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Algeria loses $2.2b in 3-yr violence

CAIRO, Apr 9 : Algeria has lost 100 billion dinars (2.2 billion dollars) in a three-year-old Islamic militant campaign of violence and sabotage, Interior Minister Abderrahmane Meziane-Cherif said Saturday, reports AFP.

The minister, quoted by the Egyptian government daily Al-Ahram, said the money lost could have paid for "400,000 new homes."

He added that as well as material losses the fundamentalist violence had "damaged Algeria's image as a state and as a nation."

Around 3,000 acts of sabotage were carried out by Muslim militants in 1994 alone, according to official figures.

Militants launched their campaign after the government cancelled the second round of elections in January 1992 which the fundamentalist Islamic Salvation Front (FIS) was poised to win.

The US State Department says "the unrest has cost 30,000 lives, a figure the military backed government rejects as exaggerated.

EU puts pressure on Argentina to change patent law

BUENOS AIRES, Apr 9: The European Union has joined Washington in pressuring Argentina to change a controversial patent law that has become a nationalist issue, reports Reuter.

Argentine Deputy Foreign Minister Fernando Petrella said Saturday the government has received a letter from the EU Ambassador in Buenos Aires, Dieter Oldekop.

"I haven't seen the note yet but Oldekop said yesterday he had presented his point of view, which means ..." the issue is to acquire a broader perspective, Petrella told Argentine radio.

Last month, the Argentine Congress came close to declaring outspoken US Ambassador James Cheek "persona non grata" for describing the recently passed patent law as fit only for "countries like Surinam or Burundi."

Washington, which is being accused of meddling in Argentine affairs, has threatened to impose trade sanctions on the South American country if it does not enact satisfactory patent and intellectual property laws by April 29, the deadline Washington has imposed on all its trading partners.

Washington has already threatened sanctions against Brazil.

Drought, fertiliser crisis mar tea production in Sylhet

From Staff Correspondent

SYLHET, Apr 9: Production in all the 133 tea gardens in the greater Sylhet region is being hampered due to the continuous drought coupled with fertiliser crisis, this year.

Tea leaves dried up as an unusual delay in the rainfall and rise in the temperature persist in the region. The prevailing situation may cause failure in achieving the country's tea production target this year.

Out of the country's 178 tea gardens, 133 are located in the three districts of the greater Sylhet region. Of these, 18 are in Sylhet, 23 in Habiganj and 91 are in the Moulvibazar district.

Normally, tea leaf plucking and production begin at the garden from the last week of February and continue till September every year. However, the period from mid-March to mid-September is considered as the proper production season. But due to the absence of rainfall this year, tea plants have started drying up in almost all the gardens.

While visiting a number of gardens in Kulaura and Sylhet this week, this correspondent saw a large number of old plants and new saplings of tea plants were getting dried up for want of water.

The small water sources like small ponds, lakes and canals within the tea garden areas have also dried up.

Besides, in some gardens in Moulvibazar, tea plants are being attacked by 'Red Spiders' (plant pests) due to the continuous drought. Use of pesticides also did not yield any results, said the gardeners.

Last year, plucking of tea leaves began from the first week of March.

This year, only 28 mm rainfall was recorded in the region till the end of March which could not provide much relief to the gardens.

While talking to this correspondent, a senior manager of a tea garden said rainfall at night and slight change in day's temperature was suitable for tea cultivation.

Even, if it rains within a couple of days, it will take at least two weeks to resume production. It would hinder in achieving the country's tea production target this year, a leading tea planter said yesterday.

The production target of tea during 1995 had been fixed at 51.46 million kg, an official source informed. Last year the production stood at 50 million kg.

SAARC commerce secretaries' meet ends

Considerable progress achieved

A two-day meeting of the commerce secretaries of South Asian countries under the aegis of the "Committee for Economic Cooperation" (CEC) concluded here yesterday making "considerable progress," reports BSS.

Commerce Secretary M. Asafuddowla told newsmen after the meeting that discussions took place at a "Friendly" spirit and wide areas have been covered.

However, he said the Inter-Government Group IGG will meet in Kathmandu later this month to discuss the details of the tariff, non-tariff, para-tariff and other details.

The IGG in its last meeting in Islamabad made headway on the complex issues relating to South Asian Preferential Trading Arrangement (SAPTA).

Asafuddowla was yesterday made the Chairman of the CEC.

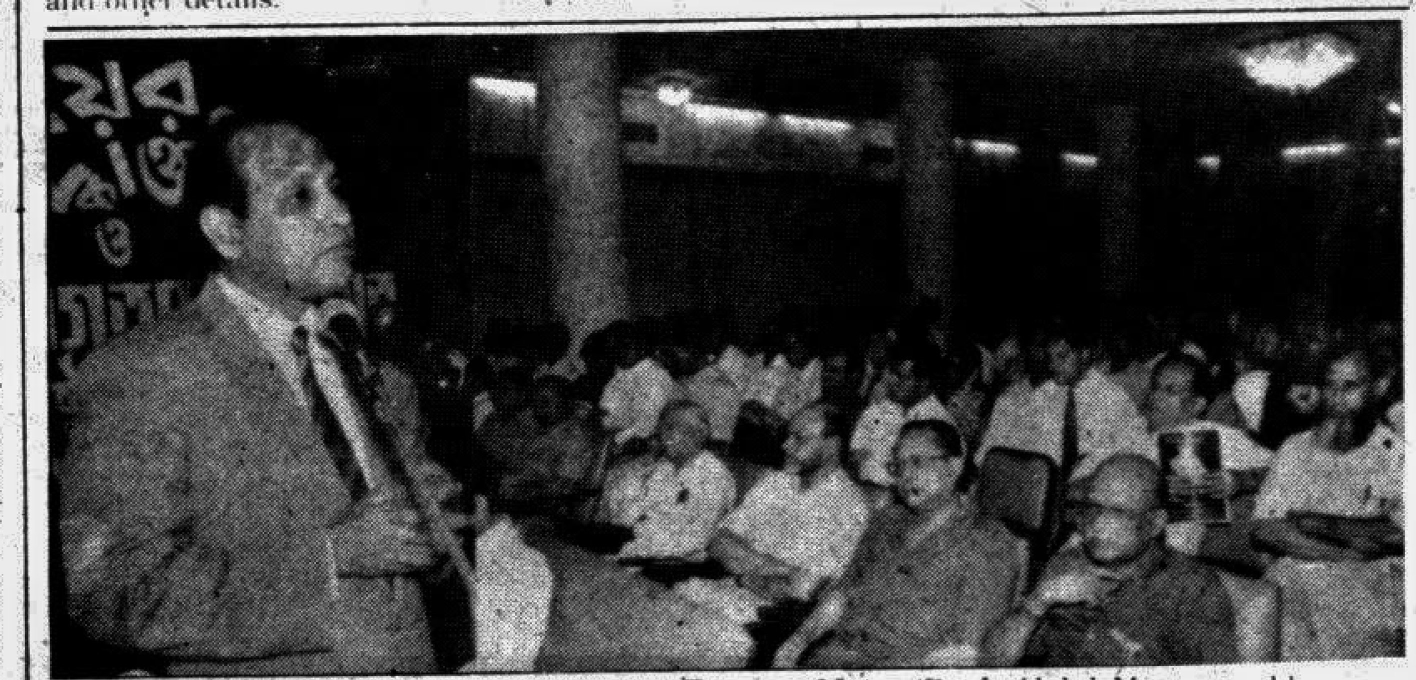
Bangladesh delegation was led in the meeting by Chairman of the Tariff Commission Abdul Hamid Chowdhury.

Asafuddowla said sufficient works are expected to be done before the next SAARC summit in New Delhi early next month.

The CEC will place its report to SAARC Standing Committee which is made up by the foreign secretaries of the member states.

Earlier, a spokesman of the foreign ministry told newsmen at a regular weekly press briefing that SAPTA is making progress and it will be possible to put it into operation by the beginning of the next year.

He said the recent Islamabad meeting of IGG, the meeting of the CEC in Dhaka and the coming meeting of the IGG in Nepalese capital are meant to finalise the SAPTA related matters as far as possible. "We are making painstaking efforts to make substantial progress before the summit and things are moving towards that direction," he said.



The State Minister for Civil Aviation and Tourism Major (Retd) Abdul Mannan addressing the retired cabin crew farewell and freshers reception as chief guest at a local hotel Saturday. Bangladesh Biman Flying Services Association of Cabin Crew arranged the function.

Farmers advised to sow jute seeds

Farmers have been advised to sow jute seeds without any further delay, reports BSS.

Agriculture Information Service in a press release issued yesterday said there had been sufficient rainfall in many parts of the country recently. The farmers have been advised to take advantage of this favourable climatic condition and go for sowing *deshi* and *fulguni tosha* variety of jute seeds without any further delay.

Farmers who do not have seeds at their disposal have been asked to procure those from the nearest BADC seed stores.

Local variety of seeds per kg has been fixed at Taka twenty, the press release said.

China's industrial output grows

BEIJING, Apr 9: China's industrial output grew more than 14 per cent in the first quarter of this year, although triangular debt and a capital shortage remained serious obstacles, the State Statistics Bureau (SSB) said yesterday, reports AFP.

Output value in the January-March period totalled 399.6 billion yuan (40 billion dollars), up 14.4 per cent from the first quarter of 1994.

The state sector's output grew 10.9 per cent over the same period.

"However, some problems still exist in industry - with triangular debt among enterprises and a lack of funds still restricting growth," the Xinhua news agency quoted an SSB official as saying.

Light industrial production surged 20.2 per cent to 169.4 billion yuan, double the growth rate in heavy industry, which expanded 10.1 per cent to 230.

Russia defends foreign payroll tax

MOSCOW, Apr 9: A steep new payroll tax that has alarmed foreign investors is "not desirable" but Russia still plans to keep it in place until next year, a top tax official said Friday, reports AP.

The government plans to grant some foreign companies an extra six months to pay the 38 per cent excess wages tax in order to soften the blow, Vladimir Gusev, head of the State Tax Service, said at a news conference.

Foreign companies reacted with outrage when the government last month declared its intention to apply the new tax retroactively to Jan 1, 1994, to foreign firms.

A memorandum of understanding (MOU) was signed in Dhaka between the government of Bangladesh and Solar International, a US company, for setting up power plants in the private sector in Bangladesh on Saturday. Joint Secretary of Energy and Mineral Resources Ministry Nazrul Islam and Managing Director of Solar International Paul H Leo signed the MOU on behalf of their respective sides. — PID photo

Foreign investors question Vietnam's support for private sector

HO CHI MINH CITY (Vietnam), Apr 9: Vietnam has made impressive strides in reforming its economy, but its leaders still seem biased in favour of state-run companies and uncommitted to a strong private sector foreign businessmen gathered here said, reports AP.

This lingering socialist mentality blocks the country from fulfilling its potential as one of Southeast Asia's star economic performers, said delegates at the Vietnam Economic Forum, which ended Saturday.

The two-day conference, sponsored by the World Economic Forum of Geneva, Switzerland, included about 200 foreign executives and Vietnamese government and business leaders.

Foreign participants hailed Vietnam for transforming its economy slowly instead of pursuing the painful "big bang" approach chosen by most formerly Communist countries of Eastern Europe and the old Soviet Union.

"This gradualistic approach has paid off," said Asian Development Bank manager Nihal Amerasinghe. Vietnam has become self-sufficient in food and a net exporter of oil and rice since it began adopting free-market reforms in 1986.

Together with abundant natural resources, Vietnam's fast growing economy and political stability make it one of the most attractive investment prospects in the Mekong River region of Southeast Asia, businessmen said.

However, several forum members questioned whether the government is ready to treat privately owned domestic businesses on an equal footing with state-run companies.

"They are not creating an environment that looks really conducive to free enterprise," said Jim Simpson, managing director of new ventures for Chevron Overseas Petroleum Inc.

Vietnam is merging many state companies into conglomerates its leaders hope will compete more effectively with foreigners in strategic industries such as steel, aviation and telecommunications.

An Asian businessman whose company has three manufacturing projects with state-run Vietnamese partners bemoaned the lack of private sector counterparts. He spoke on condition of anonymity for fear of upsetting his partners.

Of more than 1,200 foreign investment projects licensed so far, fewer than 20 involve ventures with private Vietnamese firms, according to Nguyen Mai, vice chairman of the State Committee for Cooperation and Investment. Vietnam's private companies are generally too small to be attractive partners for foreigners, he told the forum.

Deputy Prime Minister Phan Van Khai, one of the architects of Vietnam's free-market reform policy, said Friday that the country attaches great importance to both sectors of the economy.

Still, some foreigners visiting and doing business here suspect the government deliberately discourages private sector growth in many industries as a way to keep control of the economy.

OMS supervision intensified

The government has taken steps for supervision at different levels to ensure that foodgrains released under open market sale (OMS) reach the real consumers, reports BSS.

The government has been continuing the sale of rice and atta under OMS all over the country including Dhaka city to keep the prices of foodgrains stable, according to an official handout issued here on Saturday.

Despite all these measures if there are any allegations of irregularity or malpractice in the sale of foodgrains under the OMS system these should be reported directly to the concerned deputy commissioners or to the food ministry, the handout said.

Air Inter pilots, mechanics go on strike

PARIS, Apr 9: Pilots and mechanics at France's state-owned Air Inter went on strike Sunday, the fourth walkout of the month at the domestic airline and the latest in a string of job actions during the presidential campaign, reports AP.

The strike forced cancellation of about one-third of the airline's flights Sunday but was expected to widen and affect 50 per cent of Monday's flights, Air Inter officials said.

The dispute centres on Air Inter's planned merger with state-owned Air France by 1997 that would slash 600 jobs and boost productivity.

European Union-mandated airline deregulation is forcing France and other countries to stop subsidizing their money-losing airlines.

Commodity market: Prices of gold, silver, cotton higher while tea, wool stable

LONDON, Apr 9: Investment funds surged into the commodity markets this week, mainly on the dollar's weakness, pushing Brent Crude North Sea oil prices to their highest level for nine months while platinum jumped to a four and a half year peak, reports AFP.

Soaring platinum prices were boosted midweek by news that US firm Engelhard has invented a platinum auto catalyst which can clean carbon monoxide and ground-level ozone.

Prices rose as the market predicted a rise in consumption of the metal, even though production of the new catalytic converter appeared unlikely in the short-term.

Gold and silver, which respectively rose to their highest levels since October and November, consolidated their gains, but analysts predicted a downward correction as soon as investment funds begin to take profits.

The price of Brent Crude North Sea oil rose above 18 dollars a barrel on Thursday, boosted by a sharp drop in US stock and by worries of continued tension between the United States and Iran.

The other commodities were little changed and were mainly influenced by currency concerns.

GOLD: Higher. Gold, which last week soared to its highest level since October after the Bundesbank cut its interest rates, this week rose a further two dollars to around 393 dollars per ounce on the dollar's weakness.

Analysts said the Budesbank's surprise move had been interpreted as meaning that the German central bank was taking a risk with inflation, pushing investment funds into the precious meals — a traditional safe haven in times of inflationary pressures.

Dealers said speculative buying could keep prices up for a time, but they believe gold will fall as soon as investment funds begin to take profits.

They added that there is also a fall-off in the physical market as countries in Asia and the Middle East, which represent 60 percent of world demand, find current price levels too high.

SILVER: Soaring. After last week rising above five dollars an ounce for the first time since November 1994, prices this week soared to around 5.3650 dollars per ounce.

As with the other precious metals, silver was boosted by investment fund interest and the dollar's weakness.

PLATINUM: Higher. Platinum, which last Friday soared to its highest level for four-and a half years, accelerated its gains this week, lifting to a peak of 459 dollars per ounce on Wednesday, before sinking slightly on profit-taking.

Prices were also boosted by news that a US firm Engelhard has invented a platinum autocatalyst which can clean carbon monoxide and ground level ozone.

But an analyst at Johnson Matthey noted that the absence of legislation to make its use obligatory would likely make its commercialisation in the short-term unlikely.

The analyst said the world production of catalytic converters in 1994 used 1.8 million ounce of platinum.

COPPER: Lower. Copper prices eased some 25 dollars during the week to around 2,911 dollars per tonne, slipping as dealers showed disappointment that the metal failed to react between the currency turbulence and the dollar's record lows.

Bloomsbury Minerals Economics Consultancy predicted growth in copper consumption in countries outside the former eastern block would be between 2.5 and three per cent in 1995 and next year.

They added that with refined copper production now growing at six to seven per cent annually "the supply deficit is nearly over." They also noted that stocks on New York Comex market now stand at only 8,384 tonnes.

Elsewhere, Boris Gulevich, the Deputy General Director of Norilsk Nickel, said Russian copper exports to the Western world would fall to 320,000 tonnes from 470,000 in 1994 as a result of increased domestic sales.

Weekly stocks on the LME fell 13,075 tonnes to 226,825.

LEAD: Lifting. Lead rose around six dollars during the week to 612 dollars per tonne, rising in line with zinc, as the metal itself lacked news, dealers said.

Weekly stocks eased 2,325 tonnes to 290,725.

ZINC: Higher. Zinc rose around six dollars to 1,068 dollars per tonne, lifting on news that China's largest zinc smelter, Huludao, has been forced to idle 50,000 tonnes of annual zinc-making capacity after concentrate shortages.

The sources said the shortages in concentrates were in part due to the Chinese New Year which saw mine production halted for a month early in 1995.

The domestic price of zinc in China has lifted to the equivalent of 1,270 dollars per tonne, they said.

On the LME, stocks fell a weekly 14,275 tonnes to 1,004,825.

COCOA: Calm. Cocoa prices for delivery in July rose by around four pounds during the week to close at 961 pounds per tonne on Thursday, supported by sterling's weakness and by demand from European chocolate manufacturers.

The announcement of an 8.76 per cent rise to 91,314 tonnes in Dutch grinding production in the first quarter from the same period a year earlier had no effect on prices, dealers said.

These figures, showing increased consumption, were counter-balanced by estimates of a large harvest in the Ivory Coast, the world's leading producer.

COFFEE: Lifting. Coffee prices rose by around 65 dollars to 3,070 dollars per tonne, supported by the weak dollar and by prospects of a drop in the Indonesian harvest.

The Association of Indonesian Coffee Exporters predicted that the 1995-96 harvest would fall to 375,000 tonnes from 450,000 the previous year.

Uncertainty over success of the new export limitation plan, which was adopted mid-March by the main producer countries and which will come into effect on April 1, limited price rises.

SUGAR: Lower. Prices fell by around seven dollars to 355 dollars per tonne, on prospects of large harvests in Brazil, Thailand and India.

The market was little influenced by news that Russia is on the point of concluding a new agreement with Cuba whereby Moscow will provide Cuba with three million tonnes of oil and Cuba will in return provide one million tonnes of cane sugar.

The Russian Foreign Affairs Minister Oleg Davydov told Interfax that the decision was taken as the country's sugar supply is expected to be in deficit by around two million tonnes relative to demand.

VEGETABLE OILS: Irregular. The majority of the vegetable oils were stable on the Rotterdam market, except for palm-oil, which fell around 30 dollars to 647.5 dollars per tonne on expectations of a large 1995 harvest in Malaysia.

The specialist oil world review predicted that world production of the ten main vegetable oils would fall to 246.8 million tonnes in 1995-96 compared with the exceptional harvest of 253.78 million tonnes the previous year.

The drop is mainly due to a falling yield from the crops, as the area planted has risen by two million hectares to 182.8 million. The soya harvest is expected to fall to 125.6 million tonnes from 135.35 million tonnes.

In total, the consumption of the ten oils is expected to rise to 249.15 million tonnes from 244.13 and end of season stocks are predicted to fall to 34.65 million tonnes from 37 million tonnes.

RUBBER: Calm. Rubber prices were stable at around 1,220 pounds per tonne, but dealers predicted a fall in prices in the short-term as trading slackens in Europe and the United States over the spring holiday.

The end of the hibernation period in South-East Asia and the return to normal production will also weigh on prices, a dealer at Lewis and Peat said.

OIL: Higher. Oil prices soared through 18 dollars a barrel on Thursday, their highest level since last August, compared with 17.5 dollars a barrel at the end of the previous week.

Prices were boosted by the weekly stocks figures from the American Petroleum Institute, published on Tuesday, which showed sharper than expected drop in gasoline stocks in the United States, down 3.9 million barrels during the week.

Meddi Varzi, an analyst with Kleinwort Benson, said the higher oil prices were also due to the general rise in commodities' prices, particularly the precious metals, which are again being sought out by investment funds.

Other factors have contributed to Brent's rise, such as a "slight drop in OPEC production last month," and "worries about tension in the Gulf between Iran and the United States," said Varzi.

He predicted that prices would "remain firm" until the second quarter, but would fall after that as "the level of heating oil stocks is quite high, particularly in the United States" and as "Iraq looks like coming back to the market, at least partially, before the end of the year."

Oil exports to Iraq were suspended under a UN embargo implemented after the invasion of Kuwait in August 1990.

Elsewhere, the International Energy Agency predicted oil demand in the OECD countries had risen by less than expected in the first quarter of 1995, reaching only 40.8 million barrels a day — rise of 0.1 million barrels a day on the same period a year earlier.

The IEA predicted world demand would rise in the second quarter by 1.1 million barrels a day to some 67.3 million barrels a day.

ALUMINIUM: Higher, then lower. Aluminium began the week firm, lifting to 1,913 dollars per tonne — levels not seen since February — as investment funds entered the market to escape foreign currency turbulence.

The metal then fell in mainly technical trading, to end the week 13 dollars lower at 1,860 dollars per tonne.

Elsewhere, analyst Anthony Bird said in his annual review that growing demand would fundamentally support aluminium over the coming decade and lead to significant tightness from 1997 onwards if there were no investments in new smelters.

"After taking account of changes in competitiveness," the long-run rate of Western world aluminium demand growth will average 3.9 per cent per annum over the period from 1990 to the year 2005, he said.

In the short-term, he voiced caution about market prospects, saying prices were still vulnerable to rise in interest rates and warning that "prices today are ahead of the target range".

Weekly stocks fell by 27,250 tonnes to 1,450,500.

NICKEL: Lower. Nickel eased some 40 dollars to 7,740 dollars per tonne, after rising midweek on currency concerns.

Dealers said the market remains underpinned by the Canadian producer Inco, where about 480 technical workers are threatening to strike if talks fail to agree on a new labour contract.

Stocks fell 1,962 tonnes to 120,474.

TIN: Higher. Tin rose around 50 dollars to 5,850 dollars per tonne, as the prospects for the metal looked encouraging, dealers said.

Market analysts Roskill Information Services predicted tin prices would rise by about 20 per cent this year as long as the Chinese stick to their promise to cut exports.

Consumption is on the increase and China is unlikely to repeat last year's export excesses when her Association of Tin Producing Countries (ATPC) quota of 20,000 tonnes was exceeded by well over 100 per cent, they said.

Elsewhere, Indonesia is thought to have exported 34,500 tonnes last year against a quota of 30,000 and will probably call for abolition of the supply rationalisation scheme at the ATPC meeting in Kuala Lumpur next month, dealers at GNI said.

Negotiations at the three striking Bolivian tin and zinc mines have begun but no progress is reported yet, GNI added.

Stocks fell 1,085 tonnes to 21,410.

GRAINS: The price of wheat rose by around 70 pence to 116.75 pounds per tonne in London, while barley lifted one pound to 101.6 pounds per tonne — both grains were made more attractive by the weakness of the pound.

In Chicago, speculation that the US Department of Agriculture (USDA) was on the point of offering a new shipment of subsidised wheat to China supported prices.

TEA: Stable. Demand was strong on the London auction market, particularly for teas from east Africa, and prices rose.

COTTON: Higher. The price of cotton firmed on the Liverpool auction market, rising in the wake of the US market.

The International Cotton Advisory Committee predicted that world production would rise to 19.32 million tonnes in 1995-1996, from 18.33 million tonnes the previous season. Consumption would also rise to 19.2 million tonnes from 18.63 previously.

WOOL: Stable. Wool prices were stable at 519 pence per kilo on the Bradford market, supported by the recent firmness in the Australian market, which in turn was supported by a cut in supply and strong demand from China.