

Japan agrees to discuss US charges on film trade

TOKYO, Oct 4: Japan on Friday gave in to a US request to discuss charges that the Japanese film market restricts imports, on condition that the two countries also discuss the US market, reports AP.

In a press statement, the Ministry of International Trade and Industry said both markets need to be discussed because they "share significant similarities."

The US Embassy in Tokyo had no immediate comment on the proposal announced by Trade Minister Shunpei Tsukahara.

The long-running dispute concerns a US complaint, on behalf of Estman Kodak Co., that Japan's laws and regulations discriminate against imported photographic film and paper to benefit Fuji Photo Film Co.

Japan denies the allegations and has charged that many of the improper practices attributed to Fuji are conducted by Kodak in its own home market in the United States.

The proposed two-way talks would be held separately from deliberations by an arbitration panel at the World Trade Organization in Geneva, where Washington has filed charges against Japan over film trade.

The United States on Thursday asked the world trade body to set up the panel, and it is expected to do so October 16.

Agronomists probing rice yield decline in India

MANILA, Oct 4: Leading agronomists are probing declines of rice yields in India and the Philippines that may be linked to nitrogen loss in farms that use high yield varieties, the International Rice Research Institute (IRRI) said Thursday, reports AFP.

Long term field experiments in these two key producers "have shown that grain yield declined significantly after 10-20 years of double cropped irrigated lowland rice production, and IRRI scientists are seeking mitigating strategies," it said in a statement.

The agency did not provide detailed estimates of the declines.

An IRRI scientist Dan Oik, has identified the "decreased availability of soil nitrogen to the crop" as a leading cause of the falling harvests, the statement said.

The IRRI, based in the university town of Los Baños south of here, said that 50 per cent of global rice is harvested from irrigated lowland fields using fast growing rice varieties developed in the 1960s.

Malaysian co keen to buy navy ships from Argentina

KUALA LUMPUR, Oct 4: A Malaysian company is in negotiations to buy two ships from Argentina's navy, reports AFP.

The purchase and overhaul of the two corvettes is expected to cost 80 million to 100 million dollars, president Amin Shah Omar Shah of Business Focus Pty. Ltd. told Bernama in New York.

A German company, the Thyssen Group, is selling the ships for Argentina as part of a naval restructuring.

Amin Shah said his company has refurbished other weapons for the government and extended their usable lifespans by 18 years at one-third the cost of new weapons.

3 foreign airlines seeking strategic alliance with Garuda Indonesia

JAKARTA, Oct 4: British Airways Plc., Germany's Lufthansa AG and KLM (Royal Dutch Airlines NV) are seeking a strategic alliance with Garuda Indonesia, the country's flag carrier airline, a report said here Friday, reports AFP.

Garuda Commercial Director Sudarso Wirjono said such an alliance could be secured by a private placement before the company goes public in 1998.

"We are currently studying (the offers) to determine which one we will offer this strategic alliance to," Wirjono was quoted as saying by the Bisnis Indonesia Daily without elaborating.

Garuda recorded a loss of 4.2 million dollars in the first half of 1996.

Wirjono said the first half of the year was "low season" and forecast the company would enjoy profits in the second half of 1996.

The airline is currently undergoing a restructuring with officials saying the company plans to cut staff from the current 14,313 to some 10,000 within five years.

The state-owned airline currently employs 679 pilots, 93 technicians, 3,058 cabin crew, 3,353 maintenance workers and 7,130 administrative staffs.

Its current fleet comprises three B747-400s, six B747-200s, eight B737-300s, seven B737-400s, 10 A-300-600s, one A-300-B46, one MD11s and six DC10s.

DSE, CSE market indicators set new record over the week

By Rafiq Hasan

Bullish trend at country's two stock markets continued last week pushing their all market indicators to all time high.

The price index at both Dhaka and Chittagong stock exchanges registered new records reaching 1786.27 and 734.62 points respectively on Thursday, the closing day of the week.

In comparison with the previous week's position, the DSE and CSE price index rose by 131.25 and 38.92 points respectively.

The market capitalisation of the DSE surged by Taka 918.29 crore during the week reaching Taka 12497.74 crore from previous week's position of Taka 11579.45 crore.

While the market capitalisation of CSE reached Taka 6825.33 crore at the end of last week from previous week's closing day record of Taka 579.82 crore, the figure is 579.82 crore higher than the previous week's position.

On an average the shares of 62 companies gained daily while 38 suffered and two remained unchanged out of 104 issues traded at DSE.

Although the bullish trend prevailed at the Dhaka bourse almost everyday during the week, the turnover both in volume and value experienced slight fall as more than seven lakh shares and debentures valued about Taka 19 crore exchanged hands during the week against the average transaction of more than eight lakh shares and debentures worth about Taka 20 crore in the previous week.

The total of exchanged shares and debentures was over 42 lakh which was valued at Taka 114 crore.

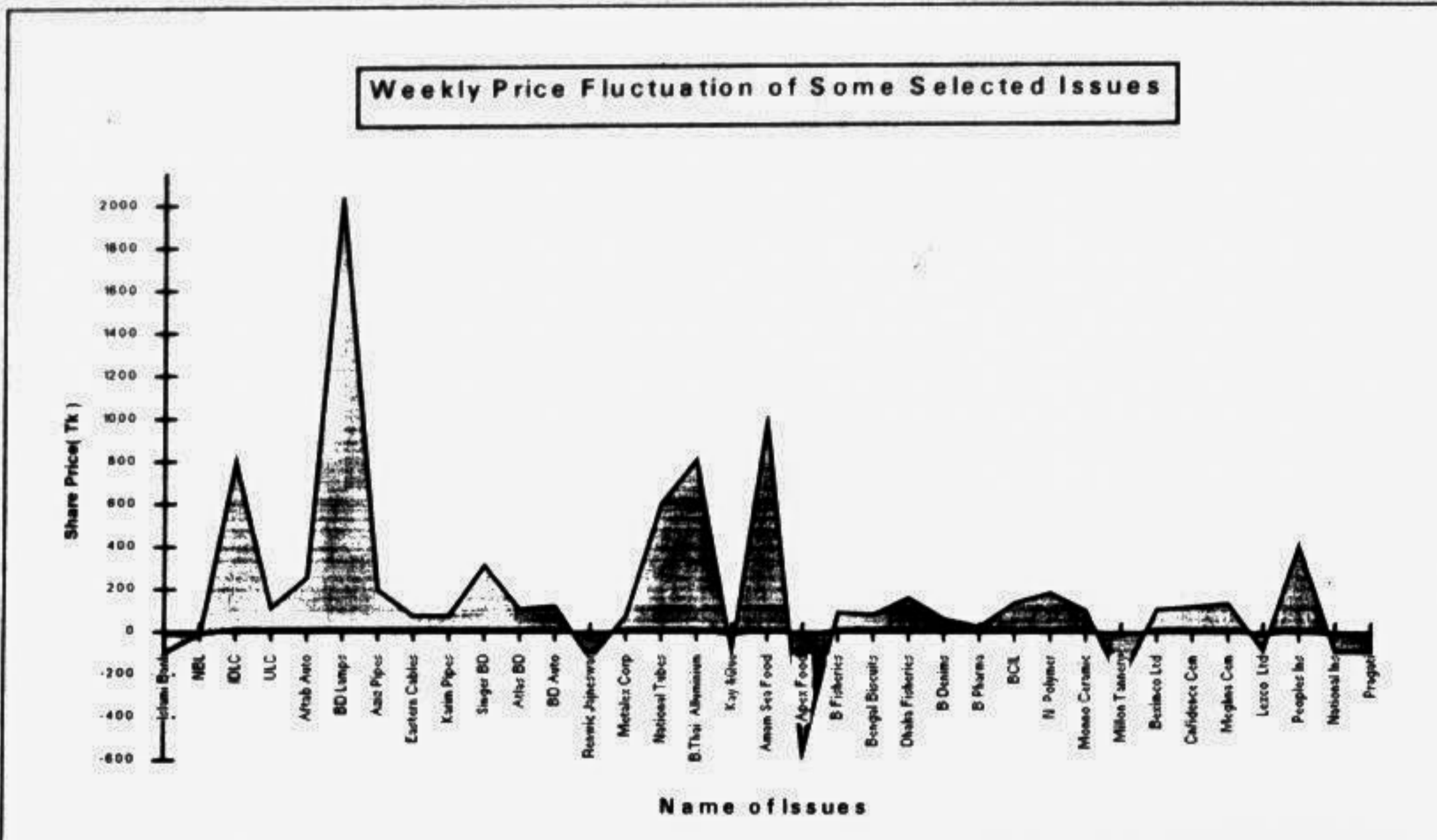
Despite a bullish trend at the beginning of the week, the market has become stable in the middle but it turned back at the end.

On Wednesday, the DSE price index crossed 1700-point mark for the first time when its market capitalisation also made another record by crossing Taka 12000-crore mark.

Out of 110 issues traded, prices of 70 companies shares gained while only 34 suffered losses and six remained unchanged on the day.

In the middle of the week, the DSE market indicators remained almost stable as its price index gained by 2.06 points on Monday and fell by only 1.37 points on Tuesday.

Although, the price index



Dhaka Stock Prices
Price fluctuation of issues

Name of Issues	Closing share price		Difference Tk
	28-Sep Tk	3-Oct Tk	
Islami Bank	5600	5498	-103
NBL	241	228	-13
IDLC	4765	5567	802
ULC	2250	2365	115
Aftab Auto	490	746	256
BD Lamps	4544	6588	2044
Azz Pipes	1860	2060	200
Eastern Cables	728	805	77
Karim Pipes	683	763	80
Singer BD	12998	13311	313
Atlas BD	506	615	109
BD Auto	245	368	123
Renwic Janneswar	300	173	-127
Metalex Corp	627	705	78
National Tubes	1415	2018	603
B. Thal Aluminium	686	895	209
Kay & Que	1481	1391	-90
Amam Sea Food	6100	7092	992
Apex Food	7665	7092	-573
B Fisheries	297	389	92
Bengal Biscuits	231	314	83
Dhaka Fisheries	633	794	161
B Denims	272	334	62
B Pharma	163	191	28
BCIL	582	720	138
N Polymer	1455	1639	184
Monno Ceramic	1337	1439	102
Millon Tannery	300	70	-230
Beximco Ltd	240	347	107
Confidence Cement	1479	1600	121
Meghna Cement	843	977	134
Lexco Ltd	762	680	-82
Peoples Ins	322	723	403
National Ins	620	530	-90
Pragati Ins	961	871	-90

declined on Tuesday, the number of gaining issues was more than the losers.

The share prices of 69 companies increased while only 38 issues suffered and only three issues remained unchanged on that day.

The market-operators and share-brokers said that the stock markets continued surging because the number of investors had been increased in recent times which also widened the base of the investment.

So, despite absence of good fundamentals of the issues, the prices of the shares continued rising as the demand for the securities was high, they noted.

The market is controlled by a large number of small investors so there is no chance of sudden crisis, they observed.

Even foreign investors can not influence the market now which they did earlier, said another DSE member.

Market may halt sometime at somewhere but no body knows the point where it would be stable, said M A Haq Hawlader, former honorary secretary of the DSE.

Appreciating the Security and Exchange Commissions (SEC) warning about 24 companies he said it benefited the investors a lot.

Most of the investors who earlier did not consider the fundamental of a company before buying shares, now have been cautious about it, he mentioned.

Tokyo accuses Jakarta of practising unfair trade in auto market

TOKYO, Oct 4: Japan has accused Indonesia of not practising fair trade in its auto market, and will file a complaint with the World Trade Organization, officials said Friday, reports AP.

The complaint would be officially filed later Friday, said Trade Minister Shunpei Tsukahara.

Indonesia's auto policy, which gives major tax breaks to a car company headed by a son of President Suharto has already provoked WTO complaints from the United States and Europe, who say it amounts to an unfair trade barrier.

Speaking at a regular press conference, Tsukahara said the decision comes after his efforts to persuade Indonesian President Suharto and other officials to revise the programme had failed.

"But this should never have a negative effect on the long-lasting friendly relationship between Japan and Indonesia," Tsukahara said.

There was no immediate reaction from Indonesia.

On Wednesday Trade Minister Tunku Ariwibowo said his country was "prepared to face them."

Indonesia has granted an exclusive, three-year exemption from import duties and luxury taxes to a joint venture between PT Timor Putra Nasional — headed by Suharto's youngest son, Hutomo "Tommy" Mandala Putra — and Kia Motors Corp. of South Korea.

Because of Indonesia's high taxes on cars, the exemption would make the price of the junior Suharto's cars substantially lower than competing models.

In addition, Timor Putra Nasional is allowed to use its tax exemptions to import cars from South Korea for one year because it hasn't finished building factories in Indonesia.

Sales began Wednesday of the company's first shipment of 2,084 cars which arrived from South Korea in August.

Indonesia refuses to change 'national car' policy

JAKARTA, Oct 4: Defying charges by Europe of unfair trade barriers, Indonesia refused Friday to change its "national car" policy that favours an automaker headed by a son of President Suharto, reports AP.

The complaint filed Thursday by the European Union at the World Trade Organization added to criticism from the United States and Japan, which are filing their WTO cases against Indonesia.

"We will not change the policy," Trade Minister Tunku Ariwibowo said after a meeting with Suharto. "It is not unusual to have dispute among the WTO members."

Tunku dismissed the possibility of trade sanctions, saying the company doesn't allow them.

He said Indonesia would accept a European request to discuss the issue.

The dispute stems from an exclusive, three year exemption from import duty and luxury taxes granted to a joint venture between Suharto's son Hutomo "Tommy" Mandala Putra and Kia Motors Corp. of South Korea.

The exemption would give the company a substantial advantage against other models, because taxes in Indonesia can add as much as 50 per cent to the price of cars.

Japan, Taiwan begin talks on fishing rights

TOKYO, Oct 4: Japan and Taiwan began talks on fishing rights around disputed islands today as Tokyo said it would "reserve" a decision on recognising a lighthouse erected by nationalists on one of the islands, reports AFP.

The second round of talks comes two months after the two sides agreed to discuss whether a "private sector framework" was needed to regulate fishing in waters around the islands, claimed by Japan and Taiwan as well as China.

Known as the Senkaku group in Japanese and the Diaoyu islands in Chinese, they are rich in bonito fish and located 140 kilometers (87 miles) north of the Japanese island of Ishigaki and 150 kilometers (93 miles) northeast of Taiwan.

The uninhabited chain has been the focus of anti-Japanese protests in China, Taiwan, Hong Kong and Macau since July when the nationalist Japan Youth Federation erected the lighthouse on Kitakuo, one of the smaller islands in the group.

The Japanese coastguard has since stopped Taiwanese protest boats from reaching the islands and, during a standoff last week, the leader of a Hong Kong

protest voyage drowned after diving into the disputed waters.

While Japan is keen to downplay the sovereignty issue, Taiwanese Foreign Ministry spokesman Cheng Poh-Chiu said Thursday that it would be "brought up" during the talks which are expected to last one or two days.

But Japan's Foreign Minister Yukihiko Ikeda asserted today that the decision to reserve recognition of the lighthouse "will not affect Japanese sovereignty" over the islands.

Bank robber uses Dole mask

CHICAGO, Oct 4: A man wearing a mask of Republican presidential nominee Bob Dole robbed the first National Bank in suburban Wheaton, FBI spokesman Bob Long said, reports AP.

The man also wore a gray jacket, dark slacks and what witnesses called "a very ugly tie," Long said Thursday.

Before leaving with an undisclosed amount of money, Long said the bandit told the teller: "Don't forget to vote."

Police crack down on narcotics trade in Vietnam

HANOI, Oct 4: Police throughout Vietnam have seized hundreds of kilograms (pounds) of narcotics during a nationwide anti-drug campaign, officials said, reports AP.

At least 444 new drug-related cases were registered by police agencies through the first 20 days of the narcotics crackdown. It was unclear how many people had been arrested in connection with the cases.

Police seized 65.8 kilograms (146.2 pounds) of opium and 67.3 kilograms (149.5 pounds) of assorted marijuana, heroin, and morphine, the newspaper Nhan Dan, or The People, reported.

Last month, a state-run newspaper published by the police reported that in the first week of the campaign 72 alleged drug dealers and 552 drug users were arrested.

Along with the police campaign, the state-run media have been running articles and editorials decrying the evils of drug use.



Dealers work at the trading station of the Tokyo Foreign Exchange Thursday during afternoon trading. The US dollar hit the 112-yen level during morning trading, the highest level in about 32 months. The rise followed comments made by Japanese, US and German officials in support of the US dollar. — AFP/UNB photo

Share prices fall, dollar mixed in Tokyo

TOKYO, Oct 4: Share prices on the Tokyo Stock Exchange fell Friday for the fourth straight day, while the US dollar was mixed, reports AP.

The 225-issue Nikkei Stock Average fell 183.47 points, or 0.86 per cent, to finish at 21,148.03 points. On Thursday, the average shed 167.10 points, or 0.78 per cent.

Profit-taking across the board both domestic and overseas investors sent the market lower following an overnight decline in futures prices on the Chicago Mercantile Exchange, and a slight fall on Wall Street Thursday.

Some traders said investors also were on the sidelines over political uncertainties in Japan prior to the October 20 general election.

"The market will rebound after the election," said Ryoichi Ohta, General Manager of the stock division at Tokyo Securities. "It's the political uncertainty at the moment which is discouraging investors from buying up the cash market."

The Tokyo Stock Price Index of all issues listed on the first section closed down 14.42 points, or 0.90 per cent to 1,593.60 points. The TOPIX closed down 12.19 points, or 0.75 per cent, the day before.

An estimated 270 million shares changed hands on the first section, down from Thursday's 283 million shares.

The dollar touched 32-month highs this week due in part to continued record low interest rates in Japan, which make yen-denominated investments less attractive.

Key lending rates in the United States are much higher than Japan's 0.5 per cent official discount rate, the interest charged by the central bank for loans to commercial banks.

The benchmark No. 182 10-year Japanese government bond closed at 101.75 yen, up from Thursday's 101.57 yen. Its yield, which moves in opposite direction, finished at 2.75 per cent, down from the previous day's 2.780 per cent.

Hint of light for businesses kept in the dark

Fons Tuinstra writes from Shanghai

The map which the Shanghai port official takes out of his bag is so neat that it still smells of printing ink.

It shows a planned container terminals around the city. It is symptomatic of the speed at which the Chinese economy is driving that there are now even newer, more ambitious proposals "that are not yet on this map."

Holding up the document, the official points at some islands in the East China Sea. "Here we are planning an offshore terminal," he says. "It will be an addition to existing plans to make Shanghai a major international hub of container transport."

Elsewhere in the city, a 500-room Japanese-owned Garden Hotel shows another side of the boom. When it opened its doors in 1990 — the year after the crackdown on the student led democracy movement — the occupancy rate was 40 per cent. Today the average is about 85 per cent.

Manager Harmen Dubbelaar, 37, says business is better than at the rival Jin Jiang Towers nearby.

Officially, no information on this state owned hotel is available to him, "but I can count the windows where there is a light on."

His comment goes an indication of the difficulties that still face foreign business trying to operate in China — difficulties such as obtaining basic information.

Pieter Brusil, Hong Kong representative of the Dutch City of

A Chinese dissident has called for a break-up of the state's information monopoly, saying it leads to privilege, unfair competition and corruption. Lack of information, reports Gemini News Service, is also one of the complaints of foreign business.

China: Building the future



Rotterdam's port authority, makes guesses at Shanghai's import and export tonnages, adding "This kind of information is classified."

"Some Chinese journalists got lengthy prison sentences because they revealed economic information considered a state secret. On the other hand, when the Chinese want to do business, they insist on getting exactly the kind of information that would be a state secret in their own country."

Gaining commercial publicity in China is not always easy. But money opens doors.

"I think our port needs a bigger exposure in the Chinese press," says Rotterdam port press officer Tie Schellekens during a visit to China. The Chinese know about Rotterdam, but they don't know about good things we can offer them. We can, for example deliver goods faster in Germany than Germany's own port of Hamburg."

He says that eight Chinese journalists are coming to interview him. "But they will come only if I pay them."

Although the practice is officially forbidden, it is well known that much press coverage, especially of economic matters — occurs only if the reporters get "red envelope mon-

ies are high — four to five times more expensive than Hong Kong, three to four times higher than Singapore and 50 per cent more than Kobe.

But even if volumes increase, says Lee, "how fast can the port expand to cope without he increase in demand? How will the highway and railway systems develop? What will be the cost of moving containers between Shanghai and the hinterland? Will there be further deregulation to expand the business of foreign carriers? Will the Shanghai education system be able to provide an ever increasing number of staff and professionals?"

Despite the problems, foreign firms still respond to the gleaming lure of the huge Chinese market.

"I cannot say there is open competition as the Jin Jiang is a commercial enterprise of the government," says Dubbelaar. "The government prefers its guests to use their state owned hotels in their position. I would probably do the same. But that doesn't mean I have to accept it silently."

"If I can get some of my guests here, I will try to do so. And apparently, I can get away with it. Why shouldn't we do our best to get business? We do our business in China, we employ many Chinese, we pay taxes. Why shouldn't we get out of the Chinese business?" — GEMINI News

Exchange rate: \$1 = 8.3 yuan (Fons Tuinstra is a Dutch freelance journalist based in Shanghai.)

\$22m milk plant to be built in Vietnam

HANOI, Oct 4: Australia Dairy Corp. and Vietnam Milk Company Vinamilk plan to build a 22-million-dollar milk plant in the central province of Quang Nam Danang, a Vinamilk official said Friday, reports AFP.

The Australian side will own a 60 per cent share in the project with Vinamilk taking the remaining 40 per cent.

Construction of the new plant will take two years and it is expected to be fully operational in 1998. The products of the plant will be milk, ice-cream and other milk derivatives.

The project was expected to receive a licence from the Ministry of Planning and Investment in a few days, the official added.