



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

PATUAKHALI, 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 age-old 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 centners 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 Shaikh Razzak 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 Railway 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 and potential sectors in the city, Razzak Ali said steps would be taken for permanent settlement of the temporary business establishments set up in the unused Railway lands.

The city projection embankment was constructed under combined project without removing the businessmen, the Speaker said adding the government was pursuing every effort to ensure more security to the businessmen.

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



A questionnaire award giving ceremony arranged by Minhaz Electric & Electronics Ltd (local agent for National/Panasonic) was held at the National Press Club in the city yesterday. ABM 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.

—Star photo

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, reports AFP.

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 allocate 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 plunging 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 — 55.7 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, a tourist promotion board statement said.

In percentage terms, the number of German visitors fell by 12.5, British by 8, US by 5.6, Australian by 4.2 and Japanese by 0.6.

Asian visitors were high because of strong growth in business travellers, up by 11.4 per cent in March 1995 compared to March 1994. The number of people visiting friends and relatives grew by 6.1 per cent.

NEW DELHI: The Anglo-Dutch Unilever group has acquired a 600 ton per day tomato paste plant from Pepsi Foods in a northern Indian state, a news report said Friday.

Pepsi Foods will continue to use the surplus capacity in a packaging line in the plant to package its chili paste, which is primarily exported, the Business Standard newspaper said.

Unilever has agreed to share its technology and expertise in research on tomatoes with Pepsi Foods.

H J Heinz of the United States was the other contender for buying the Pepsi Foods plant in Punjab state.

TOKYO: Nikko Securities Co., one of Japan's top four brokerage houses, on Friday posted losses of 29.97 billion yen (353.250 million dollars) for the fiscal year ended March 31.

The loss came close to Nikko's forecast of 30.00 billion yen (353.607 million dollars).

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-

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.

As a result, traders and consumers are facing great problems throughout the district.

BUDGET '95-96: Business leaders speak out

SCCI chief suggests reorganising tax-structure for clarity

The President of the Sylhet Chamber of Commerce and Industry **M A Razzaque Choudhury** suggests that the next budget should not impose any new taxes. It should reorganise the tax-structure for clarity.

In an interview with The Daily Star, he urges the government to bring down the rate of VAT to 10 per cent from 15 per cent now.

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 cent per cent.

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-

fixed on the basis of market value.

DS: If there is any sick industry in your sector, has the situation improved? If not why?

RC: In Sylhet, there are about 28 sick textile (weaving) industries. Their production is low but overhead expenditure is high. The situation has im-



Razzaque Choudhury

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: Have you any suggestion

for any major policy changes to bolster the economy?

RC: VAT should be reduced to 10 per cent. Import duty of industrial raw materials should be reduced. Bank loans should be given on more relaxed terms. Under the present philosophy of free economy, foreign goods have already swept our market in a large scale. But, in contrast our products are not getting the same facilities to penetrate foreign countries including the neighbouring ones. Our government should take immediate and effective measures to introduce our products abroad.

Under a recent SRO by the National Board of Revenue, obtaining a PSI certificate for imported goods has been made compulsory. Coal, stone, boulders and spices and other perishable goods are mostly imported from India. These goods are imported in small quantity and importers are also small and medium size businessmen. This financial implication in obtaining the PSI certificate, would adversely affect the prices of the imported goods ultimately the common consumer would suffer.

DS: What is your opinion about the current political scenario and what are your suggestions to improve it?

RC: The present political situation is alarming. Not only for my sector but it has created an adverse impact on our national economy. To overcome this situation, government and all other political forces should reach a national consensus—at least on some

certain issues.

DS: How do you view the overall economic scenario and what are your suggestions to improve it?

RC: The overall economic scenario of the country is not the one to be contented with. Exporters and export-oriented industries should be given top priority. Textile sector has to be rehabilitated to meet the present requirements of the country and to discourage smuggling of foreign cloths. It will be helpful for the garments industry also.

DS: How many members are there in your chamber? When was it formed?

RC: There are about 1300 members in this chamber. It was formed in the year 1966.

DS: What was the estimated annual turnover of your sector last fiscal year and how much is it likely to be in 1994-95? What was the estimated contribution of your sector to the national exchequer in the form of taxes and duties.

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.

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

Volkswagen-Israeli co joint venture likely

WOLFSBURG, Germany, June 2: Volkswagen is negotiating with an Israeli firm to produce magnesium for lightweight cars in what could be one of the largest German investments in Israel, a VW spokesman said Friday, reports AP.

The news magazine Der Spiegel said Volkswagen chief Ferdinand Piech planned to sign an agreement next Wednesday with Israel's Dead Sea Works to produce magnesium material that would be used in the low gas-consumption cars.

VW spokesman Hans-Peter Blechinger confirmed that VW was negotiating with a high-tech Israeli firm but said it was too early to talk of a deal and declined to give further details.

He noted that Volkswagen is interested in innovative light car production, pointing to its aluminium-body Audi A8, which has been on the market since last year.

Magnesium could have similar applications, Blechinger said.

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.

ducting a feasibility study and plan to complete engineering studies by the end of the year. The company is tentatively called K M Iron.

BEIJING: Australia's economic growth rate is too low for a country on the fringe of Asia, the fastest growing region in the world, according to the head of its largest company.

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.

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 said the worsening of current account deficit showed Australia's recovery has run ahead of the international business cycle.

Asia-Pacific region may be biggest oil market

JAKARTA, June 2: The world's biggest oil market will shift early next century to the Asia-Pacific from North America because of Asia's rapid economic growth, former Indonesian energy minister Subroto said, reports Reuters.

Subroto, quoted by the official Antara news agency today, said demand for oil in the Asia-Pacific region was estimated to hit 21.63 million barrels per day (BPD) by 2005 from a current 14.2 million BPD.

Rapid economic growth in China and other industrializing Asian nations would shift the energy market's orientation to the Asia-Pacific, added Subroto, former secretary-general of the Organisation of Petroleum Exporting Countries (OPEC).

Asia accounted for four per cent of the world economy 30 years ago.

Subroto, who made the comments in a lecture in Jakarta yesterday on behalf of the Indonesian Institute for Energy Economics, said rises in regional oil output would be

small, from 6.76 million BPD in 1993 to 7.2 million BPD by 2005.

Energy hungry China became a net oil importer in 1993. Indonesia is expected to follow suit early next century, according to most industry analysts.

Subroto urged Indonesia's government to attract more foreign investment in energy development across the nation to delay the day when Indonesia becomes a net oil importer.

He was also quoted by local newspapers on Friday as saying world oil prices could fall if OPEC failed to achieve unity in preventing Gabon from quitting the organisation.

"If we see from Gabon's oil production level, it is quite small. But the more important thing is to keep the unity together in OPEC," he was quoted by the Jakarta Post daily.

Gabon, OPEC's smallest member, has threatened to leave the oil cartel if its annual membership fee of around 2.0 million US dollars was not lowered.

Rosa Industrial Complex. TMPC President Hirohata Tsuruga said during groundbreaking ceremonies Friday that the new plant will begin commercial operations by early 1997.

At full operation, the plant should generate 1,000 additional jobs.

The plant will house state-of-the-art facilities including welding and body assembly, a painting line and final assembly.

Toyota already operates the Toyota Autoparts Philippines Inc (TAP), which is 95 per cent owned by the parent company.

The parts subsidiary started commercial operations in 1993 as an export producer of automotive transmissions.

Its production grew to 300,000 units from an initial capacity of 78,000 units in the two-year span.

JAKARTA: Inco Ltd., a Canada-based nickel mining company, will inject at least two billion dollars into its Indonesian subsidiary to increase annual production capacity.

The investment will mainly be to expand PT. International Nickel Indonesia's existing mine and to develop two other mines and processing plants in eastern Indonesia, company president James D. Guiry said Friday.

The mines are located in Soroako in Central Sulawesi, 1,750 kilometres (1,095 miles) northeast of Jakarta. — Source: AP

Danish SAS pilots on strike ground 300 int'l flights

COPENHAGEN, June 2: Pilots for Scandinavian Airlines Systems went on strike Friday, grounding some 300 international flights out of Denmark, Norway and Sweden after salary talks collapsed, reports AP.

The one-day strike by about 650 of the airline's 1,500 pilots forced the cancellation of flights outside Scandinavia — roughly one-third of the carrier's total traffic.

The strike, affecting roughly 20,000 passengers, does not include domestic flights and destinations inside Scandinavia.

Danish SAS pilots have called for a second 24-hour strike June 9. Pilots in Sweden plan to walk off the job on June 12. Norwegian pilots have announced they will strike two days later.

SAS said the negotiations failed "because the pilots' unions have demanded a raise of about 6 per cent, while the company's offer is about 2 per cent."

No other negotiations are planned, according to the SAS.

The strike is to end at midnight. SAS, jointly owned by private and state interests in Denmark, Norway and Sweden, expected to operate at full capacity Saturday.

Japan prepares new package to help financial institutions

TOKYO, June 2: Japan's Finance Minister Masayoshi Takemura said today that the government was preparing a new package to help financial institutions disposed of bad loans, possibly including the use of public funds, reports AFP.

"We want to compile a comprehensive package aimed at disposals over a specific term," Takemura told a news conference after a cabinet meeting. "The use of public funds is generally a significant theme."

But Takemura did not mention the timing or the scale of the planned package, only saying that an announcement would be made as soon as possible.

Kyodo news service said the package would be announced early next week.

Economic Planning Agency Director General Masahiko Komura said earlier Friday that bad debt problem continued to be a source of uncertainty in the economy and that the government wanted to indicate its "stance" on the issue.