

Pak gov't recovers \$25m from Schon Group

ISLAMABAD, June 13: The Pakistan government has recovered 1.5 billion rupees (around 25 million dollars) owed by a local business group to State Banks and financial institutions, officials said Thursday, reports AFP.

The Schon Group has provided cash as well as shares, plant, cars and other property, which will be auctioned in six weeks said head of a government accountability cell charged with probing financial fraud and irregularities.

The official, Saifur Rehman, said Chairman of the Group, Nasir Hussain, who is in New York, would not be arrested on return home under an agreement with him that keeps the door open for legal action.

Rehman alleged former prime minister Benazir Bhutto's jailed husband, Asif Ali Zardari, had been a business partner of the Schon Group.

He claimed that investigation had revealed large-scale financial irregularities involving the Schon Group.

The basic aim of the government's accountability drive is to take the corrupt to task and recover "ill-gotten" money to shore up the economy, Rehman said.

Int'l labour union denounces globalization of economies

GENEVA, June 13: The world's biggest umbrella organization of labour unions Friday denounced the globalization of economic markets, saying the trend has not helped the world's labourers, reports AP.

Women — especially those who work in textile industries in Southeast Asia and Latin America — are increasingly suffering the worst abuses, said a report by the International Confederation of Free Trade Unions.

"The fierce competition between enterprises in the new economic jungle has split the labour world of the industrialized countries into two classes: those who have lost their jobs and those who fear losing them," said a report by the International Confederation of Free Trade Unions.

Many of the jobs at risk are lower-paying with worse benefits than in previous years, said the confederation.

Bill Jordan, confederation general secretary, said Friday that governments, fearful of

missing out on the benefits of world trade, increasingly are willing to "do the bidding of big business" in restricting trade unions.

The Brussels-based organization's 135-page report on violations of trade union rights was released during the annual meeting of the 174 member countries in the International Labour Organization, which is the UN body combining government, management and labour delegates.

The report said that some 264 trade unionists were murdered last year while fighting for union rights, almost half of them in Latin America.

In Colombia 98 unionists were killed, many of them agricultural workers, it said. In Brazil, 24 were killed. In Bolivia, the death toll was nine.

"A new region of terror exists in some of the Dominican Republic's export-processing zones, where the majority of workers are female clothing-factory workers," the report said.

Factories around Santiago,

for example, "employ gangs of thugs armed with pipes, clubs and knives to break up unions. In some factories women are spied on in bathrooms via two-way mirrors, and staff are issued with tickets to control access to the toilets."

It cited China for having "one of the worst records of trade union repression," with hundreds of trade unionists and their families ill-treated or imprisoned for minor crimes like printing T-shirts with pro-union slogans.

The removal of trade barriers, increased international investment and addition of "flexibility" to labour standards were touted as promising economic recovery that would benefit everyone, noted Jordan in the foreword.

"This is far from being the case," he said.

Not only are wealthy countries losing jobs, but poorer countries have failed to reap the promised benefits, Jordan said.

"Poverty and inequality have increased in the develop-

ing countries, which globalization has drawn into a downward spiral of ever-lower labour standards to attract investment and meet the demands of enterprises seeking a fast profit," he said.

The confederation is the world's largest grouping of free trade unions, representing 124 million workers in 137 countries.

The report singled out the United States for criticism.

"The right to strike and the right of workers to organize trade unions are not adequately protected in the United States," it said. "The law is unable to protect workers when the employer is determined to destroy or prevent trade union representation."

Jordan denied that trade unions oppose globalization, but said trade and investment liberalisation had to come with protection of basic rights.

That will be good for business, too, he said, claiming that the world's most successful companies are also the ones that treat their employees best.

US endorses labour standard proposals

GENEVA, June 13: A top US labour official here yesterday strongly endorsed a series of proposals to strengthen global adherence to core labour standards, saying that national economies could not afford to take a back seat on the issue, reports AFP.

Andrew Samet, Acting Deputy Undersecretary of Labour, told the 85th International Labour Conference that the US would support private sector efforts to respond to demands for higher labour standards around the world.

"Be it codes of conduct, consumer or social labels, or market-based initiatives, we will press forward," said Samet, who led the US delegation. Core standards championed by the International Labour Organization include freedom of association, the right to collective bargaining, and prohibitions on forced labour and exploitative child labour.

The ILO is aiming to strengthen these standards in the context of trade liberalization in countries that have not adopted its conventions. At this end, it has put forward a num-

ber of proposals which include social labelling of products traded internationally and an examination of countries to judge whether they are toying the line on enacting tougher standards.

Washington was specifically proposing action on three fronts, Samet said:

A declaration on core labour standards, "regardless of whether we have ratified any particular instruments."

A new supervisory mechanism to ensure adherence to the fundamental rights.

Establishment of additional incentives for compliance and disincentives for willful non-compliance through social labelling of products for example.

The costs from not following such an approach are likely to be much larger — in terms of lost opportunities for greater economic growth, increased trade and investment, more and better jobs, and stronger social cohesion," he said.

Washington also backed a proposal that ILO member nations undergo a review to see whether they were complying with core labour standards.

MOU to set up Indo-Saudi jt business council

NEW DELHI, June 13: Council of Saudi Chambers of Commerce and Industry and FICCI-Assocham yesterday signed a MOU for establishment of Indo-Saudi Arabia joint business council to carry out business promotional activities in trade, investment, technology transfer, services and other industrial sectors, reports PTI.

The JBC MOU envisages to provide a regular and recognised forum for discussion on promotion of these activities between businessmen and industrialists of the two countries and formulating desired strategies to achieve projected objectives in a time frame.

The MOU was signed by AS Kashiwal, President, FICCI and on behalf of FICCI and Assocham and Hani Al-Harbi, Chairman, Council of Saudi Chambers of Commerce and Industry, here.

First ATM in Myanmar dispenses forex coupons

BANGKOK, June 13: The first automatic teller machine dispensing foreign exchange coupons was opened in Myanmar this week by the Myanmar State-run New Light of Myanmar reported Thursday, reports AP.

The privately-owned May Flower Bank operates the only ATMs in Myanmar, and only has about four or five of them, all in Yangon. Until this week they only dispensed the kyat, the Myanmar currency.

Myanmar people put a greater value on the United States dollar, as the kyat has depreciated greatly over the past two years.

Two years ago, the kyat was trading at about 110 to the dollar. Today it is 180 to a dollar. The kyat is not accepted in international transactions.

Legally, Myanmar citizens are not allowed to conduct transactions in dollars without government permission. The government instead issues foreign exchange coupons, or FECs, slips of paper equal to dollars and backed by the Myanmar regime.

Myanmar's state enterprises still cling to an old officials' exchange of six kyats to one dollar. This dual exchange rate system is one of the reasons Myanmar's banking system is antiquated and remains highly protected by the government.

More than 30 foreign banks have representative offices in Yangon, but none have been permitted by the government to do anything more than observe the market.

New MD of Biman

Air Commodore Mohammad Rafiqul Islam has taken over as Managing Director of Biman Bangladesh Airlines, says a press release.

He replaces Al-Ameen Chaudhury who has been appointed Secretary of Public Administration Reforms Commission.

Prior to his joining Biman, Air Commodore Rafiq was the Defence Attaché at Bangladesh High Commission in Kuala Lumpur, Malaysia.

A Transport Pilot, Air Commodore Rafiq joined the then Pakistan Airforce in 1968 and commissioned in March 1971.

In his 29 years of chequered career, Air Commodore Rafiq commanded a transport squadron and was the Deputy Commandant of Bangladesh Airforce Academy at Jessore. He was Base Commander for two terms.

Dollar up against yen, mark in S'pore trading

SINGAPORE, June 13: The US dollar soared against the yen and rose against the mark in volatile Singapore trading yesterday as Japanese officials talked up the greenback, dealers said, reports AFP.

The dollar rose to high of 115.60 yen from an opening quoted of 111.70 before giving up some of its gains and closing at 114.20, according to rates provided by Banque Nationale De Paris.

It changed hands at 1.7240 marks at close of trading up from 1.7170, dragged up by the dollar yen.

Reported comments by influential Japanese Finance Ministry official Eisuke Sakakibara that an imminent rise in Japan's discount rate was unlikely helped the US unit, he said.

Sakakibara also reportedly said that Japan's trade surplus with the United States would not be a big issue at the upcoming summit of the Group of Seven.

\$ 18m bribery scandal in India All accused politicians exonerated

NEW DELHI, June 13: A court dismissed corruption charges Thursday against four former cabinet ministers, further shrinking the prestige of India's chief investigating agency, reports AP.

The District Court said there was insufficient evidence to indict the four. His ruling meant that all 12 high-profile politicians accused in a headline-grabbing 18 million dollar bribery scandal had been exonerated.

The Central Bureau of Investigation, India's FBI, charged the politicians last year, claiming to have exposed the country's biggest bribery scandal in the last five decades.

After the charges against him were dropped, former Transport Minister Chand Ram accused the CBI of acting under "political pressure" to press ahead with a flimsy case. The CBI has come under increasing criticism from the courts for shoddy and slow police work.

The case was based on coded entries in the diaries of a businessman allegedly listing bribes that he had given, financed through illegal foreign currency transactions.

Last month, the New Delhi High Court ruled that "diaries were inadmissible evidence unless corroborated by some independent evidence." The District Court ruled the CBI had failed to produce substantiation.

In addition to Ram, the others, cleared Thursday were Bata Singh, Kamal Nath and BD Dhakney, all ministers in the Cabinet of Prime Minister PV Narasimha Rao.

Rao dismissed them from his government in 1996 in an effort to clean up the image of his Congress Party. Five-month later, the party suffered its worst defeat in the general elections.

Rao himself faces trial in two separate cases of alleged corruption. Charges were dropped in a third case.

Japan's economy grows at 7pc annual rate

TOKYO, June 13: Fueled by rising domestic consumption and exports, Japan's economy grew at a 6.6 per cent annual rate during the first three months of this year, the government announced Friday, reports AP.

It was the third straight quarter of real gross domestic product expansion and indicated the continuation of a steady recovery from several years of an economic slowdown.

GDP grew 1.6 per cent in the first quarter over the last three months of 1996, which posted 0.9 per cent growth.

As of April 1, GDP stood at 489.57 trillion yen (4.29 trillion dollars). If the growth were to keep up at the same pace, it would lead to 6.6 per cent expansion for the year.

A spike in private domestic consumption was the main engine behind the quarter's performance, increasing 4.6 per cent over the previous quarter to 396.40 trillion yen (2.6 trillion dollars).

The increase came in the run-up to an increase in the consumption tax from three per cent to five per cent on April 1. Consumers went on a shopping spree earlier in the year before the levy went up, pumping more money than usual into the economy.

The Economic Planning Agency, which announced the figures, said, however, that the higher tax is likely to cut into domestic consumption, which accounts for 60 per cent of GDP, the rest of the year.

The impressive GDP growth also was driven by an increase in exports, which the government had forecast would drop as companies focused on satisfying the surge of domestic demand before the tax hike.

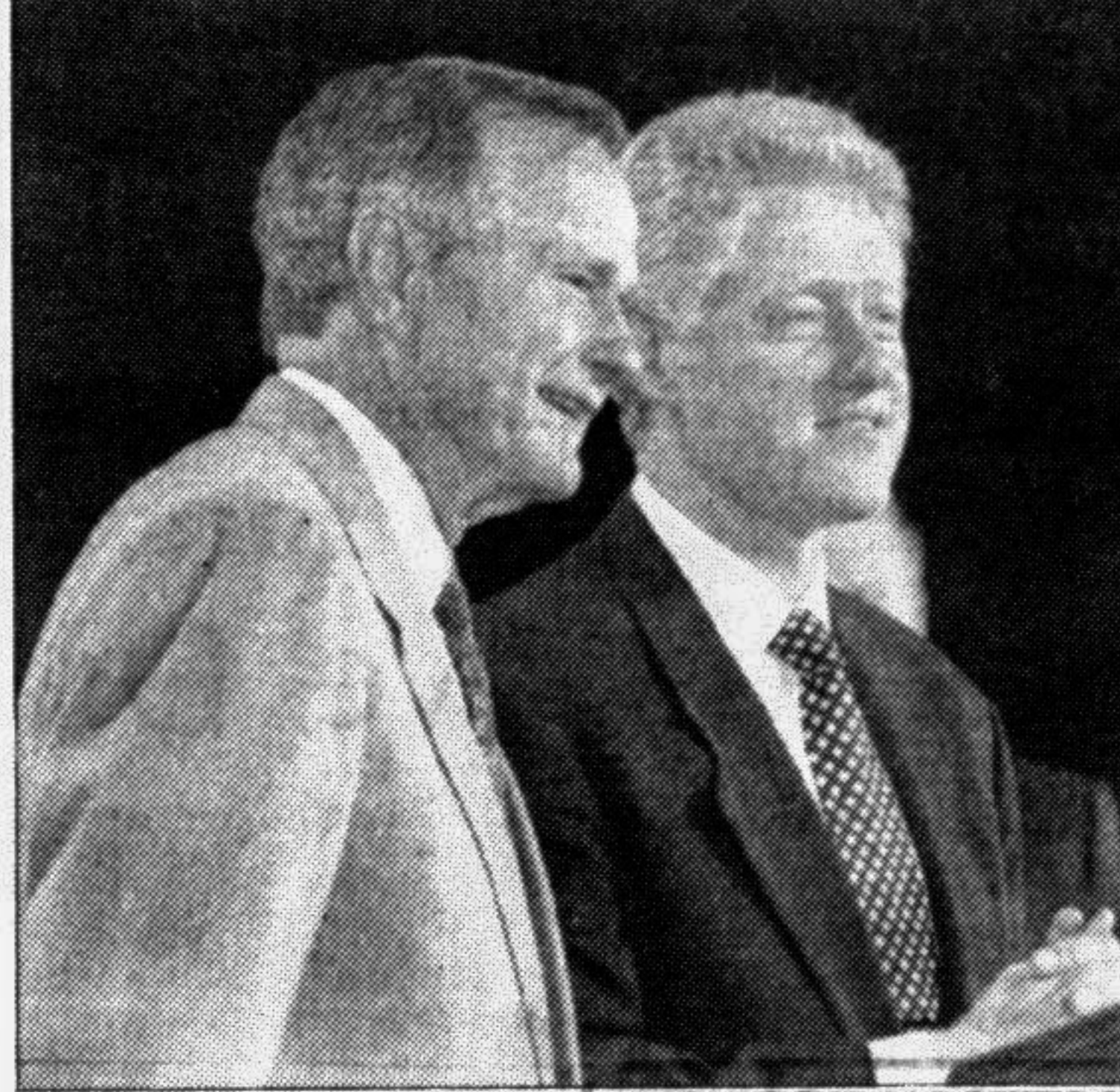
Exports grew a mild 0.7 per cent for the period, much slower than the 5.0 per cent growth posted between October and December last year.

But Japan still exported more than it imported. Total exports were 61.16 trillion yen (536.49 billion dollars), while imports were 57.70 trillion yen (506.14 billion dollars).

Some said the expansion in exports could fan fears that as the higher tax cuts into consumption, an increasingly export-led recovery would boost Japan's trade surpluses — and tensions with the United States.

The plans released Friday — in banking, insurance and securities — follow two earlier sets of proposals on accounting changes and foreign currency rules. A law freeing up foreign currency transactions was passed earlier this month.

Like similar deregulation measures that have been implemented in the United States



US President Bill Clinton (left) honours former US President George Bush at National Business Council meeting on Thursday in Washington, DC. He presented Bush with a cake to celebrate Bush's 73rd birthday after addressing the council. — AFP/UNB photo

Japan releases details of financial reforms

TOKYO, June 13: The government released details Friday of its plans to overhaul Tokyo's financial markets by 2001 in an effort not to fall behind London and New York as world financial centres, says AP.

The changes should allow businesses and individuals more flexibility in saving, raising and investing money. It could also benefit foreign companies offering newly allowed services, such as mutual funds.

The proposals are part of a far-reaching plan pushed by Prime Minister Ryutaro Hashimoto to retool Japan's troubled financial sector and deregulate its red tape-heavy economy.

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Like similar deregulation measures that have been implemented in the United States

and Britain, the plan is likely to result in a consolidation in the securities industry.

The reforms will allow banks, brokerages and insurance companies to gradually enter each others' businesses through subsidiaries and allow many new kinds of financial services currently not common in Japan, including mutual funds and "wrap" accounts that allow securities as well as banking transactions.

Other changes include: Abolishing fixed commissions for securities trading to encourage more competition among brokerages.

Allowing banks to underwrite corporate bonds.

Freeing insurance companies to set their own premiums. Currently insurance companies follow guidelines set by an industry council.

Many of the proposals will need legislative changes in order to be implemented, but others will be put into place sooner by the Finance Ministry.

Nokia to market new cellular phone in Asia

SINGAPORE, June 13: Finnish telecommunications group Nokia Corp is to start selling this month a new cellular phone specifically designed for the booming Asia-Pacific market, company officials said yesterday, reports AP.

The compact Nokia 3810, offering display text in simplified or traditional Chinese, Thai Bahasa, Bahasa Malaysia and Bahasa Indonesia, was designed with the preferences of Asian users in mind including very loud ringing tones.

"We expect it to be very well taken throughout the Asia-Pacific markets," said Nokia spokeswoman Suguna Madhavan. "We undertook customer preference studies across the markets and incorporated all the feedback."

Nokia studies showed Asians prefer small lightweight phones with long operating time. The 3810 will have large display windows with jumbo characters for easy reading. It will be equipped to receive messages in Asian texts using the short messaging system now being offered by regional carriers.

It also offers very loud ringing tones a feature preferred by some Asian consumers and a range of Asian ringing melodies, a Nokia statement said.

The 3810 using the global system for mobile (GSM) communications standard which is entrenched in the region will be positioned just below Nokia's top-of-the-line 8110 hand-phone.

Nokia declined to state the recommended retail price of the new model ahead of a series of local launches starting this month. Markets will be covered until July.

The Asia-Pacific region is the world's fastest growing telecommunications market and accounted for 22 per cent of the Nokia Group's 1996 net sales of 8.54 billion US dollars.

Nokia is the world's largest manufacturer of digital cellular phones and the second biggest maker of all types of mobile phones after US based Motorola Inc.

AP report says the Nokia telecommunications group has clinched a 30 million dollars deal with Thailand's Total Access Communications Inc for a fibre optic transmission product and a network management system.

Nokia will also supply TAC with technical supportive services, the Helsinki-based company said Wednesday.

ADB meet on small loan provision likely next week

MANILA, June 13: The Asian Development Bank (ADB) said today it would hold a meeting next week to discuss strengthening the provision of small loans to the very poor, reports AP.

The meeting, to be attended by bilateral aid donors and multilateral finance institutions, is to be held at the ADB's headquarters in Manila from June 16 to 19, the ADB said in a statement.

Cyber Digital seminar today

Cyber Digital Inc., a telecommunications company, will organise a seminar and a press conference at a city hotel today to reveal its presence in Bangladesh, says a press release.

The company is engaged in the business of manufacturing and marketing a range of digital switching equipment with Integrated Service Digital Network (ISDN) and internet service capability.

A three-member Cyber Digital team led by JC Chatpar, CEO, now in the country to explore business possibilities, will hold the seminar and press conference.

Trade between Ukraine, Russia falls

KIEV, June 13: Trade between Ukraine and Russia fell off 20 per cent in the first four months of 1997, compared to the same period one year ago, Deputy Prime Minister Serghiy Tighipko said yesterday, reports AFP.

Tighipko, who is in charge of economic reforms in the second most populous ex-Soviet republic after Russia, was to go to Moscow on Thursday for talks on how to improve the situation.

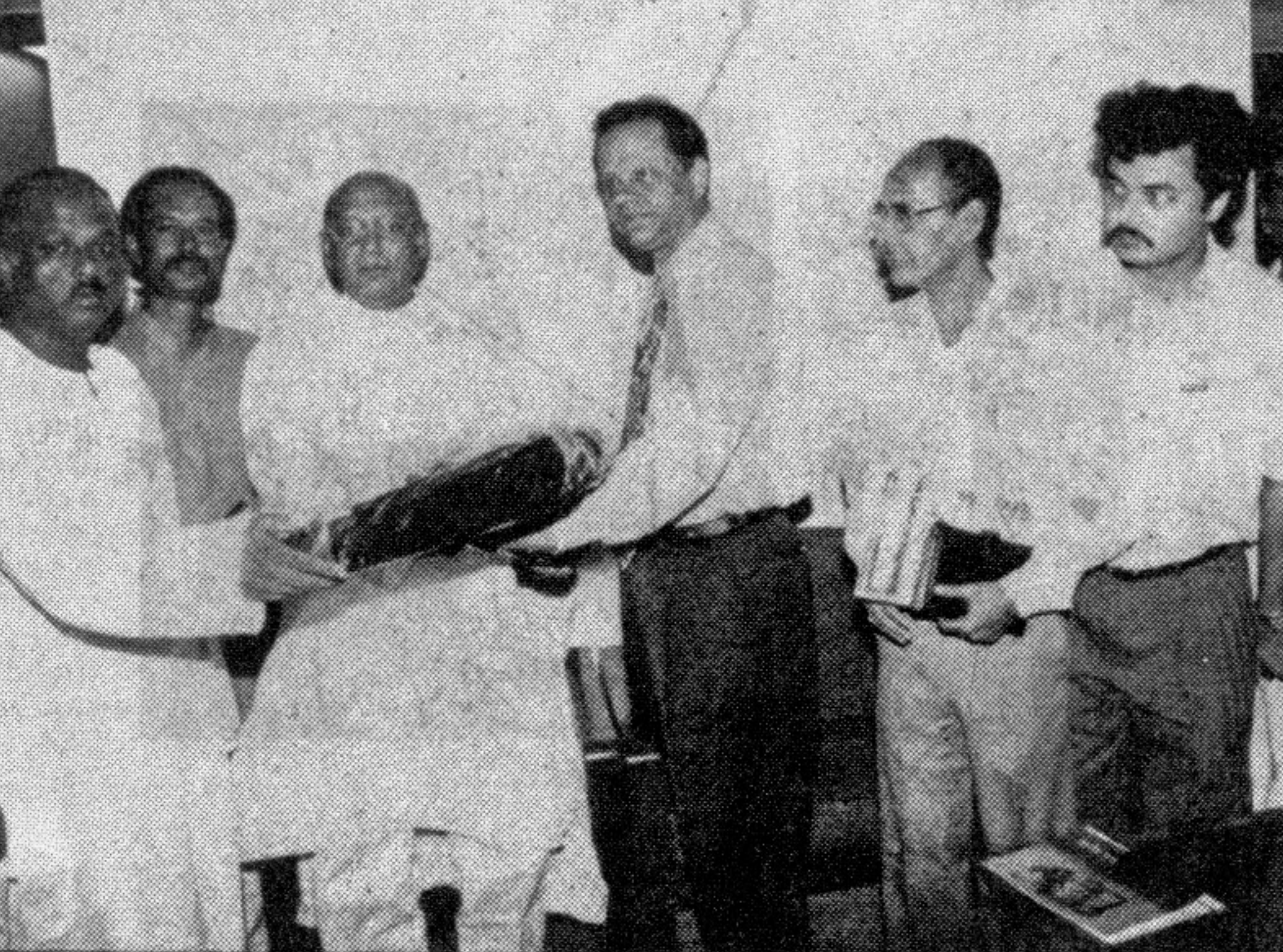
"We have to become more pragmatic and less politicised in our relations," he said.

Kiev points the finger at Moscow's decision last October to impose a 20-per cent VAT on Ukrainian imports and to impose quotas on Ukrainian alcohol and sugar.

This was a severe blow to Ukraine, which relies heavily on the Russian market. In 1996, 40 per cent of Ukraine's exports, worth 14 billion dollars, were to Russia.

Ukraine has refused to participate fully in the Russian-led Commonwealth of Independent States (CIS), which was created from 12 ex-Soviet republics.

"By putting quotas and VAT on certain Ukrainian products, the Kremlin is trying to force Ukraine to enter the CIS customs union," said Inna Pidluska, analyst at the Ukrainian political studies institute.



A team of newly elected executive members of Bangladesh Handicrafts Manufacturers and Exporters Association (Banglacraft), headed by its President SU Haider, held an official courtesy meeting with Tofael Ahmed, Minister for Commerce & Industries, yesterday.

JAKARTA: President Suharto left Friday for Turkey to attend the first summit of eight predominantly Muslim developing nations known as the "D-8."

Suharto's party included Foreign Minister Ali Alatas, Minister at the State Secretary Murdiono and ambassador-at-large Nana Sutresna.

Suharto is expected to hold bilateral meetings with several leaders on Saturday, including those from Pakistan and Bangladesh.

Erbakan suggested the meeting when he met Suharto during a visit to Jakarta last year.

The D-8 groups Indonesia and Malaysia representing East Asia, Bangladesh and Pakistan representing South Asia, Turkey and Iran representing the Middle East, and Egypt and Nigeria representing Africa.

Murdiono said Indonesia sees the easing of poverty as the most fundamental problem facing developing nations.

"The president will emphasize the importance of poverty alleviation programs because poverty is the most fundamental problem facing developing nations," he said.

Suharto was expected to propose the establishment of fertilizer plants, production of cheap housing materials and other projects.

Cheap fertiliser would help farmers in poor countries boost rice production, said Murdiono.

MANILA: The Philippines will relaunch an international

bond valued at up to 1 billion dollars by the end of this month, the central bank governor said Friday.

ing bids from individual members of its former Yankee syndicate — Salomon Brothers, the former lead manager; Morgan Stanley; Merrill Lynch; JP Morgan; Citibank NA; and ING Barings.

The mandate to lead manage the offering — and form a new underwriting syndicate — will be given to whichever institution offers the best pricing.

ers in the bond. This was seen as an embarrassment for both Salomon and the Philippine central bank.

CAGAYAN DE ORO, PHILIPPINES: Police and central bank agents have arrested three men accused of making fake US dollars and Philippine pesos in the southern Philippines, an official said Friday.

It was the second suspected counterfeit ring arrested on Mindanao island in 10 days.

Authorities raided a clandestine printing shop in a vil-

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central bank Gov Gabriel Singson said. He stressed that Salomon Brothers hasn't been dropped from the group.

When the offering was pulled two months ago market, watching.

Volatile US interest rates forced the Philippines to pull its inaugural 30 and 100-year Yankee bond offering on April 15, just hours before it was to be launched.

A Yankee bond is a dollar-denominated bond issued in the United States by foreign entities. The Philippines hopes to raise between 750 million dollars and one billion dollars with the offering, although no final level has been set.

Under the relaunch, the Philippines is seeking competi-

tion on the outskirts of Cagayan de Oro on Wednesday and arrested three men, including the suspected mastermind, said Orlando Campomanes, a Philippine central bank currency specialist.

The three men denied any involvement in counterfeiting.

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— Source : AP

G-8 urged to increase trade, aid to Africa

BANGKOK, June 13: Asia urged the G-8 group of the richest industrialised countries Friday to increase trade and aid to Africa, tooting the continent as an improving emerging market that globalisation should not leave behind, reports AP.

That and Japanese diplomats, co-chairs of a three-day gathering of representatives from 44 African and 11 Asian nations, told a news conference as the meeting closed that the world's wealthiest nations should move from talks to concrete action on Africa's problems.

"Africa has to be part of the global trading system," said Kobsak Chutikul, director general of the Thai Foreign Ministry's economic affairs department. "It must not be marginalised. There are opportunities in Africa."

The leaders of the United States, Britain, Canada, France, Germany, Italy, Japan and Russia are scheduled to meet next week in Denver, Colorado. They will follow up on resolutions passed at last year's G-7 summit in Lyon, France — when Russia was not a member — calling for global involvement in Africa.

The Second Asia-Africa Forum held here this week deter-

mined that the best way forward would be for the G-8 to support three-way cooperation between rich, developing and poor countries. It urged the world to increase development aid to Africa, encourage private investment and expand trade.

"The message to the G-8 boils down like this: Just do what you have said you will do," Kobsak said.

The gathering brought together senior planning officials to discuss how the Asian economic miracle of the past 15 years can be applied to Africa, which has defied decades of attempts to lift itself out of poverty.

The Forum is reporting to the G-8 and its work will form the basis of the second Tokyo International Conference on African Development next year. The first, in 1994, was Asia's first serious attempt to address Africa's stagnation.

Both continents were mired in poverty at the end of the colonial era 40 years ago. But East Asia in the past 20 years has rocketed ahead through a mix of aggressive exporting and free market economics, while Africa stagnated and in some cases regressed on a diet of nationalisation, socialism and swelling foreign debt.