)

Table with columns: Currency, Selling (TT & OD, EC, TT Clean), Buying (Sight, OD Transfer). Includes rates for US Dollar, Pound Sterling, DM, F Franc, C Dollar, S Franc, Jap Yen, Indian Rupee, Pak Rupee, Iranian Riyal, and US Dollar Spot Buying Tk.

Table with columns: Currency, Selling (T.T. & O.D.), Buying (O.D. Transfer). Includes rates for S Riyal, UAE Dirham, Kuwaiti Dinar, Singapore Dollar, D Guilders, S Kroner, and Malaysian Ringgit.

Shipping Intelligence

Berth position and performance of vessels as on 18-8-1994

Table with columns: Berth No, Name of vessels, Cargo, L port call, Local Date of arrival, Lea-ning. Lists various vessels like Dong Feng Yang, Pan Trader, Samudra Raj, etc.

Vessels due at outer anchorage

Table with columns: Name of vessels, Date of Last port arrival, Local call, Cargo agent, Loading port. Lists vessels like Fong Yun, Taino Capitaine, Imke Wehr, etc.

Tanker due

Table with columns: Name of vessels, Date of Last port arrival, Local call, Cargo agent, Loading port. Lists tankers like Argosia, Edmo.

Vessels at Kutubdia

Table with columns: Name of vessels, Cargo, Last port call, Local agent, Date of arrival. Lists vessels like Chemi Pioneer, Banglar Jyoti.

Vessels at Kutubdia/Outside port limit

Table with columns: Name of vessels, Cargo, Last port call, Local agent, Date of arrival. Lists vessels like Ocean Earth, Lydia II.

Vessels ready:

Table with columns: Name of vessels, Cargo, Last port call, Local agent, Date of arrival. Lists vessels like Ocean Earth, Lydia II, Kamakurttu.

Movement of vessels for 19/8/94 & 20/8/94

Table with columns: Outgoing, Incoming, Shifting. Lists vessel movements for 19/8 and 20/8, including vessels like Samudra Raj, Optima, B Jyoti, etc.