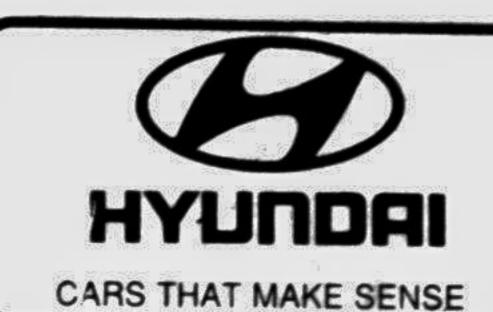


DThe Daily Star DUSINESS



Budget '95-96 based on sound monetary policies, says Saifur

Finance Minister M. Saifur Rahman has reiterated that the national budget for 1995-96 was based on consistent and sound monetary policies and realistic basis of income and expenditures, reports

Participating in a dialogue on "Budget, policy issues and election" organised by the Economic Reporters' Forum at Jatiya Press Club here yesterday, the Finance Minister said that proper execution of the budgetary provisions and fiscal measures would ensure sustainable economic development and poverty alleviation in the country.

Refuting opposition criticism that the current budget was formulated by the government keeping eve on the coming general election and

Country makes

progress in

socio-econ sector'

der the BNP government of

Prime Minister Begum

Khaleda Zia was now being

lauded both at home and

some development projects at

that the politics of BNP was

dedicated to the welfare of

the masses and that the de-

velopment activities under-

taken by the government re-

flected its pro-people, charac-

ing peace and stability in the

country for the development

Move to return

US to financial

services talks

elaborate game of poker involving new tactics towards Washington that will decide the fate of a plan to free in-

ternational financial services

surprise US pullout from talks

trigger the collapse of negoti-

ations by a Friday night

deadline, member states of

the World Trade Organisation

(WTO) agreed to stop the

clock for one month to try to

which successfully proposed

the extension of talks until

July 28, gave its scheme a

novel twist by stressing that

the realistic aim now was to

get an accord without the

market deal" was the headline

message on the front page of

Saturday's International Her-

ald Tribune newspaper.

"EU isolates US on open

The European Union,

salvage a deal.

Americans.

Instead of meekly letting a

markets, reports Reuter.

GENEVA, July 2: World trading nations have begun an

He laid stress on maintain-

The minister was visiting

The Energy Minister said

abroad, he added.

of the country.

Gouripur on Saturday.

that not on the basis of realistic economic factors, the Finance Minister said, "as a professional I never can prepare a budget not based on realistic assumptions just for expediency of politics."

He categorically said that there was no difference between his previous budgets and the current one. "I don't want to subordinate my prudence for election purposes", he added.

About the branding of the current budget as "Election budget" by the opposition, the Finance Minister said if it was an election budget, what was the wrong in it. Rahman, who presented the nation with seven budgets said, "my budgets had never laid the nation down."

said that the current budget had nothing to do with elections. Election is the only instrument to judge the quality control in respect of development activities and services and those of the political policies and programmes and finally the good governance.

About the reform programmes the Finance Minister said the government was not lagging behind in respect of carrying reforms in different sectors of the economy.

He said that the government would further intensify and deepen the reform programmes in various fields particularly in public sector enterprises, civil services and legal matters.

Expressing firm commitment of the government to He, however, emphatically carry out reforms in public revenue from taxation.

enterprises, civil services and legal matters, the Finance Minister said reforms should not be imposed on the people. Rather it should be acceptable to the overwhelming majority of the population.

The minister said good governance was the basic factor for development particularly in a democratic environment.

He said that the BNP government had laid emphasis on the development of real sectors which would generate employment opportunities.

He said the government was gradually trying to shift the burden of taxations from the poorer section to the richer one unfortunately the direct taxation constitutes less than two per cent of the

Rasna in city soon

By Staff Correspondent

The popular Indian soft drink concentrate, 'Rasna' is set to enter the local market

McDonald Bangladesh Ltd, the sole distributor of Rasna in this country, yesterday launched the product at a ceremony, followed by a product demonstration, held at the Panda Garden restau-

Initially, Rasna will be available in two easy-to-prepare powdered forms - concentrate and instant - in various fruit flavours and pack

Japan launches mobile phone

service

TOKYO, July 2: Japan launched a mobile phone ser vice Saturday it hopes will revive its flagging consumer electronics industry by luring new consumers with cheap rates and phone numbers they can carry anywhere, reports

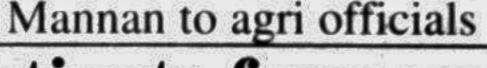
Japan also hopes the system will be adopted by other nations, but analysts say it could trigger yet another trade dispute with the United States because of questions over Japanese procurement of telecommunications equipment.

The transmitters, or base stations, for the new technology, called Personal Handyphone System or PHS, are much weaker than conventional cellular phone system.

Even though more base stations will have to be built to cover the same distance, the service will be much cheaper

Users who make one threeminute local call a day will save a total of about 1,500 dollars a year compared to Japan's current cellular rates, .makers say.

Two companies, Nippon Telegraph and Telephone Corp and DDI Corp., began service Saturday in two areas : Tokyo and the northern city of Sapporo. A third company Astel, is expected to launch service later this year.



Motivate farmers for modern technology Food and Agriculture Min-

ister Adbul Mannan Bhuiyan has called upon the agriculture officials to motivate the farmers for application of modern technology in boosting farm production, reports

Speaking at a gathering of agriculture extension officials at Khamar Bari in the city Saturday, Mannan said that there was no alternative to increase food production for meeting the requirement of increased population.

The Food and Agriculture Minister pointed out that the farmers of the country had been neglected for ages and as such they were not aware of the use of modern technology

for increasing production. He said that the agriculture officials would have to play a pioneering role in popularising the use of modern tech

nology in farm activities. The minister said that the government had taken up massive programme for the welfare of the peasants and reduced the rate of duty from

all agricultural inputs under

the current budget. The farm officials must reach the facilities being extended by the government, he added.

Picture shows tiny-tots collecting world famous Indian soft drink concentrate Rasna from

the counter of Panda Garden which was formally launched in Bangladesh yesterday.

Earlier, the Director General of the Agriculture Extension Directorate Mohammad Abdus Sattar apprised the minister of overall activities of the directorate.

Water Resources Minister M Majid-ul Haq and Agriculture Secretary M Akhtar Ali also spoke on the occasion. High officials of the Agriculture Ministry and its directorates also attended the meeting.

China drafting trade laws

BEIJING, July 2: China is drafting a series of trade regulations and plans to issue an anti-dumping law by the end of 1995, the China Daily newspaper said today, reports

Reuter. The rules will cover licensing of import and export firms, set out the administration of border trade.

IA pilots' protest may be delayed for 4 weeks

- Star photo

NEW DELHI, July 2: Pilots of the state-run Indian Airlines, the country's main domestic carrier, said on Saturday they would delay for four weeks a threatened work-torule protest that could have hit airline services, reports Reuter.

Pilots demanding al lowances on the same terms as state-run international airline Air-India had planned to begin the protest on Monday, prompting the company to speak of curtailing flights.

Union leaders said on Saturday, however, that pilots would wear black arm-bands as a mark of protest for the next four weeks, but would hold off any other agitational

method. "This is the last chance we are giving to the management to come to its senses and start acting in a mature manner, the Indian Commercial Pilots' Association (ICPA) said in a

The federal government has banned any strike by the pilots, but their union has found a way out.

ACP nations accept EU aid package reluctantly BRUSEELS, July 2: African, an allowance for the five-year which France wants to retain

COMILLA; July 2: Energy and Mineral Resources Minister Dr Khandkar Mosharraf Caribbean and Pacific nations Hossain has said that the have reluctantly accepted a country has made remarkable stride in the socio-economic five-year aid pledge from the sector during the last four European Union that was years, reports BSS. smaller than they had hoped, The country's progress unreports AP.

Representatives from the 70 developing nations, most of them former European colonies, agreed late Friday to a development aid package of 17.3 billion dollars for 1995-1999.

"It's natural to be disappointed when we're given less than we asked for," said John Momis, Papua-New Guinea's information minister, who chaired the group of 70 nations, jointly called the ACPs. They had hoped for 23

billion dollars from the EU. Clinching the deal only minutes before midnight, the ACPs allowed France to fulfil its goal of securing aid for Africa before its term at the EU presidency ended June 30. Spain assumed the six-month rotating presidency on Satur-

Nearly 50 of the recipients are African nations with close ties. France had sought 18.1 bil-

lion dollars for the ACPs, but its EU partners were reluctant. Germany and Britain, normally the biggest contributors, had other priorities. Bonn wanted to spend its money in eastern Europe, and London wanted to channel its aid money bilaterally to its longstanding partners such as

During a summit in the French resort of Cannes on Tuesday, EU leaders finally rounded up 17.3 billion dol-In addition, they secured

from the European Investment Bank But for the first time, the EU partners made funding contingent on respect for human rights in the recipient

2.2 billion dollars in loans

country. The money can be blocked in cases of human rights abuse. The Union also put another, stricter condition on the money for this funding

period. Each country receives

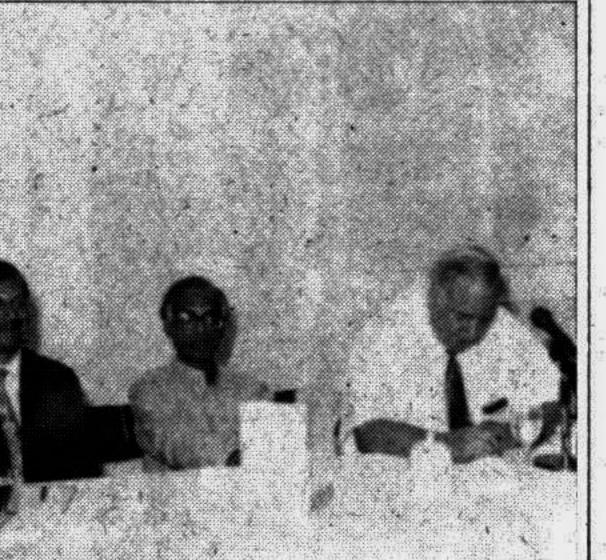
period, but the money will be sent in portions. ACP governments must come back to the EU with projects under way before receiving the remaining portions.

From 1989 through 1994, the EU gave 14.8 billion dollars to the 70 countries, which are linked to the Union by a 20-year-old aid treaty called the lone Convention. It falls outside the EU budget and is funded from member states' voluntary contributions. addition to aid, the

Lome Convention includes a fund for stabilizing prices for the nations' main-exports, such as sugar, coffee or cocoa. It also gives ACP products preferential access to EU mar-

The Lome Convention is named after the capital of Togo where the first treaty was signed in 1975.

But since the collapse of communism, the EU has lavished much of its attention and money of eastern Europe.



Former Deputy Prime Minister Jamaluddin Ahmed speaking at the monthly meeting of the American Bangladesh Economic Forum at a local hotel on June 28, providing an overview of the Bangladesh budget for 1995-96.

Child labour to be eliminated by Oct 31

After much brouhaha over the child labour issue in the garment industry, a memorandum of understanding (MOU) is now ready to be signed on Tuesday by the parties involved in drawing up the accord, reports UNB.

BGMEA President Redwan Ahmed, UNICEF Country Representative Rolf C Carriere and ILO Director in Dhaka Paul J Bailey are expected to put their initials on the accord

Bangladesh government and the US Embassy in Dhaka will sign the MOU as witness. With the signing of the MOU, a revised version of an carlier draft rejected by the country's garment manufacturers, the single largest for-

eign exchange-earning indus-

try is expected to overcome a

general boycott threat in American market.

A US-based child rights organisation, Child Labour Coalition, threatened Bangladesh Garment Manufacturers and Exporters Association (BGMEA) with a boycott campaign after the association declined to sign the draft MOU last May.

However, the BGMEA agreed to a fresh round of talks that began on May 29, following the launching of campaign in the US market which purchase the largest amount of Bangladesh gar-

ment. After a series of meetings, BGMEA, International Labour Organisation (ILO), United Nations Children Fund (UNICEF) and the US Embassy in Dhaka drafted a fresh

MOU and sat with the government on June 22.

As the government side suggested certain amendments to make the draft more effective and consistent with its general stand, the parties went through some "minor" changes and finalised the MOU

After signing of the accord on Tuesday, children under 14 working in the country's garment industry would be retrenched under the supervision of an independent monitoring body.

BGMEA claims that the number of child workers is not more than 10,000 in the industry. But, according to international bodies and nongovernmental organisations working in the field, the figure is somewhere between 25,000 and 30,000. Sources at BGMEA said

statement

that an "informal steering committee", to be comprised of representatives from BG-MEA, ILO, UNICEF, US Embassy and Bangladesh government, will assess the number of child workers in the industry.

After elimination of the child labour by October 31 next, a deadline set by the BGMEA itself, the retrenched children would be placed under a welfare scheme, including a stipend education programme, arranged for them.

The programme will be implemented jointly by BG-MEA, ILO and UNICEF with necessary cooperation of Bangladesh government and the US Embassy in Dhaka.

Commodity market: Prices of gold lower, tea depressed, wool stable, sugar higher

LONDON, July 2: Dealers' expectations of a buoyant coffee market before the onset of Brazilian frosts were confounded when prices dived to the lowest point since December, says AFP.

Some analysts put forward the view that importers were weighing down the market by not buying with the aim of limiting the likely upward price reaction when the first frosts hit the Brazilian coffee plantations.

Others explained this surprising trend by noting a growing feeling across the market that the global selfimposed ceiling on coffee exports would not survive until

the summit. The price of oil recovered slightly after last week's crash, but dealers were increasingly jittery about a predicted rise in Russian exports.

And cereals continued to climb in anticipation of a disappointing wheat harvest in the United States and Canada.

Gold: Decline. The metal was hit by a brief rebound of the dollar and fell by about four dollars to 386-387 dol-

lars per ounce. Investors switched their buying interest from precious metals to the dollar after the

US and Japan had agreed a trade deal on car imports.

Thursday's release of positive US economic data, lowering the likelihood of a cut in US interest rates, also pushed the dollar up against gold.

The market remained concerned about the continuous decline in South African production which was predicted to fall by 12 per cent in 1995 after a 5.6-per cent drop in 1994, Anglo-American, the world's biggest gold producer,

Silver: Weakened. The price of silver dropped below 5.3 dollars an ounce, hitting a low point since May as investors turned away from precious metals.

Platinum: Strong. The price of platinum remained at the high level of 440 dollars per ounce, still supported by heavy Japanese buying.

Copper: Late recovery. Copper prices for three month delivery fell by about 50 dollars early this week after a sharply lower than expected drop in LME stocks but rebounded by some 15 dollars on Friday to 2,980 dollars per tonne as the decline in stocks fell within the expected range of 7,000-

10,000 tonnes. Backwardation (cash to three-month spread) eased significantly during the week but ended at high levels as physical tightness in the market remained.

"No one is sure whether the tightness is over and therefore there could be another squeeze on the upside," analysts at GNI said. Lead: Slightly down. Lead

ended the week slightly down at around 635 dollars per tonne after early gains due to concerns about strike action at Canadian zinc; lead producer Cominco, where union leaders threatened a stoppage if agreement on the current labour dispute were not reached by July 10.

There is still concern among traders about the strike threat but on: research said it believed "it (the labour dispute) will be settled smoothly. Zinc: Weaker. Zinc also

finished slightly down at around 1,040 dollars per tonne after the release of data predicting a Chinese surplus of 410,000 tonnes in 1995. Aluminium: Down then

up. After last week's sharp rise on the back of record LME stock downdraws, the metal was initially subdued, drubbed, dropping below, 1,800 dollars a tonne.

Dealers were disappointed by a lower-than-expected fall in stocks on Tuesday, and profit-taking also pushed prices down.

At the end of the week, however, the metal recovered quite well, reaching 1,820 dollars a tonne (in mid-trading), supported by unexpected good news from the LME stocks, which over the week declined by 32,000 tonnes to 692,675.

Nickel: Steady. After last week's strong showing, the metal maintained the same level at around 8,300 dollars per tonne.

The market continued to be encouraged by an increase in stainless steel production, especially in Asia. On Friday prices firmed to about 8,500 dollars a tonne over problems affecting the world's largest nickel producer at Norilisk in Siberia. Cocoa: Slight fall. The

price of cocoa on the London market fell slightly to 940 dollars per tonne, a low point in the past two weeks, owing to weak industrial buying at a time of abundant supplies of cocoa. The market, which re-

mained quiet, was affected by

slight dollar weakness against

sterling, which made the New

York market more attractive than London. Coffee: Worrying. Strang-

ely, there was still no effect on robusta prices from the continued fears of a cold snap in Brazilian plantations. Coffee prices fell by about 200 dollars to 2,500 dollars per tonne, reaching a new low since December.

Dealers were increasingly worried that the export ceiling agreed by producers would not be sustained until the summer. Several Latin American countries have publicly re-endorsed the quota, which in theory would cut world exports by 20 per

Brazil's announcement that it would limit its exports to 800,000 bags from September 1 (60 kilograms each) did not impress the market, as this measure had been promised for July 1.

In addition, after this year's poor harvest, exports were due to fall in any case. In April Brazil sold 1.1 million Sugar: Higher. Prices of white sugar climbed by over

10 dollars a tonne to reach between 320 and 330 dollars a tonne, lifted by an unexpected supply shortage. This confounded dealers'

unanimous prediction of surplus world production resulting in a crash in prices.

Traders had focused on the large quantity of sugar expected in the second half of 1995 after an abundant harvest, apparently forgetting that in July supply would be relatively limited

liveries will not appear in New York or London before the autumn. The harvest is expected to be abundant. Vegetable oils: Firm. Prices

The first Brazilian sugar de-

of vegetable oils at Rotterdam held steady at the high levels reached last week, supported by firm soya prices in Chicago which have been lifted by rising corn and wheat prices. Soya remained at about 96

florins per 100 kilogrammes, a high since March. Palm oil ended the week unchanged at 675 dollars per tonne while sunflower prices climbed over 15 dollars to reach 750 dollars per tonne, buoyed by declining stocks before harvest time in the northern hemi-

Oil: Recovery. The reference price for Brent crude oil recovered slightly after last week's crash, reaching as high as 16.70 dollars per barrel, supported by a fall in US crude oil stocks.

Figures from the American petroleum institute showed that stocks had fallen by 6.18 million barrels in the space of a week. Petrol stocks had fallen by nearly two million barrels.

This good news for the market arose from an increase in the use of cars in the US and rising demand for crude oil among refineries.

At the end of the week, prices fell back to 16.40 dollars in London, owing to fears of an increase in Russian exports, some traders said.

Rubber: Decline. The London reference price tumbled further by over pounds to 960 pounds a tonne, depressed by a jump in production in S E Asia and weak buying by western tyre manufacturers.

Cereals: Slightly up. Wheat and barley prices rose even higher because world output was forecast to fall sharply. The price of wheat ended the week at about 128 pounds per tonne, while barley lifted by four pounds to 109 pounds per tonne.

The International Wheat Council (IWC) confirmed dealers' fears in its latest study, predicting a fall in the world harvest because of adverse spring weather condi-

tions in the United States and Canada.

The IWC forecast the global output of wheat for 1995-96 at only 540 million tonnes. As a result, wheat stocks would fall to dangerous levels, reaching their lowest point for 20 years of 97 milion tonnes.

Tea: Depressed. Last week's modest rebound faltered and prices began to fall once again on the London auction market. The price of medium-quality tea cased three pence to 97 pence a kilogram.

"The market is still suffering from the large-scale arrival of poor quality stocks," a trader said.

Cotton: Stagnant. The benchmark cotton outlook price indicator didn't budge from 0.97 dollars a pound, still at a low since February because of low demand. However, on the futures

market, the July delivery price continues to climb on fear of a decrease or delay in the first Texan harvests Wool: Stable. The reference price in Bradford, Northern

England, held steady at 506 pence a kilogram, still at high levels after the weak Australian harvest in 1994 and 1995