

# US pledges all-out defence of dollar

WASHINGTON, Mar 10: The world should be "absolutely clear" that America will defend its currency, the Clinton administration declared Thursday, striking a resolute note as financial markets continued to pound the dollar, reports AP.

While Treasury Secretary Robert Rubin was offering the administration's most detailed defence yet of the US currency, markets were driving the dollar down against the Japanese yen.

Economists said traders shrugged off Rubin's statements and concentrated instead on further economic chaos in Mexico, where the peso fell to a fifth straight record low. Markets remain worried that turmoil in Mexico, America's third-largest

export market, will harm the US economy. In late afternoon trading in New York, the dollar was quoted at 90.45 yen, down from 91.33 yen the previous day. The dollar did manage to eke out a small gain against the German mark, closing at 1.3945 marks, up slightly from 1.3935 Wednesday. Even with the further drop against the yen, it remained above a record low set earlier in the week.

The dollar did rise from its lows for the day after the Treasury Department confirmed that key financial officials from the seven richest industrial countries, including the United States, Japan and Germany, would meet in Paris on Monday. A Treasury spokesman, who

spoke on condition of anonymity, stressed that the Group of Seven deputy finance ministers' discussion was a regularly scheduled meeting and not an emergency session. Currency traders, however, took hope that the officials would use the session to plot a coordinated effort to stabilise the dollar.

In comments before the National Newspaper Association, Rubin declared that he wanted to be "absolutely clear" in the administration's view that "a strong dollar is in America's national interest."

"This administration from its beginning has been, and remains fully committed to the sound monetary and fiscal policies necessary for sustained growth, low inflation, a strong and stable dollar and

maintenance of the dollar as the world's principal reserve currency," Rubin said. While similar comments from Federal Reserve Chairman Alan Greenspan the day before had briefly given the dollar a lift, Rubin's remarks were almost immediately shrugged off by currency traders. Analysts said reassuring words alone aren't enough to turn sentiment around.

Some speculated that the continued downward slide will force the United States and major allies to mount another coordinated dollar-buying effort.

Unless the current crisis plays itself out soon, other analysts said, the United States could find itself raising interest rates while Germany and Japan cut theirs.

While a further boost in American interest rates would heighten fears of a US recession, some economists said the threat to the dollar had become so severe that the Fed may have no choice.

The United States twice last week, once alone and once with other countries, tried intervening to buy dollars and sell yen and marks in an effort to break the bearish sentiment.

While those efforts had little impact, Rubin said Thursday that the United States would not hesitate to intervene again if the dollar continues under downward pressure.

"Our policy is to intervene when it makes sense and not to do so when it doesn't," Rubin said.

## Russia, IMF sign accord on \$ 6b loan

MOSCOW, Mar 10: The head of the International Monetary Fund signed an agreement with Russia's prime minister Friday paving the way for a long-sought 6.25 billion dollars loan, reports AP.

The signing by IMF Managing Director Michel Camdessus and Prime Minister Viktor Chernomyrdin, reported by the government's press service, came after Camdessus met in the Kremlin with President Boris Yeltsin.

Barring unforeseen complications, Camdessus' decision will be endorsed by the IMF Board of Directors. Final approval by that panel is expected in April.

A decision on the loan was reached in principle during a meeting between Chernomyrdin and Camdessus in Paris on March 3. A delegation from the IMF has been putting the final touches to the loan over the last week, and Camdessus arrived in Moscow Thursday night and held more negotiations with the prime minister.

After months of deliberation, approval is expected to boost confidence in Yeltsin and his government.

The government is counting on the IMF loan to help finance the 1995 budget deficit. Moscow has outlined aims to drastically reduce high inflation, which was 18 per cent for January and 11 per cent for February.

Approval of the loan stalled over IMF concerns about the government's budget figures and the cost of Russia's war against Chechnya.

Camdessus was seeking assurances from the Russian leadership that it will stick to its plan, rather than print money to keep afloat ailing industrial complexes and subsidised agriculture.

The IMF deal could also boost Russia's chances for a 600 million dollars World Bank loan for rehabilitation of the oil sector and lead to the renewal of talks with the Paris Club about official Russian debts of nearly 40 billion dollars.

## China issues order for copyright protection

BEIJING, Mar 10: China's State Council has issued an order to track down and harshly punish those who produce pirated books, music, movies and other products, reports AP.

The Circular by the State Council, China's Cabinet, came on the eve of US Trade Representative Mickey Kantor's arrival here Friday for the signing of a landmark agreement on protection of copyrights, patents and trademarks.

"Effective action must be taken to tighten law enforcement and make penalties stricter," the circular said. "Strong action will be taken against places where bogus products are made, circulated and sold."

The order reiterated steps

laid out in the trade agreement reached February 26 after almost two years of haggling over China's enforcement of laws to protect intellectual property.

On March 1, China began a six-month special enforcement period, during which it is supposed to raid all suspected pirates, particularly those engaged in illegal production of compact discs, laser discs and ROM discs.

The State Council order said that violators should be tracked down and harsh punishment imposed, with efforts to be concentrated on serious cases and areas where piracy of intellectual property rights is rampant.

## Canada wants G-7 to review forex markets

COPENHAGEN, Mar 10: Canada said yesterday it will press for a review of international financial institutions and currency markets when it hosts the G7 summit in June in a bid to ensure stability and protection from economic shocks, says Reuter.

Addressing the UN social summit in Copenhagen, Canada's Minister for Human Resources Development, Lloyd Axworthy, stressed the need to look at reform of the financial system.

"We must look again at a fundamental reform of the international financial regime," he said.

He said Prime Minister Jean Chretien, as host of the summit in Halifax of the world's seven leading industrial countries, had put at the top of his agenda review of the international financial institutions and foreign exchange markets.

Axworthy said Chretien believed this was needed "to ensure that we have some stability in the system and can protect countries from the types

of sudden economic shocks that we have recently witnessed."

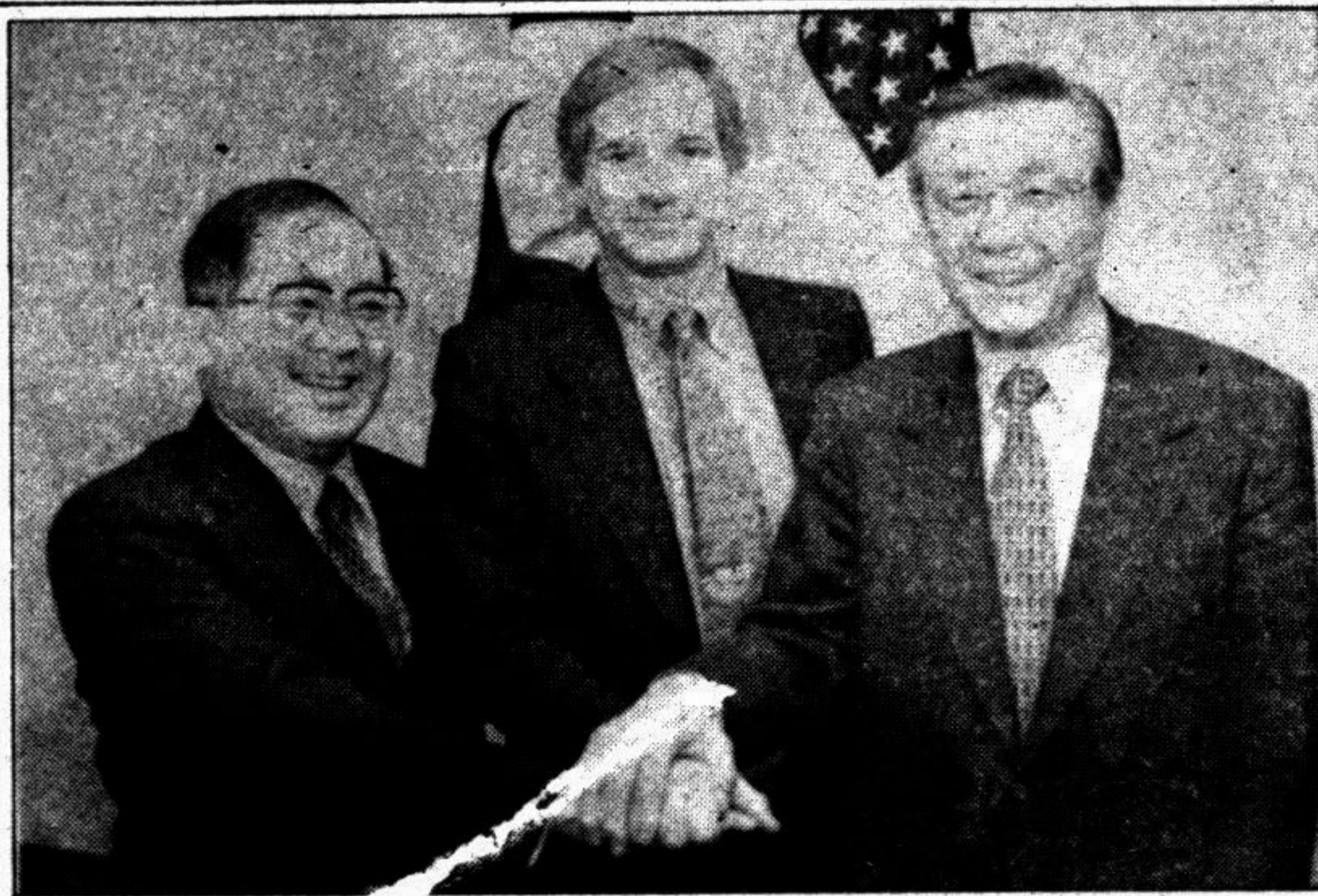
He gave no details but was clearly referring to the Mexican economic crisis and its effects on international markets and recent currency turmoil with the declining US dollar and this week's devaluations of the Spanish peseta and Portuguese escudo.

Axworthy continued: "It is clear that the solution to these problems can only occur at an international level. We hope that ideas discussed in Halifax will provide a way forward for all countries to meet their economic and social agendas."

The G7 groups Canada, Germany, Italy, Britain, the United States, France and Japan.

The UN social summit in Copenhagen is striving for a formula to end global poverty.

The meeting, culminating this weekend when some 120 heads of state and government gather in Copenhagen, aims to agree a blueprint for narrowing the widening gap between the world's rich and poor.



Joint Chairmen of the Korean peninsula Energy Development Organisation conference in New York (L-R) Tetsuya Endo of Japan, Robert Gallucci of US and Choi Dong Jin of South Korea shake hands after answering questions at a press conference on Wednesday. The AEOO treaty will provide a framework for the provision of nuclear technology and financing to North Korea. — AFP/UNB photo

## Asian stock markets close lower

HONG KONG, Mar 10: Asian stock markets ended the week mostly lower Friday, with the key index in Tokyo falling to its lowest level of the year, reports AP.

Tokyo's Nikkei Stock Average of 255 issues fell 404.70 points, or 2.41 per cent, to end at 16,358.38, its lowest finish so far this year. On Thursday, the index rose 141.77 points, or 0.85 per cent.

The Tokyo Stock Price Index of all issues listed on the first section fell 18.79 points, or 1.40 per cent, to 1,322.96. The TOPIX closed at 1,341.75 points on Thursday, up 5.62 points, or 0.42 per cent.

In Hong Kong, share prices closed lower on profit-taking. The Hang Seng Index, the Hong Kong market's key indicator of blue chips, fell 127.40 points, or 1.6 per cent, to 7,949.39. On Thursday, the

index rose 146 points.

WELLINGTON: New Zealand share prices closed lower in quiet trading, with brokers expecting the market to continue to drift about current levels because of concerns over the US dollar. The NZSE-40 Capital Index fell 12.71 points to 1,944.75.

TAIPEI: Share prices closed higher in a technical rebound following Thursday's declines. The market's Weighted Index rose 65.16 points to 6,453.52.

MANILA: Share prices closed lower as high interest rates kept key institutional buyers away from the market. The Philippines' unified composite index of 43 selected issues fell 59.10 points to 2,310.96.

SYDNEY: Australian share prices closed mostly lower in listless trading, with investors waiting for leads from overseas markets. The All Ordinaries

Index fell 8.6 points to 1,868.9.

SEOUL: Share prices closed mixed in light trading. The Korea Composite Stock Price Index rose 0.62 points to 944.37.

KUALA LUMPUR: Malaysian share prices closed lower ahead of the release of US jobs data. The KLSSE Composite Index fell 16.09 points to 935.12.

SINGAPORE: Share prices closed lower, with brokers saying that the market was looking for direction. The 30-share Straits Times Industrials Index fell 9.46 points to 2,061.28.

BANGKOK: Thai share prices closed lower in thin trading. The Stock Exchange of Thailand Index fell 25.47 points to 1,189.48.

JAKARTA: The stock exchange's Composite Index fell 4.765 points, closing at 432.734.

## Mexico unveils emergency plan after peso slides to new low

MEXICO CITY, Mar 10: Treasury Secretary Guillermo Ortiz unveiled a tough austerity plan late Thursday to combat Mexico's deepening economic crisis, hours after the peso tumbled to its fifth consecutive record low, reports AP.

The long-awaited plan called for boosting the general sales tax from 10 per cent to 15 per cent, sharply increasing electric and gasoline prices and raising other fees. Starting in April, increases in the minimum wage will be held to 10 per cent for 1995, Ortiz said. Other salaries will be freely negotiated by management and their employees.

Subsidies to keep down the price of such basic foodstuffs as bread, tortillas and milk will continue in an effort to blunt the hardship on the poorest portions of Mexican society.

In the short term, this programme is going to be difficult for all Mexicans. But there is no easy exit," Ortiz told a news conference.

Among other steps, the peso will continue to be allowed to float freely against the dollar, despite its precipitous decline since December, Ortiz said.

He said Mexico would draw on 3 billion dollars in financing from the World Bank, the Inter-American Development Bank and other sources in the future to help bolster Mexican banks, hit particularly hard by the crisis.

President Ernesto Zedillo's plan had been awaited for more than a month, and the delay was blamed in part for the peso's slide. Investors skeptical that it would be sufficient beat down the peso to

record lows in recent days. The peso opened Thursday at 6.995 to the dollar but closed at a new low of 7.45. It traded as low as 7.7.

The peso was worth about 28 cents when it began sliding on December 20 but is now worth less than half that.

The stock market, in contrast, closed up 2.8 per cent Thursday.

Zedillo had said he was waiting for Mexico's Congress to vote on a 20 billion dollars bailout package from the United States before announcing his plans for wage and price controls.

Congress voted Tuesday to accept the loan package despite opposition claims that the country was suffering too much economic control to US lenders at burdensome interest rates.



Princess Anne visited the UCEP-Khulna Technical School on Wednesday. During the visit she expressed her deep interest in UCEP programmes for urban working children. British High Commissioner Peter J Fowler, UCEP Advisor (Tex) R Flaherty and other high UCEP and local officials were also present.

## Petronas plans petroleum refinery in India

NEW DELHI, Mar 10: Malaysia's national oil and petrochemicals firm Petronas plans a petroleum refinery in India, a top company official said.

"We are currently talking to some existing Indian refineries on building a joint venture refinery," Hamzah Bakar, Senior Vice President of Petronas Trading Corp told Reuters.

Bakar, in India for an oil seminar, declined to name the Indian firms to whom he was talking.

He said the Malaysian company saw big opportunities in India following the country's liberalisation programme.

In January, Petronas subsidiary Petronas Trading Co (PETCO) announced a joint venture with Madras Refineries Ltd (MRL) for the supply of liquefied petroleum gas (LPG) to southern India.

Baker said the joint venture planned to import bulk LPG for distribution to domestic, commercial and industrial consumers. The plan included the construction of an import terminal and bottling facilities, he said.

MRL General Manager MP Srinivasan said the joint venture would be equally owned by the two companies. It planned to market 50,000 tonnes of LPG. The project will cost around 1.2 billion rupees (38 million dollars), including the import terminal, he said.

Petronas is in the final stages of negotiating a similar joint venture with Gujarat State Fertiliser Co (GSFC), one of India's leading fertiliser firms, to supply LPG to India's west coast states, Baker said.

Almost 90 per cent of LPG in India is used as cooking gas. Until recently, it was controlled by a monopoly of state-run refineries which have not been able to meet demand.

## French consumer price index up

PARIS, Mar 10: France's February consumer price index rose between 0.3 and 0.4 per cent, for an annual rate, of 1.7 per cent, according to provisional figures Friday from the national statistics institute, reports AP.

That compares with January's monthly rise of 0.3 per cent and annual increase of 1.7 per cent in the CPI. The February data were in line with economists' projections. Food prices were unchanged overall during the month, reflecting a 0.7 per cent rise in prices for fresh produce and a 0.2 per cent drop in other food products. Energy prices were up 0.6 per cent, and prices for manufactured products rose 0.4 per cent.

## \$ 1.5b US aid sought for former Soviet republics

WASHINGTON, Mar 10: The Clinton administration is asking Congress for as much as 1.5 billion dollars in aid to Russia and other republics of the former Soviet Union in the year beginning October 1, says AP.

Another 371 million dollars is being sought for dismantling nuclear weapons in the area.

The figures emerged Thursday from testimony before the House of Representatives Appropriations Committee, congressional aides said.

It was unclear how receptive the Republican-dominated Congress will be to the requests or what conditions the Republicans will seek for the allocations. Many lawmakers have been strongly critical of administration requests for money to help Russia, largely because of its help to Iran in building a nuclear reactor and its violent suppression of rebellion in its Chechnya region.

Administration witnesses said emphasis is on a "second

## wave" of republics finding their way from the Soviet communist system to private enterprise

— especially Ukraine, Armenia, Georgia and possibly Belarus. The request included 115 million dollars for agricultural reform in those countries.

The Soviet Union comprised 12 Soviet republics plus the three Baltic states whose annexation most of the West never officially recognized.

Thomas A. Dine, in charge of the area for the US Agency for International Development, said the second group is generally weaker than the "first wave" — Russia, Moldova, Kyrgyzstan and Kazakhstan.

Those countries are to get a progressively smaller portion of US help.

The job of providing aid to the newly independent states crosses agency lines and goes far beyond USAID.

## Iraqi oil-wealth luring Western firms

BAGHDAD, Mar 10: Some 250 energy industry specialists are expected to attend a conference this week in Iraq, a country where petrol is cheaper than water but a dozen eggs cost a week's salary, reports Reuter.

Iraq's oil-wealth, estimated as the world's second largest after Saudi Arabia, is luring western firms to Baghdad despite stringent UN sanctions barring trade with Iraq after its 1990 invasion of Kuwait.

The conference on the future of oil and gas markets, to be held in Baghdad on Saturday, has captured the attention of scores of oil firms and experts, officials said.

Iraqi oil ministry officials are working around the clock to provide accommodation for more than 250 representatives, most of them from western countries.

"We only expected 150. The response indicates Iraq's importance in world oil markets despite sanctions," said Saadalla al Fathi, head of the organising committee.

Diplomats in Baghdad say that in the past western oil firms, fearing being accused of sanctions-breaking, made discreet contacts with the Iraqis.

"It is different now. Everything is in the open and the competition is severe," one diplomat said.

He said more than 20 western firms had their eyes on Iraq's oil and some had already reached tentative agreements.

The UN security council regularly reviews the sanctions and at the next meeting, on Monday, it is expected to keep them in place.

At the United Nations on Tuesday, Iraq Deputy Prime Minister Tareq Aziz said the United States was waging a crusade to prevent the lifting of the Gulf War sanctions.

Saying Iraq had fulfilled all conditions for ending the four-and-a-half-year oil ban on its oil sales, he told reporters: "This is a US crusade against Iraq. It's not a UN conflict with Iraq..."

The sanctions have ravaged Iraq's economy but mean the nation is awash with fuel.

While a litre of bottled water costs 150 dinars, about 15 US cents on the black market, a litre of gasoline is 0.2 of a dinar, a fraction of a cent.

One egg costs about 60 dinars and a kg (2.2 lbs) of tomatoes around 500. The average monthly salary of a civil servant is about 3,000 dinars.

The dollar is worth more than 1,000 dinars on the black market and 600 at government-licensed exchange bureaux.

Cheap oil encourages neighbouring countries to trade with Iraq, despite the sanctions.

Trucking between Iraq and Turkey is in full swing with hundreds of Turkish vehicles crossing the border everyday. The trucks carry sugar and flour and return with tanks full of cheap diesel.

**BCIC Tender Notice**

বিদ্যাইসি'র পণ্য শিলায়নে জাতীয় অগ্রগতির প্রতীক

The Managing Director, Zia Fertilizer Company Limited, Ashuganj, Brahmanbaria invites sealed tender for procurement of Polyurethane Foam (Cold Insulation) against tender No. CM/PM/19/95. The tender should be dropped along with 1% earnest money within 28-3-95 up to 11-30 AM at Zia Fertilizer Co. Limited, Ashuganj, Brahmanbaria or at Purchase Division, BCIC (16th floor), 30-31, Dilkusha C/A, Dhaka and will be opened simultaneously at both places just after closing the tender. Tender schedule containing all terms and conditions may be purchased on payment of Tk 750/- (Taka seven hundred fifty) only at Zia Fertilizer Co. Ltd, Ashuganj, Brahmanbaria, BCIC, BCIC Bhaban (2nd floor), 30-31, Dilkusha C/A, Dhaka and BCIC Branch Office, 6, Agrabad C/A, Chittagong. No tender document shall be sold on the date of opening.

BCIC 210-1/3/95  
BFP-3335-6/3 G-361

**Notice of RHD Inviting Tender**

- Tender Notice No: 46/EE/KRD-1 of 1994-95.
- Name of work: Providing seal coat at 78th KM of Nazirhat-Fatikchhari-Jaliapara-Khagrachhari-Dighinala Road under Khagrachhari Road Division-1, during 1994-95.
- Chargeable to: 168 RBF on NFJKD Road.
- Estimated cost: Tk 90,371/-
- Earnest money: Tk 1810/-
- Name of offices of availability of tender documents up to 18-03-95: Executive Engineer, RHD, Khagrachhari Road Division-II & Sub-Divisional Engineer, RHD, Khagrachhari Road Sub-Division-II at Manikchhari/Ranghar.
- Name of officers of receive the tender bids: Superintending Engineer, RHD, Khagrachhari Road Circle, Khagrachhari & the undersigned. (It is requested to send the received tenders in sealed condition by the messenger of the undersigned).
- Last date & time of receipt of tender: Up to 12.30 PM on 19-03-95.
- Tenders in sealed condition received from different offices will be opened
- Eligibility of contractor: "A" to "E" general category, RHD, enlisted tribal contractors of Khagrachhari hill tract districts.

**Mohammed Kashem**  
Executive Engineer, RHD  
(Current Charge)  
Khagrachhari Road Divn.  
Khagrachhari

DFF-5302-6/3  
G-364.

**Exchange Rates**

Following are the Sonali Bank's dealing rates to public for some selected foreign currencies effective on March 9 and 10. (Figures in Taka)

Currency	Selling		Buying	
	T & O.D.	B.C	TT Clean	OD Sight Transfer
US Dollar	1 = Tk 40.2350	40.2715	39.9350	39.8075 39.6790
GBP	1 = Tk 65.2236	65.2827	63.7512	63.5477 63.2362
DM	1 = Tk 29.1453	29.1718	28.3349	28.2444 28.1504
Franc	1 = Tk 8.1980	8.2054	7.9677	7.9422 7.9158
C Doll	1 = Tk 28.8004	28.8265	27.9997	27.9104 27.8175
S Franc	1 = Tk 34.9268	34.9585	33.9507	33.8424 33.7297
Jap Yen	1 = Tk 0.4485	0.4489	0.4315	0.4302 0.4287
IRS	1 = Tk 1.2714	1.2809	1.2499	1.2311
Pak Rupee	1 = Tk 1.3063	1.3161	1.2843	1.2650
Iranian Riyal	1 = Tk 0.0234	0.0236	0.0230	0.0226

A) T.T. (DOC) US Dollar Spot Buying Tk. 39.8712

B) Usance Rate

30 Days	60 Days	90 Days	120 Days	180 Days
39.5861	39.3033	39.0204	38.7375	38.1718

C) US Dollar sight bill 3 months forward purchase: Tk. 39.8075

D) US dollar sight bill 3 months forward sale: Tk. 40.4715

**Indicative Rates**

Currency	Selling		Buying	
	T.T & O.D.	B.C	O.D.	Transfer
S Riyal	Tk 10.7288		Tk 10.5789	
OAE Dirham	Tk 10.9560		Tk 10.8012	
Kuwaiti Dinar	Tk 135.3347		Tk 133.4062	
B Guilders	Tk 26.0961		Tk 25.7162	
S Krona	Tk 5.6372		Tk 5.5529	
Malaysian Ringgit	Tk 15.8512		Tk 15.6244	
Singapore Dollar	Tk 24.5638		Tk 24.1483	