



# The Daily Star

## BUSINESS

DHAKA SATURDAY, JUNE 3, 1995



CARS THAT MAKE SENSE

### US proposes more auto talks with Japan

TOKYO, June 2: The United States has proposed two new rounds of talks with Japan in mid-June to help resolve the trade dispute between Tokyo and Washington. US Ambassador Walter Mondale said Friday, reports AP.

Mondale conveyed the proposal that the two sides meet June 12 or 13, to Japanese trade minister Ryutaro Hashimoto at a 50-minute meeting Friday in Tokyo.

Mondale told reporters that the US proposal includes the second round of car talks following the Halifax Summit of Group of Seven (G-7) major industrialized nations at a site as yet undetermined but probably Geneva.

Mondale said the US will send Hashimoto a formal letter with the proposal on Saturday.

Asked whether Hashimoto had responded to the US proposal, Mondale said only that he is "hopeful" the stalled discussions over the car dispute can resume.

### Quality dry fish output falls in Patuakhali

PATUAHKHALI, June 2: Production of quality dry fish has been declining in the district due to lack of modern technology, training and financial support, reports UNB.

Coastal area Kuakata of Kalapara thana is one of the important dry fish processing areas of the district but the people who are engaged in this profession are not trained. They are processing huge quantity of dry fish with aged method.

Moreover, in the absence of bank loan facilities they cannot introduce modern technology, it is learnt.

The 2,000 tons production of dry fish was the highest in 1989 but from the next year the production began declining. In 1990 it came down to 1600 tons, in 1994 to 1150 tons and in the current season the production target has been fixed at about 1200 tons.

### China sets up new body to control software copyrights

BEIJING, June 2: China has set up a new body to control software copyrights, replacing a centre that had previously suffered from conflicts of interest under the electronics ministry, a major software producer, says AFP.

The new centre will be under the direct control of the State Copyright Administration (SCA); and all computer software producers will be required to register copyright authorisation contracts with the centre from June 1, the China Daily said today.

Certificates previously issued through the electronics ministry will remain valid.

The transfer of software copyright control from the ministry to the SCA "is aimed at smashing the deadlock in which copyright administrative power is shared by various government departments," an SCA spokesman was quoted as saying.

The lack of a single, unified body handling copyright issues has led to "misunderstandings" in the past that have hindered the enforcement of intellectual Property Rights (IPR) protection, he added.

### Russia's winter grain harvest may rise

MOSCOW, June 2: Russia's winter grain harvest is expected to total 23 million to 26 million metric tons (25.3 million to 28.6 short tons), up from 23.1 million tons (25.4 million short tons) last year, according to a government forecast published Friday, reports AP.

The report, from the national meteorological and environmental monitoring service Rosgidromet, said average crop yields are expected to be higher this year at 24-26 centres per hectare, up from 22.1 last year. The report was carried by the Interfax news agency.

Winter crops, not including maize were planted on about 11 million hectares (27.1 million acres) this year, down slightly from last year's 11.6 million (28.6 million acres), the report said.

Rosgidromet said its crop forecasts over the past four years have been 87 per cent accurate.

### Speaker tells Khulna traders Govt firm to expand business sector

KHULNA, June 2: Speaker Shaukat Razzaq Ali has said the government is determined to expand the business sector by ensuring proper investment for the economic growth of the country, reports UNB.

The Speaker was addressing a meeting organised by Bangladesh Hardware and Machinery Merchants and Rail-Land Businessmen Association here on Thursday.

The government will extend its possible cooperation to the local and foreign investors for investment in the private sector, he told the meeting.

Referring to various opportunities for business expansion

sion and potential sectors in the city, Razzaq Ali said steps would be taken for permanent settlement of the temporary business establishments set up in the unused railway lands.

The city protection embankment was constructed under combined project without removing the businesses.

The Speaker said adding the government was pursuing every effort to ensure more security to the business.

President of the Bangladesh Hardware and Machinery Merchants' Association Sirajul Islam Chowdhury presided over the meeting.

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He was interviewed by Iqbal Siddiqui and Rafiq Hasan.

Following is the full text of his interview:

**The Daily Star (DS):** What is your sector's expectation from the next year's budget? Do you think the priorities in the last budget were implemented properly?

**Razzaque Choudhury (RC):** I hope that the next budget would be a balanced budget without imposing new taxes. The priorities in the last budget were not implemented properly.

**DS:** Do trends in your sector show a growth or decline? Why?

**RC:** The trend in the textile sector, which is also my field of business, is showing a growth.

**DS:** What kind of problems did your sector face with the fiscal policies adopted in the last budget like VAT, tax structure and tariff duties?

**RC:** Rate of VAT is high. It should be brought down to 10 per cent. The present system of maintaining books and register is lengthy and cumbersome. It should be made more simple and easy. The tax structure should be re-organized. Tariff rate should be re-

A questionnaire award giving ceremony arranged by Minhz Electric & Electronics Ltd (local agent for National/Panasonic) was held at the National Press Club in the city yesterday. ABB Kamal Uddin Khan (R), Managing Director of the company, Prof Emazuddin Ahmed (C) and Dr Anwarullah Chowdhury of Dhaka University, are seen attending the function.

### One Taka note scarce in Gaibandha

GAIBANDHA, June 2: Acute shortage of one Taka currency note and coin in local markets is prevailing in the district for the last few months, reports UNB.

In the local markets, Taka one note is rarely available resulting in inconvenience in commercial transactions. Small traders are the worst sufferers.

Moreover, Taka one metal coins are being smuggled out of the country by a section of unscrupulous people who sell those coins to neighbouring India.

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proved to some extent recently. It would improve further if rehabilitation schemes by the bank authorities are implemented properly as per government decision.

**DS:** What are your views on the on-going economic reforms and what particular impact did it have on your sector?

**RC:** Present economic reform is good. The textile sector is recovering gradually. The bank authorities should be more liberal in terms of collateral security from the entrepreneurs. The system of collateral security should be waived for all industry including the transport sector.

**DS:** Do you have any suggestion?

**RC:** Textile sector is being given the top priority. Composite textile units have been set up in Dhaka and Chittagong. These units are functioning smoothly and contributing significantly to the national economy. But the situation in greater Sylhet region is not the same. Model rehabilitation scheme should be geared up to restart the sick textile mills here.

**DS:** Readers are invited to send their views on the next budget along with passport size photographs.)

### Pindi to raise spending on edn in next FY

ISLAMABAD, June 2: Pakistan will increase spending on education and health in a 96 billion rupee (three billion dollars) public sector development programme (PSDP) in the coming financial year to July, officials said yesterday.

The PSDP outlay, six billion rupees more than for the current year, increases allocations for development of water resources and population planning.

The programme was approved Tuesday by the country's economic planners at a meeting chaired by Prime Minister Benazir Bhutto ahead of the 1995-96 national budget to be presented to the national assembly by mid-June.

Pakistan, one of the world's most populous countries with 130 million people and an extremely low literacy rate, spends less than 2.5 per cent of gross domestic product on education and less than one per cent on health, with the major share going to defence. The next budget will allo-

cate 1.10 billion rupees (33.5 million dollars) for education, up from 613 million rupees for the current year.

The education sector will get 2.2 billion rupees (66 million dollars), a 75 million rupee increase from the previous year.

A senior official Gazi Alimullah, Deputy Chairman of the Planning Commission, said 35,000 female health workers would be recruited and trained under a project aimed at spreading the message of family planning.

The expenditure on environmental protection is to go up from 14 billion rupees to 41 billion rupees in the next fiscal year, he said.

Alimullah said the government would focus on development of vocational training in the new year as general education in the traditional system was adding to the problem of unemployed educated youth.

Pakistan's rate of economic growth recovered to about four per cent in 1993-94 after plumping to an unprecedented two per cent in 1992-93.

SINGAPORE, June 2: Fewer Americans, Britons and Germans visited Singapore in the first three months of 1995 compared to last year, but the number of Asian visitors continued to grow, the government said Friday.

A total of 1.7 million people came here between January and March, a 2.9 per cent growth compared to the same period last year. However, 7.7 per cent more Asians visited Singapore.

The relatively slower growth in other visitors was due to stiff price competition in Asia and Oceania in air fares and tour packages, said a Singapore Tourist Promotion Board statement.

A substantial slowdown in outbound travel from Japan and the appreciation of the Singapore dollar also affected arrivals, it said.

The percentage of Chinese visiting Singapore jumped the highest — 5.7 per cent more arrivals this year compared to last, but the actual numbers were the lowest in a list of 10 nations.

Only 44,441 Chinese visited compared to 50,105 Germans, 73,259 Britons, 87,842 Americans and 288,382 Japanese, the spokesman said. He said the plant should open in 1997 to produce 900,000 metric tons of hot briquetted iron.

Hot briquetted iron is used in the production of steel.

The company cites a decline in demand for equity financing by Japanese corporations as the major reason for the losses posted by its overseas affiliates.

The London-based Nikko Europe Plc, which handled the issuing of 16 Euro-dollar war-

### Vietnam cancels lending rate cut order

HANOI, Vietnam, June 2: Vietnam's central bank has canceled an earlier order that commercial banks reduce their short-term lending rates, an official report said Friday.

The state-run Vietnam News gave no explanation for the decision, and State Bank of Vietnam officials could not be reached for immediate comment. The lending rate will remain at 2.1 per cent per month, or an annual 28.3 per cent.

The State Bank had planned to lower lending rates by 0.18 per cent per month beginning Thursday, apparently to make it easier for businesses to borrow funds.

Foreign bankers said the planned rate change was probably too small to have a major impact, but they questioned the wisdom of easing credit at a time when the government is also trying to reduce inflation. Prices rose by 19.4 per cent last month compared to May 1994.

Business travellers, up by 11.4 per cent in March 1995 compared to March 1994, won contracts for only one warrant issuing in the latest year, Nikko said.

Nikko's US subsidiary, The Nikko Securities Company International Inc., reported losses for the fourth consecutive year. Nikko's Swiss and British subsidiaries also reported losses.

Nikko said that its US subsidiary's restructuring efforts are beginning to pay off and in the current year ending next March 31, expects to rebound.

Nikko's group earnings embrace the results of its 27

businesses in the fiscal year ended March 31, 1994, won contracts for only one warrant issuing in the latest year, Nikko said.

The annual pace of GDP growth has slowed from 6.1 per cent in the September quarter last year to only 3.7 per cent now," he said at a business breakfast Friday.

"I'm not sure why Australia should be content with a rate of growth as low as that when we are on the fringe of the fastest growing region of the world," he said.

Prescott, currently visiting China, pointed to a fall in gross domestic product growth, an excessive current account deficit and low national savings.

The current account deficit is six per cent of GDP, which is somewhat excessive," he said, adding that national savings rates must be raised and reliance on foreign capital lowered.

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John Prescott, the chief executive of minerals giant Broken Hill Proprietary Limited, said Australia had many economic problems to overcome even though inflation is low and employment is increasing.

conducting a feasibility study and plan to complete engineering studies by the end of the year.

The company is tentatively called K M Iron.

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