

HYUNDAI
CARS THAT MAKE SENSESelf-employment
Welfare Assoc
calls on Biswas

President Abdur Rahman Biswas yesterday said the unemployed youths should devote their energy to agro-based self-employment projects, reports BSS.

President Biswas was talking to a delegation of Self-employment Welfare Association, who called on him at Bangabhaban. Advocate Muazzem Husain Alal, adviser of the association led the delegation.

Stressing on hard labour and innovative technology, the president said service of any kind is no longer lucrative to the energetic youths of organising capabilities. He said the modern world is going ahead faster with modern technologies creating varied opportunities of self-employment with dignity and ensuring better standard of living.

President Biswas expressed satisfaction that a section of the unemployed youths of Bangladesh is taking serious interest in production-oriented projects and providing guidelines to the others.

He advised the members of the association to organise the unemployed youths and inspire them to projects like pisciculture, tailoring, dairy and poultry farming. The government has been providing them necessary bank loans and other help, he added.

Among others, Matur Rahman Sardar, President of the association was present on the occasion.

Yeltsin signs
austere
'95 budget

MOSCOW, Apr 5: President Boris Yeltsin has signed Russia's austere 1995 budget, a key element of the 6.4 billion dollar loan deal reached last month with the International Monetary Fund, reports AP.

The budget cleared its last legislative hurdle on March 22 and was signed on March 31 by Yeltsin, the president's office announced Tuesday. Yeltsin is on a working vacation in southern Russia.

The budget, which is aimed at sharply reducing inflation calls for spending 248.3 trillion roubles (51.3 billion dollars) on revenues of 175.1 trillion roubles (36.2 billion dollars).

The 73.2-trillion rouble deficit (15.1 billion dollars) envisioned in the budget plan would amount to less than 5.6 per cent of gross domestic product, far below last year's 11 per cent.

Russian officials expect to win final loan approval by the IMF's board this month, allowing the release of the first 1.1 billion dollars tranche. Those funds would substantially ease the government's current spending squeeze.

The government's economic programme seeks to bring inflation down to one per cent a month in the second half of this year, from about nine per cent last month, by giving up inflationary Central Bank financing of the deficit.

Russia is running well ahead of previous years in the budget approval process. In 1994, for example, the budget was signed into law only in the summer.

CIRDAP seminar
on population,
family planning

A five-day seminar-cum-final consultation on "comprehensive population and family planning in integrated rural development PFP-IRD" began in Hyderabad, India on Monday, reports BSS.

The consultation is being organized by CIRDAP in collaboration with the National Institute of Rural Development (NIRD) to discuss on the outcome of a four-year programme on PFP-IRD, which was implemented by CIRDAP with financial support from the United Nations Population Fund (UNFPA) in five South Asian countries namely, Bangladesh, India, Nepal, Pakistan and Sri Lanka since 1991, a press release said.

Twenty-seven participants and observers from Bangladesh, India, Nepal, Pakistan and Sri Lanka, NGOs, UNFPA and FAO are attending the consultation.

On behalf of CIRDAP, Dr S Narayan, Deputy Director, V Subramanian, Programme Officer (action research) and Dr M A Momin, action research associate are attending the consultation, the press release added.

China's sweeping tax reforms
result in sharp rise in revenue

BEIJING, Apr 5: The only sure things are death and taxes — unless you are one of the millions of Chinese who easily evade the latter at cost of billions to the state, reports Reuters.

Sweeping tax reforms, including promulgation of China's first personal income tax, have brought sharp increases in tax revenues to the treasury in recent years, the official China Business Times reported on Tuesday.

But artful dodging by growing numbers of wealthy Chinese has meant the gap between what is collected and what should be collected is huge.

Due to poor popular understanding of the tax laws, law

management and weak tax assessment, evasion of our country's personal income tax is extremely serious," the paper said.

The state administration of taxation said tax-payers handed over 6.36 billion yuan (755 million dollars) in taxes in the first 11 months of 1994, far short of the 10 billion that income data indicated should have been paid, the newspaper said.

Although per-capita annual income was only 490 in 1994, China has at least five million people earning 10,000 yuan (1,185 dollars) and an elite 10,000 who earn one million yuan (118,850 dollars) a year. Some occupations are a

virtual guarantee of high income.

"Surveys show that China's lawyers, beauticians and high-grade chefs have average monthly incomes of 2,000 yuan (237 dollars) a month, while workers in foreign enterprises in China have monthly salaries of 2,000-5,000 yuan," the report said.

"Quite a few stars of television, film and music make 10,000 yuan or more a month and it is no longer unusual for workers in big hotels and even construction workers to earn more than 1,000 yuan a month."

Market reform architect Deng Xiaoping decreed 16 years ago that getting rich was glorious even under socialism.

but Deng's successors are facing the parallel problem of many people being left behind.

Progressive taxation is seen as an effective antidote to the growing chasm between rich and poor, the report said.

The Communist Party and State Council have clearly asked state organs to use the lever of taxation to adjust individual incomes, to prevent big gaps between rich and poor and to preserve social equality and stability," it said.

China's progressive personal income tax ranges from five per cent up to 45 per cent for salary-earners making 100,000 yuan. The top rate for the self-employed is 35 per cent.

US-allies trouble spells bad
signal for global economy

WASHINGTON, Apr 5: From rescuing the dollar to bailing out Mexico, the United States and its rich allies are having trouble working together — and that spells bad news for the world economy, reports Reuters.

"There's very little in the way of cooperation," said David Gilmore, partner at Consultant Foreign Exchange Analytics in New York.

Although the dollar popped up a bit on Tuesday, it is still down 13 per cent against the Japanese yen and some 11 per cent against the German mark this year. And Mexico's economy still looks shaky despite a US-led 50 billion dollar rescue package for its Latin American neighbour.

Cooperation among the Group of Seven nations — Britain, Canada, France, Germany, Italy, Japan and the United States — began fraying in February with the Mexican rescue. European nations in particular objected to the plan as an expensive bail-out of a nation that had failed to keep its economic house in order, and they are still smarting from being bullied by the United States into joining the package.

That resentment has not helped as the G-7 struggles over what to do about the head-long fall of the dollar. On Monday, the United States and Japan banded together to buy dollars in the foreign currency market in what turned out to be a fruitless attempt to buttress the currency. European nations, which had joined Washington and Tokyo in buying dollars a month ago, were conspicuous by their absence.

It was the United States that was the odd man out last

week as Germany and Japan cut interest rates, but the US federal reserve held off from tightening credit again even though that might have helped buoy the dollar.

Europe, particularly Germany, has pointed the finger at America, which is running big budget and trade deficits. "The currency markets are determined primarily by... the situation in weak currency countries," Hands Tietmeyer, President of Germany's central bank, the Bundesbank, said last week.

The United States has at times tried to pin the blame for the dollar's fall on Japan, arguing that its "closed" markets and weak economy have led to a widening of its trade

surplus. "There is not a self-sustaining domestic economic recovery in Japan," a senior US official said.

Some US officials have also pointed the finger at what they call "Mark Mania" in Europe, fed by political and economic uncertainties in several nations, including Italy.

Tokyo, caught in the vise of a strengthening yen, has at times seemed at a loss to explain the dollar's gyrations and has been left to complain they do not reflect fundamentals.

Not only have G-7 nations been unable to agree about what is behind the dollar's fall, policy makers in individual countries have at times seem divided.

Japan's finance ministry, faced with strong demands from the United States for a Japanese interest rate cut to buy the dollar, openly called for a reduction in The Bank of Japan's discount lending rate last week. But the bank, anxious to show its independence, resisted, instead guiding money market rates lower — a move that failed to aid the dollar and sent Tokyo stock prices crashing.

In the United States, Treasury Secretary Robert Rubin has repeatedly professed his desire for a strong dollar, but administration officials seem at a loss about what, if anything, to do about the currency's weakness.

Even the Fed seems divided over how concerned to be. Chairman Alan Greenspan has stressed the importance of the dollar remaining the world's key currency but some other central bank officials do not seem as worried.

Clinton voices
objections
to tax bills

WASHINGTON, Apr 5: President Clinton, voiced strong objections Tuesday to two Republican tax bills but stopped short of threatening to veto them. He said the United States could not afford the 188 billion dollar tax cut plan and still contain the deficit, reports AP.

Clinton said he was "deeply troubled" by a provision that allows billionaires to avoid paying taxes on income made in the United States simply by renouncing their citizenship.

But the measure contains another provision Clinton supports: restoring a tax deduction for self-employed individuals who pay their own health care costs. Asked if he would veto that measure, Clinton said he wanted to first study whether there was another way to prevent people from avoiding taxes by giving up their US citizenship.

The larger Republican tax bill is up for a House vote this week. It would cut the tax on capital gains in half and give a 500 dollars per child credit to families with annual incomes of up to 200,000 dollars.

Clinton prefers a more narrow middle-class tax bill, with the benefits aimed at families with incomes less than half that amount, or tax benefits to help middle-class families pay college costs.

Air UK holdings
capital to rise

KLM and Air UK Holdings Ltd believe it is desirable to strengthen the capital base of KLM's British partner. To this end, they plan to increase Air UK Holdings Ltd's shares by 13 million, each with a nominal value of one pound sterling. This will serve to strengthen the company's financial position, says a press release.

This transaction, which underlines the ongoing successful cooperation between the two companies, will lead to KLM's interest in Air UK Holdings Ltd rising from 14.9 per cent to 45 per cent.

Air UK Holdings Ltd is the parent company of the airline Air UK, aircraft maintenance company Air UK Engineering, and other companies.

Air UK operates an extensive route network from its home base London Stansted and other locations to numerous destinations in Great Britain and on the European continent, including Schiphol.



An employee at the foreign exchange bourse in Dusseldorf chalking on Tuesday fixing of the US dollar at 13780 German marks. The US currency on the day strengthened in early European trading, recovering slightly from its fall to record low values against other currencies. Marked in the first column left is the fixing of Monday, April 3. — AFP/UNB photo

Major stock markets' position

LONDON, Apr 5: Here is how major stock markets outside the United States ended yesterday, reports Reuters.

LONDON: London shares ended at their best level this year, just below the session high, helped by strength in futures, gilts and bonds.

FRANKFURT: German shares closed higher. Short-covering plus new buy orders lifted the index above resistance levels. The Dax was poised to reach 1,970 in after-hours trade, traders said. Market was also supported by firm bond market and stabilised dollar levels. The 30-share Dax index closed up 34.19 points at 1,965.01.

PARIS: French shares ended stronger with the April Cac-40 future flirting with the psychologically important 1,900 level. A rally in German

shares also helped. The Cac-40 index up 18.77, or 1.01 per cent, at 1,882.77.

ZURICH: Swiss shares ended firmer following a recovery in the dollar, dealers said. Trading was quiet and volume low. Dealers said the market's further direction would be determined by the dollar. The all-share Spi closed up 11.68 points at 1,652.93.

TOKYO: Tokyo stocks staged a technical rebound after volatile morning trade and dramatic falls on Monday. But sentiment remained weak without strong official action to stem appreciation of the yen, and activity was dominated by short-covering and arbitrage trade, brokers said. The Nikkei average closed up 249.24 points at 15,630.53.

SYDNEY: The Australian share market finished at its

highest level for the year after the dow made slim gains on Monday and the price of gold continued to rise in New York. The all ordinaries index ended 36.8 points higher at 1936.3, its highest level since November 17, 1994 and its biggest one day jump since July 15, 1994.

JOHANNESBURG: Industrial shares extended gains in afternoon trade on Tuesday as a strong run in London shares maintained bullish sentiment, but dealers said a good price dip had dragged related stocks off highs. They said golds had steadied by the close as short-covering appeared following a bullion bounce back from 390 dollars an ounce. The overall index closed 68.7 better at 5,395.7, the industrial index was 56.2 up at 6,711.9 and the gold index finished 10.3 up at 1,542.6.

US to revive labour
standard issue

GENEVA, Apr 5: The United States will revive its controversial effort to impose labour standards on its trading partners, a key US official said Tuesday, reports AP.

US officials will push for talks to start within the new World Trade Organization once it is fully operating, said Jack Otero, US Deputy Undersecretary of State for Labour.

"We realize this is the toughest, most sensitive, most difficult question," Otero said. "But we don't believe we can do business as usual when there is continual exploitation of human beings, imprisonment of people for trade union activities or use of forced labour."

He said he had been "extremely encouraged" by

discussions on workers' rights taking place within the United Nations labour agency.

The issue of labour standards is extremely controversial within the WTO and threatened to scuttle the signing of the so-called Uruguay Round of trade liberalizing measures at Marrakesh, Morocco, last March.

Many developing countries say child labour is rooted in family and cultural tradition and is unavoidable in areas of extreme poverty.

Others accuse developed countries of wanting to protect their own markets from cheap imports.

Discussions of labour standards were begun at the International Labour Organization last November and resumed Friday.

Drought may hit Jakarta's
sugar output again

JAKARTA, Apr 5: Indonesia's sugar output is expected to be hit by a drought for a second straight year in 1995 amid moves to boost efficiency and sugarcane planting, trade sources said yesterday, reports Reuters.

Untung Basuki, Secretary of the Indonesia Sugar Association, a grouping of state and private sugar growers and millers, said production was forecast to fall to around 2.30 million tonnes this year from

2.46 million in 1994 and 2.48 million in 1993.

"The drought damaged some crops and this is going to impact production this year," he told Reuters. "The shortfall means Indonesia will have to import about 200,000 tonnes this year."

Indonesia, which has a population of 188 million with an average per capita sugar consumption of 14 kg a year, imported the same amount last year.

Israel issues
2000 new work
permits to
Palestinians

JERUSALEM, Apr 5: Israel has issued 2,000 new work permits to Palestinians from the West Bank and Gaza Strip despite the closure of the territories, a military spokesman said Saturday, reports AFP.

The decision taken by Prime Minister Yitzhak Rabin concerns 900 construction workers and 100 industrial workers from the West Bank, the spokesman said.

They and another 1,000 Palestinians from the self rule Gaza Strip will be allowed to return to work in Israel on Sunday.

Israel sealed off the territories after a Palestinian suicide bombing killed 21 Israelis north of Tel Aviv on January 22. Since then a total of 26, 750 married Palestinians over the age of 30 have been allowed to return to their jobs in Israel, the spokesman said.

He said 46,000 Palestinians had work permits before the bombing.

Meanwhile Israeli police arrested five Palestinians on Saturday as they took part in a protest near Jerusalem against the closure of the territories.

The demonstration took place on the Jerusalem Bethelheim road in the occupied West Bank and included Israeli leftwingers.

The Palestinians were arrested after the army declared the sector a "closed military zone," police said.



A meeting of Real Estate and Housing Association of Bangladesh (REHAB) was held at a local hotel recently.

Clinton admn, Congress differ over Chile's accession to NAFTA

WASHINGTON, Apr 5: The Clinton administration and members of Congress appear headed for a collision over Chile's accession to the North American Free Trade Agreement (NAFTA) on the issues of labour and the environment, reports AP.

At an April 4 Senate Finance Committee hearing, US Trade Representative Mickey Kantor insisted Chile should adhere to the labour and environment side agreements already part of NAFTA for the United States, Mexico and Canada.

"They're working well I think they're fully accepted by all three nations," Kantor said. "It would be rather strange and somewhat asymmetrical if Chile acceded to the agreement without having to take on all the obligations the other three nations have undertaken."

Republican Senator Bob

Packwood of Oregon, committee chairman, warned Kantor, however, that Congress would reject that approach in negotiations with Chile, which the administration seeks to complete in 1995.

"I think you will not get Congress to approve Chile's accession if you have in the agreement the labour and environment provisions," Packwood said. "So I think you may have to take your choice... as to which you want."

The labour and environment issues have posed problems for the administration before. Fierce opposition from Republicans over such language forced the Clinton administration in 1994 to drop its request to Congress for renewed fast-track trade-negotiation authority.

Opposition has grown only stronger in the present Republican-led Congress.

Calling renewed fast-track

the administration's 1995 foremost trade legislation priority, Kantor did not indicate clearly whether he would press for labour and environment language.

"We're going to have some differences of opinion," Kantor said, "but that doesn't mean we can't work them out... as we worked our way through NAFTA and the Uruguay Round and other trade agreements."

Under previous fast-track authority, Congress had to accept or reject a negotiated trade agreement within certain time limits and without amendment.

Senator Charles Grassley of Iowa, the new Finance trade subcommittee chairman, suggested that new fast-track authority might allow some amendments, only on provisions concerning ways to offset expected tariff revenue losses.

Under this approach, he said, fast-track would continue

to prohibit amendments to the underlying trade agreement. Kantor said the administration would consider the proposal.

Kantor listed two other trade bills as 1995 priorities: extension of the Generalized System of Preferences (GSP) and parity with NAFTA for the Caribbean Basin Initiative (CBI) countries.

Scheduled to expire July 31, GSP provides zero-tariff benefits on more than 4,400 goods from more than 140 designated developing markets. Both the administration and some members of Congress seek to change GSP, aiming its benefits more strictly at poorer countries.

Kantor recommended two GSP changes: first, reducing the per-capita income eligibility requirement below the current level, 11,800 dollars per year; second, altering the procedure for including and excluding eligible goods.

On the CBI parity issue, Kantor said the administration generally supports a bill already approved in a House of Representatives subcommittee, except for the 10-year expiration; the administration has proposed only six years.

Just weeks before the April 29 annual designation of Special 301 priority countries for investigation and possible retaliation, Kantor mentioned a few of the places where inadequate intellectual property rights protection remains a problem, including Bulgaria, Turkey and Japan (patent protection).

He mentioned that a good intellectual property bill has stalled in Brazil's Senate although he praised Brazil's president for working for its passage.

Kantor had harsh criticism, however, for a patent bill passed by Argentina's legislature and awaiting action by

President Menem. Calling the bill "unacceptable," Kantor suggested it conflicts with Argentina's obligations under the Uruguay Round multilateral agreement.

"We have some indication... that the Argentine government at the highest level is deeply concerned and is trying to work with this problem," Kantor said.

On another issue — the dispute with the European Union (EU), Costa Rica and Colombia over practices that discriminate against US banana exports — Kantor said his office hopes to resolve it by mid-1995 either through negotiations, World Trade Organization dispute settlement, or unilateral action under Section 301 of US trade law.

"We are going to move in a very vigorous manner if we cannot get satisfaction on this issue," Kantor said. "This can not continue to persist."

India launches
sale of lead
free petrol, cars

NEW DELHI, Apr 5: India launched the sale of lead-free petrol on Saturday and cars fitted with catalytic converters, as part of a drive to clean up the air in New Delhi, reports Reuters.

Environment Minister Kamal Nath described the move as a first step to reduce vehicle pollution in the country, and said similar steps would be taken in other cities.

Some 65 per cent of the total pollution in Delhi came from vehicles, he said. Some 40 per cent of the cars sold in India were in the major cities of Delhi, Bombay, Calcutta and Madras.

India is undergoing a car boom. Several global majors have announced plans to make and sell cars in India under its free market economic reform programme launched in 1991.