

China warns of trade war with US

BEIJING, Dec 28: China has warned of a "trade war" should the United States implement a sanction threat, reaffirming its tough stance just days ahead of Washington's deadline for Beijing to improve copyright protection, says AFP.

In a commentary late Tuesday on the prospects for Sino-US trade, the official Xinhua news agency said "unstable elements" — including the breakdown of talks over intellectual property rights (IPR) protection — had upset an otherwise good year for bilateral ties.

The agency reiterated China's stance that it was US negotiator Lee Sands' abrupt departure from negotiations aimed at heading off sanctions ahead of the December 31 deadline that had brought the talk "to a screeching halt" and

said any US retaliation would backfire. Any attempt to impose sanctions or to retaliate would not do any good and a tougher stance could only lead to trade war," the report quoted a senior Ministry of Foreign Trade and Economic Cooperation official as saying.

Washington in June named China a priority country under the US trade act's Super 301 provision, which calls for a six-month investigation after which sanctions can be imposed.

US officials said after the breakdown of talks that China still did not appear to have the political will to clamp down effectively on rampant illegal copying and export of compact discs, laser discs, computer software and other copy-

righted foreign products. They put US copyright losses in China at 827 million dollars in the past year. Another report adds: The Chinese authorities said yesterday that economic reforms would not be speeded up just to meet the demands of foreign powers in the country's fruitless GATT negotiations.

Qiu Xichun, a senior official at the Foreign Trade and Economic Cooperation Ministry, stressed that the reforms would be pursued, the China Daily reported.

"China will continue its foreign trade reform and development according to its own schedule," Qiu was quoted as saying.

"We have a lot on our plates in the coming years," he added.

Qui highlighted the restructuring of the debt-ridden state sector industry, the convertibility of the yuan, the opening up of Chinese markets and the reduction of certain customs tariffs.

But, he insisted, progress on reforming foreign trade will continue at a pace dictated by China, in line with international practices and the needs of the country's so-called socialist market economy.

China has repeatedly condemned other nations for the failure of talks this month in Geneva over its return to the General Agreement on Tariffs and Trade. The breakdown prevented China from becoming a founder member of the world trade organisation (WTO), which will take over from GATT on January 1.

Tea prices firm at Ctg auction

By Staff Correspondent

Tea prices mostly remained firm at this week's auction sale held in Chittagong on Tuesday last.

According to a Unity Brokers market report, strength of the market continued as most teas sold at around last week's price levels. However, prices for the bolder broken teas eased marginally.

Major export buyers at the sale were Russia, Poland, Jordan, Sudan and Pakistan. Internal traders also lent strong support. Withdrawals at the sale stood at 23 per cent, slightly higher than last week's 17 per cent of the total offerings.

In the leaf category, 24, 842 packages were offered at the sale. Of which, the export buyers accounted for 54 per cent of the sale while the local traders brought 23 per cent and the remaining 23 per cent was withdrawn.

In the dust category, 3, 398 packages were offered, of which, the internal traders purchases 54 per cent while the export buyers brought 24 per cent and 21 per cent remained unsold.

Following is the category-wise market performance report as prepared by Unity brokers:

CTC: Bolder broken teas sold well at up to one Taka lower than the last rates and these generally realised between Taka 42.00 - Taka 43.00. Most others were about firm. Well made small grainy broken teas sold between Taka 47.00 - Taka 50.60.

Most fannings were a good

market and sold at about firm rates. Internal popular lines were dearer and sold between Taka 48.50 - Taka 56.90. Poor fibrous secondaries sold between Taka 25.00 - Taka 30.00.

GREEN TEA: 480 packages were on offer. FYH and YH sold between Taka 77.00 - Taka 78.00 whilst the CTC types realised between Taka 30.50 - Taka 35.70.

DUST: 3, 398 packages were on offer. The cleaner types were firm to occasionally dearer. Medium and plainer sorts were about steady.

The next tea auction sale is scheduled to be held in Chittagong on January 3 and total offerings would comprise about 22,000 packages of leaf and another 4,000 packages of dust.

Japan reports 2365 illegal foreigners

TOKYO, Dec 28: Japan reported 2,365 illegal foreign nationals — 1,442 men and 923 women — in the wake of a major crackdown in September, immigration officials said Wednesday, reports AFP.

South Koreans made up the largest single nationality at 509, followed by Thais at 363, and Chinese, including people from Hong Kong and Taiwan, at 292, the officials said.

They noted that Chinese nationals had moved up to third slot from fifth in the previous crackdown in July.

"India's exports to fall well short of targets"

BOMBAY, Dec 28: India's exports will fall well short of the ambitious target set by the government for the fiscal year which ends in March, exporters here say, reports AFP.

With three months left in fiscal 1994-95, exporters in India's financial and commercial capital said that exports will increase by only about 14 per cent over the previous year, well under New Delhi's target of a 25 per cent rise.

"It is highly unlikely the target will be met," Iqbal Nathani, a member of the Engineering Export Promotion council said yesterday.

India's exports in fiscal 1993-94 — the third year of economic reforms — totalled 22.17 billion dollars, a rise of 20.4 per cent over the previous year.

The plague outbreak in September and frequent disruptions of industrial production due to wildcat strikes were among the reasons for the failure to meet the export target this financial year, Nathani said.

He added that booming local demand had also cut into exports of iron ore, steel, engineering goods and cotton. "This slowdown in exports due to rising local demand is very bad for the country," Nathani said. "Exports should continue irrespective of local demand."

But the main reason for the decline was New Delhi's wavering policies, he said. "We have long been asking for pragmatic and realistic export policies, but nobody seems to be listening."

Coconut output in Asia, Pacific may grow next yr

JAKARTA, Dec 28: The Asia-Pacific Coconut Community (APCC) today forecast a 2.76 per cent growth in its coconut output in 1995 to 9.77 million tonnes, reports AFP.

An APCC statement obtained here said coconut output of its 14-member countries was expected to rise by 262,790 tonnes copra equivalent in 1995 to reach 9.769 million tonnes.

In line with the slight production increase, the export of coconut products was also expected to grow.

Coconut oil exports were expected to rise by about 134,000 tonnes to 1.58 million tonnes next year.

The Jakarta-based APCC groups the federated states of Micronesia, Fiji, India, Indonesia, Malaysia, Palau, Papua New Guinea, the Philippines, the Solomon Islands, Sri Lanka, Thailand, Vanuatu, Vietnam and Western Samoa.

Japan's surplus in current account widens

TOKYO, Dec 28: Japan's current account surplus in its current account — the broadest measure of trade in goods and services — widened to 9.67 billion dollars in November from 8.38 billion dollars a year earlier, the finance ministry said today, reports Reuters.

The surplus in trade alone grew to 10.94 billion dollar in November, compared with 9.09 billion dollars in November 1993, it said. The figures were not adjusted for seasonal factors.

Private economists polled by Reuters had forecast on average a current account surplus of 9.6 billion dollars in November, boosted by higher exports to Asia and the United States.

In yen terms, the surplus rose to 947.6 billion yen in November from 903.8 billion yen a year earlier.

The ministry also said Japan's politically contentious current account surplus with the United States totalled 26.24 billion dollars in the January-June period of 1994, up from 22.74 billion dollar a year earlier.



South Korean dealers celebrate the close of the 1994 trading year at Korea Stock Exchange with a traditional shower of order slips yesterday. The market rallied slightly during the year to raise the index 16.84 per cent higher than its opening on January 3. — AFP photo

India's ruling party tinkering with economic reforms

NEW DELHI, Dec 28: India's ruling Congress (I) Party is tinkering with its economic reforms to make them more attractive to voters, but its essential commitment to liberalisation remains unshaken, analysts here say, reports AFP.

Prime Minister P. V. Narasimha Rao's increasingly defiant foes in the Congress are demanding a "human face" to the three years of free-market reforms, saying they have failed to benefit the millions of poor.

The government, while reiterating its commitment to opening up the Indian economy, is promising to give its policies a populist touch as the country heads towards another round of crucial state elections in February.

The soul-searching about the reforms was prompted by a Congress defeat at the polls this month in two key states where the opposition dangled populism as an alternative to the reforms which experts admit have led to inflation.

Business leaders are worried by the continuing lack of nationwide consensus on the reforms which were started by Rao after he took office in June

1991 and sought to bury four decades of closed-market policies.

The liberalisation returned to centre-stage after Rao's main rival in the Congress, Arjun Singh, quit the cabinet on Saturday and lashed out at, among other things, the reforms.

Arjun Singh, in his resignation letter to Rao, said the opposition had managed to convince the voters that "their cares, anxieties and concerns do not fall within the purview of the objectives to be achieved by the reforms."

He quickly added — and privately to US Ambassador Frank Wisner — that he was not opposed to the liberalisation package, but only to its thrust, which the Rao critics say has given the Congress a "pro-rich" image.

Even the country's economists are crossing swords over the reforms.

"The recent verdict is most certainly not against reforms but against the government's failure to deliver goods and ensure a reasonable standard of living," said Ishar Ahluwalia of the centre of policy research, a think-tank.

Utsa Patnaik, an economist, disagreed.

"It was a vote against corruption and a vote against the new policies of the government," she said, blaming the withdrawal of subsidies on food items as the main reason for the sharp voter swing against the Congress.

The wide ranging economic reforms have boosted exports and imports, and generated unprecedented business in stock markets. But they have also led to an all-round price rise, particularly of basic food grains.

"Thus income and wealth disparities have grown in the last four years," said economist Arun Kumar. "This growing income differential is built into the new economic policy and affected the polls."

The Congress, which faces a strong challenge in the February ballot, and the government are predictably worried.

Commerce Minister Pranab Mukherjee said on Monday there was no question of the government changing track on economic reforms, but said it will ensure they "are implemented with a human face."

Kuwaiti prosecutors may investigate debtors

KUWAIT, Dec 28: Kuwaiti prosecutors plan to investigate debtors who failed to meet a deadline to arrange repayment of about 671 million US dollars they owed to local banks, an official said yesterday.

"We will ask the competent authorities on January 7 to summon up to 1,504 debtors to investigate their ability to settle their debts," the prosecution official told Reuters.

The move is part of Kuwait's plans to settle 6.3 billion dinars (2.1 billion US dollars) in bad loans plaguing banks for a decade and owed by 9,546 corporate and individual borrowers.

The debt stems from the 1982 crash of Kuwait's Souq Al-Manakh bourse and from commercial losses aggravated by Iraq's 1990-91 occupation.

Most debtors who met the October 31 deadline opted for early "cash" settlement, which forgives up to 75 per cent of the debt, rather than a 12-year rescheduling option with stricter terms.

Failure to arrange repayment meant the entire debt immediately fell due and the state may petition the court to declare a debtor bankrupt.

Local banks sent names of the debtors to Kuwait's attorney-general to take legal action to recover the debt.

"Of those some might face bankruptcy, others might face criminal charges and some might settle their debts," the official said. Those who prove to have evaded repayment could face five years in jail, he added.

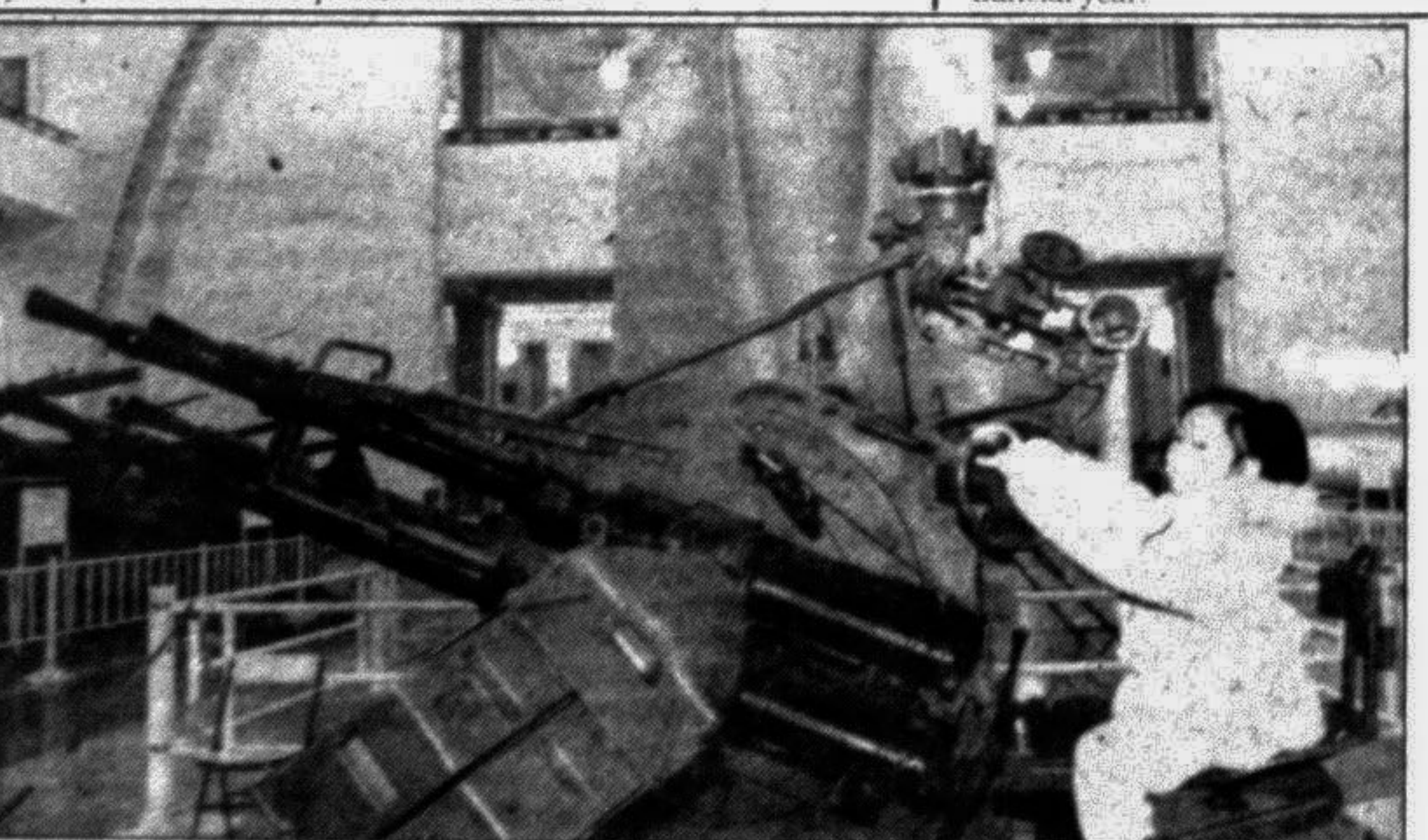
'Indian economy should grow by between 5-7 pc'

Reuters from Hyderabad says: The Indian economy should grow by between five and seven per cent, according to the head of country's leading independent research agency.

"The economy will see a continuation of the industrial recovery witness in 1994, with the spice of monsoon uncertainty thrown in," said Ajay Shah, President of the Centre for Monitoring the India Economy (CMIE), a Bombay research body.

Shah told a three-day conference which ends on Wednesday, that he expected real growth in gross domestic product (GDP) of 5-7 per cent in 1995.

The government has forecast GDP will grow by 5.50 per cent in the 1994-95 fiscal year which ends in March, and rise to 6-7 per cent the next financial year.



A young girl sits on an anti-aircraft machine gun yesterday at Beijing's Military Museum, where people come to admire various displays of China's weapon production. China is one of the biggest arms exporters to the developing world and continues to spend billions on weapons despite its own pressing social needs. — AFP photo

Dhaka Stock Prices

At the close of trading on December 28, 1994.
Eastland Insurance enters market
Index rise, turnovers fall

Star Report

The Dhaka Stock Exchange All Share Price Index rose on Wednesday while the turnovers on the DSE fell significantly.

The index rose to 845.65094 from 843.19711, indicating an increase of 2.454 points.

The turnover in volume fell by 53.217 per cent and the turnover in value showed a decline of 72.558 per cent.

A total of 31845 shares worth Tk 3941350.00 changed hands as against Tuesday's 68070 shares valued at Tk 14362224.00.

The number of issues traded decreased to 57 from 67, in which 17 gained, 40 incurred losses and the share prices of 10 issues remain unchanged.

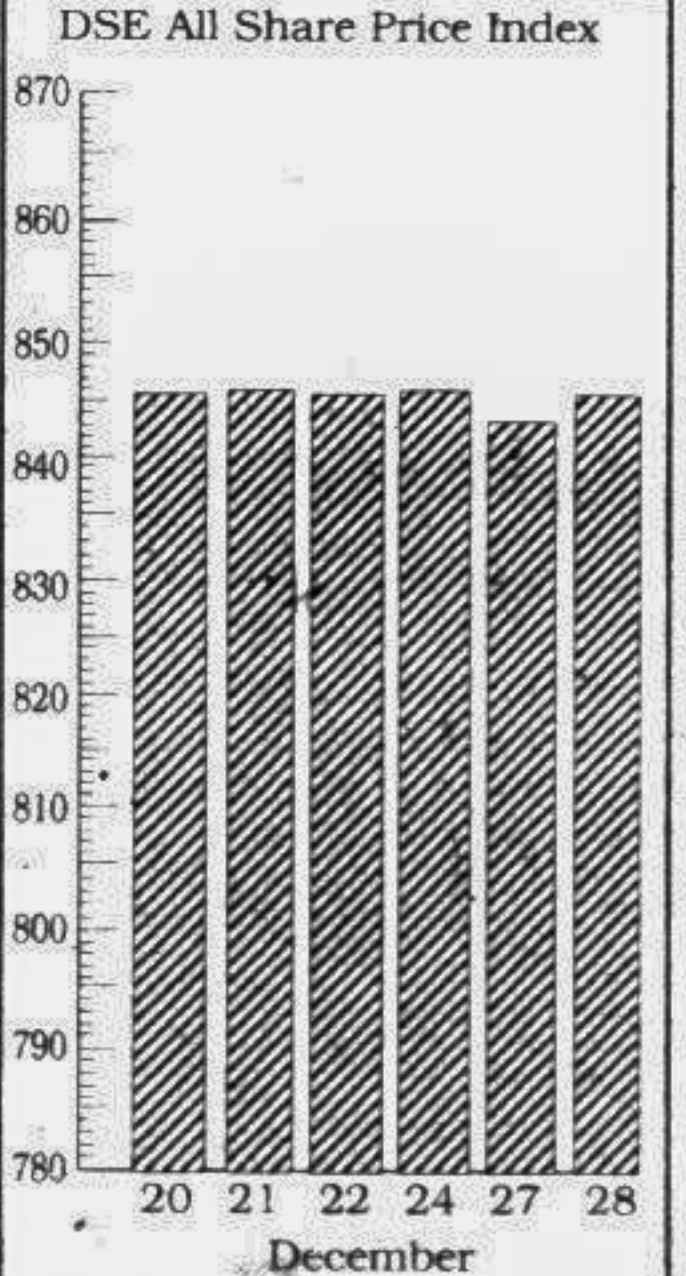
Al Baraka Bank experienced a gain of Tk 50.00 per share, leading the gainers in terms of value.

Rupon Oil was the top volume leader. Its 12300 shares were traded.

Other volume leaders of the day were: Ambee Pharma (4100), Beximco Ltd (1500).

Eastland Insurance Co Ltd entered the market on the day. The shares of the company were traded at the rate of Tk 210.48.

DSE All Share Price Index



DSE Shares and Debentures

Company FV/ML Closing Rate

(Taka) (Taka)

BANKS (13)

Al Baraka Bank 1000/1 1000.00

City Bank 100/5 170.00

Eastern Bank 100/20 100.00

ILDC Ltd 100/20 550.00

UCL 100/20 400.00

IFIC 100/5 160.00

Islami Bank 1000/1 1565.00

National Bank 100/5 113.45

Pabai Bank 100/5 66.00

Rupali Bank 100/10 85.00

U.C.B.I. 100/5 85.00

Uttara Bank 100/5 100.00

INVESTMENT (8)

ICB 100/5 136.25

1st ICB M. Fund 100/5 980.00

2nd ICB M. Fund 100/5 310.00

3rd ICB M. Fund 100/5 275.00

4th ICB M. Fund 100/10 355.00

5th ICB M. Fund 100/10 240.00

6th ICB M. Fund 100/10 162.07

ICB Unit Cert. Sale Price

Re-Purchase

INSURANCE (8)

BIGC 100/10 380.00

Eastern Insurance 100/20 234.00

Green Delta 100/10 350.00

Peoples Insurance 100/10 465.00

United Insurance 100/10 335.00

Janata Insurance 100/10 224.25

Phoenix Insurance 360.00

Eastland Insurance 216.48

ENGINEERING (19)

Alfa Automobiles 100/5 275.00

Atlas Bangladesh 100/5 65.00

Azz Pipe 100/5 759.00

Bangladesh Autocars 100/5 134.57

Bangladesh Lamps 100/5 1700.00

B. Thai Aluminium 100/10 122.00

Bengal Carbide 100/5 1139.80

Bengal Steel 100/5 20.00

Eastern Cables 100/5 185.00

Howland PVC 100/10 60.00

Karim Pipe 100/5 119.02

Metals Corp. 100/5 70.00

Monno Strillers 100/5 500.00

Monno Jute 100/5 2500.00

National Tubes 100/10 115.00

Panther Steel 100/5 8.00

Quamess Dyeless 100/5 19.00

Reneck Jutebags 100/5 84.50

Singer Bangladesh 100/5 3550.00

FOOD & ALLIED (20)

A.B. Biscuits 100/5 130.00

Bengal Biscuits 100/20 215.70

Alpha Tobacco 100/50 70.00

Amam Sea Food 100/5 800.00

Apex Food 100/5 1350.00

Aroma Tea 100/5 55.00

Banges 100/5 280.00

B.D. Plantation 100/5 550.00

Bengal Food 100/5 335.00

B.L.T.C. 100/5 650.00

B.T.C. 100/5 208.00

Cig. Vegetables 100/10 114.00

Dhaka Vegetables 100/5 185.13

E.I. Camella 100/5 2200.00

Froglegs Export 100/5 4.00

Gemini Sea Food 100/5 80.00

Hill Plantation 100/5 550.00

Modern Industries 100/5 300.00

N.T.C. 100/5 300.00

Rabeyn Flour 100/100 NT

Rupon Oil 100/100 9.62

Tulip Dairy 100/10 75.00

Yousuf Jute 100/50 13.00

Zen Bangladesh 100/50 8.20

Beximco Fisheries 100/20 283.44

Meghna Shrimp Culture 100/20 221.63

FUEL & POWER (4)

BP Oxygen 100/50 185.00

Eastern Lubricant 100/50 14.00

National Oxygen 100/10 30.00

Padma Oil Co. 100/50 105.00

TEXTILE (20)

Alhaj Textile 100/50 NT

Apex Spinning 100/20 450.98

Archer Textile 100/10 112.00

Ashraf Textile 100/50 27.00

Desh Garments 100/10 93.33

Dulama Cotton 100/10 120.00