



HYUNDAI

CARS THAT MAKE SENSE

## Japanese minister says

## US trade report contains misrepresentation of facts

TOKYO, Apr 7: Japanese Trade Minister Shumpei Tsukahara criticized the annual US trade report, saying it contains "misrepresentation of facts" and supports unilateral measures against trading partners, reports AP.

Speaking at a regular news conference, Tsukahara said the report does not abide by the spirit of international trade rules set out by the World Trade Organization.

Japan drew special attention, along with China, in the US Trade Representative's annual foreign trade barriers report, issued Monday. It said Japan had made progress in easing barriers in areas such as autos, auto parts, cellular phones and flat glass, but

added that areas including insurance and photographic film are a cause for concern.

A detailed rebuttal issued later by Tsukahara's ministry said the foreign share of Japan's semiconductor market has grown in recent years not because of a trade agreement, but because of "an improvement in the competitiveness of foreign microchip suppliers in Japan and corporate business judgment based on the market mechanism."

The argument was apparently aimed at checking US calls for extending a bilateral semiconductor accord due to expire at the end of July.

On the photographic film market, being investigated by the US Trade Representative

for alleged trade barriers, the ministry said, "Restrictions on investment in the photographic film and paper market had been abolished by 1976."

The ministry also rebuffed US claims that foreign car dealerships have shown slower-than-expected growth in Japan since a bilateral agreement was struck last summer on autos and auto parts. It said American companies need to try harder.

"European automakers, which have made many efforts for greater access to the Japanese market, have been successful," it added.

Despite his criticism of some aspects of the report, Tsukahara said it is "extremely meaningful" that Japan and the United States point out problems in their trading relations in these reports and try to solve them in a constructive manner.

His ministry has released its own report alleging unfair practices by trading partners, in which it criticized Washington for taking unilateral measures.

Tsukahara's criticism follows a series of recent comments by Japanese trade officials favoring multilateral trade negotiations within the WTO framework while criticizing Washington for unilaterally adopting sanctions against other nations.

Washington, meanwhile, has been boosting pressure on Japan for progress in settling disputes on insurance, photo film and semiconductors before the scheduled visit to Tokyo by President Clinton in mid-April.

Tsukahara said the extension of the semiconductor agreement is unlikely to become a central issue during Clinton's visit, which will focus more on broader bilateral relations.

## Libya, Iran begin talks on oil cooperation

LONDON, Apr 7: Libyan and Iranian officials began talks Saturday in Tripoli on oil cooperation, Libyan television, monitored by the BBC, reported, says AFP.

The talks were attended by the Secretary-General of Libya's General People's Committee for Energy and the Iranian deputy oil minister whom the television named as Nejat Hadji.

The television said the secretary of Libya's National Petroleum Corporation and Iran's Ambassador to Libya also took part in the talks. It gave no further details of what was discussed.

## MIG manufacturer making more civilian planes

MOSCOW, Apr 7: The maker of MIG fighters is stepping up production of light civilian planes to make up for a drop in demand for the Russian warplanes, the firm's director said, reports AP.

The Aviation firm plans to bring its first four-seat Merkur off line this year. Director Avtandil Chaporidze told the Interfax news agency.

The two-engine plane has a top speed of 280 kilometers (175 miles) per hour and a range of 1,500 kilometers (950 miles), Interfax said in Saturday's report. The tentative price is 150,000 dollars, it said.

Aviation also makes the Aviatika 890 and 890 U light aircraft, priced at 15,000 dollars and 27,000 dollars. Some 300 of the 400 planes produced since 1991 have been sold, the report said.

Production of military equipment has dropped significantly since the breakup of the Soviet Union in 1991, with a sharp cut in government defence spending and a drop in export demand.

## Europe should move fast to dent unemployment rate: Economists

PARIS, Apr 7: European countries are edging forward in their battle against mass unemployment, but the changes may be too slow to allow them to keep pace with other economies in an era of world trade liberalisation, reports Reuters.

At a meeting of the Group of Seven rich nations this week, European ministers acknowledged they would have to seek a third way between the United States' free labour markets and their own relatively protected — and expensive — workforces. But economists say they have to start now with more radical reforms than seen so far if they are to dent an unemployment rate of nearly 11 per cent.

So far most governments in mainland Europe have moved very slowly on reform.

A statement released at the end of the G7 meeting in Lille, northern France, urged further moves to cut payroll taxes, and tax and social system changes to encourage employment.

"If there is movement, the pace will be very slow, uneven, but the force behind it is also very large. It's likely to make progress over time," Daniel Gros, an economist at the Centre for European Policy Studies in Brussels, said.

Economists cite several reasons for the need to move faster on employment reforms.

They estimate that structural unemployment caused by labour market rigidities is at least seven or eight per cent. This would persist even in times of good growth and leave Europe vulnerable to much higher jobless rates if it headed into recession.

One economist noted that unemployment has tended to worsen more in time of recession than it improved in times of growth, threatening spiralling unemployment rates. Globalisation in world trade has also intensified fears of competition from cheaper labour in developing countries.

"We are looking at a world much more integrated economically, low wage competition is becoming ever more of a force. We have to adjust to that," Holga Schmieding, an economist at Merrill Lynch in Frankfurt, said.

Along with globalisation, Europe must also confront what the OECD has dubbed the "creative destruction" ushered in by new technology — comparable to the economic upheaval that accompanied the 19th century industrial revolution.

The policy challenges

## US releases '96 report on foreign trade barriers

WASHINGTON, Apr 7: The US Trade Representative's annual report on foreign trade barriers once again devotes its longest section to Japan, and, for the first time, includes a section on Hong Kong, reports USIS.

The 350-page 1996 National Trade Estimate Report on Foreign Trade Barriers (NTE), released April 1 in Washington, lists all "significant" obstacles that restrict US exports as well as those of other countries.

The NTE provides the road map that we will be using in the coming months to ensure full implementation of our trade agreements, and vigorous enforcement efforts against barriers to US exports," Jennifer Hillman, the US Trade Representative's general counsel, said on release of the report.

The United States uses the NTE to implement two important trade laws. Under the "Special 301" provision, the US Trade Representative (USTR) must, within 30 days of the NTE report, identify countries that fail to provide adequate protection for intellectual property rights (IPR), or that deny market access to persons who rely on IPR protection. Under the "Super 301" executive order, the USTR has six months following release of the report to identify foreign trade practices.

## China faces growing unemployment pressure

BEIJING, Apr 7: A rapid rise in the number of labourers entering the Chinese market as well as increasing state sector redundancies will see China's urban unemployment woes worsen over the next five years, reports said yesterday, according to AFP.

At a national conference on employment held in Beijing on Saturday Labour Minister Li Boyong urged the adoption of a series of measures aimed at holding the rising urban jobless rate at 3.2 per cent this year.

Because of its close links with social stability, economic reforms and national development, the major issue of unemployment must be addressed, Li was quoted as saying by the Xinhua news agency.

China's official urban unemployment rate stood at 2.9 per

cent in 1995.

According to Li, the main challenges will come from a sharp rise in the number of new labourers over the next few years.

Jobs created by economic growth will hardly meet the demand for work, Li admitted adding that while unemployment was a concern to any government, in a country as populous as China "it has always been a serious problem, and will become even more so in the future."

China has more than 10 million additional people entering the job market every year, and in one assessment in January, the labour ministry acknowledged that only 38 million of the 54 million entering the market over the next five years were likely to find work.

## Volatile movement of Iraqi dinar creates chaos

AMMAN, Apr 7: A man who owed 50 million dinars for his purchase of two trucks saw the dollar value of his debt soar out of reach as Iraq's national currency shot up this year.

After failing twice to renegotiate the deal, even offering to return the trucks and still pay part of the debt, the man discovered that the "bloody money" he would pay to relatives to for give killing the seller was 900,000 dinars. So he killed the man instead.

The story emanating from the Iraqi town of Falluja may well be apocryphal — although serious people told a Reuters journalist visiting Iraq that they believe it — but it accurately reflects the chaos created by the volatile movement of the dinar.

After sinking to about 3,000 to the dollar in January, the dinar rose in days to 350. It has recently been around 750; but a movement of more than 10 per cent in an hour is not unusual. Prices set in dinars have fallen in compensation, but far from uniformly.

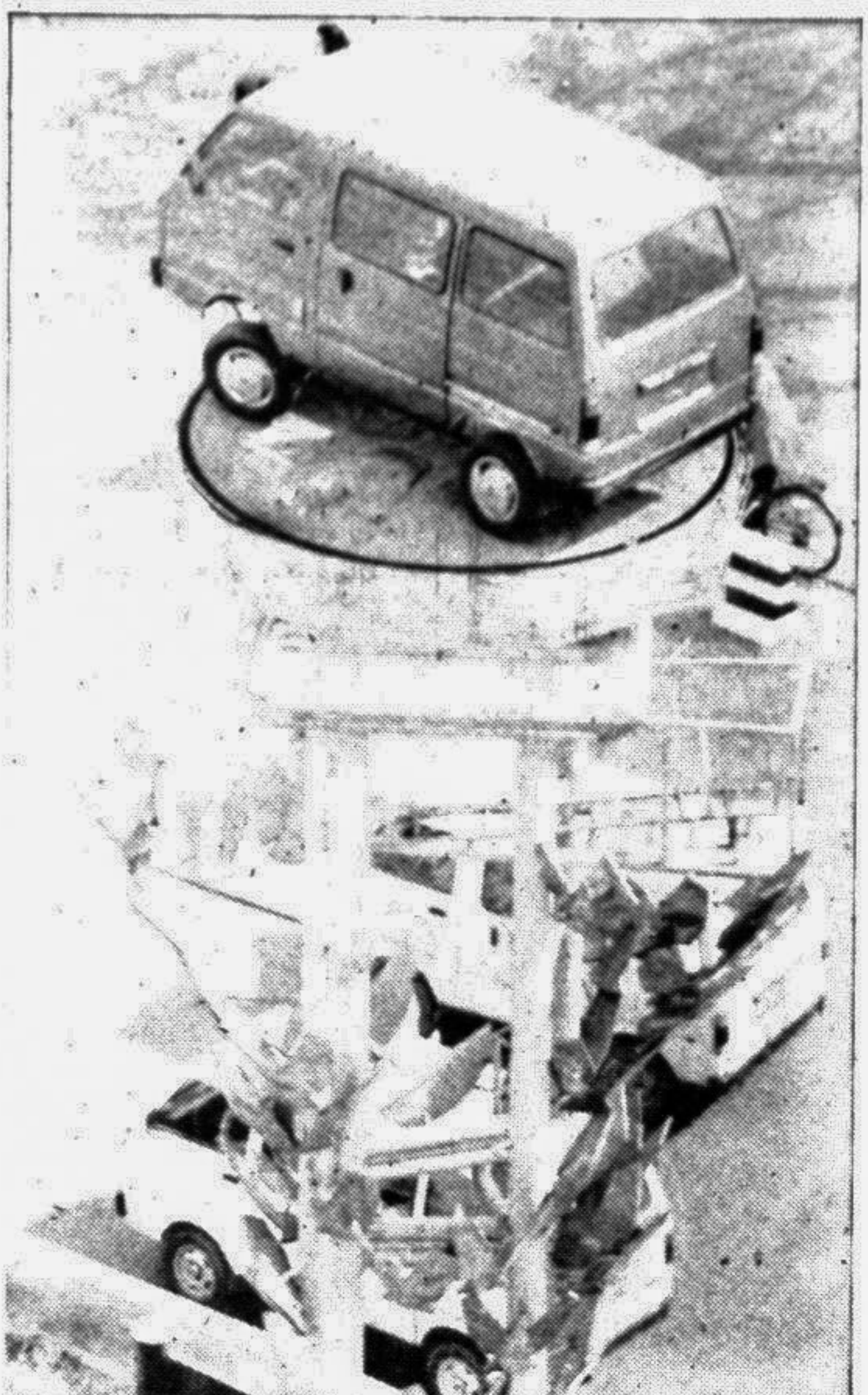
This unpredictability does not matter to businesses such as traditional carpet dealers

who deal only in stable dollars. Many who can afford it, have simply curtailed business until stability returns. Buyers think prices may become even better, sellers hope for higher prices.

But for others, every transaction needs up-to-the-minute knowledge of the dinar-dollar exchange rate. It is a constant source of conversation, setting prices over everything from cars to sugar. Money changing offices are still operating in the middle of the night.

## Corrigendum

The news item with photograph was published in The Bangladesh Times, The Daily Star and The Independent on 3-3-96 about the signing of MOU on the banking plan for financing credit programme for Private Enterprise Development Project (PEP) of BRDB. The Programme is financed by Swedish International Development Cooperation Agency (SIDA)/Norwegian Agency for Development Cooperation (NORAD) and not CIDA/NORAD.



The popular Tianjin Huali, a mini-van produced by Tianjin Automobile Works in joint venture with Japan's Daihatsu, is erected over a busy city intersection as taxis of the same make go by in Tianjin of China on Sunday. China had recently delayed approval for Toyota Motor Corp's planned joint venture for car engine production in Tianjin, causing concern about the projects future. — AFP/UNB photo

## Smuggling of frozen beef from Europe: 10 arrested

CONAKRY, Apr 7: Police arrested about 10 people Saturday on suspicion of smuggling in several tonnes of frozen beef from Europe, in defiance of an import ban, police said.

The smuggled beef is transported in container ships to the port of Conakry and sold in markets in the Guinean capital, police added.

An AFP Correspondent in Conakry said that several of the illicit cartons of beef carried labels saying "produce of Ireland."

Police said they were continuing their investigations in the hope of tracking down those behind the trafficking network.

Following suggestions there could be a link between "mad cow" disease and a rare but fatal brain disorder among humans, the European Union last month imposed a worldwide ban on British beef, where 99 per cent of all known cases have occurred.

Several African countries, including Guinea, have also banned imports of beef from other European countries.

## Cattle remains

Another report from London says, the British government is considering dumping at sea the remains of cattle slaughtered in the campaign to combat so-called mad cow disease, a press report said here Sunday.

The Sunday Telegraph, quoting a government source, said the idea was being studied because British abattoirs could not handle the destruction of more than 1,200 beasts every

week. But it brought immediate condemnation from the ecological organisation friends of the earth, which said it could spread Creutzfeldt-Jakob disease (CJD), the human form of the Bovine Spongiform Encephalopathy (BSE) which affects cattle.

Britain envisages slaughtering 15,000 older cows a week in a bid to restore consumer confidence in eating beef following cases of CJD which government scientists said could have been caught from BSE-infected meat.

The newspaper said the government had considered incinerating the carcasses and burying them, but abandoned the idea for environmental reasons.

## USTR reviews telecom pacts with Mexico, Korea, Japan

WASHINGTON, Apr 7: US Trade Representative Mickey Kantor says he will seek a dispute-settlement panel under the North American Free Trade Agreement (NAFTA) over Mexico's delay in accepting US product safety test data for US telecommunications terminals, says USIS.

Kantor made the announcement April 3 in his annual review of compliance by other countries with US telecom trade agreements, as required by the 1988 Trade Act.

## Prices of tea, cotton, oil up, gold down over the week

LONDON, Apr 7: Sweeping aside months of gloom and stagnation, cocoa was suddenly sweetened this week after investment funds launched a wave of buying that pushed prices up to highs not seen for over a year, reports AFP.

Cocoa owes this reversal of fortune to a U-turn in investors' attitude. Only a few weeks ago, horizons were clouded by a staggering harvest in Ivory Coast, the world's main producer. Fears were rife that an avalanche of African beans would flood the market.

But this huge crop has now been completely dispersed on the futures market, and investors are now more preoccupied with what lies ahead.

Elsewhere on the commodities market, thin US oil stocks and persistent cold weather in North America and Europe kept crude oil prices at a three-and-a-half-year high.

**GOLD:** Fall. The price of gold retreated after last week's brief spell of excitement, to around 394 dollars per ounce, some five dollars below last Friday's levels.

Heavy selling by US investment funds pushed prices down, as investors chose to reduce their positions before the long Easter weekend.

**SILVER:** Weaker. Last week's rally was reversed as the price of the metal fell by 10 cents to 5.50 dollars per ounce. But analysts remain optimistic.

One US expert believes the price of silver will begin to climb in the third quarter of this year to reach an average of

6.10 dollars per ounce over 1996. Another more cautious observer predicts that the price will settle around 5.75 dollars.

Analysts are cheered by the rapid decline in silver stocks held on the New York market. Reserves dived by 100 million ounces in 1995, and have fallen by a further 20 million ounces so far this year, which has sparked fears of a supply shortage.

**PLATINUM:** Fall. The price of the metal fell as traders worried that Russia, a major producer, might offload large quantities of the metal onto the market to raise funds to boost the economy and sweeten the electorate before presidential elections in June.

**COPPER:** Crash. Poor economic data in Europe and a decline in US construction activity pushed the price of copper sharply down. The metal is

used mainly in the construction sector and industry, and thus is extremely sensitive to changing economic trends.

On the London Metal Exchange (LME), the three-month reference price fell by 50 dollars to 2,470 dollars per tonne, wiping out all the gains it made in March.

Traders believe that demand will not be strong enough to absorb the high levels of production forecast this year. Stocks held in LME warehouses fell by 2,650 tonnes to 319,375 tonnes.

**LEAD:** Fall. The price of the metal suddenly reflected after the strong gains this year

prompted by a shortage of good-quality lead. The metal retreated 10 dollars to 780 per tonne.

The shortage is now easing, as shown by this week's rise of 600 tonnes in LME stocks to 91,750 tonnes.

**ZINC:** Lower. The price of zinc eased by 20 dollars to 1,070 dollars per tonne. Reserves on the LME grew by 950 tonnes to 623,950 tonnes.

**ALUMINIUM:** Dive. The price of aluminium fell by around 40 dollars to 1,635 dollars per tonne, under the influence of copper.

Stocks held in London Metal Exchange (LME) warehouses grew by 7,975 tonnes over the week to 748,925 tonnes. Market sentiment was slightly improved by problems affecting exports of the metal from Venezuela to Japan, GNI trading house said.

**NICKEL:** Down. The price of the metal was hit by investor selling in the wake of copper's losses, falling by 200 dollars to 8,100 dollars per tonne. Stocks of nickel declined by 108 tonnes to 34,806 tonnes.

**TIN:** Calm. The metal benefited from continuing interest from investors, and managed to hold steady around 6,400 dollars per tonne, despite losses sustained by other base metals.

Stocks on the LME fell by 25 tonnes to 9,150 tonnes.

**OIL:** Firm. The same factors are causing the same effects: Thin US crude oil stocks and the persistent cold weather in North America and Europe kept crude oil prices at last

week's peak levels.

The price of Brent north sea crude oil repeated the previous week's three-and-a-half-year high, climbing to 20.30 dollars per barrel at one point mid-week.

Crude oil prices were supported by the rise in petrol and heating oil prices on the New York market.

The market also responded to comments by UN Secretary General Boutros Boutros-Ghali about the oil-for-food talks between the UN and Iraq.

**RUBBER:** Plunge. The reference price for rubber dived by 20 pounds to 1.015 pounds per tonne, as traders worried about burgeoning stocks held in South-East Asia, particularly in Malaysia.

The wintering period for rubber trees, from February to April, when the rubber sap dries up and output comes to a halt, has not driven prices up this year, further proof in one trader's view that reserves are abundant while demand is weak.

**COCOA:** Jump. Months of uncertainty and a faltering price were swept aside in a matter of days as investment funds launched a wave of speculative buying in London, and particularly in New York.

The price of cocoa in Britain had jumped 50 on Thursday to around 1,020 per tonne, a high not seen for more than a year. This rally was "to be expected" one expert said, since the price of this prime ingredient for chocolate had been "undervalued" for months.

**COFFEE:** Black. The price of

coffee retreated continuously to around 100 dollars below last Friday's levels at 1,830 dollars per tonne, as the market remained sunk in a dark morass.

But coffee roasters traditionally begin buying as soon as prices fall below a certain level, which prevents any dramatic plunge in price.

**TEA:** Higher. Prices on London tea auctions advanced thanks to good demand. The price of medium-quality leaves rose by one penny to 103.5 pence per kilogram.

**SUGAR:** Explosive. The market appears to have become completely divorced from reality. The futures price continues to soar ever higher, as if sugar supplies were about to run out, gaining nearly 20 dollars this week to 388 dollars per tonne, a high not seen since February 1995.

But the world market is groaning with sugar, as exports from Thailand (one of the world's main sugarcane producers) reach record levels and Brazil prepares to offload a bumper crop onto the market.

**VEGETABLE OILS:** Jump. On the Chicago market, the price of soy jumped after a sharp rise in grain prices. Traders believe that the possible shortages of US wheat and maize this year will boost consumption of soy over 1996 and 1997.

In Rotterdam, soya held steady at 92 guilders per 100 kilograms. Palm oil and sunflower oil gained 20 dollars each to 540 and 580 dollars per tonne, respectively.

**GRAINS:** Edgy. Persistent

dry weather in the American great plains has reinforced traders' fears about this year's crop in the United States, the world's main producer of wheat and maize (corn).

On the Chicago market, prices shot up after buying by investment funds which believe the 1996 crop may turn out to be mediocre.

There has been little rainfall in the American prairies. The winter wheat crop, which is already sown, could be damaged. And the dry conditions could also affect the seeding for maize, which is due to take place soon.

In Europe, prices also advanced, because of the cold weather which threatens to disrupt the sowing of spring wheat and thus delay the summer crop. In London, the price of wheat rose by four pence to 125 pounds.

**COTTON:** Tight. Cotton manufacturers and traders are worried about the lack of good-quality cotton supplies. This pushed prices higher, and the cotton outlook price indicator advanced one penny to 83 pence per kilogram.

Experts believe that the rains which recently fell on Argentina cotton plantations could affect the quality of the crop there. And it is this region that traders had hoped would make up the deficit in good-quality cotton on the US market.

**WOOL:** Calm. The Australian wool market has ground to a halt for Easter, with no auctions in the country this week. In Britain, prices remained at 444 pence per kilogram.

## Government of Bangladesh

Office of the Executive Engineer, RHD

Rajshahi Road Division, Rajshahi

## RHD Notice Inviting Tender

1. Tender Notice No : 15 RHD of 1995-96 Eng.
2. Name of work : Protection of road embankment on the bank of the river Bara by providing brick matting at 23rd KM of Puthia-Bagmara Road under RHD Road Division, Rajshahi during the year 1995-96.
3. Chargeable head : 266-C/A.
4. Estimated cost : Tk 33,59,035/-.
5. Earnest money : Tk 67,181/-.
6. Time allowed for completion of work : 60 (Sixty) days from the date of issue of work order.
7. Eligibility of bidder : RHD enlisted contractor of general category from "A" to "C" as per rule.
8. Last date for selling tender documents : Up to 15-4-96 Eng/2-1-1403 Beng during office hours.
9. Last date & time for receiving tenders : 16-4-96Eng/3-1-1403 Beng. up to 12-30 PM.
10. Date & time for opening tenders : 18-4-96Eng/5-1-1403Beng at 11-00 AM.
11. Name of offices where tender documents will be sold :
  - i) Executive Engineer, RHD, Rajshahi Road Division, Rajshahi.
  - ii) Executive Engineer, RHD, Pabna Road Division, Pabna.
  - iii) Executive Engineer, RHD, Nawabganj Road Division, Nawabganj.
  - iv) Executive Engineer, RHD, Naogaon Road Division, Naogaon.
  - v) Executive Engineer, RHD, Planning Division (Roads & Bridges), Sarak Bhaban, Ramna, Dhaka.
  - vi) Executive Engineer, RHD, Road Division, Banani, Dhaka.
  - vii) Sub-Divisional Engineer, RHD, Road Sub-Division-I/II/III, Rajshahi.
  - viii) Asstt Engineer, RHD, 1st Ling Workshop Sub-Division, Rajshahi.
12. Name of offices where tenders will be received :
  - i) Superintending Engineer, RHD, Rajshahi Road Circle, Rajshahi.
  - ii) Superintending Engineer, RHD Monitoring & Evaluation Circle (Roads & Bridges), Sarak Bhaban, Ramna, Dhaka.
  - iii) Executive Engineer, RHD, Rajshahi Road Division, Rajshahi.
  - iv) Executive Engineer, RHD, Nawabganj Road Division, Nawabganj.
  - v) Executive Engineer, RHD, Naogaon Road Division, Naogaon.

Sealed tenders in Bangladesh Form No 2911 for the work are hereby invited from the enlisted RHD contractors of general category recording their financial limit & will be received by the office mentioned above on the date & time fixed for opening of the tenders.

Tender documents, consisting of BD Form No 2911, notice inviting tenders, schedule of items of works, instruction to the contractor, additional terms & conditions, materials specification, technical specifications of work & particulars of contractors etc will be available for sale in the offices mentioned above during office hours on all working days up to the last date for selling tender documents at usual RHD rate. The tenders will be opened on the date & time fixed for the same, in presence of intending tenderers or their authorised representative who may like to remain present.

To ascertain availability of local materials, labour/skilled labour, carrying facilities, transportations of materials; situation of the work, the services required to fulfil the contractual obligation etc it is advised to purchase tender documents well ahead of the last date of selling tenders.

M A Salam  
Executive Engineer, RHD  
Road Division, Rajshahi.