

Spanish peseta,
Portuguese
escudo devalued

BRUSSELS, Mar 6: The Spanish peseta has been devalued seven per cent and the Portuguese escudo 3.5 per cent within the European Monetary System, Spanish Treasury Director Manuel Conthe said here early this morning after a 10-hour emergency meeting of the European Union Monetary Committee, reports AFP.

An official communique following the session called on the Spanish Central Bank to take all necessary steps to defend the new parties for the peseta and to maintain exchange rate stability in the EMS.

The peseta had fallen to a record low Friday against the German mark, closing at 88.33 despite intervention by the Bank of Spain. Its EMS floor against the mark is 91.91.

The meeting brought together representatives of the Finance Ministers and Treasury Directors of the 15 EU member states.

It marked the first time that a devaluation of an EMS currency had been debated since the System's exchange rate bands for maximum currency fluctuations were broadened to 15 per cent in August 1993.

The peseta's last devaluation came in May 1993, when its value was reduced by eight per cent, this triggered a 6.5 per cent devaluation of the escudo.

Portugal, Spain's main trading partner, had sought a new devaluation to safeguard the competitiveness of its economy in relation to Madrid, sources said here.

The British pound and Italian lira left the EMS in the European Monetary crisis of September 1992. Other EU currencies outside the system are the Greek drachma, Swedish kronor and Finnish mark.

Pakistan's leather
garment exports
decline

ISLAMABAD, Mar 6: Pakistan's leather garment exports dropped 20 per cent from July 1994 to January 1995, said local export sources, says Xinhua.

The export declined from 265 million US dollars to 205 dollars during the period, according to the sources.

The sources added that about 80 per cent of the leather garment workshops have been closed.

The European Economic Community has imposed a 5 per cent import duty on all leather goods from Pakistan since January this year, which has worsened the situation.

Pakistani exporters attended two international trade fairs this year but the increased leather garment prices failed to attract large orders for Pakistani exporters.

The situation, the sources said, has caused massive unemployment and over 60,000 families related to the leather garment industry have been affected seriously.

White House still
backs Salinas
to head WTO

WASHINGTON, Mar 6: The White House said Wednesday it still backs former Mexican President Carlos Salinas de Gortari to head the new World Trade Organisation (WTO), despite the arrest of his brother Raul in a political assassination, reports AP.

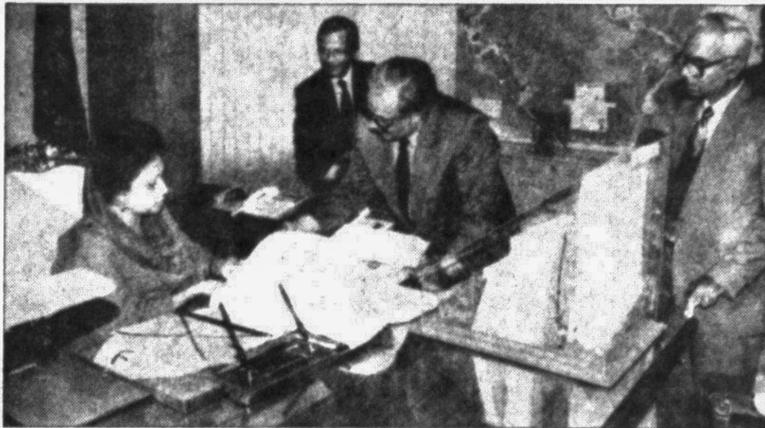
Although the Clinton's administration has persistently backed Salinas, others give him little chance for the job. Mexico's financial crisis has deepened since he left office December 1 and the value of the peso was still dropping Wednesday.

Raul Salinas de Gortari, the ex-president's elder brother, was arrested Tuesday and accused of masterminding the September 28 murder of a leading Mexican political reformist, Jose Francisco Ruiz Masieu.

Mickey Kantor, the US Trade Representative, and Sir Leon Brittan, his counterpart in the European Union, were trying this week to break a three-way deadlock over the international job. Peter Sutherland, the WTO secretary general, is due to leave March 15.

Mike McCurry, Clinton's spokesman, was asked about Salinas Wednesday.

The arrest of the candidate's brother "doesn't affect our view of the secretary general's race, and we think he'd be a good candidate," McCurry said, referring to the former Mexican president.



Prime Minister Begum Khaleda Zia is seen examining the quality of fabric made from Green Jute-based Rayon Grade Pulp recently. Industries Minister A M Zahiruddin Khan, BCIC Chairman, Waseq al Azad and Managing Director, Karnaphuli Rayon & Chemical Co, K M R Islam are also seen in the picture.

PM happy over quality of
green jute-based fabric

Prime Minister Begum Khaleda Zia advised BCIC to keep the prices of fabric, made from green jute-based rayon grade pulp, within the reach of the commonman.

The advice came when sample of the cloth made from the fabric has been shown to the Prime Minister recently, says a BCIC press release.

Khaleda expressed her satisfaction over the quality of the fabric from green jute-based rayon grade pulp. She also directed Bangladesh Chemical Industries Corporation to undertake large scale commercial production of the fabric from the pulp.

According to the press release, Karnaphuli Paper Mill has set a target of producing 10,000 MT pulp from green jute during the current fiscal year.

The mill, a BCIC enterprise, will produce 5000 MT paper

grade pulp and 5000 MT rayon grade pulp.

Karnaphuli Rayon and Chemical Company has commenced production of Rayon Staple Fibre (RSF) on commercial basis from this rayon grade pulp produced at Karnaphuli Paper Mill.

Various kinds of fabrics like Lungis, Sarees, Shirtings, Scarf, Curtain, Lady Hamilton etc can easily be made out of rayon staple fibre either with hundred per cent RSF or in blend with cotton.

The production of pulp, rayon grade pulp, rayon staple fibre and fabric from green jute would reduce dependence on imported fibre (cotton) and thus yield considerable savings in foreign exchange in the textile sector, the press release added.

Presently, pulp and paper is made out of traditional fabric like bamboo and wood.

Ramos starts
visit to Mideast,
Europe to lure
investment

MANILA, Mar 6: President Fidel Ramos on Sunday began a 12-day visit to six countries in the Middle East and Western Europe, hoping to lure more investors and get support for his country's quest for peace with rebels, reports AP.

In a departure speech at the Ninoy Aquino International Airport, he said he will ask the cooperation of Abu Dhabi, Tehran, Ankara and other Gulf states "in our fight against terrorism and against the supply of arms and illegal drugs to rebels and criminal elements."

Ramos left on a special Philippine Airlines with first lady Amelia Ramos, nine cabinet members and 77 businessmen.

He will stop at the United Arab Emirates on Sunday, then proceed to the Netherlands, Turkey, Iran, Denmark, Northern Ireland and the United Kingdom before departing there March 16.

The Philippines, an archipelago, with a largely Christian population, still faces an insurgency by members of the minority Muslim population and communists.

Turkey, he said, is of special interest to the Philippines because of its rebound from its economic "sick man of Europe" image, adding that the Philippines is still struggling to shed its own economic "sick man of Asia" tag.

Ramos said he hopes to clarify and "apparent misunderstanding" by the Dutch people of current conditions in the Philippines regarding peace and order and alleged human rights violations.

The Netherlands has served as an exile for leaders of the local communist movement, which had been waging war against the government the past decades.

The on-and-off peace talks between the government and communist panels are being held in the Netherlands.

Jute age has set in

KOCHI, Mar 6: The jute age has set in. From gunny bags to carpets, curtains, bed spreads, shoes and apparels — jute, the only natural fibre which is eco friendly, bio-degradable and pollution free, has come a long way, says PFI.

After a long stagnation, jute has now emerged as a fibre of immense promise, according to the Jute Manufacturers Development Council (JMDC), organisers of the 10-day exhibition where a wide range of utility and decorative jute products made in mill, handloom and handicraft sectors are on display.

Shetty Khan from Varanasi, who is here with his exquisite wall hangings, said the products were 100 per cent export oriented and had very good demand in European countries, the US, Japan and Australia. These wall hangings are made only in Varanasi, famous for its silk sarees.

The prices range from Rs 50 to Rs 600 depending on the intricacy of the designs. Saree designs have been incorporated in the wall hangings which are made of jute, wool and silk.

The beautiful carpets displayed are a blend of jute and polypropylene and is produced with Belgian technology. Oriental and Persian designs have been liberally used. Compared to their woollen counterparts, these are easy on the purse and moth and stain resistant, a Calcutta-based manufacturer said jute-cotton jute-viscose and jute-cotton flax blended fabrics too are made.

To step out in style, you can choose from a range of jute shoes, slippers and slip-ons. Table mats, handbags, jute-based soft luggage and travel accessories and a range of apparels, in affordable ranges, are also on display.

Asian stock markets close lower

HONG KONG, Mar 6: Asian stock markets closed mostly lower Monday because of worries over the falling US dollar, reports AP.

In Hong Kong, the key Hang Seng Index fell 91.24 points, or 1.1 per cent, closing at 8,093.91. On Friday, the index had slumped 68 points.

KUALA LUMPUR: Malaysian share prices fell sharply, with traders saying that renewed weakness in the US dollar in the Asian trading day was responsible for the selling of quality stocks by US fund managers. The KLSE Composite Index fell 26.24 points to 953.40.

SINGAPORE: Share prices closed lower. Dealers said institutional investors, were

awaiting clearer indications of the direction of the US dollar. The 30-share Straits Times Industrial Index fell 6.01 points to 2,126.99.

WELLINGTON: New Zealand share prices closed lower in quiet trading, with brokers expecting the market to remain weak as negative US dollar sentiment spreads to other markets. The NZSE-40 Capital Index fell 17.47 points to 1,963.03.

TAIPEI: Share prices closed lower because of the lingering effects of the collapse of the British bank Barings. The market's Weighted Index fell 55.80 points to 6,474.94.

MANILA: Share prices closed lower in thin trading. The Philippines' unified com-

posite index of 43 selected issues fell 31.98 points to 2,456.54.

SYDNEY: Australian share prices closed mostly lower in cautious trading as investors reacted nervously to a heavy sell-off in the bond market. The All Ordinaries Index fell 10.8 points to 1,891.6.

SEOUL: Share prices closed higher for the fourth straight day on expectations of market-boosting measures by the authorities. The Korea Composite Stock Price Index rose 14.25 points to 933.40.

BANGKOK: Thai share prices closed lower in thin trading. The Stock Exchange of Thailand index fell 26.60 points to 1,235.73.

Japanese consumers continued to show growing interest in foreign made vehicles because many Japanese car dealers began selling them last year, association officials said.

Other factors behind the strong sales included lower retail prices due to the yen's rise against the US dollar, low-interest loan campaigns and the popularity of Japanese cars produced overseas.

Among all imported vehicles, 8,860 vehicles were Japanese-brand cars produced abroad, up 191.7 per cent from 3,037 cars imported the same month in 1994.

Imported vehicles sold in February included 8,403 pas-

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senger cars from the United States, up 94.9 per cent; 2,013 cars from Britain, up 45.2 per cent; 11,743 cars from Germany, up 40.2 per cent.

Major Japanese oil company Cosmo Oil Co has set a plan to streamline its distribution methods and to costs in that area by about 10 per cent over several years, a company spokesman said Monday.

Competition in Japan's oil industry, which is likely to heighten significantly next year with the expected abolition of a law restricting oil product imports into Japan, is spurring the current streamlining effort, the Cosmo Oil spokesman

Barings debacle may tighten
supervision of Asian bourses

SINGAPORE, Mar 6: The Barings debacle could prompt tighter supervision of Asian bourses, but with all traders, by the man at the centre of the scandal liquidated, the fiasco may not leave permanent scars, analysts said yesterday, reports AFP.

When Asian markets in financial derivatives open Monday, jittery traders will have their minds eased somewhat by the fact that all trades in Nikkei 225 contracts which brought the Barings Group to its knees would have been settled, they said.

The trades were attributed to Nick Leeson, the 28-year-old General Manager of Barings Futures (Singapore) PTE, Ltd, who is awaiting extradition proceedings in a Frankfurt jail.

He arrived in Frankfurt Thursday after fleeing from Singapore, where he is charged with criminal breach of trust and forgery. The trades reportedly caused about a billion dollars in losses.

Officials of the Singapore International Monetary Exchange said all outstanding positions contracted by Barings Futures had been liquidated or transferred to other clearing

members by the weekend.

The margins, Barings Futures placed with SIMEX, were sufficient to cover price fluctuations with no losses to SIMEX, they said.

Brokers in Singapore will therefore not have to fork out money to cover losses which had earlier been anticipated analysts said, adding that the fallout appeared contained.

Barings open positions in Japan were also well cleared by the weekend, dealers said.

SIMEX officials said Saturday that the London-based parent company had been warned three years ago that Leeson should be brought under control.

They said that despite warnings, Barings continued to support his buying spree which led to the group's fall.

In January and February this year, Barings transferred 1.3 billion Singapore dollars (896 million US) from London to meet margin calls for Nikkei options contracted by Leeson, said Michael Lim, a partner of Price Waterhouse Accountants, which is probing the case.

Singapore Prime Minister Goh Chok Tong on Sunday firmly backed the SIMEX con-

tion that the fiasco resulted from poor controls within Barings rather than any weakness in SIMEX supervision.

He said that the episode was essentially "an internal problem" of the Barings Group resulting from the company's failure to exercise proper controls.

Singapore authorities had anticipated the problems that could arise from Leeson's huge trades and warned those involved before the crisis, Goh said.

Singapore is amending its futures trading act to fight fraud while neighbouring Malaysia is rethinking plans for trading financial derivatives later this year, officials said.

The Barings incident has highlighted to SIMEX a number of areas which it would improve upon," Finance Minister Richard Hu said last week.

SIMEX officials said that experts would be appointed to an advisory panel to protect the exchange from a repeat of the Barings episode.

The head offices of SIMEX member firms will also be asked to take more precautions and strengthen controls of local subsidiaries.

US dollar hits record low

TOKYO, Mar 6: The US dollar plummeted to new lows against the Japanese yen Monday before central bank intervention helped bring it up slightly, reports AP.

The dollar was trading at 93.40 yen at 5 pm (0800 GMT) after sinking as low as 92.70 yen, its lowest level against the yen anywhere in the world since modern exchange rates were established in the late 1940s.

The 5 pm level was 1.88 yen lower than its level late Friday in Tokyo and also below its 94.04 yen in New York late Friday.

The dollar now has fallen 6.4 yen — 6.4 per cent — so far this year.

The bank of Japan was buying massive amounts of dollars to try to stem the US currency's fall, traders said. The dollar's plunge halted around midday after the bank's intervention persuaded speculators to move to the sidelines, traders said.

"The speculators have had their fill for the moment at least," said Akira Narumi, a dealer at Sakura Bank.

Japanese Finance Minister

Canada's Potash
Corp may buy
Texasgulf Inc

PARIS, Mar 6: Elf Aquitaine SA and The Williams Companies Inc said Monday they would sell Texasgulf Inc to Canada's Potash Corp for 810 million dollars, reports AP.

Elf owns 85 per cent of the US-based phosphate company while Williams owns 15 per cent.

The companies had said in January they planned to sell their stakes in Texasgulf by floating its shares on the stock market.

Elf acquired 100 per cent of Texasgulf in 1981 for 13 billion francs, or 2.62 billion dollars at current exchange rates. It later sold 15 per cent to Williams.

Elf Chairman Philippe Jaffre in January said the French oil company would likely take a loss on the sale of its Texasgulf holding because of the depreciation of the dollar since 1981.

Texasgulf, based in Raleigh, NC, is one of the world's largest producers of phosphate rock and phosphate products,

Masayoshi Takemura, repeated earlier comments, said Monday that Japan will cooperate with the United States and major European nations to support the dollar.

"All these countries are in concert in viewing this situation with concern," Takemura said.

Another report from London says the US dollar was in free fall Monday in Europe, where the strong German mark upset markets by forcing an overnight devaluation of the Spanish and Portuguese currencies.

The greenback's prospects had seemed shaky over the weekend, after rounds of central bank intervention failed to halt the decline.

Early in Europe, the dollar had recovered slightly to above 93 yen, but it was lower across the board compared to other major currencies.

Dollar rates compared with late Friday: 1.4013 German marks, down from 1.4355, 1.1765 Swiss francs, down from 1.2145, 4.9625 French francs, down from 5.0545, 1.5752 Dutch guilders, down from 1.6109, 1.651.30 Italian lire, down from 1.674.00, 93.11 Japanese yen, down from 94.35, 1.4117 Canadian dollars, up from 1.4013.

The British pound was quoted at 1.6515 dollars, up from 1.6222 dollars late Friday.

The dollar has been weakened lately on perceptions that the US Federal Reserve is fin-

ished raising interest rates for the time being, while higher rates are seen coming soon to Germany to keep inflation from becoming a problem.

This has prompted investors to dump dollars and put their money in other currencies.

Markets were thrown into further turmoil as the European Union's Monetary Committee agreed late Sunday to devalue the Spanish peseta by seven per cent and the Portuguese escudo by 3.5 per cent.

This was the fourth devaluation for the peseta and the third for the escudo in three years, and the staggering dollar was caught in the crossfire.

"That strengthens the Deutschmark and drives the dollar down," said Jeremy Hodges, Executive Director and head of global foreign exchange sales at the investment bank Lehman Brothers in London.

Top European monetary officials took 11 hours in an emergency session in Brussels to make their politically difficult decision on the Spanish and Portuguese currencies, which could further hamper the European Union's goal of establishing a single currency by a target date of 1999.

In late 1992, the British pound and Italian lire were ejected from the Exchange Rate Mechanism, a grid for governing maximum fluctuations among EU member currencies.

Syria looking for
investors to
back \$ 50m plans

DAMASCUS, Mar 6: Syria is advertising for investors to back plans costing 50 million dollars to attract more tourists to the country. Ath-Thawra newspaper said yesterday, reports AFP.

Five tourism projects are on offer including apartments to rent in Damascus, where cheap hotel rooms are scarce, and new hotel complexes on the Mediterranean coast.

The government also has plans for a spa — complete with a hotel, swimming pools and a physiotherapy centre — in the northwest province of Idlib which is renowned in Syria for its hot water springs.

The paper said investors would benefit from a 1991 law which gives seven year tax free status to projects which contribute to tourism. The law applies to both Syrian and foreign investors.

A number of joint private and public sector companies with minority government interest have been set up in a bid to boost tourism in Syria, which had around 1.5 million visitors in 1990.

Priceless Chinese
antiques seized!

HONG KONG, Mar 6: A cargo of priceless antiques, destined for international markets, was seized by customs officers at the territory's border with China, reports said Saturday, reports AFP.

A truck driver, who entered Hong Kong at the Lok Ma Chau crossing, was charged in connection with bringing what is believed to be a record haul of smuggled antiques, the Customs and Excise Department's spokesman said.

The 147 antiques were believed to have been looted recently from illegally excavated tombs in China's ancient capital of Xian.

They include new stone age pottery jars, bronze tripods of the Ming Dynasty (1368-1644 ad), and heads from Tang Dynasty (618-907) ad Statues of Buddha.

The value of the latest seizures of smuggled antiques — the first this year, has yet to be appraised.

The antiques were reported to be destined for markets in Japan, Taiwan, the United States and Europe, where demand for priceless treasures, particularly from China.

Last year, customs seized a total of 690 antiques worth some 52.8 million Hong Kong dollars (6.82 million US dollars), about five times the value seized in 1993 and 35 times that of 1992.

The antiques were returned to the Chinese government, the spokesman said.

Singapore revises
downward economic
growth for '95

SINGAPORE, Mar 6: The Singapore government revised downwards yesterday the city state's economic growth for 1995 to between 7.5 and 8.5 per cent after two continuous years of double digit growth, reports AFP.

The government had earlier projected economic growth of between eight and nine per cent for this year.

The slight downward revision is due to recent events such as the US interest rate hikes, the devaluation of the Mexican peso, the Kobe earthquake and concern over the political situation in China, a Ministry of Trade and Industry official said.

The official, speaking at the annual economic survey of Singapore 1994 media briefing, said Singapore registered a 10.1 per cent economic growth, last year, the same as in 1993.

The city state's economic growth last year was broad-based but was particularly driven by strong performance in manufacturing, which expanded by 13 per cent from 10 per cent the previous year, and construction whose growth doubled to 16 per cent.

Officials said that growth in the financial and business services sectors fell to nine per cent in 1994 from a strong 13 per cent in 1993, due mainly to a decline in stock market turnover.

With two years of double-digit growth, domestic cost pressures have started to increase. It is unlikely that the same momentum can be carried into 1995, and official said.

Singapore's inflation rate rose to 3.6 per cent — the highest ever registered this decade — up from 1.4 per cent in 1993.



Mahbub Jamil, Chairman and Managing Director, Singer Bangladesh Ltd, seen inaugurating a ten-day training workshop under the Human Resource Development Programme organised by the company at the Centre for Development Management, BRAC, Rajendrapur on Sunday. James Nandasiri, Training Manager of Singer Sri Lanka Management, is conducting the training workshop while C M Kamruddin, Personnel Manager, Singer Bangladesh, is the coordinator.

said. Cosmo Oil also plans to improve the efficiency of its distribution network by introducing by April 1996 a computerised inventory-control system that will provide data on inventory levels at individual service stations to each of the eight transport and storage bases.

BEIJING: Canton will go ahead with plans to build a new international airport despite stricter central government control on investments, the Business Weekly supplement of China Daily reported over the weekend.

Li Ziliu, the city's mayor, said he recently received preliminary approval for the airport from the State Council, China's highest governing body.

The city has earmarked 500 million yuan (60-million dollars) this year for preparation work on the airport project, the newspaper said. The first phase, which involves completion of two of four planned runways, requires a total investment of 14.8 billion yuan (1.8 billion dollars).

One-third of the investments will come from the Civil Aviation Administration of China and local funds. Proceeds from the sale of the old airport will account for another third, while the remainder will be sought overseas, the report said.

China has tightened controls on state loans as part of economic policy intended to bring down last year's 24 per cent inflation rate.