

BRIEFS

WB advice to

Benazir, Sharif

ISLAMABAD, Dec 8: A senior World Bank official said yesterday he had advised both the Pakistani government and opposition to tone down their political quarrel for their country's economic benefit. "I have told both Prime Minister Benazir Bhutto and opposition leader Nawaz Sharif that consistent political acrimony is not favourable to economic growth and investment," World Bank Senior Director for South Asian Region Paul Iseman told a news conference in Islamabad, reports Reuter.

China may close markets to West

HONG KONG, Dec 8: China has threatened to close its huge markets to the West if the United States continues to block its entry to the General Agreement on Tariffs and Trade (GATT), the South China Morning Post reported today. China is anxious to be a founding member of the world trade organisation (WTO), the new body taking over GATT affairs, but is currently meeting stumbling blocks with US negotiators in Geneva, reports Reuter.

US for free trade in western hemisphere

WASHINGTON, Dec 8: US President Bill Clinton will use a summit of western hemisphere nations to seek agreement on a common goal for establishing regional free trade. Clinton departs today for the US sponsored summit of the Americas in Miami, Florida, of 34 nations from north and South America — only Cuban leader Fidel Castro is excluded. The summit runs Friday through Sunday, reports Reuter.

Japan's economy improving

TOKYO, Dec 8: Japan is slowly emerging from its prolonged economic slump, but the recovery could be threatened by a further rise in the yen, an international economic organization said Thursday. The Organisation for Economic Cooperation and Development predicted that Japan's economy would grow by a moderate 2.5 per cent next year following a slow one per cent expansion this year, reports AP.

Jakarta to import 1.5m MT cement

JAKARTA, Dec 8: Indonesian demand for cement will continue to outstrip supply next year when the government will import some 1.5 million tonnes. "In 1995 alone, we will have to import 1.5 million tonnes," Sujata, Director-General of the Chemical Industry, was quoted as saying, reports Reuter.

Farmers gather in Mexico City

MEXICO CITY, Dec 8: More than 6,000 farmers gathered in front of the national palace here Wednesday to demand that the government and banks ease the conditions for repaying their debt. We came looking for a financial agreement with the government, treasury and the banks we propose not that they forgive the 1.3 billion dollars in back payments but that they let us work it off," said farm leader Juan Quirino, reports AFP.

Interest rates raised in Britain

LONDON, Dec 8: Treasury chief Kenneth Clarke, barred by parliamentary rebels from raising a tax on domestic fuels, Wednesday announced a 0.5 per cent increase in interest rates. The chancellor of the exchequer said the base rate increase from 5.75 per cent to 6.25 per cent was in line with his policy of taking no risks with inflation, reports AP.

'EU summit must act on jobs'

BRUSSELS, Dec 8: The European Union summit starting in the German city of Essen on Friday must take action on the unemployment crisis and relations with its foreign neighbours, European Commission president Jacques Delors said on yesterday, reports Reuter.

Taiwan wants to host '99 APEC summit

TAIPEI, Dec 8: Taiwan wants to host the 1999 Asia-Pacific Economic Cooperation (APEC) summit, officials said Wednesday, reports AFP.

Textile exporters clash with West over WTO body

GENEVA, Dec 8: India and other key textiles exporters clashed with the major Western trading powers here late Wednesday as nearly 120 countries prepared to formally set January 1 as the date for launching a new World Trade Organization (WTO), reports AP.

With only a few hours to go to Thursday's "WTO implementation conference" the exporters stepped up pressure for changes in a key WTO body that will monitor the dismantling of trade restraints on textiles and clothing covered by the Multi-Fibre Arrangement (MFA). India was reported to have

warned the WTO preparatory committee that failure to settle this issue could endanger the implementation of last April's Marrakesh agreement under which the WTO will replace the General Agreement on Tariffs and Trade (GATT) next year.

Trade diplomats said the group, which included Pakistan, China, Hong Kong, Morocco and Turkey, wants the proposed ten-nation Textiles Monitoring Board (TMB) to be composed of six exporters and four importers, so tilting the balance in their own favour.

A senior European official said GATT's textiles surve-

illance board, to be replaced by the TMB, has "worked well" with five members from each of the WTO groups of countries. He saw no reason to modify the set-up.

Officials said the exporters were worried that a chairman from an importing country, such as Canada, could cast a decisive vote against their interests in the event of a five-five tie.

Efforts to resolve the issue went on late into the night, but it was in any case likely to come up again in the preparatory committee early Thursday, before it meets as the WTO implementation conference, trade officials said.

Govt liberalises credit guarantee scheme further

The government has further liberalised the credit guarantee scheme for the benefit of the investors in small industries, a Bangladesh Bank press release said Wednesday, reports BSS.

Under the liberalised policy, the banks will provide without any bank collateral four times greater amount of loan than the cash or other assets given by the entrepreneurs for the project.

Bangladesh Bank will give the concerned banks guarantee for loans three times more than the amount put in by investors, with the ceiling of 30 lakh Taka.

The press release said from now on all banks in the country will provide loan assistance to voluntarily retired officers and employees of government, semi-government, autonomous and government organisations. Earlier, only Eastern Bank Ltd, Bank of Small Industries and Commerce Bangladesh Ltd, and Bangladesh Agriculture Bank provided the loan.

Bangladesh Bank will extend re-financing facilities to the concerned banks from the fund provided by the government.

Seminar in KL ends

Dhaka facing money laundering problem

The money laundering poses a serious problem in Bangladesh like many other countries and the country has taken a series of steps to combat the situation, Bangladesh delegation told a just-concluded seminar on "Asia money laundering symposium" at Kuala Lumpur, reports BSS.

Presenting the country-paper, the leader of the Bangladesh delegation told the seminar the Bangladesh government is well aware of the menace of money laundering and has been taking effective steps to combat the situation by enacting new legislation as well as strict enforcement of existing laws.

He said an amendment is being proposed to the banking laws that will act as deterrent to the problem.

Huq said among other steps, Bangladesh Bank is taking increasingly effective measures to check fictitious accounts in the private banks and other measures are also in the offing to combat the situation.

Delegates from countries including India, Pakistan, China, Germany, United States, United Kingdom, Japan and Germany took part in the seminar.

The symposium was jointly organised by Financial Action Task, OECD, France and the Commonwealth Secretariat, London.

Seminar at NEC

A seminar on "Initiation, Development and Institutionalisation of Post-Evaluation of Projects in Bangladesh" will be held at NEC conference room on Saturday, reports UNB.

State Minister for Planning Dr Moyeen Khan will attend the seminar as chief guest, organised by Implementation, Monitoring and Evaluation Division (IMED).

The seminar will be inaugurated in a joint-session with the closing ceremony of the Training Workshop held under Strengthening the Post-Evaluation Capability of IMED project, said a Planning Ministry press release yesterday.

G Van der Linden, Resident Representative in Dhaka, Asian Development Bank (ADB) will attend the function as special guest which will be presided by Saifur Rahman, Secretary of IMED, Planning Ministry.

Indian farmers demand more liberal subsidies

NEW DELHI, Dec 8: Thousands of Indian farmers upset over a government austerity drive gathered in the capital yesterday to press for more generous subsidies, reports Reuter.

The farmers were led by Junior Home Minister Rajesh Pilot, whom newspapers said was at odds with Agriculture Minister Balram Jakhur and was seeking to establish himself as a populist farm lobby leader within the ruling Congress Party.

"We will not hesitate to fight for farmers," Pilot told the crowd, estimated at nearly 25,000. "Subsidies have to continue and even be increased."

Prime Minister PV Narasimha Rao's government has been under pressure to cut

farm subsidies to bring down the fiscal deficit. The rally was timed to coincide with the opening of a two week session of parliament.

Pilot was joined at the meeting by Rangarajan Kumaramangalam, former science and technology minister. Rao sacked Kumaramangalam after he pushed for a shake-up in the senior party leadership.

The new policies have benefited industrialists but farmers have not gained," said Kumaramangalam, who leads a left-wing trade unionist lobby within the Congress Party.

The farmers, many of them sporting turbans and accompanied by women in colourful saris and veils, drove rows of tractors to Delhi from neighbouring villages.

Japan's parliament approves GATT accord

TOKYO, Dec 8: The upper house of Japan's parliament passed the GATT world trade treaty Thursday, completing its acceptance by Asia's most powerful economy, reports AP.

Passage of the treaty by the upper house was largely a technicality after the lower house, which generally dominates Japanese legislative decision-making, passed it last Friday.

The treaty is to take effect January 1, when the General Agreement on Tariffs and Trade will be superseded by the World Trade Organization as the world's main arbiter of trade disputes.

Japan's relatively straight forward passage of the accord has contrasted sharply with the fierce battle fought over it in the US Congress.

That's because the government largely quelled the strongest opposition to the historic accord, from Japan's rice farmers, by promising a six-year, 7.2 trillion yen (74 billion dollars) package of subsidies and aid to make up for exposure to foreign competition.

The lower house also passed that package Friday.

IJO workshop begins tomorrow

An international workshop on "Improvement of physico-chemical properties of jute/kenaf fibre, yarn and fabrics" will be held at Bangladesh Jute Research Institute (BJRI) here on December 10-11, reports UNB.

Jointly organised by International Jute Organisation (IJO) and BJRI, Minister for Commerce M Shamsul Islam will inaugurate the workshop at 9 am, said a press release.

BCCI scam: UAE court adjourns trial

ABU DHABI, Dec 8: A United Arab Emirates (UAE) court on Wednesday adjourned the trial of several BCCI defendants for nearly two months to allow the prosecution to get the bank's chief executive back from the United States, reports AP.

After around two hours of closed-door appeal hearings, the judge adjourned the trial to February 11 and asked the prosecution to seek the return of BCCI Chief Executive Mohammed Swaleh Naqvi from the United States.

Naqvi, a Briton of Pakistani origin, was sentenced to 14 years in jail by an Abu Dhabi court just after he was extradited to the United States in May under a secret deal between the two governments, which do not have an extradition treaty.

Naqvi, 59, was handed over to stand trial on charges related to the collapse of the Bank of Credit and Commerce International.

He was convicted by a US court in October and sentenced to more than 11 years in prison.

Money market remains closed in Kabul

KABUL, Dec 8: The Kabul central money market remained closed yesterday for the second straight day — a problem attributed to the recent issue of new currency notes, reports AP.

A money changer said the government had temporarily closed the market in bid to stabilize the conversion rate of the Afghani, which has dropped against foreign currencies.

One dollar could fetch around 4,400 Afghanis before the market was closed while the conversion rate Wednesday was between Af 4150 and 4200.

Government officials said such shutdowns in the past had improved the value of the Afghani. Another reason cited was the prevailing difference between the value of the new Afghani 5000 and 10,000 notes and the previous 1,000.

The new notes have been declared illegal by factions opposing Afghan President Burhanuddin Rabbani. The factions allow no one to carry them into areas under their control.

As local traders need old notes to buy things in the territory controlled by Rabbani's rivals, where merchandise cost less, the value of 1,000 denomination notes has gone up.



Sadarghat launch terminal during hartal hours yesterday.

— Star photo

Global demand for emergency food aid declines

WASHINGTON, Dec 8: Worldwide demand for emergency food aid declined last year, but the need for aid could rise in areas plagued by low harvests, drought and civil war, the US Agriculture Department says, reports AP.

The department's Economic Research Service said the 60 developing countries it studied will need about 12 million tons of food aid this year to maintain consumption levels, based on an average of the past five years. These estimates are down 2 million tons from last year's assessment.

Food aid supplies for 1994-95 are down more than 15 per cent from last year, the report said. It estimated that a total of just over 10 million tons of food supplies will be given to underdeveloped countries this year, an amount that would fall short of needs.

Based on previous figures, about 8 million tons of food could be given to the 60 countries, down from the 8.7 million tons given last year.

Changes in nutritional requirements continue to lag behind food aid, the report said, and were higher this year than in 1993-94.

According to the minimum nutritional standard set by the United Nations, the 60 developing countries would require

more than twice as much food as was given this year, 25 million tons.

The neediest regions are in South Asia and Sub-Saharan Africa.

On average, relief agencies provided three-quarters of all food aid allocated to the nine Asian, 11 Latin American and 40 African countries covered in the report.

The report recommended using a flexible policy to direct supplies from countries that are meeting their minimum consumption targets with domestic resources to more vulnerable areas.

Due to lower production in southern Africa and poor weather and stormy political conditions across the continent, food aid needs in sub-Saharan Africa were up from last year.

East Africa, with a lower pace of production than population growth, needed about 2.8 million tons of food, 20 per cent more than in 1993. To meet that region's nutritional standards, nearly 8.5 million tons of food would be necessary, the report said.

Ethiopia, the largest food-aid recipient, needs the same amount of food required to sustain the whole of North Africa — about 1 million tons. That amount of food reflects a decline in per capita consump-

tion rather than a decline in emergency need for Ethiopia.

Likewise, Kenya's food aid is relatively small because of declining consumption rather than declining need.

War-ravaged Rwanda had an enormous food deficit this year, due to the large-scale displacement of people from the fields to the refugee camps of neighboring countries. Grain production in Zaire is expected to be nearly 10 per cent less than last year's below-average crop.

US dollar higher in Tokyo

TOKYO, Dec 8: The US dollar finished higher against the Japanese yen Thursday, while prices on the Tokyo Stock Exchange were mixed in light trading, reports AP.

The dollar closed at 100.17 yen, the day's high and up 0.40 yen from Wednesday's finish and also above its overnight New York finish at 99.94 yen.

After opening at 99.93 yen, the dollar recovered at the end from its intraday low of 99.88 yen.

Dealers said the dollar moved little in Tokyo early in the session, but rose back in late afternoon trading.

Stock market lower in New York

NEW YORK, Dec 8: Stocks turned lower in sympathy with bonds and the dollar Wednesday as investors worried about higher interest rates and the potential effects on the financial markets of a bankruptcy filing by Orange County, California, reports AP.

The 30-year US Treasury bond was down nearly 5 per cent, yielding 7.89 per cent. The dollar was weaker against the Deutsche market and the Japanese yen.

Stocks and bonds were under pressure from comments by Federal Reserve Chairman Alan Greenspan that US economic growth has been stronger than expected, and that prices at the consumer level could start to rise.

The Fed's Beige Book economic report, also released Wednesday, showed continued economic expansion and higher prices.

Investors took the remarks as a warning that the Fed might raise interest rates again. They have been concerned for some time that higher rates could choke off

corporate profits. Paul Hennessey, chief trader at the Boston Co, said there is concern that a three-quarter percentage-point tightening last month, after five prior tightenings this year, "doesn't seem to be slowing down the economy at all."

Orange County's bankruptcy filing on Tuesday followed 1.5 billion dollars of unrealised losses in its investment portfolio, which included derivatives. Stock investors were concerned that Orange County's problems might signal that many other government portfolio holders have lost money on derivatives.

Steven Kroll, managing director at Monness Crespi and Hardt, said there was concern about the stocks of investment banks and insurance companies that owned Orange County debt.

Merrill Lynch whose stock fell last week because of the Orange County problems, fell again Wednesday. Merrill reiterated last week's statement that it had incurred no losses in its dealings with Orange County.



Roseta Haque

New PRM of Sonargaon

Roseta Haque Mahmood has been appointed public relations manager of Sonargaon Pan Pacific Hotel with effect from December 1, 1994, says a press release.

Prior to this appointment, she had been working in Social Marketing Company as communications officer since 1991.

Mrs Mahmood obtained her MBA degree from the Institute of Business Administration, University of Dhaka in 1991 and her Bachelor of Arts in Economics from the Memorial University of Newfoundland in Canada.

Asian stock markets close lower

HONG KONG, Dec 8: Asian stock markets closed mostly lower Thursday, with share prices plunging in Hong Kong for the second straight session on selling by investors worried about further interest rate increases before the year-end, reports AP.

The Hang Seng Index, the market's key indicator of blue chips, skidded 200.19 points, or 2.4 per cent, closing at 8,068.31 following Wednesday's 64.15-point decline.

Funds' liquidations along with local investors' selling orders continued to focus on interest rate-sensitive property stocks, analysts said.

In Tokyo, share prices closed mixed in light trading. Tokyo's 225-issue Nikkei Stock Average gained 5.81 points, or 0.03 per cent, closing at 19,180.04. On Wednesday, the average had shed 166.24 points, or 0.85 per cent, to 19,174.23.

The Tokyo Stock Price Index of all issues listed on the first section was down 4.29 points, or 0.28 per cent, to 1,521.06. It had fallen 10.14 points, or 0.66 per cent, to 1,525.35 the previous day.

Meanwhile, the US dollar rose back above 100 Japanese yen as Japan's currency weakened against major European currencies.

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Elsewhere in Asia: WELLINGTON: New Zealand share prices finished sharply lower in busy trading. The NZSE-40 capital index dropped 17.07 points to 1,931.39.

TAIPEI: Share prices ended flat in active trading as profit-taking in textiles countered minor rises in banking issues. The market's Weighted Index shed 2.30 points to 6,775.38.

MANILA: After rising for three consecutive days, shares encountered some profit-taking by investors who preferred to liquidate holdings at current levels rather than risk another downturn. The Philippines' PSE index of 43 selected is-

sidelines, finding few fresh incentives to trade. Traders said many investors believe the Nikkei index is searching for the bottom of its current range, centered around 19,000 points.

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sues dipped 6.81 points to 2,656.36.

SYDNEY: Australian share prices closed slightly higher on the back of demand for non-resources-based issues. The All Ordinaries index of share prices rose 5.8 points to 1,875.0.

SEOUL: Share prices closed mixed as a result of continued weakness of large-capitalization shares, including blue chips. The Korea Composite Stock Price Index fell 15.23 points to 1,053.70.

SINGAPORE: A wave of redemptions by US and Hong Kong funds pressured shares down more drastically than the previous session's mild declining trend. The 30-share Straits Times Industrials Index fell 40.70 points to 2,139.68.

KUALA LUMPUR: Short selling of handful of heavily capitalized stocks and fund redemptions by US sources were said to behind a steep dive in share prices. The KLSE Composite Index, biased toward large capital companies, decreased 26.34 points to 925.34.

JAKARTA: The stock exchange's Composite Index slipped 1.132 points, closing at 461.201.