

Canada nominates ex-trade minister to head WTO

OTTAWA, July 18: Canada nominated Roy MacLaren, a senior diplomat and former trade minister, on Friday as a candidate to head the World Trade Organisation, says AP. MacLaren heads Canada's embassy in London as high commissioner to the United Kingdom. He served as Canada's trade minister from 1993 to 1996.

The WTO announced Wednesday that it is seeking a new director-general to succeed Renato Ruggiero of Italy, who says he wants to step down by April 30, 1999.

The WTO, which is based in Geneva, has said it wants to choose a new leader by October 1. Officials from several other nations are also expected to seek the post.

Unemployment in Singapore may triple by end of next year

SINGAPORE, July 18: Tens of thousands of Singaporeans may lose their jobs by next year as the effects of the region's economic crisis make themselves felt on the island nation's economy, a newspaper reported Saturday, says AP.

"1998 could mark the beginning of the end of full employment in Singapore," Lim Swee Say, deputy secretary-general of the National Trade Union Congress, was quoted as saying in The Straits Times.

For years unemployment has been very low in this wealthy nation of 3.1 million. Compared to its Southeast Asian neighbours, Singapore had been least affected by the regional turmoil.

But over the past few months, reverberations of the crisis have been increasingly felt in trade, tourism and financial sectors.

Now, Lim said, unemployment could reach 4 per cent by the end of the year, up from current 2.2 per cent, and could even hit 5 to 7 per cent next year.

With a work force of 1.8 million, this would mean that about 90,000 people could be jobless by the end of 1999. This would be far beyond the recession in 1985 and 1986, when the number of unemployed reached 20,000.

The projections are based on how much the economy needs to grow in order to keep people employed at the present level and still have jobs for people entering the work force, the report quoted Lim as saying.

To keep unemployment low in Singapore, the economy would have to grow between 2.5 and 4 per cent a year. But the forecast for this year is 0.5 to 1.5 per cent.

Singapore government and union officials in recent days have repeatedly warned Singaporeans that the crisis will last longer than expected.

A commentary in the leading Straits Times daily said Saturday that the crisis might mark an end to "Singapore's underlying philosophy... that Singapore's social security system is that of individual responsibility."

Dubai Aluminium signs \$150m loan deal with Barclays

DUBAI, July 18: Dubai Aluminium Co. (DUBAL) signed a 150 million dollar loan with Barclays Bank yesterday to partially fund 725 million dollar expansion, which will make it the largest smelter in the Middle East, reports AP.

The British Bank and DUBAL also signed a deal for a 40 million dollar revolving credit facility, DUBAL's Chief Executive Ian Rugeroni said.

DUBAL is expected to sign a further 120 million dollars in loans and 100 million dollars in short-term facilities with five other unnamed banks "shortly."

But a projected 200-250 million dollar bond issue, which would raise the rest of the 500 million dollars which DUBAL wants to borrow externally for its expansion project, is in doubt.

"Conditions in the capital market are not favourable at the moment because of the Asian crisis and a series of huge offers from emerging countries like Russia," said DUBAL's Chief Financial Controller Samir al-Ansari.

"If conditions remain unfavourable, we will come back to the local market or a syndicated loan," he said, adding that if the 10-year bond issue did go ahead it would be in the last quarter of this year.

The 150 million dollar loan from Barclays has an interest rate of 0.25 per cent over the London Interbank offered rate. The loan will be repaid in four six-monthly instalments from June 2001.

The condor project, announced in February, will increase DUBAL's smelter production capacity by 135,000 tonnes a year, or 35 per cent, taking DUBAL's total output to 525,000 tonnes a year.

It will make DUBAL the Middle East's largest smelter once it comes on line in January 2000, the region's largest smelter with an output of 497,000 tonnes last year, is owned by Bahrain Aluminium Co. (ALBA).

DUBAL intends to sell most of the additional aluminium to Europe. The state-owned company has already diverted some Asian exports to Europe.

US experts find Bangladeshi fish plants in 'fantastic' state

By Govinda Shil

Three US experts have expressed their satisfaction over the conditions of the fish processing plants in Bangladesh and said that the industry has very bright prospects in the American market.

The seafood experts are here to conduct a workshop on United States Food and Drug Administration (FDA) regulations and US health regulations for frozen sea food destined for the American market.

The experts -- BG Thompson, Richard Dees and Pat Donahoo -- gave their opinions to The Daily Star on Thursday about the Bangladeshi fish processing plants and government-owned testing laboratories.

They visited six plants in Khulna and Chittagong regions which they found in "excellent" conditions.

Thompson, the team leader,

described how the fishes were being landed in the plant premises and how they were sorted out, frozen and then packed. He said the fish processing plants were comparable with any other country's plants in the world.

Richard Dees, an FDA expert from Maryland, said the government laboratories were in very good conditions. "They have modern equipment, they have -- I believe -- trained employees," said Dees.

He, however, said that the capacity of the laboratories could be increased to provide greater support to the seafood industry.

Dees found some of the factories in "fantastic" conditions. He appreciated the efforts of the processors to upgrade their plants in line with the US health regulations.

He said continued attention in maintaining quality could help Bangladesh get wider market in the US.

Dees said the manufacturers could not do it alone and that "they need support from the government" who could sometimes take "quality assurance programmes".

He said the government agency which issues necessary documents to the seafood exporters should be able to maintain an international standard and "do its job with authority."

Bangladesh has an opportunity in the international seafood market since its 17 processing plants are already exporting to the EU countries, Dees observed.

Pat Donahoo said the exporters and the shipping companies should carry out their duties properly to maintain the

quality of fish during shipment and voyage toward destinations.

The shipping lines, said Donahoo, should examine the fish containers before shipment to ensure that the fish inside was properly frozen.

He said disputes between the exporters and the shippers over temperature irregularities were also seen in the US.

He suggested that a temperature recording device be installed inside a container to monitor any fluctuation in maintaining the proper temperature.

The experts said that the US seafood market was a very large one where Bangladesh could export more frozen fish. Per capita sea food consumption in the US is 16 pound a year of which more than 50 per cent is imported, they said.

Pakistan heading towards economic anarchy: Leghari

CENTURY CITY, California, July 18: Former Pakistan President Farooq Leghari has warned that his country was heading towards economic anarchy and lawlessness.

In the last two months, Pakistan's economy has been sliding down, almost nose-diving, after a two-year standstill in which growth rate has gone down, government figures have been fudged, our institutions of state have been deteriorating, the law and order situation is getting worse, Karachi is once again a killing field...and the police have become an extortionist force," he said.

Leghari painted this grim portrait of Pakistan during an event organised by the Pakistan American Physicians Public Affairs Committee (PAPPAC), the political arm of the Pakistan American Physicians of North America. He claimed, given its population of 130 million, Pakistan under every political regime since its founding had consistently neglected its people. "For a country that has performed relatively well compared to others in the subcontinent, Pakistan nevertheless lags behind in almost all social indicators and that's where the tragedy lies," he remarked.

Leghari took the opportunity to explain why he dismissed former Prime Minister Benazir Bhutto's government. While the dissolution order spelt out all the constitutional violations, what was not included in the order was his concern over the imminent danger of (financial) default that Pakistan faced if Bhutto's government carried on, even for another two weeks, he claimed.

There has been almost a consistent decline in the governance of Pakistan and while the country has excelled in some areas, there are other areas in which we are in deep trouble," the former President proclaimed.

Leghari lamented that all the laws -- extending voter franchise, freedom of the press,

disclosure of assets by political candidates -- implemented during his presidency have been allowed to lapse by the government of Prime Minister Nawaz Sharif that came to power in February last year. "Any step that takes away these fundamental props of democracy are moves towards fascist rule and that's what we are moving towards in Pakistan today," he warned his expatriate doctor audience.

"If the testing brought about strategic parity with India, then why did (the government) suddenly declare emergency...and suspend all fundamental rights when the nation stands united on the nuclear programme," he asked. "I see in all this as nothing but a throwback to the tendencies to acquire more power, to become more fascist."

When someone in the audience objected to his remarks by saying he should stick to the topic of nuclear issue and Pakistan, Leghari responded that in his invitation by the PAPPAC he was not asked to speak on the nuclear issue alone but on the conditions that prevail in the country today, a rejoinder that earned him applause.

He called for greater political participation by the women of Pakistan, a renewed commitment to education and the funding of scientific research. He also called upon the Pakistani American community to urge the government back home to lift the freeze on foreign exchange accounts. Preceding Leghari was Pakistani Ambassador Riaz Khokhar, who said the nuclear testing by India and his country had created a massive paradigm shift in the strategic situation in South Asia which had brought US policy crashing to the floor.

The United States, he maintained, was to some extent itself responsible for the failure of its policy in South Asia, particularly the policy relating to nuclear non-proliferation.

— India Abroad News Service

IDB to lend \$400m to Pakistan

ISLAMABAD, July 18: The Jeddah-based Islamic Development Bank (IDB) has committed new loans up to 400 million dollars to Pakistan, currently struggling to cope with a financial crisis, a senior official said yesterday, reports AFP.

The loans come as Hafeez Pasha, Deputy Chairman of the Government Planning Commission, told the state-run television in an interview that the situation was improving.

Prime Minister Nawaz Sharif was due to announce soon a set of measures to boost the economy worked out together with industrialists, bankers and economists, Pasha said.

He added the Karachi Stock Exchange was showing improvement and the rupee had risen from 63 to the dollar to its current level of 55 Friday.

Pasha said there were also encouraging signs from the United States towards easing sanctions imposed on India and Pakistan after they carried out nuclear tests in May.

Pakistan's forex reserves have plunged to around 75T million dollars.

Mexico, Israel hold talks on free trade

MEXICO CITY, July 18: Israel and Mexico held negotiations this week on a free-trade agreement, that an Israeli official said could lead to a doubling of trade, reports AP.

Gabriela Cohen, deputy director-general for foreign trade at the Israel Ministry of Industry and Trade, said the talks in Mexico City marked the first concrete step toward a free-trade pact, although exploratory moves were made in April.

In an interview, Cohen said Mexico's partnership with the United States and Canada in the North American Free Trade Agreement, with its tariff reductions, left Israel at a disadvantage, because Israel's prices "are around the same levels" as those in the United States.

Mexico's imports from Israel totaled 112 million dollars in 1997, while Israeli imports from Mexico were around 42 million dollars, including 20 million dollars in oil.

"Mexico hasn't really discovered the Israeli market," Cohen said.

Cohen said no date had been set for completion of a bilateral free-trade pact, although such an agreement would certainly increase two-way exchanges.

"It is very hard to say how much at this movement, but trade is so small that it is possible to double it in a very short time," she said.

The talks this week sought to establish an overview, centering on market access and rules of origin, she added.

Seminar on business journalism held

A three-day seminar on Economics and Business Journalism organised by the Economic Development Institute of the World Bank, the bank's Dhaka office, in collaboration with Bangladesh Centre for Development, Journalism and Communication was held recently at the BRAC Centre for Development Management, Rajendrapur, said a press release issued in Dhaka yesterday.

Twenty-four senior economic reporters from eighteen leading national newspapers and news agencies attended the seminar. Tim Carrington of the Economic Institute of the World Bank and Swaminathan Aiyar from the Economic Times of India conducted the seminar.

Dr Subrata S Dhar and Dr Zahid Hossain from the World Bank's Dhaka Office and Nayeemul Islam Khan, the Executive Director of Bangladesh Centre for Development, Journalism and Communication, also conducted some sessions.

Others who attended the seminar include Dr Wahiduddin Mahmud, Professor of the Department of Economics, Dhaka University, Barrister Manzur Hossain, Executive Director, Transparency International Bangladesh, Tajul Islam, Director, BRAC and Farid Hossain, Correspondent of the Associated Press.

DHL takes customers as its strategic business partners

DHL Bangladesh, which considers its customers as strategic business partners, focuses on their needs and tries to provide that sort of service to local trade and industry that surpasses their expectations. It also helps them maintain their competitive edge so as to compete in the ever-changing global market, says a press release issued recently in city.

USA First, launched recently is part of an unending quest that began in 1969 in San Francisco with the formation of the pioneer in the air express industry-DHL Worldwide Express.

DHL, the first air express company to deliver from Asia to the United States, introduces First.

Dalip Handa, Country Manager, DHL Worldwide Express, Bangladesh, speaking of the scenario here said, "The current breed of foreign investors, especially in the area of high technology such as computer manufacture, integrated circuits etc. require a sophisticated level of logistics support."

Foreign-born immigrants are a boon to US economy

WASHINGTON, July 18: Contradicting the popular theory that immigrants are a drain on the economy of the United States, a new study has said the foreign-born help finance the costs of schools, healthcare, roads and the ailing social security system, says India Abroad News Service.

The study by the Cato Institute think tank and the National Immigration Forum investigates the fiscal impact of the 25 million immigrants, legal and illegal, now living in the US. It acknowledges that while immigrants are also users and beneficiaries of government programmes, a typical immigrant and his or her children pay around \$80,000 more in taxes than they receive in local, state and federal benefits over their lifetimes.

Additionally, it points out, immigrants who become US citizens typically pay more in taxes than native-born Americans. It says families with an adult, foreign-born, naturalised citizen actually have higher adjusted gross incomes averaging \$40,502 than families with US-born citizens, whose average is only \$35,249.

About \$162 billion was paid in taxes by immigrants last year, according to the report. The study draws upon the findings of other official researchers, juxtaposing them against one another to make a new point.

Not all immigrants, the study points out, make the same tax payments or impose the same costs.



President of Bangladesh Frozen Foods Exporters Association, Md Golam Mostafa, addressing an international training workshop on "USFDA Seafood HACCP Inspection" held at Sonargaon Hotel recently. USFDA experts Richard Dees, Dr Pat Donahoo, BG Thompson and Infotech Technical Adviser Subasinghe are also seen.

Nepal lowers growth rate

KATHMANDU, July 18: The National Planning Commission (NPC) of Nepal has lowered the targeted growth rate of the 9th five-year plan period (1997-2002) to six per cent from the original estimate of 6.5 per cent, reports Xinhua.

The Commission said here Friday that the gross domestic product (GDP) and the per capita income are expected to grow by six per cent and 3.6 per cent respectively during the 9th plan period.

When the plan was implemented in July last year, experts doubted the feasibility of the targeted growth rate of 6.5 per cent, citing limited resources.

The NPC finally approved the plan document on July 3 last year after discussions.

The plan outlines the country's 20-year long-term economic development perspective and sets poverty alleviation as its sole objective.

The NPC said in a press release that the number of people living below the poverty line has come down to 42 per cent at the end of the 8th five-year plan, and is expected to decrease by about 32 per cent under the 9th plan and further down to 10 per cent in a 20-year period.

The 9th five-year plan has put more emphasis on the implementation of a 20-year agriculture perspective plan which aims to boost the country's agricultural production.

The NPC said that during the 9th five year period, the agriculture sector, the mainstay of the economy, is expected to grow by

4 per cent and other sectors by 73 per cent.

Rural and agriculture roads, irrigation, rural electrification and agriculture technology are given priority in the plan.

Attention is also given to education, health, drinking water, the social sector and industrialisation, the NPC said.

A total of 373 billion rupees (5.7 billion US dollars) will be invested during the 9th plan period and the total development expenditure is expected to be about 190 billion rupees (2.9 billion dollars), the NPC said.

It said that about 2.1 million people will get job opportunities, and the unemployment rate will be brought down from the present 4.9 per cent to 4 per cent by the end of the plan period.

Russia increases import duties to raise revenues

MOSCOW, July 18: Prime Minister Sergei Kiriyenko Saturday ordered a three per cent increase on all import duties to raise revenues and support Russian industries, news agencies reported, says AP.

"This is a harsh measure which will entail a rise in prices for imported goods, but the government has been forced to take it to increase state revenues," Kiriyenko said, according to the Interfax news agency.

The Economics Ministry has estimated that the measure will bring in a billion roubles (16 million dollars) a year. Interfax

said. Raising the import duty will support Russian industry, Kiriyenko said. "Since we are unable to increase our exports under today's circumstances, it is necessary to reduce our imports."

Kiriyenko said the rejection by parliament of several measures in the government's economic austerity plan this week had seriously reduced the revenues the government had expected to have at its disposal.

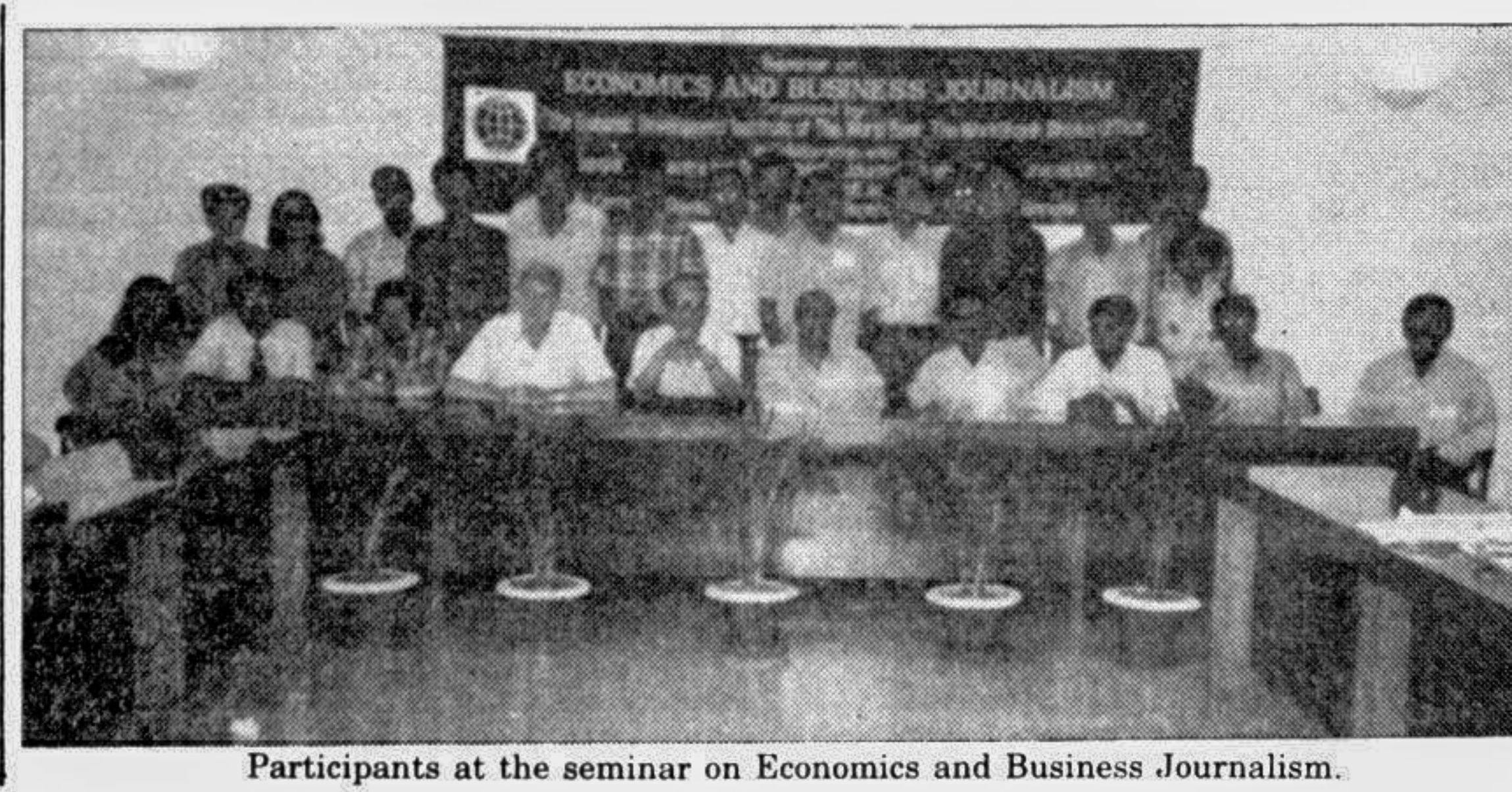
He also said that raising import duties was one of the measures in the government's crisis management programme.

Problem loans at Japan's financial bodies total \$253b

TOKYO, July 18: Japan's deposit-taking financial institutions were saddled with 35.2 trillion yen (253.3 billion dollars) in problem loans at the end of March 1998, the Financial Supervisory Agency said Friday, reports AP.

The total, calculated under more stringent accounting standards set by Japan's banking federation, included loans to bankrupt borrowers, loans in arrears for three months or more and loans on which conditions have been eased.

The figures cannot be compared directly with the previous year because the standards have been revised.



Participants at the seminar on Economics and Business Journalism.

Commodity market: Gold glitters, tea tumbles and sugar surges

LONDON, July 18: The base metals market received a long-awaited boost this week from hopes that the resignation of Japanese Prime Minister Ryutaro Hashimoto would lead to structural economic reforms in Japan, reports AFP.

Investors hope that the person who succeeds Hashimoto will grasp the netted forms and take measures to relax domestic consumer demand and pull Japan out of recession.

Japan's recovery is seen as essential to restoring confidence in the Asia region, an important market for metal producers, especially in the automobile and construction sectors.

Copper, aluminium, lead, zinc and nickel were helped by the more upbeat sentiment on the London Metal Exchange, despite underlying negative factors.

With demand low, owing partly to seasonal factors, copper, lead and nickel reserves in LME warehouses are continuing to grow, pressuring prices. There is also the prospect of significant nickel deliveries from Russia now that key Siberian ports have unfrozen.

Elsewhere on the commodities market, oil prices slipped sharply amid continued scepticism over the OPEC cartel's ability to force prices back up through production cuts.

Coffee prices also chilled, owing to a very heavy Brazilian crop.

GOLD: Sparkle. Gold prices bounced back on comments made by the president of the European Central Bank (ECB), Wim Duisenberg, who reaffirmed that the ECB would maintain control of the European gold reserves after the launch of the single currency next year.

Prices rose by 3.30 dollars to 293.45 dollars per ounce, Duisenberg said that "the ECB will have an important say on European Monetary Union central bank gold policies."

His comments assuaged some of the recent market concern that national central banks would be free to sell gold heavily from their reserves.

SILVER: Dull. Silver prices rose amid extremely quiet trading as dealers pumped money in to platinum or the foreign currency markets.

Prices on the London Bullion Market rose by three cents to 5.36 dollars per ounce.

PLATINUM AND PALLADIUM: Glitter. The prospect of only limited supplies emerging from Russia drew palladium prices back above 300 dollars per ounce this week, which in turn gave a fillip to its sister metal, platinum.

Russia's central bank chief said that he was studying plans

to use platinum and palladium reserves to secure extra emergency aid.

Palladium prices rose by 27 dollars to 325 dollars per ounce and platinum prices rose by 11 dollars to 393 dollars per ounce.

COPPER: Left. Copper prices on the London Metal Exchange (LME) rose after the resignation of Japanese Prime Minister Ryutaro Hashimoto, which ignited hopes of radical structural reform in Japan to stimulate the economy.

Three-month prices rose by 88 dollars to 1.683.5 dollars per tonne.

LEAD: Light. Lead prices rose slightly on technical trades and enthusiasm spawned from hopes of structural reform in Japan.

Three-month prices rose by 6.50 dollars to 538.75 dollars per tonne.

OIL: Slip. Lingering doubts over the readiness of OPEC countries to stand by highly-publicised production cuts provoked a modest fall in crude oil prices here.

Brent North Sea crude for August delivery fell by six cents to 13.07 dollars per barrel.

compared with 28.22 million in May, or 815,000 BPD above the limit the cartel agreed to set at the end of March in an effort to shore up falling prices.

Iran increased production by 260,000 BPD in June, but Iraq reduced its output by 160,000 BPD, MEES said.

Saudi Arabia, meanwhile, said that it was prepared to cut output by an additional eight or nine per cent from August, in a bid to buoy prices.

RUBBER: Bounce. Rubber bounced back after a rise in the value of the yen, which strengthened demand from Asia this week.

Contracts for August and September delivery rose by 7.5 pence to 482.50 pounds per tonne.

And on the Kuala Lumpur market, the RSS1 index rose to 2.95 ringgits per kilogramme, from 2.86 ringgits.

COCOA: Wilting. Forecasts of a bumper harvest in Ghana, the world's second-biggest producer, sent cocoa prices slightly lower this week.

COFFEE: The threat of frost damage to Brazilian plantations lifted this week, undermining robusta prices on the London Futures Exchange.

Contacts for September delivery fell by 52 dollars to 1.545 dollars per tonne.

TEA: Weak. Mombassa's tea auctions commanded only modest demand this week, the broker's association said.

BPI tea prices fell by between five and 20 cents per kilogramme, depending on country of origin.

SUGAR: Sweet. Sugar is being boosted by strong summer demand in the Philippines, which could import up to 200,000 tonnes in August and September.

Traders say there might be another 300,000-tonnes purchase in Indonesia in the near future.

Prices managed to ride out the effect of the Russian Prime Minister's expected signing of a law imposing a 45 per cent import tax on white sugar and a 75 per cent duty on unrefined sugar.

The duties are meant to be temporary to protect Russian products during the current beetroot harvest.

Sugar for October delivery ended the week on the London futures exchange at 250.4 dollars a tonne, up six dollars.

VEGETABLE OILS: Slippery. US vegetable oil prices fell after the arrival of badly needed rains in Southern delta soya growing regions, as well as a fall in domestic demand and prospects of greater South American imports.

COTTON: Frayed. Fibre prices fell this week after the arrival of badly needed rains in US producing regions, especially the northeast of Mississippi and Western Tennessee.

However, Texan and Alabama cotton fields are still suffering from weeks of drought, while the US Department of Agriculture is considering declaring a state of emergency in Texas, GNI brokerage said.

Prices on the cotton outlook index fell to 68.90 cents a pound from 70.45 cents.

WOOL: Thin. Although British and Australian markets were closed this week, producers are failing to find price support.

Brazilian soya is now at the low prices and increasingly