



Trade dispute with Canada poses problems for US exporters

WASHINGTON, Mar 16: As recent disputes with Canada demonstrate, trade barriers labeled as cultural protection pose continuing problems for US exporters, according to USIS.

Some US trade officials say they have no trouble with legitimate measures to protect culture, but view cultural trade barriers in Canada, Europe and elsewhere as ways to protect nothing more than profits for special interests.

"It's not about culture; it's about money," one official said. The officials, who asked not to be identified, said that while they see no imminent spread of cultural barriers, they seek to keep the practice in check.

"Other countries figure, if Canada can get away with it, anybody can," one official said.

Just March 11 US Trade Representative Mickey Kantor initiated the most recent challenge to Canada's regime of cultural barriers by filing a case in the World Trade Organisation (WTO) against discriminatory magazine practices.

Canada simply prohibits imports of most non-Canadian magazines and inflicts discriminatory penalties on the few exceptions from the embargo.

The WTO case concerns Sports Illustrated-Canada, a split-run version of the US magazine that includes some articles on Canadian sports published only for the Canadian edition.

Under the settlement, the two networks agreed to form a single Canadian country network called Country Music Television (Canada), putting

magazines imposed in a way to cap non-Canadian split run magazines at a smaller number of issues than Canadian-owned ones.

It also challenges the entire embargo, but not some other discriminatory practices — deemed by Kantor's office as beyond the confines of this case — such as Canada's disallowance of an income-tax deduction for Canadians who advertise in split-run magazines.

In the 1993 North American Free Trade Agreement, Canada insisted on exempting its cultural industries — print, film and video, music, radio and television — from market-opening commitments.

As a result, the United States retains its right to retaliate under Section 301 of US trade law against any unfair Canadian cultural trade barrier.

Another Section 301 case on cultural barriers was settled March 7. That case started after the Canadian Radio-television and Telecommunications Commission (CRTC) banned Nashville-based Country Music Television (CMT) from broadcasting in Canada after a decade of serving cable audiences there.

To protect the fledgling Canadian-owned New Country Network, CRTC acted under a policy denying market access to foreign-owned television services that compete directly with Canadian-owned services.

Under the settlement, the two networks agreed to form a single Canadian country network called Country Music Television (Canada), putting

CMT back on television north of the border.

US trade officials applaud the agreement but grumble that the offending Canadian law remains on the books, preventing HBO films, MTV music videos, ESPN sports programmes and other staples of US cable television from broadcasting in Canada.

As they see it, the CMT case demonstrates that money, not culture, lies behind the trade barrier: The Canadian network presented the same music videos as CMT with few additional Canadian performers in the mix.

It's about who's going to make money on this product, one official said.

If governments really want to foster their cultures, they can do so legitimately through subsidies, he said. But because subsidies raise controversy about government spending, he said, government officials take the easier course of banning competitive imports, invoking cultural nationalism.

They're just wrapping themselves in flag," he said. "Appealing to crass nationalism is easy for any politician to do."

He said US exporters have two basic aims in foreign markets: access for their books, music, television programme and films, and opportunity to adapt their products to the local audience.

introduced, that would effectively deny US performers and producers their share of revenue from a tax on blank audio tape sales intended to compensate for unauthorized reproduction of recorded music.

Under the 1989 Broadcast Directive, European Union (EU) members must reserve a majority of entertainment transmission time for European-origin programmes, limiting access to US programmes.

France has exceeded even the EU Broadcast Directive requirement specifying radio and television quotas of 60 per cent European programming and 40 per cent French programming.

Australia requires that 50 per cent of a commercial television station's average annual broadcasts between 6 am and midnight must be dedicated to Australian programmes, which are defined by a complex formula.

US trade officials note a trend here: These countries generally do not restrict imports of US films because their private-sector theaters depend on them. They do restrict imports of US television programmes that would compete with largely government-operated broadcasting enterprises — "elite cartels," one official called them.

Almost no one imposes restrictions on US films because no one wants to watch local films," he said.

With Section 301 cases on CMT and Sports Illustrated, he said, the Clinton administration has shown its determination to tackle trade protectionism parading as cultural protection.

"We will not let these practices go unchecked," he said.

BRIEFS

WASHINGTON, Mar 16: Factories output in the United States surged by the largest amount in more than eight years while inflationary pressures eased in February — more evidence the economy is springing back to life.

The Labour Department reported Friday that consumer prices edged up a moderate 0.2 per cent in February, half the increase a month earlier, as milder temperatures dampened demand for energy.

The Federal Reserve said that output at the nation's factories, mines and utilities soared 1.2 per cent last month, the biggest advance in more than eight years. It had fallen 0.4 per cent in January.

The same report also provided fresh evidence inflation is tame. The Federal Reserve said the nation's industries were operating at 82.9 per cent of capacity, with little sign of production bottlenecks that could boost prices.

Although the rate was up from 82.1 per cent in January, it was well below the 85.1 per cent at the beginning of 1995, which had caused concerns that prices might begin to spiral.

The surge in production was credited in part to a rebound from the plant closings caused by the East Coast Blizzard. It was the third increase in the last five months in what had been one of the weakest sectors of the economy.

The output figures reflect rising employment. The government reported last week that payrolls surged by 705,000 in February, the largest increase since 1983.

OTTAWA: Privatisation of Canada's air traffic control system has been delayed by at least three months.

Delays in getting legislation past the Commons mean Nav Canada is not expected to take over the system until July 1, instead of April 1 as originally planned, said an official in Transport Minister David Anderson's office.

Anderson reintroduced a bill Thursday that would transfer the air navigation system from Transport Canada to a new private corporation consisting almost entirely of the public servants who now run the system.

Arab states lose oil income due to global inflation

ABU DHABI, Mar 16: Arab states have lost more than two thirds of their real oil income over the past 15 years due to global inflation and a decline in the US dollar, an official report showed yesterday, according to AFP.

The oil revenues of Arab producing members stood at 31.38 billion dollars in real terms in 1994 compared with a record 98.66 in 1980, said the report by the Organisation of Arab Petroleum Exporting Countries (OAPEC).

The study calculated real earnings on the basis of the dollar price in 1973, taking into account its changing purchasing power and world inflation. It gave no figures for 1995, but experts said the revenues were slightly higher due to an improvement in the dollar and nominal oil prices.

In nominal terms, the total Arab oil earnings stood at 86.8 billion dollars in 1994 compared with 216.9 billion dollars in 1980, their highest level.

The sharp decline was due to a drop in oil prices to around 15.5 dollars from 36 dollars, according to the Kuwaiti-based OAPEC.

The fall in the real income occurred although Arab oil production was higher in 1994, standing at around 18 million barrels per day.

The fall was mainly due to global inflation and a decline in the value of the US dollar, the official price of oil.

The Arab oil earnings are now negligible compared to those during the oil boom because of inflation and the weak purchasing power of the US dollar. I don't see any major improvement in the near future," a Gulf economist said.

Saudi Arabia and its Gulf neighbours, which control around 60 per cent of the world's oil, suffered most as they produce nearly two thirds of the total Arab oil output and crude exports account for the bulk of their income.

The steady erosion of their revenues has prompted calls to detach their currencies from the US dollar and price their

'Iraq's sufferings will end thru' deal with UN'

BAGHDAD, Mar 16: The sufferings of the Iraqi people under sanctions would only be partly alleviated by agreement between Iraq and the UN on an oil-for-food plan, a United Nations Children's Fund (UNICEF) official said today.

"If you look at the terms and conditions (of the agreement) and the amount (of money), it only covers the partial needs," Philippe Hefflinck, UNICEF Representative in Iraq told Reuters.

Iraq and the United Nations ended their second round of talks on the deal on Friday without being able to solve the delicate issue of how to distribute basic necessities to rebel Kurds in northern Iraq. They are expected to resume their talks on Monday.

UN resolution 986, which Iraq has not yet formally accepted, permits Baghdad oil sales worth two billion US dollars every six months to raise money for humanitarian supplies to its population, suffering hardships from sanctions imposed after Iraq's 1990 invasion of Kuwait.

Oil prices also plummeted from 16.38 dollars in 1980 in real terms to 5.43 dollars in 1988 and 5.60 dollars in 1994. Nominal prices dipped from 36.01 dollars to 14.24 dollars and 15.54 dollars dollars in the same period.

High earnings during the oil boom enabled Gulf Arab states to turn their desert oases into modern cities and build up a massive investment empire abroad. The investments are believed to have sharply eroded due to persistent withdrawals to finance budget deficits and two Gulf wars.

oil exports in a basket of currencies to offset the continuous fluctuations in the greenback.

Apart from budget shortfalls, the decline in their income has also turned surpluses into deficits and forced most of them to borrow for the first time from international markets. It has also sharply slowed down their economies, once among the fastest in the world.

The study by the 10-nation OAPEC showed the Arab oil income had steadily shrunk since 1980 in both real and nominal terms.

In real terms, it fell to 95.67 billion dollars in 1988 and continued its decline to reach a record low of 24.02 billion dollars in 1988, when crude prices collapsed below 10 dollars due to a global production war.

In nominal terms, the revenues dropped to 202.8 billion dollars in 1981 and continued their plunge to reach around 54 billion dollars in 1988, when oil prices sank to one of their lowest levels due to a price war within the Organisation of Petroleum Exporting Countries.

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SIA pays \$ 285,714 to family of murdered employee

SINGAPORE, Mar 16: Singapore Airlines has paid 400,000 dollars (285,714 US dollars) to the family of a Taiwanese flight attendant who was murdered in the United States, reports AP.

The lump sum payment was "a private matter between the family and SIA," airline spokesman Rick Clements said Saturday.

He described the settlement as based on "norms in Taiwan and the special circumstances of the case," but declined to elaborate.

Chang Yu, 23, was found raped and strangled in the closet of the Los Angeles hotel room on October 24. She was on her first working flight to that city. Her body was found after she failed to report for the return leg to Taiwan.

Zaini Jeloni, 27, another attendant on the same flight, has been charged in Los Angeles with first degree murder and rape. He was extradited from Singapore to the United States last month and pleaded innocent on March 12.

Zaini is being held without bail and is due in court again on April 24. If convicted, he faces the death penalty.

Talks on GM strike resume

DAYTON, Ohio, Mar 16: Talks resumed Friday between General Motors Corp and union leaders over a strike that has nearly shut down the automaker's North American operations, reports AP.

The two sides last held informal talks Wednesday. "Our priority remains to reach an equitable agreement as soon as possible so we can resume supply to our customers," said GM spokesman Jim Hagedorn. He wouldn't comment further.

The company and union officials met for more than 10 hours Friday before talks ended for the night. It was known if any progress had been made and talks were expected to resume Saturday.

Vena Estridge, a trustee with United Auto Workers Local 696.



Satoru Oishi, leader of the Victims Association of Variable Insurance speaks to reporter in front of the headquarters of the Mitsubishi Bank in central Tokyo on Friday. The bank loaned people money to buy life insurance from striken Variable Insurance. Oishi and some 80 victims staged sit-in protest to demand cancellation of article to auction their houses under litigation between victims and the bank. The Mitsubishi Bank becomes world's largest bank next month to merge with the Tokyo Bank. — AFP/UNB photo

Beijing likely to see another boom period in grain output

BEIJING, Mar 16: China is expected to see another boom period in grain production, according to deputies to the National People's Congress (NPC) in session here, reports Xinhua.

In an effort to feed the world's largest population, China plans to produce 500 million tons of grain a year by the end of the century from 465 million tons in 1995, an increase of 35 million tons each year.

Deputies expressed optimism for the growth plan after studying statistics provided by officials from different parts of the country.

Heilongjiang, China's largest grain production base, plans to have an additional output of 7.5 million tons of grain in 2000 and 25 million tons in 2010 from the 1995 figure.

Jilin, another major bread basket in northeast China, is expected to see five million tons in annual grain increase.

Central China's Hubei province plans to increase 50,000 tons of grain annually in the next five years.

yield. Experts attributed enhanced enthusiasm for farming to measures taken by the central government. One major measure is to raise state purchasing prices.

Another measure is the so-called governor responsibility system. This means, provincial governors are held responsible for grain production and supplies in their respective provinces.

Yet another measure is regional grain supply balance. This means, the central government divides grain production goals among different regions. The policy promotes self-sufficiency, a higher commercial rate of grain production, and realisation of regional supply balances through trans-provincial grain shipment.

APEC ministers' meet Japan seeks Internet based communication

TOKYO, Mar 16: Japan plans to propose a new system to exchange views among Asia Pacific Economic Cooperation (APEC) finance ministers through the internet, officials said today, reports AFP.

The proposal is likely to be made by host Finance Minister Wataru Kubo during meetings of APEC finance ministers in the ancient Japanese capital over the weekend, the officials said.

Under the proposal, APEC finance ministers are to use the international computer network to exchange information, including economic and monetary policy, they said.

Tokyo hopes the system would allow APEC finance ministers to have follow-up discussions after their annual meetings, which precede the leaders summit, they said.

It would also allow monetary authorities to hold immediate discussions when foreign exchange markets are affected by speculative moves in the region.

Oki Electric Co plans to set up unit in Singapore

TOKYO, Mar 16: Japan's Oki Electric Industry Co Ltd plans to set up a subsidiary in Singapore to develop and design mobile telephones, the Yomiuri Shimbun said today, reports AFP.

But they said more study would be needed to realise the system, including security measures on the network against any illegal access from other parties to the finance ministers' computer dialogue.

DPRK to get 11.8m gallon oil from ROK

SEOUL, Mar 16: North Korea will get 42,000 tons (11.8 million gallons) of fuel oil later this month in exchange for freezing its nuclear programme, a South Korean oil company said Saturday, reports AP.

The oil is part of the 500,000 tons (140.7 million gallons) of fuel oil a US-led international consortium promised to give to the North this year under a 1994 agreement.

The pact aims at freezing and eventually replacing Pyongyang's nuclear facilities, which are suspected of developing bombs, with western-built reactors that produce far less material that can be used for weapons.

This year's first batch of 42,000 tons (11.8 million gallons) was delivered earlier this month by a Japanese oil company under a contract with the Korea Peninsula Energy Development Organization (KEDO), set up to coordinate the communist state's switch to a safer nuclear system.

The Seoul-based Hanam Oil Refinery Co said it has won KEDO's second contract this year to deliver another 42,000 tons (11.8 million gallons), worth 5.46 million dollars to the North by late March.

Under the 1994 deal, the consortium is to provide North Korea with 500,000 tons (140.7 million gallons) of oil annually beginning this year to cover its energy needs until the first of the two new reactors is built by 2003.

GM shortlists 3 Filipino areas as Asian base

MANILA, Mar 16: US automobile giant General Motors Corp. (GM) has shortlisted three areas on Luzon Island, the Philippines, for the site of its proposed Asian manufacturing base as Manila strengthens its bid to snare the one-billion-US dollar project, reports Xinhua.

Trade and Industry Undersecretary Melito Salazar said today, we are still in the running.

He said the Calabarzon industrial area is one of the three preferred sites.

The other two strong contenders are a former Vietnamese refugee centre in Bataan province and a proposed site in Alaminos, Pangasinan, where Malaysia's Proton Berhad Company has established a manufacturing facility.

The GM which currently has a five per cent share of the regional market for passenger cars and commercial vehicles, aims to supply about 10 per cent of the estimated demand of 16 million vehicles in the region by 2005.

To strengthen its foothold, the GM plans to set up a regional manufacturing base either in Thailand or in the Philippines in addition to its assembly plants in Australia, China, Indonesia and Taiwan.

\$1.5 b jt venture to build oil refinery in Brazil

TOKYO, Mar 16: Marubeni Corp-Mitsui and Co Ltd and four other Japanese trading house plan to build Brazil's largest oil refinery jointly with Brazil's state-run petroleo Brasileiro Sa (Petrobras), a report said today, according to AFP.

The proposed facility will require up to one billion US dollars in investment and will assemble 100,000 cars a year, with some 10 per cent to be exported to neighbouring Asian countries.

"We will not be able to do as much, but what we do will influence others because we will maintain our reputation by achieving measurable results," he said.

According to Atwood, USAID will in the next five years reduce the number of its full sustainable development missions from 43 to about 30, to be located "in key countries, where the need is great, and specific, measurable objectives can be achieved."

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WALUR RAHMAN, Managing Director, Social Marketing Company, distributed certificates to the participants of a training course on selling skills organized by Rapport Bangladesh Limited yesterday. He is seen delivering speech after distributing certificates. M Mosharraf Hossain, Managing Director, Rapport, conducted the course as the Principal trainer.