

## Russian economy on right track

WASHINGTON, Sept 24: A jump in Russian exports to the United States, increasing private US investment in Russia in the last year, and the opening of the first American business center in Russia are key developments that could lead to renewed optimism about the future of the Russian economy, says a USIS press release.

In numerous statements in recent months, senior US officials have argued that the administration's broad-based assistance programme has been an important component in helping Russia to transform its former communist economy. But they also have consistently said that the key to helping jump start the Russian economy is not only bilateral government-to-government assistance and US government assistance to Russian non-governmental organizations (NGOs), but also expanded trade and investment between Russia and the United States and other countries.

According to figures compiled by the US administration, US businesses are leading foreign investors in Russia with approximately \$1,000 million in foreign direct investment — currently concentrated in the oil and gas, medical equipment and pharmaceuticals, and telecommunications sectors. Key companies that have plunged into embryonic Russian markets include Texaco, Caterpillar, Otis, and Hunter engineering.

In addition, the United States is becoming a welcome home for Russian products. Russian exports to the United States are growing rapidly — up from a value of \$600 million in 1991 to \$1,700 million in 1993. Meanwhile, US exports to Russia have slowed — so much so, that the US trade surplus with Russia disappeared in the first quarter of 1994. The United States registered a \$47 million trade deficit with Russia for the first half of 1994.

At the April 1993 summit meeting in Vancouver, President Clinton and President Yeltsin made bilateral trade and investment growth a major priority. The above statistics indicate much has been done to vindicate their objective.

The US-Russia Business Development Committee, which was established at the June 1992 summit, and is now co-chaired by Commerce Secretary Ron Brown, and Russian Deputy Prime Minister Shokhin has been a key vehicle for improving trade and investment. Removing trade barriers is now a top priority. To that end, the United States is supporting Russia's application to become a member of GATT.

Under the leadership of Vice President Gore and Prime Minister Chernomyrdin, the United States and Russia are advancing bilateral cooperation through six working committees known collectively as the Gore-Chernomyrdin Commission. The last meeting

was held in June 1994 in the United States.

Most recently — on September 9 — the first American Business Center (ABC) in Russia was opened. The ABC is part of a \$12,000 million programme funded by the US Agency for International Development (USAID) to establish and operate business centers in Russia and the other new independent states (NIS) of the former Soviet Union. The purpose of the ABC is to expand trade and investment.

In remarks at the opening ceremony, Lauri Fitz-Pegado, assistant secretary of commerce and director general of the US and Foreign Commercial Service, said, "We believe this new facility in St Petersburg will play an important role in expanding trade and investment and contribute to the development of a vibrant market economy in this major region of Russia."

The cornerstone of the continuing US partnership with Russia and the other NIS states is the Freedom for Russia and the Emerging Eurasian Democracies and Open Markets — Freedom Support Act, enacted in October 1992. Through 1993, US assistance to Russia has totalled over \$1,600 million in humanitarian assistance and \$855 million in technical assistance (not including aid for nuclear dismantlement). The technical assistance has been directly focused on aiding the transition to a market economy and democracy.

Much of the US government's humanitarian assistance has been under the auspices of Operation Project Hope, which was officially launched in January 1992. Three phases have been completed involving the delivery of Department of Defense excess food, medicines, and medical supplies to Russia. Under these phases, the United States has delivered \$49 million of food and more than \$97 million of medicines and medical equipment. Recent deliveries have included two 1,000-bed hospitals to Moscow.

In addition, the Atlanta, Georgia-based Centers for Disease Control (CDC) has been working with Russian health organizations to improve the overall quality of Russian health care delivery.

As well as food deliveries under Project Hope, the US Department of Agriculture has provided more than \$250 million in grant food aid to Russia in fiscal year 1993 for a variety of commodities. The United States also has donated substantial supplies of corn.

It is important to underline that not all the aid has come from the US government. Under the Medical Assistance Initiative, for example, the non-profit organization, Project Hope, has shipped more than \$50 million worth of medical items to more than 50 locations in Russia. Other private, US voluntary organizations also have been part of the effort.



Eighteen-year-old South Korean Ju Chung-Eun poses for photographers in Seoul on Friday. Ju won the Korean Supermodel contest with a prize of 18,750 US dollars. — AFP photo

## German upper house challenges '95 budget

BOON, Sept 24: The upper house of the German parliament, which is controlled by the opposition Social Democrats (SPD), challenged the 1995 federal budget on Friday and urged the government to submit alternative accounts, reports Reuter.

But Conservative Finance Minister Theo Waigel dismissed the move as a political stunt ahead of a general election on October 16 and said there was no reason to revise his figures.

The Bundesrat (upper house) passed a motion criticising Waigel's 1995 budget and 1994-98 financial plan, saying: "Neither fulfils the principles of clarity, truth and completeness."

"If it had been calculated realistically, the federal budget deficit for 1995 would have been shown as much higher," the motion said. It called on Chancellor Helmut Kohl's centre-right coalition to present alternative figures by October 7.

Waigel who is forecasting a 1995 budget deficit of 68.8 billion marks (44.5 billion dollars), rejected the motion.

"There is no reason to question the financial planning of the federal government," he told the Bundesrat.

"This is an unprecedented party-political misuse of the Bundesrat for election purposes."

The next formal step would be for the cabinet to agree a statement in response and it

was questionable whether this would be done before the election.

The budget will not complete its passage through parliament until after the election. Waigel has said there will be no substantial revisions if Kohl's coalition is returned to power but the SPD plans a major rewrite if it wins.

The upper house rejected government plans to limit the payment of unemployment benefit to two years. Its motion said Waigel's five-year financial plan had knowingly left out financial burdens which the state will incur after 1996.

## Disc featuring Deng's speeches hits shops

BEIJING, Sept 24: For fans of Deng Xiaoping not contented with reading his collected works, a laser disc featuring 10 speeches by the Chinese paramount leader is now on sale, the China Daily reported today, reports AFP.

The disc, produced by a company in the southern city of Shenzhen, hit the shops in China and abroad Friday, the report said.

It is part of the company's "voice of the giants" series, which also includes discs with speeches by late Chinese leaders Mao Zedong and Zhou Enlai, Xinhua news agency said.

## White House planning confce in N-Ireland

WASHINGTON, Sept 24: The White House is considering a conference to encourage business investment in Northern Ireland after partisanship visited Washington stressed economic assistance, as a key to peace, reports AP.

White House and State Department officials sought opinions separately this week from leading Roman Catholic politician John Hume and from a delegation representing the pro-British Ulster Unionist Party.

A visa for Gerry Adams, president of the Irish Republican Army's political arm, was granted Friday paving the way for him, too, to meet with US officials.

The administration is considering various components

## Debate on EC's reluctance to lift MFA quotas

LONDON, Sept 24: Some prominent members of European parliament and Third World activists throughout Europe have joined forces to press the European Commission to amend its controversial proposals on lifting quotas on India and other developing countries' textile and clothing products, reports PTI.

A heated debate has exploded in Europe on the European Commission's reluctance to lift quotas on developing countries, including India's textile and clothing products, which was one of the major gains for developing countries from the GATT Uruguay round of trade negotiations.

for a US assistance package for Northern Ireland. But officials have cautioned budgetary constraints dampen prospects for financial aid.

A senior official, speaking on condition of anonymity, said the White House sees its role mostly as "a catalyst moving things forward," encouraging all sides to "say no to violence, yes to politics."

One prospect, discussed with the Ulster Unionists in a meeting with Vice President Al Gore and National Security Adviser Tony Lake on Thursday would be to organize an investment conference to draw US industrialists and firms to Northern Ireland.

The senior official said it is doubtful a substantial increase will be forthcoming in the current 20 million US dollars contribution to the International Fund for Ireland, which pays for economic development projects on both sides of the border.

Adams' visa required a waiver of the ban on visas for anyone with links to terrorism. However it held less controversy than the milestone decision by President Clinton to allow Adams' first visit in January, because of the peace initiative that resulted from the IRA cease-fire declaration August 30.

"His visit is something that we believe will be in the context of our own policy that is supportive of the work being done now to bring about both a permanent cessation of violence a peace between the parties," said State Department spokesman Mike McCurry.

## Kuwait proposes cancelling debt owed by 10 states

KUWAIT CITY, Sept 24: The Kuwaiti government has put forward a draft bill to wipe out more than three billion dollars in the debts owed by Egypt, Syria and eight developing countries, the official agency KUNA said Wednesday, reports AFP.

Under the proposals Kuwait would cancel 2.8 billion dollars in Egyptian debt and the 129 million dollars it is owed by Syria.

A further 162 million dollars owed by eight other countries including Pakistan, Chad, Senegal, Somalia and Zambia would also be cancelled, the agency added.

The draft bill is to be debated at the next parliamentary session in November.

During the January-February 1991 Gulf War, Cairo and Damascus sent the largest Arab contingent of 150,000 troops to join a US-led military coalition which drove invading Iraqi forces out of Kuwait.

## Key commodity prices find new impetus

LONDON, Sept 24: Key world commodity prices extended their explosive rally of 1994 this week, led by gold which attracted a new wave of speculative buying, reports Reuter.

Silver, copper and zinc also hit high-spots on Friday, star performer coffee is around its strongest since 1986, wheat is up by a third since July. Freight rates are soaring.

Gold on Friday hit its highest since last August with trade in London at 397 dollar per ounce, up 10 dollar since September 1.

On average, commodity prices are up by about 30 per cent this year although economists as yet see no big risk of inflation.

"Prices are rising from a low base," say Morgan Grenfell Economics in their latest review of the outlook for commodities.

The boom is driven by speculative fund buying, although it is also supported by stronger demand as the global economy emerges from recession and — in cases like coffee and wheat — poor crops in some areas.

## Yeltsin leaves for UK, US

### Time to get down to business in Russia

MOSCOW, Sept 24: President Boris Yeltsin has a message for America: It's time to get down to business in Russia, reports AP.

"Investments are needed," Yeltsin told reporters Saturday before leaving on a six-day trip to Britain and the United States.

After weekend meetings with Prime Minister John Major, Yeltsin goes to New York, where he and President Bill Clinton address the UN General Assembly Monday.

Yeltsin then goes to Washington for a round of summit meetings that will include Russian and American business leaders.

"Our partnership isn't very pragmatic for Russia. It's more talk — and even sometimes pressure," Yeltsin complained. Looking tan and rested after his vacation in southern

## British trade deficit with non-EU states narrows

LONDON, Sept 24: Britain's seasonally-adjusted visible trade deficit with countries outside the European Union narrowed to 262 million pounds in August from a revised 384 million pounds in July, official statistics showed Wednesday, reports AFP.

Analysts had been expected a deficit of around 350 million pounds.

The July deficit was originally estimated at 418 million pounds.

The deficit in August, excluding oil, narrowed to 323 million pounds from a revised 364 million pounds in July, the Central Statistical Office (CSO) said.

Excluding oil and erratics, the deficit was 378 million pounds, down from the revised 425 million pound deficit in July, originally reported as 422 million pounds.

But crude oil prices which carry the biggest inflationary risk are only around 6 dollar per barrel now, up from 13 dollar in January but well below 20 dollar seen in 1993.

Bullion traders said on Friday that gold might soon test what they regard as the key psychological barrier of 400 dollar an ounce after Friday's trade at 397 dollars.

It is up more than 10 dollars since September 1 in a surge of buying by US investment funds that has diverted cash from bond and equity markets into gold.

## Azerbaijan oil deal may yield 7 lakh barrels a day

WASHINGTON, Sept 24: The production sharing accord signed September 20 by a consortium of Western and international oil companies and the government of Azerbaijan is projected to yield 700,000 barrels a day of high quality crude oil within four years, according to US Energy Department officials, says a USIS press release.

"This is really quite spectacular event," Deputy Assistant Secretary of Energy Reggie Spiller said September 20 during a conference call from Baku, Azerbaijan's capital, to reporters in Washington.

Spiller said the agreement "will add a great deal of economic stability to this region," noting that production in the oil rich area has declined in recent years from 400,000 barrels a day to 200,000 barrels.

The Energy Department believes that reserves under the Caspian Sea off Azerbaijan's borders may contain many thousands of millions of barrels. Reserves in the region under this new contract are estimated at about 5,000 million barrels, Spiller said.

Investment under the plan is expected to total \$ 8,000 million, the Energy Department said.

Oil companies participating in the accord are: the State Oil Company of the Azerbaijan Republic (SOCAR — 20 per cent share); Amoco (17 per cent); British Petroleum (17 per cent); Pennzoil/Ramco (12 per cent); Unocal (11 per cent); LUKoil (10 per cent); Statoil (8.5 per cent); McDermott International (2.5 per cent); and Turkish Petroleum Co(2 per cent).

The contract is the first major oil agreement signed by Azerbaijan since its independence from the former Soviet Union.

"This immense project will bring together expertise and know-how from a variety of nations while creating thousands of jobs for American companies," Deputy Secretary of Energy Bill White said in a short statement released in Washington. "It also represents the first large international joint venture between major Western firms and the leading Russian firm undergoing privatization, LUKoil. It's fitting that this joint venture will occur in the cradle of the words oil industry."

## China may export 20.2m tonnes coal this year

BEIJING, Sept 24: China has forecast record coal exports of more than 20.2 million tonnes this year as the country bids to boost its share of the world market, Xinhua news agency reported today, says AFP.

China National Coal Import and Export Corp. General Manager Jian Tianliang revealed that China planned to increase exports to 30 million tonnes by 2000, saying the 160 million tonne volume achieved from 1982 to 1992 did not match the country's position as the world's biggest coal producer.

## Dutchman's execution in Singapore overshadows EU-ASEAN meeting

KARLSRUHE (Germany), Sept 24: European Union and Southeast Asian foreign ministers travel to Stuttgart today hoping to leave behind controversy over the hanging of a Dutchman in Singapore and concentrate on business cooperation, reports Reuter.

The 11th EU-ASEAN meeting, which began on Friday in Karlsruhe, was overshadowed by the execution of Johannes Van Damme, the first European to go to the gallows in Singapore for drug smuggling, despite appeals for clemency.

German officials pleaded for attention to return to the main aims of the conference between two of the world's most powerful economic regions.

While the six foreign ministers from ASEAN — grouping Singapore, Indonesia, Malaysia, Brunei, the Philippines and Thailand — and their 12 EU counterparts met in Karlsruhe, 300 business leaders were holding a parallel meeting in Stuttgart.

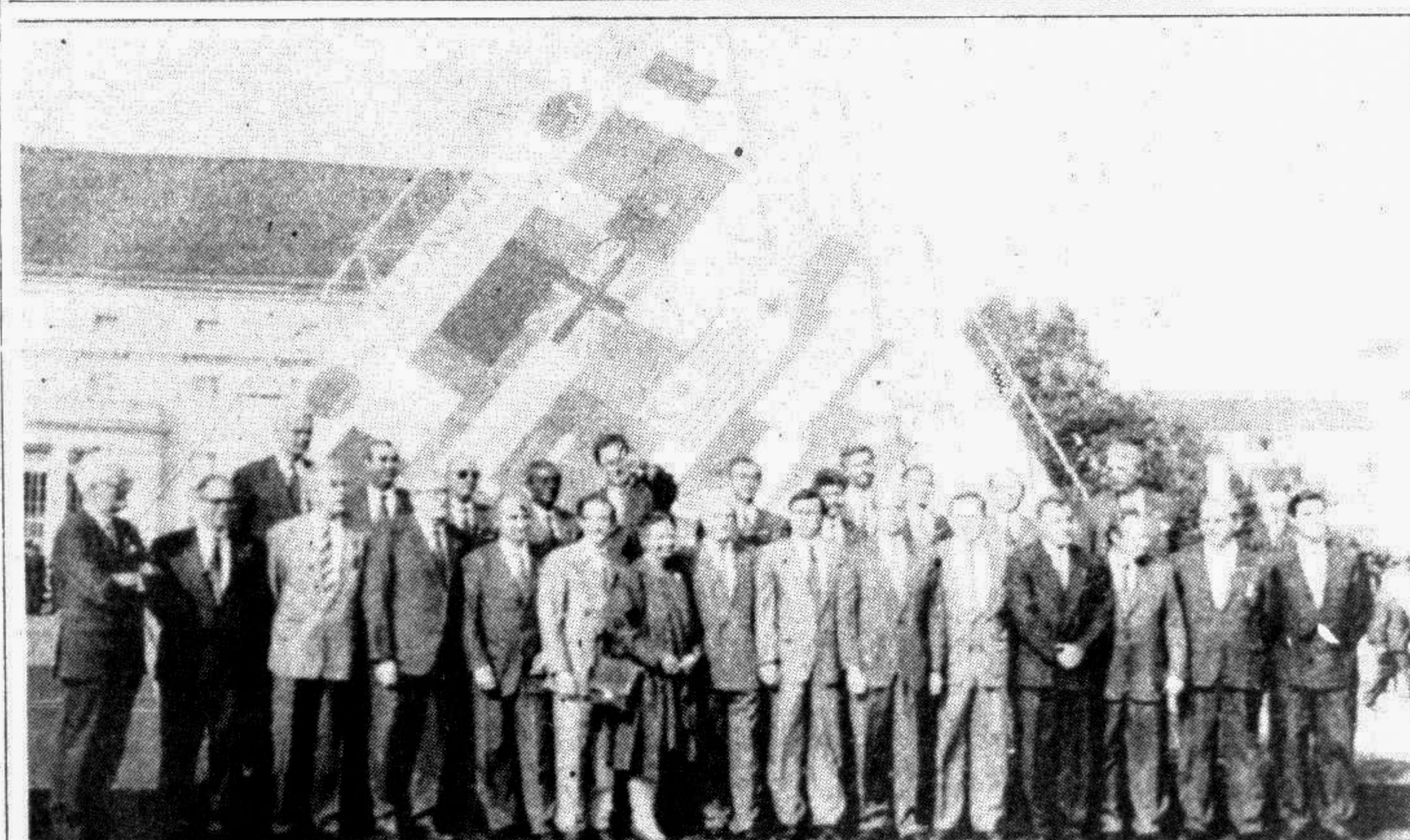
German Foreign Minister Klaus Kinkel has placed great emphasis on the economic conference, telling reporters: "We decided to get private enterprise, involved in the EU-ASEAN relationship."

Helmuth Werner, managing board chairman of Carmaker Mercedes Banz AG, said at the start of the conference that the economies of both the EU and the Association of South East Asian Nations were going through a challenging period of corporate history.

He said that firms seeking to be global players had to be established in both markets.

"I see a broad basis for very intensive cooperation that will be of great advantage to both sides," he said.

Germany has made a determined push to grab a larger share of Asian markets in the past year, and officials said the Stuttgart meeting was the centrepiece of this year's conference.



Representatives of the EU Commission, foreign ministers of the European Union and their counterparts from the six-member Association of Southeast Asian Nations (ASEAN) pose for a family picture prior to their conference on economic cooperation on Friday. — AFP photo

## BCIC International Tender Notice

বিসিআইসি'র পণ্য শিল্পায়নে জাতীয় অগ্রগতির প্রতীক

Managing Director, Chhatak Cement Co. Ltd, Chhatak, Sunamganj hereby invites sealed quotations on C&F (C) Chittagong/Benapole basis for supply of Rope Clip against Tender Enquiry No. PD/F/CCCL/10/93-94 dt 10-9-94. The tenders accompanied with 1% (one per cent) Earnest Money/Bid Bond and also Money Receipt evidencing purchase of tender documents will be received up to 10-00 AM on 26-10-94 and be opened immediately thereafter the same day. On payment of Tk 400.00 in cash (Non-refundable) the tender documents will be available from the Office of the (1) The Controller of Accounts, BCIC Head Office, 30-31, Dhiksha C/A, Dhaka, (2) BCIC Branch Office, 6, Agrabad C/A, Chittagong and (3) Chhatak Cement Co. Ltd, except the opening day of the tenders.

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Rahimuddin Ahmed  
Manager (Pur)  
For Managing Director