

DHAKA TUESDAY, AUGUST 27, 1996

**Dhaka, Tehran sign MOU**

TEHRAN, Aug 26: Bangladeshi Foreign Minister Abdus Samad Azad today wrapped up his three-day visit to Tehran after signing a memorandum of understanding (MOU) with the Iranian government, reports Xinhua.

The state-run Tehran radio reported that the memorandum was signed by the visiting Bangladeshi Foreign Minister and his Iranian counterpart Dr Ali Akbar Velayati.

Azad described his visit to Tehran as beneficial and expressed his country's desire to expand Dhaka-Tehran Relations in various fields.

Dr Velayati said that Azad's trip to Iran indicates that the new government in Bangladesh is willing to strengthen its ties with Iran.

He said that Azad's visit to Tehran was a confirmation of Bangladesh's commitment toward materialisation of various agreements signed between the two countries during Iranian President Hashemi Rafsanjani's visit to Dhaka last year.

The trade volume between the two countries is expected to double this year, he added.

**Interest-free loan giving programme opens in Ctg**

CHITTAGONG, Aug 26: State Minister for Labour and Manpower MA Mannan on Sunday formally inaugurated an interest-free loan disbursement programme under Town Service Project-1 at Sushapara in the city, reports UNB.

On the occasion, he handed over a cheque of about Taka 3 lakh to some 88 destitute women.

The state minister also inaugurated 'Apni Nibas' a housing complex to be constructed for the handicapped people at Rowabandha here.

He also addressed as chief guest at reminiscence meeting organised by Kamal Smriti Sangsad at local Walilullah Institute on Sunday, to commemorate the 8th death anniversary of student leader Kamal Uddin.

Paying tributes to the memory of late student leader he said Kamal sacrificed his life to establish the ideals of the father of the nation Bangabandhu Sheikh Mujibur Rahman.

He said assailants killed a heroic son of the soil like Kamal. He called upon the new generation to set up a terrorism free academic arena imbued with the ideals of late Kamal.

**WB team calls on Razzaq**

A three-member World Bank team led by its Divisional Chief of Agriculture and Natural Resources Affairs, Redwan Ali, called on Water Resources Minister Abdur Razzaq at his office yesterday, reports UNB.

They discussed matters on various aspects of the ongoing development projects of the Water Development Board.

The minister informed the world bank division chief that necessary directives have been given to the authority concerned to complete the projects within the stipulated period.

They also discussed the pipeline projects and new projects to be taken in the water sector.

All showed keen interest in the new projects and expressed WB's willingness to invest more in the water sector in Bangladesh.

Dr ATM Shamsul Huda, Secretary Water Resources Ministry, was present on the occasion.

**Sino-US trade deficit slowly increasing**

CHICAGO, Aug 26: US Commerce Secretary Mickey Kantor said on Sunday that the trade deficit between the US and China was increasing, but at a slower rate of growth, reports Reuters.

"It's increasing, but at an ever decreasing rate," Kantor said, at a party hosted by the Chicago Mercantile Exchange (CME) for the California delegation to the democratic national convention, which begins on Monday.

The US Commerce Department's June trade report showed that for the first time, the US trade deficit with China surpassed the shortfall with Japan.

While the overall US June trade gap narrowed by 23.1 per cent to \$11 billion US dollars, the US trade deficit with China jumped 8.8 per cent to \$3.33 billion US dollar.

"Of course, our trade deficit with Japan is way down," Kantor said.

The US-Japan trade deficit rose 3.6 per cent to \$3.4 billion US dollars in June, but the second quarter bilateral shortfall was the smallest quarterly deficit in five years.

Kantor said that the US had made "great progress" in narrowing the overall US Trade deficit for June.

"We've made great progress," he said. "Last year we increased our exports more than any country had ever increased exports in all of world history."

**Govt to set up soil research, test centre in each district**

The government will set up a soil research and test centre in each district of the country, reports UNB.

Minister for Agriculture, Food, Disaster Management and Relief Begum Matia Chowdhury disclosed this while inaugurating 'Itinerant Soil Test Programme' here on Sunday.

It was informed that two itinerant vans or units namely Meghna and Padma, which contain every facility for soil testing, including suggestions by soil scientists, will start testing soil in the country's eastern and western parts.

The Meghna will cover the areas of Dhaka, Chittagong and Sylhet divisions while the

Padma Rajshahi, Khulna and Barisal areas.

Officials said soil scientists will guide the farmers for proportional use of fertilizer after testing the soil of each locality.

This is first of its kind in the country and with the introduction of this programme the farmers will be able to make proportional use of fertilizer in their cropland which will help increase fertility of land. Consequently cost of crop production will come down significantly.

The agriculture minister directed the concerned officials to complete the soil test programme throughout the country within shortest possible time.

She also called upon the

farmers to take suggestions given by the soil scientists in order to increase the country's overall agri output.

The minister mentioned that so far 377 census programmes on soil have been completed in the country, said an official handout.

Local MP Dr Dewan Mohammad Salahuddin, Agriculture Secretary Dr AMM Shawkat Ali, Director General of Agriculture Extension Department Abdus Sattar, Executive Vice Chairman of BARC S U Chowdhury, Prof Leed Piterson and Director of Soil Resources Development Institute S M Shahid also addressed on the occasion.



Dr Tawfiq-E-Elahi Chowdhury, Executive Chairman, Board of Investment, speaking at a monthly luncheon meeting of the Foreign Investors' Chamber of Commerce & Industry at a city hotel yesterday. On his left, are President of the chamber, Mahbub Jamil and FICCI Secretary, Jahangir bin Alam and on his right, FICCI Vice-President, Jean Pierre Raynaud.



M Azizul Huq, Managing Director of Social Investment Bank Limited, inaugurated a computer training course for the bank's executives at the head office in the city on Sunday.

**US monitoring Chinese technology exports**

WASHINGTON, Aug 26: US Vice President Al Gore said Sunday the United States was closely monitoring Chinese technology exports, but he refused to say whether Pakistan was using Chinese-supplied equipment to build a missile factory, reports AFP.

"I'm not going to comment on the intelligence reports," Gore said on ABC's "This Week With David Brinkley." "We have an active ongoing dialogue with the Chinese on this very point."

Gore was responding to a Washington Post report Sunday that Pakistan was secretly building a medium-range missile factory using blueprints and equipment supplied by China.

The Post citing US intelligence officials, said the factory, located in a suburb of the northern city of Rawalpindi, is expected to be capable of producing most of the major components of a missile modeled after the Chinese-designed M-11 in a year or two.

State Department spokesman Glyn Davies will not comment on the report except to say, "We continue to examine any reports we receive of possible military related transfers from China to Pakistan."

Another official, asking not to be identified, said the administration has come to no conclusions about the activities mentioned in the Post article.

In the ABC interview, Gore said he expected China to comply with the provisions of the

laws and treaties that govern technology exports.

Asked whether the Chinese were being cooperative, Gore said the dialogue between the Washington and Beijing was "much more open and productive now" after a visit by national security adviser Anthony Lake to China in July.

The post report comes a few weeks after the United States resolved a dispute with Beijing over allegations that China sold Pakistan ring Magnets, a technology that could be used in a nuclear weapons programme.

If the latest report is confirmed, China would be violating commitments it made to Secretary of State Warren Christopher in October 1994 not to deploy M-11s in Pakistan.

Such missile transfers also would violate the Missile Technology Control Regime, a 31-nation pact designed to head off missile proliferation.

William Triplett, former chief Republican counsel for the Senate Foreign Relations Committee, said the Chinese are assisting the domestic Pakistan missile programme by transferring technology.

But he said he could not confirm the Post's report of a partially completed factory in Rawalpindi.

Triplett noted, however, that there is a history of the Chinese passing blueprints to Pakistan. He said Pakistan got the blueprints for its nuclear weapons from China.

Iran, close to half of whose budget comes from oil revenues has also benefited from a rise in crude oil prices, currently at about 21 dollars a barrel compared to 15.5 dollars a barrel in budget forecasts.

**Iran sets time to pay off external debt**

TEHRAN, Aug 26: Iran expects to pay off by 2002 the bulk of its external debt, which stood at nearly 22 billion dollars for the year ending March 1996, the central Iranian bank was said as saying yesterday, reports AFP.

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Greater tolerance for credit risks.

"While illustrating in part a recovery of confidence on the part of international investors, active borrowing by lower-rated and non-rated names may also reflect a more general loosening of credit risk standards," BIS said.

This development, which originated in the syndicated loan market, is not without risks, BIS warned. It noted the recent default of a Bulgarian state-owned bank on a yen-denominated private placement.

Syndicated bank loans also rose to a record 120.3 billion US dollar in the second quarter, boosted by merger and acquisition deals in the United States, the United Kingdom and the

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**2 pvt cos engaged to bring 393 thanas under telecom network : JS told**

Post and Telecommunications Minister Mohammad Nasim Saturday told the Jatiya Sangsad that two private organisations had been engaged to bring 393 thanas of the country under telecommunication network, reports BSS.

Replies to a call attention notice by Shahjahan Khan (AL Madaripur), the minister said Seba Telecom Limited would provide telephone connections to 154 thanas in the southern parts of the country including Madaripur.

Mohammad Nasim said that so far 377 census programmes on soil have been completed in the country under the telecom network by 1997.

He further said that government has been encouraging the private establishments to grow and contribute their mite in the national development activities.

In his notice Shahjahan Khan demanded that auto exchange be introduced instead of magnetized exchange at Takerhat port in Madaripur district.

China to merge 1000 state firms with big groups

BEIJING, Aug 26: China will merge 1,000 state firms into large industrial groups by 2000 in its latest attempt to slash losses in the sector that last year topped 88.3 billion yuan (10.6 billion dollars), the China Daily Business weekly reported on Sunday, says AFP.

Companies which are beyond recovery will be allowed to go bust, with their assets cannibalised and distributed to more healthy state firms.

Bankruptcy can be a way to halt the operational losses of some crumbling enterprises, the paper quoted economists as saying, and may also lead to the tie-up of assets in state businesses.

Chinese economists hope mergers will allow a group of companies to pool their most profitable operations but still enable them to cut out dead wood without becoming too small to exist alone.

Cutting the apron strings of unprofitable state firms used to decades of state handouts has been a huge problem for Chinese officials, who have been reluctant to allow mass bankruptcies for fear of social unrest.

But now local authorities have been given another incentive to start dabbling with the monolithic sector — their careers and their future will depend on how well they accomplish reforms.

The political future of the local officials ... should be linked with their achievements in revitalising state enterprises," the paper quoted Vice Premier Wu Bangguo as saying.

Faced with the unpalatable choice of merging of going bust, state sector firms have been urged to plumb for high-technology process to save themselves, but many find their unskilled workforce unable to adapt.

Iran will repay some 9.94 billion dollars in 1996-97, 4.6 billion in 1997-98, 3.95 billion in 1998-99, 2.63 billion in 1999-2000, 635 million in 2000-01 and 49 million in 2001-02, the bank said. Around 102 million dollars would be left over to be repaid from 2002.

The figures, published without commentary, require the continuation of severe austerity measures implemented two years ago to reduce Iran's debt burden, observers say.

This policy has meant large budget cuts, freezing the exchange rate and drastically reducing imports.

Foreign experts estimated Iran's external debt at 30 billion dollars at the beginning of the year when the new Iranian budget included debt service of 6.6 billion to seven billion dollars in 1996.

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**SAARC should establish common transit treaty, study suggests**

DIA, the Maldives, Nepal, Pakistan and Sri Lanka.

The SAARC countries could cooperate in the modernisation of existing industrial units through technology transfer and joint ventures. This would help in reviving sick industrial units in many countries, the study said.

In addition to establishment of a common regional transit treaty among the member states, the study also called for setting up clearing and payment arrangements, an arbitration centre, trade facilitation and a trade information network.

SAARC, formed in 1985, embraces Bangladesh, Bhutan, India,

Maldives, Nepal, Pakistan and Sri Lanka.

The study also recommended that SAARC countries explore the possibilities of cooperation in improving infrastructural facilities in different countries.

This could cover areas like railways, power, ports development, multimodal transport facilities and utilisation of water resources.

Riyadh may resume agri imports from Amman.

**AMMAN**

AMMAN, Aug 2