



Rafsanjani to open Ctg-Tehran Chamber Oct 12

From Staff Correspondent
CHITTAGONG, Oct 7: Chittagong Chamber of Commerce and Industry (CCI) has taken extensive preparations to accord warm reception to Iranian President Ali Akbar Rafsanjani due to visit here on October 12 to formally open Chittagong-Tehran Joint Chamber.

Talking to The Daily Star, president of CCI Sarwar Jamal Nizam said that Rafsanjani would be the first foreign head of state to visit Chittagong chamber in the past 25 years.

"We have already made arrangements to hold the opening ceremony of Chittagong-Tehran Joint Chamber at a Chittagong club where 500 elites would be invited to attend the function," Nizam said.

However, the Iranian President is also scheduled to visit Chittagong Export Processing Zone and country's lone refinery Eastern Refinery Ltd. during his one-day visit to the port city, official sources said.

He is scheduled to arrive here at 10 am on October 12 and will leave the city on the same day afternoon, sources said.

Before Rafsanjani's visit, an Iranian trade delegation is expected to arrive in the port city, sources added.

The delegation is scheduled to hold a meeting with the members of Chittagong chamber on October 10 and it will also visit some industrial plants, official sources informed.

ROK's final rice shipment leaves for DPRK

SEOUL, Oct 7: South Korea's final shipment of free rice left Saturday for rival North Korea, reports AP.

South Korea had hoped that the June deal for 150,000 tons of rice aid would create trust and improve ties between the rival Koreas. But instead, relations have worsened, with two subsequent inter-Korean talks deadlocked.

The situation has worsened to the point that the government cannot even discuss plans for further aid, the nation's leading daily, Chosun Ilbo, said.

The Pusan Korex, carrying 2,600 tons of rice, departed from southeastern Tonghae port.

The initial June negotiations had been the first official contact between the two Koreas in over a year. But instead of mending ties, the rice shipments for poverty stricken communist North created more.

In June, the North hoisted its own flag on a South Korean rice ship.

Hanoi cancels plans for its biggest EPZ

HANOI, Oct 7: Vietnam has canceled plans for its biggest export processing zone (EPZ) due to the bankruptcy of its foreign partner, official reports said Saturday, reports AP.

The decision came as a blow to the country's troubled efforts to build export processing zones as a way to attract foreign investors and speed up industrialization. Only one of the six zones in Vietnam is operating normally.

The State Committee for Cooperation and Investment decided Wednesday to dissolve the planned 150 million dollar Haiphong Export Processing Zone, the Communist Party daily Nhan Dan (The People) reported.

The joint venture's foreign partner, Hong Kong-based Very Good International, had failed to fulfill its obligation to build technical infrastructure at the site near northern Vietnam's largest port, the committee said.

Very Good International, which owned 75 per cent of the venture, has gone bankrupt.

The committee recently refused an offer by a Singapore-based company with the same name to replace the Hong Kong firm in the project. It said the new company lacked the financial strength to complete the zone, the trade union newspaper (Lao Dong) Labour reported.

LDCs' meet in New York concludes

More effective implementation of uplift programmes suggested

NEW YORK, Oct 7: The high-level intergovernmental meeting on the mid-term global review of the implementation of the "Programme of Action" for the least developed countries (LDCs) concluded here today with a call by the international community for more effective implementation of the programme for better socio-economic growth of the LDCs, reports BSS.

A declaration adopted at the plenary of the meeting today at the United Nations here expressed firm reaffirmation to work "cooperatively" towards achieving the prime objective of the "Programme of Action" which is to arrest further deterioration of the socio-economic conditions of the LDCs in the remaining part of the current decade.

The declaration noted positive developments in several LDCs during the last five years since the "Programme of Action" was adopted in 1990. However, the declaration takes into cognizance that the LDCs as a group have not been able to achieve many of the objectives of the programme due to such factors as the domestic level like civil strife and

natural disasters in some of the LDCs. Social and economic burdens, macro-economic imbalances and poor performance of the production sectors are also among the factors cited as failure of the LDCs as a group to meet the objectives.

The concluding session was chaired by Norwegian Minister for Development Assistance Kari Nordheim Larsen.

Bangladesh delegation to the meeting was led by Foreign Minister A S M Mostafizur Rahman. The alternate leader of Bangladesh delegation, Permanent Representative to the United Nations, Reaz Rahman spoke at the concluding session.

The representative of the United States expressed reservation on certain parts of the declaration.

The declaration mentions the view of the meeting on such important matters like international trade and debt issue involving the LDCs.

Participants from several countries praised Bangladesh delegation for playing the crucial role as the coordinator of the LDCs. Bangladesh negotiated with donor nations on behalf of the LDCs on

the important issues.

The representative of the Philippines, speaking on behalf of the "Group of 77" and China, appreciated the declaration and called for alleviating the sufferings of the LDCs.

On the issue of trade, the declaration stressed the need for new concessions to the LDCs to help them reverse the trend of deterioration in the economic growth.

On the debt issue, the declaration takes into account the plea of the LDCs for relief measures without making specific commitments. However, it urged Bretton Woods institutions to assist LDCs on the debt issue.

The chairperson of the meeting made particular praise of Bangladesh delegation at the mid-term review meeting.

Reaz Rahman in his speech said the LDCs are satisfied with the successful assessment of the developments of the last five years with regard to the implementation of the programme of action for the LDCs for the 1990s. "Indeed some of our countries have made progress against the backdrop of an overall unfavourable external environ-

ment," he said adding "however, we strongly believe that we would have achieved more if our needs were matched with our expectations in relation to external support measures by the international community."

He said "the 1995 mid-term global review afforded the opportunity to assess and make further recommendations on the 1990 Paris Declaration and programme of action, several hopeful positive results were achieved. Significantly, the meeting addressed international developments which have taken place since the beginning of the 1990s."

Rahman said "an area of great importance to the LDCs is that of multilateral debt and an increasing share of LDCs debt stock and debt-servicing burden. The Bretton Woods institutions are encouraged to assist LDCs, through the flexible implementation of existing instruments and, significantly, new mechanisms. By eliminating the debt burden, LDCs will have the opportunity to full concentrate their domestic policy formulation on resources and their own sustainable development."

Katakhali Bridge foundation laid

State Minister for Textiles Abdul Mannan yesterday laid the foundation of Katakhali Bridge on Nowabgonj-Shollah Paragramme Road and inaugurated electrification in Kailail union in Nowabgonj thana under Dhaka district, reports BSS.

The local Government Engineering Department (LGED) has undertaken the project construction of 45 metre-long portable steel bridge with three spans at a cost of Taka 45 lakhs.

The construction is expected to be completed in six months, said an official press release.

Speaking at a public meeting arranged on the occasion, the state minister said the government was trying to improve the socio-economic condition of the people and infrastructure in the rural areas.

Rural development, he said, was a must for sustainable development of the country.

The state minister said rural communication infrastructure development was an essential pre-condition for improving the lot of the vast majority people of the country living in the villages.

Without good communication networks, the rural people cannot get fair price for their products, he added.

The meeting was also addressed by, among others, Islam Khan, Abed Hossain and local BNP leaders.

Samabaya Bank earns Tk 4.47cr gross profit

Bangladesh Samabaya Bank Ltd earned a gross profit of Taka 4.47 crore during the fiscal 1994-95 which is Taka 1.32 crore more than that of the previous year, reports BSS.

During the last fiscal year, the bank distributed over Taka 4.15 crore from its own resources as long and short term loans through different central cooperative banks and associations and recovered more than Taka 3.88 crore. The recovery rate is 93 per cent.

This was informed by State Minister for Planning and Chairman of the bank Dr Abdul Moyeen Khan at the biennial conference of the bank at Samabaya Sadan yesterday.

The state minister said the bank had fixed its target to distribute Taka 25.35 crore as short and long term agricultural and non-agricultural loans during the 1995-96 fiscal.

Dr Khan said the cooperative activities are playing a significant role in developing the country's economic infrastructures. The government has taken up different practical measures to ensure the continuity of the flow of credit to strengthen the cooperative activities with the aim of improving the standard of living of the common people, he said.

The state minister said

cooperative is constitutionally recognised the second sector of the national economy. There is no alternative to the cooperative movement in creating investment opportunity for the vast poor section of society through accumulating small savings, he said.

Dr Khan laid emphasis on bringing about some changes in loan distribution policies of the bank to strengthen the cooperative movement as well as to increase the recovery rate of credit.

Confce on science, technology ends

BEIJING, Oct 7: The first APEC ministers conference on "Science and technology cooperation" ended here today after adopting a joint communique and action programme for industrial science and technology, reports Xinhua.

The communique said that "ministers agreed that support for science and technology should advance the goals of building robust and competitive economies in the region, promoting environmental quality and sustainable use of natural resources, improving quality of life, human health and development, and knowledge, and supporting business sector exchanges and interaction in technology cooperation."

US seed trade team explores market in Dhaka

A three-member team from American Seed Trade Association (ASTA) visited Dhaka on October to explore the possibility of seed business and establishing joint ventures with American seed companies, says a press release.

During its visit the team headed by Mark S Condon, Vice President, International Marketing, ASTA, met Khaled Shams, Deputy Managing Director of Grameen Bank, to know about the bank's seed production and marketing plan.

The team also met representatives of Bangladesh Seed Merchant Association and visited wholesale seed market at Siddique Bazar Dhaka. Top officials of CIBAGAIY and Auto Equipment also met the team and exchanged views on the seed market in Bangladesh.

The team also met M A Syed, consultant, World Bank, to explore the involvement of the Bank, in seed sector of the country.

The ASTA team visited Bangladesh in cooperation with the Agrobased Industries and Technology Development Project (ATDP), a USAID aided project of the Ministry of Agriculture.



Khaled Shams, Deputy Managing Director of the Grameen Bank (extreme left) briefing ASTA team on the activities of Grameen Krishi Foundation.

Bank rate raised by another .25 pc

The bank rate has been raised by another 0.25 percentage points to six per cent in a second interest hike in less than a month, with effect from today.

Bangladesh Bank announced the decision in a press release, but did not assign any reasons for the second such increase in bank interest, after September 9 when the rate moved up to 5.75 per cent from 5.50 per cent.

The raise, however, is being seen as a pre-emptive move to ease the inflationary

pressure growing out of a huge expansion of credit which the central bank wants to slow down further.

According to the new decision, the floor rates on deposits have been increased to 5.25 per cent from 5 per cent on savings accounts and to 5.75 per cent from 5.5 per cent on fixed deposits.

During the last increase of deposit rates on September 9, both savings accounts and fixed deposit rates were raised by 0.50 percentage points.

According to central bank

statistics, the growth of credit to the private sector rose to 23.6 per cent in the last fiscal year (1994-95) against a 4.5 per cent in the public sector, overheating the economy.

Official figures show that lending to the private sector rose by more than Tk 5,000 crore to Tk 26,254 crore from Tk 21,040 crore in last one year to August 9.

But according to the private sector, "very large escalation" of government borrowing in July and August is primarily responsible for the inflationary pressure.

Country imports edible oil worth Tk 15b annually

Country's edible oil imports now total more than Tk 15 billion annually, said officials who suggested concerted efforts for development oil seeds through integration of research, extension and marketing in the private sector.

Department of Agriculture Extension (DAE) officials told UNB that Bangladesh produces only about 200,000 tons of edible oil, which is less than 25 per cent of the domestic requirements.

And even with imports, they said, the per head vegetable oil consumption per day is approximately five grams, representing only 4 per cent per capita caloric consumption. This is far less than the recommendations of FAO/WHO.

The government agriculturists said as incomes increase, it is expected that the demand will rise rapidly to correct the deficiency of edible oil consumption.

Oilseeds like mustard, groundnut, sesame, sunflower, soybean, niger-seed, cotton, linseed and castor are grown in the country. During the last two decades, production of oilseeds has stag-

nated although the demand has increased considerably.

As a result, the annual import of edible oil increased substantially to about Tk 15 billion recently compared to Tk 1.5 billion in the 1980s.

Citing India's experience, officials said a breakthrough in oilseed production there occurred during the last decade and the growth rate is now about 5 per cent from 1 per cent in the '80s. This has happened mainly due to development of many suitable varieties for varied agro-ecological zoning of India.

Mustard is the most important oilseed crop grown in Bangladesh. Traditional varieties have a short season (75 days).

Several high yielding variety mustard have been developed by Bangladesh Agricultural Research Institute (BARI) and Bangladesh Institute of Nuclear Agriculture (BINA). These HYV mustard can double the yields, but do not fit into the cropping pattern in many areas of the country because of their longer field duration.

Sunflower is a more attractive oilseed as it responds well to intensive in-

puts and irrigation. The economic return of sunflower is found to be well above HYV boro rice, but "we do not have the right variety with good seed viability," said Dr Z Karim, Member-Director of BARC.

Dr Karim said there is a need for strong research leadership for offering wider technological options within a stipulated time for 4.2 million hectares of land available in different agro-ecological regions of the country. Sunflower and groundnut should be turned attractive industrial crops by technological innovations.

There should be a large scale contract growers programme for the production of certified HYV mustard seeds, he said adding that a mechanism should be developed for the private sector involving contract growers' seed production.

Dr Karim said the DAE should develop largescale production plan for high input technology base using existing HYV mustard seeds for the suitable agro-ecological regions and cropping patterns of the country.

APEC faces many unresolved issues in Tokyo next week

TOKYO, Oct 7: The Asia Pacific Economic Cooperation (APEC) forum faces "many unresolved issues" and not just agriculture at next week's meeting of senior officials in Tokyo, a Japanese government official said yesterday, reports AP.

The official who asked not to be named, said the three main areas of dispute in liberalising trade and investment in the region over the next 25 years were comprehensiveness, non-discrimination and comparability a term used to describe how the negotiating process between members should take place.

Under an agreement reached by APEC leaders in Indonesia last year, the 18-member group has been developing an action agenda for this year's summit in Osaka next month, aimed at mapping out how industrialised members can achieve the ambitious free trade goal by 2010 and developing members by 2020.

As we head towards the commitment to an action agenda, which is a well structured regime, then it is only natural that some people will have second thoughts, the official said, adding that such hesitation among APEC members first emerged during their last meeting in Hong Kong last month.

"Almost all of the action agenda pages had many member economies stating that there were points where

the pace was too quick or that certain points were not acceptable, he said, there were many serious types of reservations made."

The official acknowledged that two or three members had described the Hong Kong meeting as a major step backwards. But he argued that it was actually a good sign that members were expressing reservations as they were indicating it will not be possible for them to adopt what they cannot deliver."

Japan itself is "working with difficulty" on how to make a comprehensive commitment to liberalising agriculture, the official said, insisting that it was not necessarily the case that Japan, South Korea, China and Taiwan were together trying to exclude agricultural products from the action agenda.

The official noted that the North American Free Trade Agreement included exceptions for agriculture, although this is not Japan's view, there is the argument that if we have the same kind of consideration in the APEC exercise then this would be a balance approach, he said.

"The position of the Japanese government has been that in the course of the APEC exercise, this must be of a comprehensive nature," he said.

"However, when it comes to a commitment, one hundred per cent, then it is the feeling of the government

that this is not possible."

The official said non-discrimination issues were also unresolved, notably in the area of most-favoured-nation (MFN) treatment.

"There does exist an argument about whether we continue to carry out the commitment for the future in providing MFN during the interval between now and

Taiwan's China Airlines unveils new logo

TAIPEI, Oct 7: Taiwan's China Airlines unveiled Saturday a new logo — a pink and red plum blossom — to replace the Nationalist Chinese flag that has decorated the tails of its planes since the company was founded in 1959, reports AP.

The airline, Taiwan's official flag carrier, hopes the new logo will spare embarrassment to countries that recognize the rival Chinese government in Beijing and also allow it to win new flight routes.

Taiwan is now recognized by 30 countries. China Airlines and its subsidiary Mandarin Airlines now fly to Hong Kong and 15 countries.

The new logo — representing Taiwan's official flower — was unveiled on the tail of a Boeing 747-400 jetliner.

2010 or 2020," he said.

China's application to join the World Trade Organisation and conditions attached by the United States are meanwhile "two sides of the same coin" for the issue of transferring the benefits of liberalisation between members.

In the third problem area of comparability, how the negotiations actually take place, the official noted "one extreme view by a certain member" for give-and-take negotiations like the General Agreement of Tariffs and Trade.

"There is the concern that one may come to the table and offer something and not get any offer back from the other party" and that "there would not be any credibility unless an approach that is close to GATT is taken," he said.

"Other member states that with liberalisation taking place in East Asia, there should be more emphasis on the process of voluntary initiatives.

Further discussions are required in the three areas of the general principles of comprehensiveness, non-discrimination and comparability."

APEC groups Brunei, Australia, Canada, China, Hong Kong, Indonesia, Japan, South Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, Taiwan, Thailand and the United States.

ROK protesters set fire to 1000 packs of foreign cigarettes

SEOUL, Oct 7: Protesters set fire to 1,000 packs of foreign cigarettes Saturday to demand that they be banned from South Korea, reports AP.

About 200 women cheered as the packs caught on fire and pungent smoke filled the air at Topgol park in downtown Seoul.

Packs of Mild Seven, Marlboro, and Yves St Laurent cigarettes were stacked in the shape of the former headquarters of Japan's colonial government.

The building, which can evoke powerful anti-Japanese sentiment in Korea, was used because Japan's Mild Seven is the most popular foreign brand, protesters said.

"Banish foreign cigarettes!" they chanted in unison, holding up bright signs.

The protesters, members of a conservative women's group, claim that the increasing encroachment by foreign cigarettes will endanger the livelihood of tobacco farmers.

Since the tobacco market opened to foreign cigarettes in 1988, imports have risen to a 10 per cent market share.

But many South Koreans consider smoking foreign cigarettes as unpatriotic. Japan ruled Korea as a colony from 1910 until 1945. A half century after liberation, anti-Japanese sentiments still run deep.

Poverty falls in US, job holds steady

WASHINGTON, Oct 7: The US poverty rate fell for the first time in four years in 1994, while the unemployment rate also held steady in September this year at 5.6 per cent and 121,000 new jobs were created, report agencies.

At the same time, US consumer credit, which showed signs of slowing in July, regained momentum in August to grow at an 11.1 per cent annual rate despite a deceleration in automobile loans.

The Labour Department revised August employment figures upwards, estimating that some 262,000 few jobs were created rather than the 249,000 estimated earlier.

July estimates, meanwhile were lowered to 28,000 new jobs, down from the earlier figure of 55,000.

Average hourly salaries rose by 0.3 per cent to 11.52 dollars while weekly salaries increased 0.6 per cent to 396.29 dollars.

Most gains in September employment were made in the service sector, which accounted for 139,000 jobs. The manufacturing sector, by contrast, lost 32,000 jobs and the public sector shed 30,000.

Meanwhile, the Federal Reserve said Friday that borrowing rose 9.1 billion dollars in August, faster than the 8.8 billion dollars increase in July. Installment-loan growth in July had slowed from 11.1 billion dollars a month ear-

lier. But analysts continue to predict further slowing in consumer credit growth. They note it has shot up 30 per cent over the last two years.

"Nothing can bounce forever," said Sung Won Sohn, an economist with the Norwest Corp. in Minneapolis. "The best predictor of consumer credit demand is jobs. The employment picture has been softening."

"Households are overstretched," Sohn continued. "The credit-card delinquency rate has reached a near record high of 3.26 per cent. High-profile layoff announcements by corporations also are not helping consumer confidence and credit demand."

On the other hand, a Census Bureau study released Thursday showed, that real median incomes held steady at 32,264 dollars a year despite the count economic

gains and that full time workers and single people living alone lost ground. Median income peaked in 1989 at 34,445 dollars annually and then dipped during the 1990-91 recession.

The survey of 60,000 households found that the poverty rate dropped to 14.5 per cent in 1994 from 15.1 per cent the year before.

The number of Americans below the poverty level fell by 1.2 million to 38.1 million.