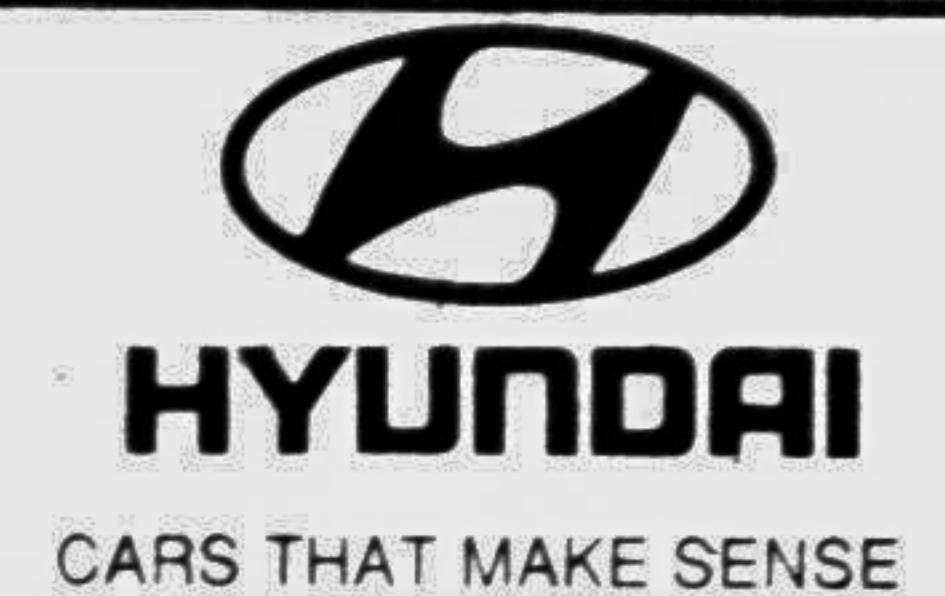


# The Daily Star BUSINESS

DHAKA SATURDAY, MAY 11, 1996



## Currency crisis in Narail

NARAIL, May 10: Shortage of coin and paper currency of one taka denomination has intensified in the district causing inconvenience in transaction, reports UNB.

According to local people, the paper currency which is more or less available has become unusable while the metal coins are not visible in the local markets.

Local businessmen alleged a section of people were keeping the newly introduced coins in their collection.

"The rickshaw-pullers and shop-keepers now-a-days are not paying back Tk one in their transactions taking the advantage of the scarcity", said a school teacher.

## US budget wrangle Republicans pressing for balanced budget

WASHINGTON, May 10: The Republicans, bogged down in their efforts to get Democrats to agree to a gas tax cut, unleashed their latest assault Wednesday to press the White House, for a balanced budget over six years, reports AFP.

"We balance the budget by the year 2002. We reduce Washington spending. We provide long-overdue tax relief for American's working families. And we continue to fight for reform in our failed welfare system and medicaid," Senate majority leader Bob Dole told journalists.

Dole, who is President Bill Clinton's presumed Republican challenger in November's election, gathered on capital Hill with other top party leaders including House of Representatives Speaker Newt Gingrich who called the president's budget proposal for 1997 "all

## Govt finishes evaluation of bids for licences for cellular operation

By R M Titumir and Inam Ahmed

The government has completed a preliminary evaluation of the bids for licences for cellular operation in late April to break the monopoly in this sector after nine months following inviting bids for issuing licence to cellular operators.

A top official of the ministry of post and telecommunications (MOTP) said the ministry is now wanting the evaluation to be vetted by an independent evaluator since ten out of 11 members of the evaluation committee are from BTTB which itself is an aspirant to cellular sector operation.

The MOTP has also sent a terms of reference (TOR) for the independent evaluator to the Economic Relations Division (ERD) this week for foreign assistance in this regard, ministry sources said.

Meanwhile, as time was lapsing without any solution, the validity of the bid bonds has been extended up to June this year.

If the government fails to take any decision regarding awarding contracts within this stipulated time, the validity of the bids will have to be further extended causing financial losses to the prospective operators.

The government floated tender inviting bids for issuing license for cellular operators in August 1995 which was opened on November 6.

Fourteen bids were received in the tendering. Meanwhile, technical evaluation committee was formed in October which was reconstituted in December.

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In July 1994, the monopoly coverage of City Cell ended. When government wanted to open up the sector to other private parties, City Cell went to the court challenging the government order. But the court verdict went in favour of the government paving the way for competition in the sector.

The evaluation, pending for a long time, has been expedited after the new secretary took charge of the MOTP.

Currently, City Cell is enjoying monopoly status in the cellular operation.

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A week-long Thai food festival was inaugurated by Sunthorn Vidhyameth, the Ambassador of Thailand, at the Cafe Bazar restaurant of Sonargaon Hotel yesterday.

## UN-Iraq oil-for-food talks take turn for the worst

UNITED NATIONS, May 10: Iraq's chief negotiator said Thursday oil-for-food talks with the United Nations had taken a turn for the worst because of unspecified conditions set by the United States and Britain, says AP.

But US Ambassador Madeleine Albright she had heard "there's some hope for the best" in the talks and said "there are just rumors around" that the talks were headed toward an agreement.

"We consider it important that this round has been taken place," Albright said. "We hope very much that it will conclude successfully."

A Western diplomat, speaking on condition he not be identified by name or nationality, also said "real progress" had been made in the latest round.

But Iraqi negotiator Abdul Anur al-Anbari painted an entirely different picture of the status of the talks. As he left UN headquarters after the morning session, al-Anbari was asked whether progress had been made.

"No," he replied. "It's much worse. We discovered that really there is a conspiracy by America and Britain and some other countries to really become unified in error and to continue to do that without letting the world know."

Al-Anbari said the negotiations were little more than a charade and that he regretted that Secretary General Boutros-Ghali "accepted the intervention - the illegal act ... and the stupid intervention made by the United States and Britain."

Nevertheless, al-Anbari said he had no plans to walk out of the talks.

Iraq has been barred from selling oil since the Security Council imposed sweeping economic sanctions after Baghdad invaded Kuwait in 1990. Last year, the council agreed to allow Iraq to sell \$1 billion worth of oil every 90 days to buy food and medicine for its suffering people.

But the UN offer requires that up to 150 million dollars worth of goods be distributed to Iraqi Kurds, who have been fighting the government for decades. The United States and Britain want Iraq to play no role in the distribution. Iraq says that would violate its sovereignty.

Last month, a third round of talks ended without agreement after British and American officials complained that a tentative accord contained loopholes that Iraqi President Saddam Hussein could exploit to buy prohibited military equipment and keep supplies from his opponents.

De Kooning painting worth \$6 m fails to find buyers

NEW YORK, May 10: A William painting valued at upwards of six million dollars was among several important artworks that failed to sell at Sotheby's auction of contemporary art, reports AP.

De Kooning's 1955, "Woman as Landscape," with flesh tones and the suggestion of a face, had been advertised as the star of the sale. The work belongs to actor Steve Martin, who bought it privately from Sotheby's in 1990 after it failed to sell at auction then.

Bidding stopped at 4.9 million dollars Wednesday evidently below Martin's undisclosed minimum. The auction house had valued the painting between six million dollars and eight million dollars.

Other works that did not find buyers included Franz Kline's "Andrus," which Sotheby's had estimated would sell for 2.5 million dollars to 3.5 million dollars, and Jasper Johns' "Gray Painting with Ball," valued at 1.5 million dollars to 2.5 million dollars. In all, 14 of the 59 lots failed to find buyers.

The top work that did sell was Arshile Gorky's 1947 "Study for Agony," which went for 2.4 million dollars, just shy of the auction house's low estimate of 2.5 million dollars.

When asked about recent reports of plans to adjust

## Laotian economy remains backward, aid-dependent

VIENIANE, May 10: Laos should address its economic woes by narrowing the gap between rich and poor and speeding up development in order to qualify for membership in the Association of Southeast Asian Nations (ASEAN), economic experts say, reports AFP.

A decade after Laos opened its doors to the world, the country's economy remains backward and cruelly dependent on neighbours and international aid donors.

"It is a small economy depending very much on its neighbours," said Jan Mattsson, United Nations Development Programme (UNDP) representative. "The challenge for the government will be to distribute the wealth more equally."

Iran denies US allegations of helping Iraq sell oil

TEHRAN, May 10: A senior Oil Ministry official on Thursday denied allegations by President Clinton that Iran was helping Iraq smuggle oil and dates in defiance of United Nations trade sanctions, reports AP.

Hojatoleslam Ghaniemi-Fard, head of the ministry's international affairs department, said the allegations were "baseless."

The official Islamic Republic News Agency quoted him as saying the alleged Iranian oil shipments would not conform to any trade logic of the oil market."

Iran is a leading member of the Organisation of Petroleum Exporting Countries, which tries to restrict output among its 12 member states in order to control oil prices. Iran and the cartel's other members benefited by OPEC member Iraq's absence from the market by pumping more oil.

Washington has resorted to spreading rumours against Iran and marring public opinion, IRNA quoted Ghaniemi-Fard as saying.

Clinton said in a May 4 report to Congress that vessels carrying 1.1 million dollars in petroleum products and 1.4 million dollars in dates from Iraq had been intercepted by a multinational force during the past two months.

He said there was evidence Iran had taken part in the smuggling by providing ships with false paperwork, the use of Iranian territorial waters,

and warnings regarding the location of enforcement ships.

The United States has also accused Iran of helping Iraq to circumvent sanctions in 1994, when US warships intercepted two tankers in the northern Gulf on suspicion of smuggling Iraqi oil. One of the captains admitted loading at an Iraqi port.

UN sanctions imposed after Iraq invaded Kuwait in August 1990 deny Baghdad its lifeblood of oil revenue.

A security Council resolution authorizes Iraq to sell a small amount of oil to purchase humanitarian supplies.

But Iraq is still negotiating with UN officials on the details and accuses the United States and Britain of blocking a deal.

China adjusting aid policy to boost econ cooperation

BEIJING, May 10: China said on Thursday on the eve of a six-nation African tour by President Jiang Zemin that it was adjusting its aid policy in order to enhance economic cooperation between the "traditional" friends, reports AFP.

China and Africa enjoy traditional friendship and the two sides have always supported and sympathised with each other in national development and promoting world peace, foreign ministry spokesman Shen Guofang said.

"In the process, the two sides have cultivated a profound friendship and now enjoy 'sound relations,'" he added ahead of Jiang's departure Wednesday for Kenya, Ethiopia, Egypt, Mali, Namibia and Zimbabwe.

When asked about recent reports of plans to adjust

China's foreign aid policy towards African nations, Shen pointed out that both regions were in "crucial stages" of development, focusing on faster economic growth.

"Therefore it is necessary for China and Africa to make some adjustments...as far as aid and mutual cooperation are concerned. The major purpose of such an adjustment is to further enhance cooperation between China and Africa in the economic field," he said.

In recent years, China has overhauled its foreign aid programme virtually abandoning interest-free grants in favour of loans.

However, foreign Minister Qian Qichen said last week that China would increase interest-free aid to African nations "to an appropriate degree."

In Africa, as in the rest of the third world, China's influence has in recent years declined in favour of its rival Taiwan, which has pledged greater financial support.

In January, Senegal switched diplomatic recognition from Beijing to Taipei.

Analysts believe a key objective of Jiang's tour and the recent promises of greater financial aid is to counter the Taiwanese offensive.

Shen declined to comment on whether Jiang may also make an unofficial visit to South Africa during his trip, saying that beyond information on his six-nation tour, "I have nothing to offer."

South Africa is the only major country to grant diplomatic recognition to Taiwan instead of China, which has nevertheless been developing strong trade contacts with the African nation.

Shen reiterated China's stance that it will not discuss the establishment of diplomatic ties until South Africa severes official links with Taiwan.

Clarification

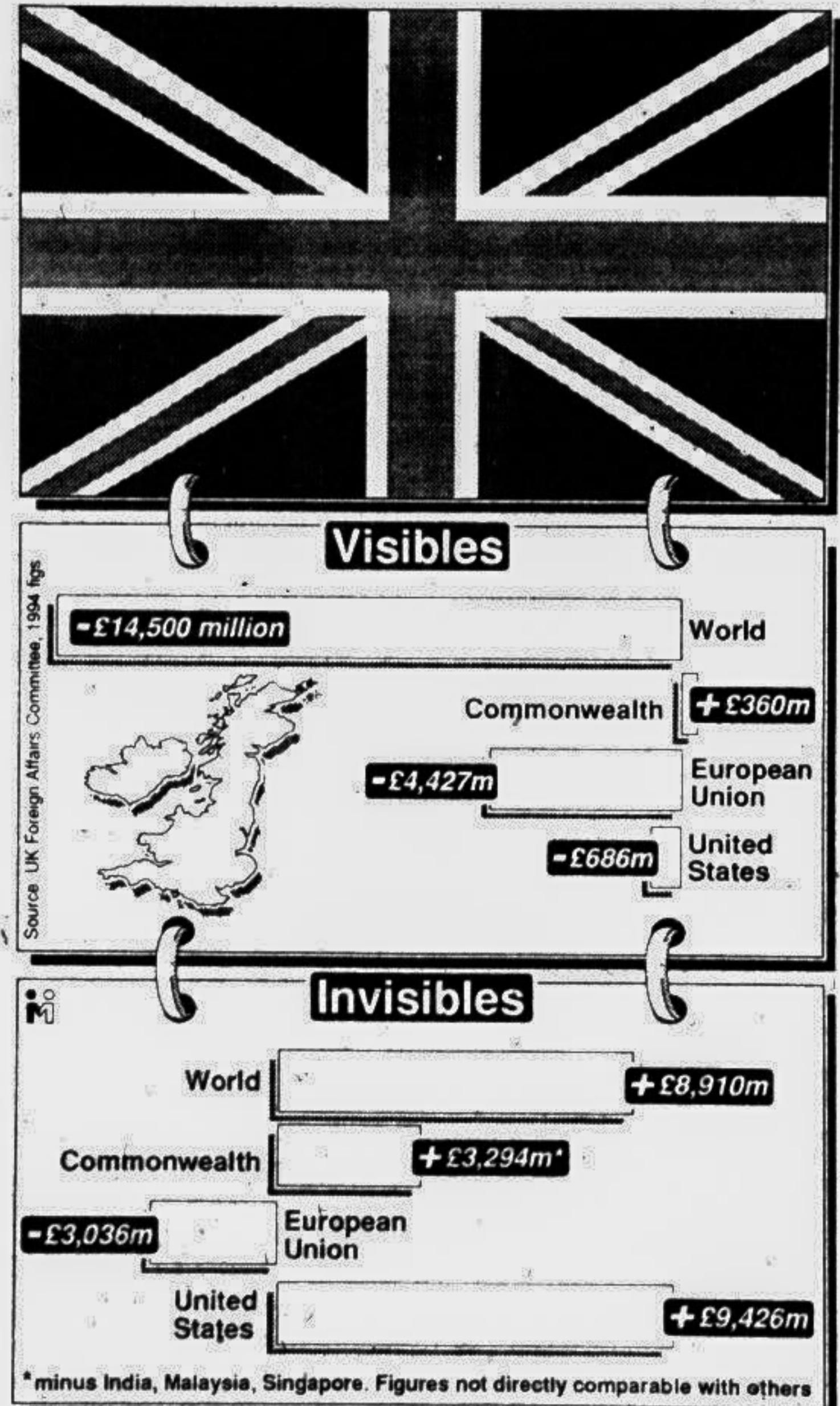
BCIC has sent a clarification of the news item under the heading, "Construction work of Shahjalal Paritiser Complex yet to begin published on Page 6 of our Monday's issue. The clarification follows:

It is not correct that Fenchuganj Fertilizer Factory will be shut down as mentioned in the report. BCIC has no such plan. The factory is continuing production as usual.

With the continued operation of the factory spanning a period of over 30 years, the control and protective instruments lost dependability and effectiveness to great extent and consequently the continuing of production turned risky.

In this context, the committee headed by Dr Iqbal Mahmud examined the whole issue in detail and recommended continuation of operation of the factory for a period of at least three years with necessary maintenance of plant and machinery.

**British trade: In the red - in the black**



## Britain told: Rediscover Commonwealth

Derek Ingram writes from London

pulling Britain out of recession. Commonwealth economies loomed large in that process."

Just as trade was the driving force behind the creation of the British Empire three centuries ago, the MPs now say it should be the motive for reinforcing the old ties. They note that Commonwealth countries between them belong to 22 regional organisations, and that "in an increasingly global, transregional political system, we believe that the Commonwealth network has great potential future value."

Perhaps the report's most important section concerns the promotion of democracy, good governance and human rights". It sees this role as of growing importance.

Committee members want the 1991 Harare Declaration strengthened at the next Commonwealth summit to be held Edinburgh in 1997.

Democracy, they say, includes freedom of expression and assembly, freedom to form and join political parties and free access to the media.

The Harare Declaration talks of "just and honest government". This, say the MPs, "requires respect on the part of the government for the rights of the opposition to present their own policies to the electorate without government obstruction, interference and intimidation." The MPs would like to see the Harare Declaration built on, to "become a standard bearer ... in the world at large."

They want the Commonwealth Secretariat enhanced so that it can better provide government with "advice, training and other forms of technical assistance to promote the Commonwealth's fundamental political values". This means not just monitoring

and more pro-active.

The committee wants Britain to speak up for the interests of Commonwealth countries in international forums.

It finds the government attitude to the BBC World Service and the British Council, both of which are to suffer new financial reductions, "frankly incredible". And it says the danger of closure of the Com-

monwealth Institute in London due to swingeing budget cuts "must be avoided."

Their ideas include regular meetings of Commonwealth trade ministers, the formation of Commonwealth Association of Election Administrators, and the appointment within the British Government of a Commonwealth Trade and Investment Officer. They want British companies to "adopt" Commonwealth schools, and the BBC World Service to run "Commonwealth Schools Programmes."

The MPs' conclusion is that the Commonwealth of today is new and not fully appreciated: "From being a 'club' of countries all too ready to criticise and make demands on the former imperial power, the Commonwealth is rapidly metamorphosing into a network with quite different interests and ambitions."

The report has come out a year before the latest possible date for a British general election and about 18 months before the first Commonwealth summit to be held in Britain for 20 years. Both main political parties will have to give it special attention.

If opposition Labour leader Tony Blair finds himself prime minister, the summit would be his first major international experience. He will need to be prepared by absorbing what the MPs found up in the attic.

**Gemini News**

Derek Ingram is Consultant Editor of Gemini News Service. He is a former president of the Commonwealth Journalists' Association and of Britain's Diplomatic and Commonwealth Writers' Association. His books include "The Commonwealth Challenge: Commonwealth for a Colour-Blind World", "The Commonwealth at Work" and "The Imperfect Commonwealth".