



Aussie team visits Kaultia village in Gazipur

A 12-member delegation from Australia yesterday toured Kaultia village in Gazipur district to see how poor villagers are benefitting from the funds provided by the Rotarians, according to UNB.

An amount of Tk five lakh has so far been given to about 400 families under the Rotary International's Combat Hunger project operating in Kaultia, said a press release.

The fund has been used mainly to make 'mauri' (puffed rice) by the villagers, mainly women.

Rtn Ross Irvine, head of the team and a past Rotary district governor in Australia, and he was impressed by the 'meaningful utilisation' of the recycling loan, supplied through Rotary Club of Metropolitan Dhaka.

The club's President Dr Anwar Hossain, the project's coordinator and secretary of the Rotary District 3280 Ashfaq Ahmed Khan and President-elect of the club M A Mattin were present on the occasion.

EU warns Russia against tariffs on imports

BRUSSELS, Mar 2: The European Commission warned Russia yesterday it would put a future EU-Russia free trade pact at risk and jeopardise membership of the world traded body if it decided to place tariffs on a range of imports, says Reuters.

The commission reminds the Russian authorities that under the interim (trade) agreement it (Russia) is bound to consultation with (the EU over trade barrier changes), a spokesman for EU External Affairs Commissioner Hans Van Den Broek told reporters.

Moscow wants to become a member of the World Trade Organisation (WTO), but is under growing pressure to protect its vulnerable industrial base with more interventionist-style economic policies at odds with world trading rules.

The spokesman noted that the average EU tariff on Russian goods was just one per cent and that 80 per cent of Russian goods came into the bloc tariff-free.

By contrast, he said, the average Russian tariff was 19 per cent.

Top Russian officials speaking at a government meeting on Thursday unexpectedly called for the imposition of broad trade curbs in addition to a pending threat to close a huge market to imports of US chickens.

Japan trying to reform unfair trade snags

TOKYO, Mar 2: Japan is dragging its feet in carrying out a 1994 agreement to reform unfair trade barriers, particularly in the insurance business, a senior US trade official said Saturday, reports AP.

While moving quickly to deregulate in sectors that boost Japanese insurers, pledges to open the primary life and non-life insurance sector, which mean opportunities for foreign firms, have gone unkept, he said.

"This is the most disturbing situation of non-implementation," said Ira Shapiro, US trade representative chief negotiator.

While the United States is pleased that the overall trade deficit between the two countries is moving lower, Japan's Finance Ministry has kept the door shut to foreign insurance competitors, he said.

Shapiro was speaking after two days of talks with Japanese counterparts in which he pushed for a renewal of five-year old semiconductor agreement, due to expire on July 31.

Euro-Asian leaders agree to simplify customs procedures

BANGKOK, Mar 2: Asian and European leaders agreed today on the 'urgent need' to boost European investment in Asia while simplifying and improving customs procedures as well as product standards, reports AFP.

The inaugural summit, grouping leaders of 23 countries, recognised the great potential for synergy between Asia and Europe. Thai Prime Minister Banharn Silpa-Archa said in a statement prepared for the close of the conference. The chairman's statement, summarising the two-day meeting, noted the 'economic dynamism and diversity' of the two regions.

'Asia's emergence as an immense market has spawned great demand for consumer goods, capital equipment, financing and infrastructure. Europe, on the other hand, is a major market in the world for goods, investments and services, even more so since the completion of the single market.'

'Opportunities thus exist for both regions to expand the market for goods, capital equipment and infrastructure development projects, and to increase the flows of capital, expertise and technology,' the statement said.

The meeting also recognised that growing economic links on the basis of a 'strong partnership between Asia and Europe' which should be further strengthened by increased trade and investment between the two regions.

'Such a partnership should be based on the 'common commitment' to the market

economy, open multilateral trading system, non discriminatory liberalisation and open regionalism.

'Any regional integration and cooperation should be WTO (World Trade Organisation) consistent and outward looking,' the statement stressed.

Asia and Europe should 'complement and reinforce efforts to strengthen the open and rules based trading system embodied in the WTO,' it said, adding that 'full participation' would strengthen the world trade body.

The two regions will 'work closely together towards the success of the WTO' and agree that full implementation of commitments made in the Uruguay Round of global trade talks is one of the priorities.

'Participants also underlined the urgent need to bring unfinished Uruguay Round negotiations to a successful conclusion and to pursue the so-called built in agenda agreed to at Marrakesh,' it said, referring to the meeting of world trade ministers almost two years ago which adopted the accord.

The meeting also agreed to 'undertake facilitation and liberalisation measures involving the simplification and improvement of customs procedures and standards conformance' to promote greater trade and investment.

Asia and Europe will also aim for the reduction of trade barriers to avoid trade distortion and create market access,' the statement said.

'The meeting also underscored the urgent need to increase European investments in Asia from their present low

levels, as well as to encourage Asian investments in Europe,' it said.

S'pore offers \$1m to help set up foundation

Another report adds: Singapore Prime Minister Goh Chok Tong Friday offered one million US dollars to help set up an Asia-Europe foundation to facilitate exchanges between the two regions.

The proposal, made during the first day of the Asia-Europe (ASEM) summit in Bangkok, drew favourable reactions from several participants although no one else offered any immediate financial contribution.

A Thai spokesman said fellow summit participants backed the Singapore proposal for a foundation 'to mobilise ideas, concepts and to promote dissemination of news and information and know-how.'

Thailand would like to encourage other ASEM members to follow suit in providing financial backing 'to kick off' the programme,' the spokesman said.

Summit delegation officials said the foundation, which could be sited in Singapore, would promote cultural, scientific and technological exchanges as well as research.

French President Jacques Chirac described the initiative as 'very important and very interesting,' a French spokeswoman said.

Goh also proposed an Asia-Europe university exchange programme to enable the younger generation on both continents to get better acquainted and forge long term ties, the spokeswoman said.

China bans state enterprises from futures speculation

BEIJING, Mar 2: The Chinese government on Friday banned state enterprises from engaging in futures speculation in an attempt to further regulate the fledgling and once-chaotic futures market, reports AP.

State enterprises and government departments will only be allowed to take part in trading of futures relevant to their production and operation, the order from the Securities Commission said.

'They are forbidden from getting involved in either speculation or market manipulation,' it said.

State enterprises and government departments must provide documents showing that they have been approved

by futures administrations or the board of directors of futures exchanges before they can take hedging positions.

'Futures exchanges should not accept those state firms and administrative units without relevant documents, and futures brokerages should not trade for them either,' the government notice said.

The futures exchanges and brokerages face fines or forced suspension of operations if they are found violating the ban.

The notice also bans all financial institutions from conducting commodities futures trading themselves or for clients.

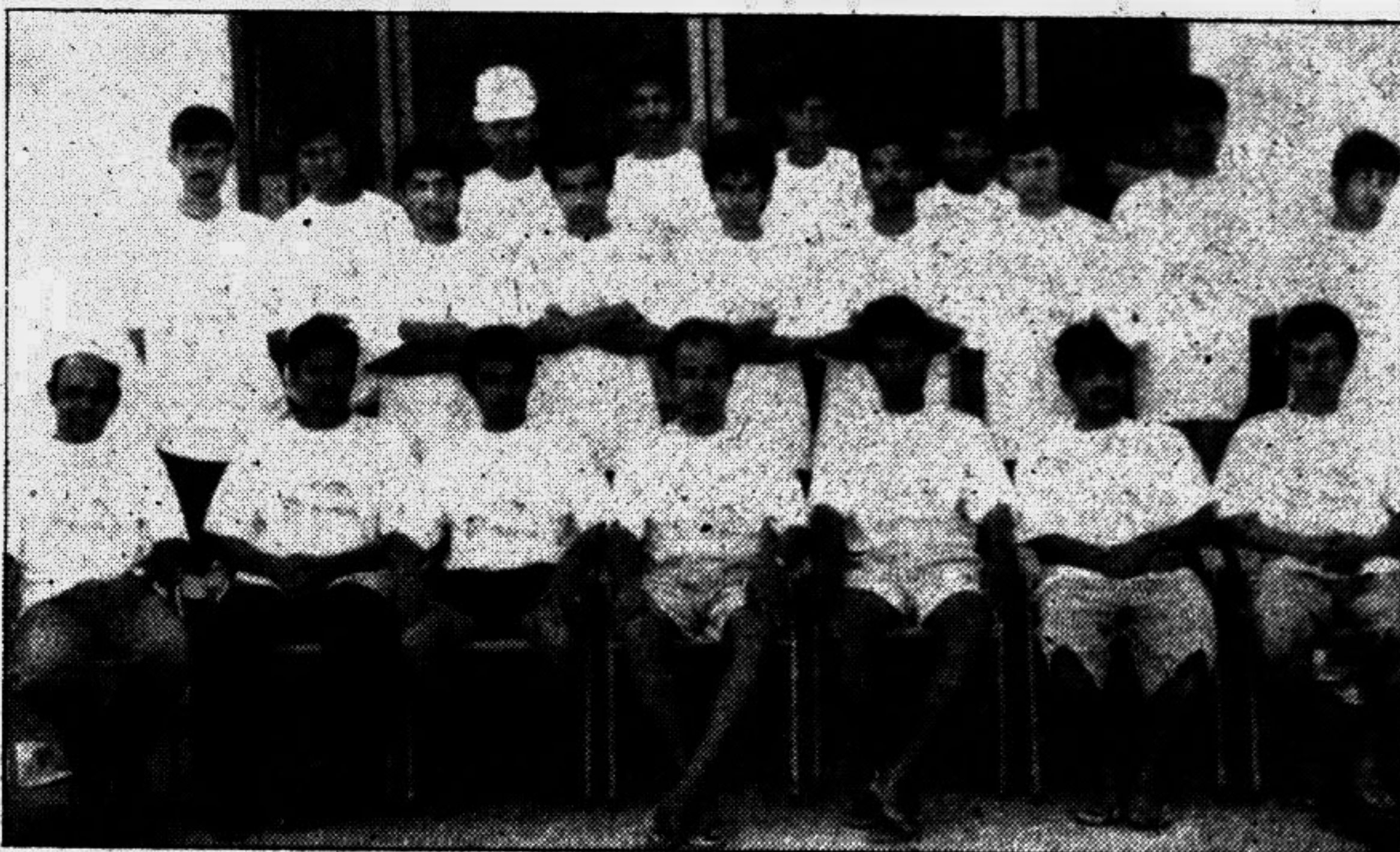
Financial institutions that are trading on their own books are required to clear their po-

sitions within 40 trading days after March 4. They are forbidden from accepting new clients after that date, and must clear their clients positions or transfer the positions to other brokerages within 40 days.

The new rules are a further attempt to standardise China's young futures market, which has only a six-year history.

At their height, some 40 futures exchanges had sprung up around the country and speculators were using them to earn quick, short term gains.

In the past two years, the government has shut down all but 15 and has suspended trading on many commodities in an effort to rein in speculation.



Picture shows Pioneer team of Bangladeshis who have made the breakthrough in local commercial production of 'Bagda Chingri' postlarvae from Pioneer's hatchery at Kalatala, Cox's Bazar. Sitting Zahiruddin Mahmood (C), Modabbir Ahmed Khondakar (L), and Aung Sein (R).

BWDB opens new division

Bangladesh Water Development Board (BWDB) has opened an office named 'Gaibandha Dredger Operation Division' for preservation of navigability of Jamuna River at important railway ferry routes and the jetty of the proposed Jamuna Fertiliser Factory, protection of the embankment along the right side of the river through dredging and also smooth operation of dredging work in the northern regions of the country, says a press release.

The operation of the new division will begin within a day or two.

Vietnam's Hue airport to close for 90 days

HANOI, Mar 2: The airport of Vietnam's central city of Hue will close for 90 days from April 1 to extend the runway and upgrade the terminal, the General Director of the Central Airports Management Board said, reports Reuters.

Hovan Quy said scheduled flights to Hue, the ancient royal capital and a major center of Buddhism, would be diverted to Danang, 108 km (68 miles) to the south.

He said the 2.7 million dollars revamp would mean access for larger aircraft. But the airport, Phu Bai, will not be upgraded to international standard.

Hue's imperial palace and emperor's tombs, which attract tens of thousands of tourists every year, are due to be restored a 65.5 million dollar project lasting 15 years.

Unemployment falls to lowest level in Israel

JERUSALEM, Mar 2: Unemployment fell in January to its lowest level since the creation of the state of Israel in 1948, the national statistics office said yesterday, reports AP.

Despite the arrival of 77,000 immigrants last year, mostly from the former Soviet Union, the jobless figure dropped to 5.9 per cent of the working population, from 7.8 per cent in January 1995.

Immigrations stimulated economic activity, the statistics office said, and growth in GNP hit seven per cent in real terms in 1995.

When the labour government came to power in June 1992, unemployment was 11.2 per cent, Israel has since signed peace accords with the Palestinians and Jordan, boosting the economy and drawing foreign investment.

Fuel crisis continues in Feni

FENI, Mar 2: Fuel crisis is still continuing in the district for the last two days due to shortage of fuel supply at the patrol pumps here, reports UNB.

Petrol pump owners said that diesel was being sold only from petrol pump out of the total six.

Small vehicles including motorcycle, tempo and jeeps were not plying in the town roads due to fuel crisis. Feni-bound buses from other districts are plying but buses to other destinations from here were off the road.

Local people said kerosene was being sold at remote areas of the district between Tk 25 and 35 per litre against normal price Tk 18.

Fuel dealers alleged that they could not collect fuel from their agency due to hartal in Chittagong.



Folkart Foundation Festival at Hotel Sonargaon in the city yesterday. Jute goods, coin purse etc. are available at a comparatively cheaper price. — Star photo

SAARC ministers pledge to work for better housing

COLOMBO, Mar 2: Housing ministers of the member countries of the South Asian Association for Regional Cooperation (SAARC) pledged to work for better housing in the region as they closed a one-day meeting here on Friday, reports Xinhua.

A Colombo resolution on human settlements adopted by the conference highlighted the determination of the SAARC members to muster energies and resources for a concerted effort to improve human settlement conditions in the region.

It called upon the second United Nations conference on human settlements, scheduled for June in Istanbul, Turkey, to reflect the SAARC perspectives on human settlements.

The resolution said human settlement issues should be perceived in terms of sustainable development worldwide.

In the resolution, the governments of the SAARC states promised to design and implement participatory and innovative human settlement development strategies and programmes aimed at sustainable human settlement development in an urbanising world.

The resolution said the agreement on SAARC trade arrangement would make a significant contribution to the human settlement development in South Asia.

At a press conference after the conference, Sri Lankan Minister of Housing, Construction and Public Utilities De-

Silva said that a report on the conference would be submitted for consideration at the Istanbul UN conference on human settlements.

Bid to revive Moscow-Cairo trade

CAIRO, Mar 2: Hundreds of business people are to take part in an Arab-Russian economic conference here next week as part of efforts to revive the once thriving trade between Moscow and Cairo, says AFP.

'Egypt will try to recover the level of its exports to Russia,' said Supply Minister Ahmad Al-Goweli, quoted by the official news agency MENA.

He said almost 500 business people were expected at the conference from Monday to Thursday, but he did not specify which other Arab countries would be represented.

Around 100 joint projects in the ready-to-ware clothing, hotels and oil sectors will be under discussion.

Egypt had strong trading links with the former Soviet Union up until the 1970s when former President Anwar Sadat turned the country toward the west.

Annual trade between the two countries has now plunged to around 170 million dollars, compared to one billion dollars five years ago when the Soviet Union collapsed.

Rao to clear power projects before polls

NEW DELHI, Mar 2: Indian Prime Minister PV Narasimha Rao said yesterday he planned to ensure that power projects able to generate 6,000 megawatts of electricity would be approved before general elections, reports Reuters.

'There are 6,000 megawatts of power projects that have not been cleared for various reasons,' Rao told the upper house of parliament, 'help me god, I will see that all 6,000 megawatts of power projects are cleared before the general elections.'

Rao's address to the upper house (Rajya Sabha) was in response to President Shankar Dayal Sharma's speech to legislators on Monday at the opening of the last session of parliament before general elections.

Elections are due by mid year but are widely expected to be upheld in late April.

Call money rate

Money rates in the call money market during the week ended Wednesday ranged from 5.40 per cent to 12.00 per cent.

During the same week interest rates offered by the Bangladesh Bank on Certificate of Deposits varied from six to eight per cent.

The bank rate, however, remained unchanged at 6.50 per cent, says a BB press release.

Daiwa Bank scandal: Former bond trader wishes for own death

NEW YORK, Mar 2: Daiwa Bank's former New York bond trader wished for his own death in a rambling confession letter of his 12-year cheating odyssey that led to a 1.1 billion dollar loss at the big Japanese bank, reports AP.

A transcript of Toshihide Iguchi's explosive letter was released by authorities for the first time this week when Daiwa Bank Ltd. pleaded guilty to federal fraud charges.

The bank agreed on Wednesday to pay a record 340 million dollar criminal fine for helping to perpetuate the huge cover-up started by Iguchi.

'For the last 10 years I have been alone in the darkness, shivering with fear. I thought many times how much easier it would be if I died,' Iguchi confessed in the letter to Daiwa management seven months ago.

Iguchi traced the cover-up's origin to June 1984, when he

failed to record a 200,000 dollars loss at the end of the trading day. For more than a decade, Iguchi kept his dark secret to himself as the losses grew.

He used increasingly elaborate techniques to hide the losses, often withdrawing from a Bankers Trust account that held funds belonging to Daiwa customers, to at least temporarily cover his bond transactions.

Iguchi wrote that he got away with the cover-up in part because other traders and managers at the branch 'did not understand the difficulty, importance and the risk associated with the securities business.'

His 28-page letter offers excruciating detail about the scandal's snowballing. In one passage Iguchi describes how the bank, during US regulatory inspections, would temporarily move its traders to a midtown

Manhattan office to try to hide the bank's failure to separate trading functions from its oversight of the trades.

Iguchi blamed the bank's system of allowing him to oversee his own bond trades, enabling him to perpetuate the scandal for so long.

He also rightly predicted in the letter that the matter would aggravate US-Japan relations. The Japanese Ministry of Finance as well as Daiwa failed to immediately report the 1.1 billion dollar loss this past summer in a slight to the US Federal Reserve that eventually ballooned into an international incident.

'My heart has ached during that last 10 years when I think about not only the financial losses that I caused but also about having to betray the bankers who are expatriates from Japan,' Iguchi wrote.

Government of the People's Republic of Bangladesh
Bangladesh Telegraph and Telephone Board
Office of the Director Procurement,
Sher-e-Bangla Nagar, Dhaka-1207.

No. DP/F-15/IR/95-96/44 Dated: 27-02-1996.

Sub: Time Extension of International Tender No. DP/F-15/IR/95-96/37 Dt. 4-1-1996 For Supply of Spare Parts for Bell UHF Digital Radio Equipment for Bangladesh T&T Board.

The date of closing and opening of the above mentioned tender for supply of spare parts for Bell UHF Digital Radio, Equipment for Bangladesh T&T Board has been shifted from 28-2-96 to 28-3-96. The tender schedule may be available up to 27-3-96.

All other terms and conditions will remain unchanged.

Md Maududul Haque
Dy Director (FGN/Proc)
Bangladesh T&T Board
Dhaka.

DFF-4656-29/2
G-321

Private investment in developing world at record high

WASHINGTON, Mar 2: Private investment in developing countries rose to an unprecedented level in 1994, encouraged by economic reforms and reduced debt burdens, says a new International Finance Corporation (IFC) study, according to UNB.

Developing country reforms have freed resources for investment, opened economies to international trade and finance and reduced investor risk, said the IFC, a private-sector affiliate of the World Bank.

Private investment amounted to 18 per cent of the combined gross domestic product (GDP) of the 41 major developing countries, said the IFC. This level of private investment is 4.8 percentage points higher than the average private-investment level during the 1980s, said the IFC study, entitled 'Trends in Private Investment in Developing Countries.'

There were significant increases in private investment

comparatively low levels. The study did not cover the former Soviet Union, Eastern Europe, Vietnam or China.

Meanwhile, the developing world's public investment-to-GDP ratios continued to decline. In 1994, average public investment rates in developing countries were down to about 6 per cent of GDP, far below their average level of around 10 per cent in the late 1970s, the study said.

'Privatisation programmes in many countries have contributed to the decline in public investment,' the study noted. 'Many economic functions that previously absorbed investment resources have since been transferred to the private sector.'

The private investment data for 1994, collected by the IFC from countries' statistical agencies, is the most recent available.

During 1994, the private savings in developing countries themselves continued to be the main source of finance for

private investment. But, the study added, long-term capital inflows from industrial countries are playing an increasing role in most regions, particularly Latin America.

External capital flows to the private sector of developing countries — including the relatively new component of portfolio investment — rose from \$33,000 million in 1990 to almost \$83,000 million in 1993.

Because of the large amount of highly liquid portfolio investment, in 1994 the capital flows declined to 70,000 million dollars. 'Reduced portfolio investment more than offset increased long-term borrowing and net foreign direct investment flows,' the study said.

The decline in portfolio flows in 1994 were a result of factors such as higher industrial country interest rates, lower 'risk-adjusted' returns on investments in a number of developing countries and fewer privatisations.

The Mexico peso crisis in

late 1994 and early 1995 caused a large outflow of portfolio investment from developing countries in the first quarter of 1995. By the fourth quarter of 1995, however, this outflow appeared to have largely been reversed, according to the IFC.

The economic reforms and reduced debt burdens in developing countries — the result of decade-long efforts to implement reforms and to reduce excessive indebtedness — have contributed in several ways to the investment increase, the study said. The reduced public sector debt burdens have freed domestic resources to finance increased private-investment spending. But also, they have brought generally favorable reassessments of the transfer risks attached to investment in developing country assets, thereby making it much easier for private companies in those countries to raise money in world capital markets, it said.

The reforms and reduced

indebtedness have in particular helped stimulate foreign direct investment, which in aggregate increased for the fourth consecutive year in 1994. Excluding China (which is the largest developing-world recipient of foreign direct investment), Vietnam, Eastern Europe and the former Soviet Union, cumulative direct-investment flows to developing regions were \$113,000 million during 1990-94 compared to 95,000 million dollars for all of the 1980s, the report said.

The bulk of this investment has gone to a small number of large recipient countries.

The reduced indebtedness has reassured foreign companies about the remittance of direct-investment earnings in addition, reforms of legal and regulatory regimes, and outward-oriented economic policies designed to promote trade and investment likely brought about steep shifts in expectations regarding the costs and benefits from direct investment spending, the study said.