

Iraq threatens action if UN sanctions not lifted

BAGHDAD, Sept 6: An Iraqi newspaper that reflects the views of the ruling Baath party warned Sunday that Iraq will take "necessary action" if the UN Security Council does not lift punishing trade sanctions, reports AP.

The front-page editorial in Al-Thawra did not say what action was contemplated. The paper also reacted angrily to an American and British draft resolution introduced to the Security Council last week. It calls for suspension of regular sanctions reviews until Iraq reverses its Aug 5 decision to freeze cooperation with UN weapons inspectors.

The sanctions — which ban air travel and limit the sale of oil, Iraq's economic mainstay — were imposed after Iraq's 1990 invasion of Kuwait. The Security Council has said they will not be lifted until UN inspectors certify that Iraq has eliminated its weapons of mass destruction.

Iraq insists that it has done so and says the inspectors have been working to prolong the sanctions on behalf of the United States. Al-Thawra accused the Security Council of ignoring its statements, saying the Council "does not find an issue to discuss but an American-British draft resolution aimed at the suspension of the bimonthly reviews of sanctions."

The paper added: "If the Security Council succumbs again to the American blackmail... the leadership and the people have no choice but to take the necessary action conferred by its legal rights, national interests, independence and national pride."

The paper said the threat of suspending reviews "will not make Iraq back down on its demands... as long as the sanctions continue without a hint from the Security Council which shows an end to the sanctions is within sight."

The paper asserted that the UN Special Commission, which oversees weapons inspections, "receives its instructions from Iraq's enemies." Iraq has long contended that the commission operates at the behest of the United States and Britain to prolong the sanctions.

The draft resolution put forward by the United States and Britain last week would punish Iraq for freezing cooperation with inspectors by suspending regular sanctions reviews. But it also appeared to offer Iraq an incentive to resume cooperation. The resolution says that if inspectors are allowed to get back to work, the Council would be willing to consider a comprehensive review of Iraq's previous compliance.

China rules out impact of Russian crisis
BEIJING, Sept 6: China Sunday brushed off the influence of Russia's economic crisis on its own growth, saying trade was relatively insignificant, reports AP.

UN questions role of 'microcredit' in reducing global poverty

NEW YORK, Sept 6: A United Nations report, released last week, questions the role of microcredit programmes in lifting the poor from absolute poverty, reports UNB.

It is not clear, the report says, if the extent to which microcredit has spread, or can potentially spread, can make a major dent in global poverty. Prepared by the UN Secretariat's Department of Economic and Social Affairs, the report gives Bangladesh's Grameen Bank a prominent place in its scrutineering.

In recent years, microfinancing — characterised by relatively small loans, a few hundred dollars at most — has won many converts in both developing and industrialised North, largely because of Grameen's success.

US First Lady Hillary Clinton hosted last year a microcredit summit which was co-chaired by Bangladesh Prime Minister Sheikh Hasina. "Grameen Bank now reaches over two million people with cumulative lending of about \$ 2.1 billion," the UN report notes.

However, on a global scale, microcredit has failed to change the worsening poverty situation. The report notes that the actual use of microcredit, so far at least, is rather modest.

The overall portfolio of the World Bank, for example, is only \$ 218 billion. Referring to the Microcredit Summit's stated target to reach 100 million families by the year 2005, the report says this will require an additional annual outlay of about \$ 2.5 billion.

In other words, "a certain sense of proportion regarding microcredit would seem to be in order," the UN report comments.

While agreeing that there are good NGOs and bad, the report says the best results are produced when developing country governments and NGOs work hand in hand.

Articles of apparel and clothing accessories emerged as the second top earner with sales amounting to nearly 260 million dollars.

US spends \$833m to prop up yen in June
NEW YORK, Sept 6: In its first sale of dollars in global currency markets since 1992, the United States spent a total of \$833 million dollars to prop up the faltering Japanese yen, reports AP.

The Federal Reserve Bank of New York on Thursday provided the first details of the June 17 foray into the foreign exchange markets, which the United States carried out with Japan to halt a freefall in the yen.

Treasury Secretary Robert Rubin had announced the coordinated intervention at the time, but gave no details of the extent of the operation. Currency traders had estimated that the United States sold around two billion dollars to buy yen and that Japan sold a similar amount.

But in its quarterly report, the Federal Reserve Bank of New York said the sum was \$833 million dollars. "It was the amount that seemed effective from our side," said Peter R. Fisher, executive vice president of the New York Fed. He gave no figures for the Japanese sales.

The New York Fed acts as the agent for the Treasury Department and Federal Reserve in executing US foreign-exchange policy in the open market. The action was taken after the Japanese currency appeared to be in a freefall, tumbling to an eight-year low against the dollar. Traders were pessimistic the Japanese government would take tough measures needed to bolster its economy, even though officials had announced several efforts to do so.

The intervention gave an immediate lift to the yen, driving it up to 136.51 to the dollar at the close of the June 17 trading session. Since then, the yen has slid further, again on pessimism about the nation's economic outlook. It traded at 143.66 to the dollar late Thursday, but that still was below its low for the year of 146.78, reached June 16.

The June 17 intervention marked the first time since February 1992 that American monetary authorities had sold dollars to try to influence the markets. At that time, the government sold \$150 million for yen over two days.

Democracy, Peace and Security: Democratic institutions and social and economic development are essential to strengthening peace and security in the hemisphere.

A Rio Group committee will study limiting conventional weapons and deliver recommendations at the 1999 summit.

The members urge the international community to take immediate steps to achieve a world free of nuclear arms and other weapons of mass destruction.

Human Rights: Human rights and fundamental liberties must be protected, especially for ethnic and linguistic minorities, Indians, women, children, and migrant workers.

Foreigners who are arrested have the right to contact their consular offices under the 1963 Vienna Convention.

Sustainable Development: Economic development is being hurt by degradation of the environment and natural resources.

Industrialised nations must promote development by sharing technology and financial resources.

States' Helms-Burton law and process of certification in the light against drug trafficking.

Drugs: Drug trafficking is a global problem and actions to prevent, control and sanction it require a common approach.

Social and economic options are needed for communities affected by drug cultivation.

The group opposes a nation's covert operations which violate the laws of another nation as an infringement of sovereignty and the principle of non-intervention.

Technology: Steps must be taken to guarantee that computer systems will be adjusted to recognise the year 2000.

Leaders of the 14 nations also signed a separate 7-point declaration on economic issues.

RBI sees 6.5pc economic growth

NEW DELHI, Sept 6: India's central bank has forecast economic growth of 6.5 per cent this year — a figure that contrasts sharply with the more gloomy predictions made by independent economic think-tanks, reports AFP.

In its annual report published yesterday for the fiscal year to March 1999, the Reserve Bank of India (RBI) said the industrial and agricultural sectors would perform better than expected.

There is no reason why the agriculture and allied activities sector should not record a growth of three per cent, up from 1.5 per cent last year, the RBI said.

India's economy started slowing in October 1996, when political instability shook New Delhi's then ruling centre-left government.

Economic growth last year stood at 5.0 per cent, down from 7.5 per cent the previous fiscal year. In July, the independent Centre for Monitoring the Indian Economy (CMIE) forecast that growth would fall even further this year to between 4.0 per cent and 5.0 per cent.

But the RBI report reflected recent statements from Indian Finance Minister Yashwant Sinha, who predicted a "definite upturn" for the economy by the end of the year.

"Industry should also show a higher rate of growth than in the previous year in view of the expected stimulus from rural development and the planned initiatives in regard to infrastructure development," the report said.

Despite the slowdown in economic growth last year, the RBI said India had still "outperformed" other developing nations, proving its "resilience and inherent strength to meet the many macro-economic challenges posed by both domestic, and international developments."

But it also warned the government on the "recent international developments," such as the rouble crisis, which were "a matter of concern, requiring continuous watch and alert policy responses."

The RBI said it was preparing an eight billion dollar war chest that could be used to fight off interest rate and currency speculators. The Indian rupee has lost a fifth of its value in the past 10 months due to domestic political instability and the Asian financial crisis.

The report also cautioned the government on a sharp increase in the revenue deficit which was up from target of 2.1 per cent of the Gross Domestic Product to 3.1 per cent in the year to March 1998.

It said this has increased the reliance of government on market borrowings which up 26 per cent to 101 billion dollars last fiscal year and was forecast to rise further this year.

The central bank said this would put severe pressure on the interest rates.

727 schemes implemented in Chuadanga
CHUADANGA, Sept 6: A total of 727 schemes were implemented in all the four thanas and three pourashavas of Chuadanga district under the three heads of development schemes at a total allocation of 2441 tonnes of wheat during the last financial year, reports BSS.

According to an official source the three heads of development schemes included repair work of rural infrastructure, maintenance of rural infrastructure and special project-based rural infrastructure repair work.

Of the total schemes implemented, 125 were under rural infrastructure repair work, 383 were under the maintenance of rural infrastructure work and 219 were under the special project-based rural infrastructure repair work.

Of the total schemes 164 were implemented in Chuadanga Sadar thana, 199 in Alamdanga thana, 163 in Damurhuda thana, 105 in Jibannagar thana, 54 in Chuadanga Pourashava, 39 in Alamdanga Pourashava and 3 in Jibannagar Pourashava.

Business Initiative Directions Award for Chy Towel
Star Business Report
M/S Chowdhury Towel Industries (Pvt) Ltd have been awarded "1998 International Gold Star for Quality" by the Business Initiative Directions, Madrid, Spain, says a press release.

Chowdhury Towel Industries, one of the members of Bangladesh Terry Towel and Linen Manufacturers and Exporters Association (BTTLMEA), has earned this prestigious award for manufacturing and exporting quality terry towels from Bangladesh.

BTTLMEA donation to PM's Relief Fund
Meanwhile, BTTLMEA donated an amount of Tk 1,00,000 to Prime Minister's Relief Fund on Thursdays. The Cheque was handed over by the association's Chairman Md Shafiqul Islam, who was accompanied by J A Ansari, Arifur Rahman Bhuiyan and M A Quayum.



A group of travel agents from Bangladesh flew to Dubai on Wednesday on a trip organised by Emirates Holidays. Md. Ismail Bhuiyan, Senior Sales Executive and Misbah-Ul-Islam, Sales Executive, accompanied the group. Kazi Zahurul Quyyum, Sales Manager, Bangladesh and Aziza Chowdhury, Station Officer along with other Emirates staff are seen with the agents at Zia International Airport prior to their departure.

Anwar backs Mahathir's criticism of global financial system

KUALA LUMPUR, Sept 6: Sacked finance minister Anwar Ibrahim yesterday wished Malaysia's radical new economic programme success and said he agreed with Prime Minister Mahathir Mohammad's criticism of the global financial system, says Reuters.

Anwar, speaking to reporters outside his home in the capital, made a point of minimising differences with Mahathir, who dismissed him from the cabinet of Wednesday and then pushed for his expulsion from their political party a day later.

One day before Anwar was sacked, the government announced strict capital controls which marked a giant step away from the free market economy which the former finance minister had long defended.

But Anwar, who until Saturday had not commented on the controls or on the fixed exchange rate that was imposed on Wednesday, said he hoped they would succeed.

"I wish Dr Mahathir well. I agree with him in some of his concerns on the flaw of the international financial system and he's correct at that," he said, referring to Mahathir's frequent criticism of currency speculators.

"I don't disagree with him on these issues and as a Malaysian and a former cabinet member, I really wish that this experiment announced on the first of September would work in the interests of our people, although I believe that we have to deal with many problems."

Anwar's critics have sought to link him to the International Monetary Fund (IMF), which has also been a target of Mahathir's ire.

But Anwar said it was unfair to say he had followed the wishes of the IMF, which earlier this year failed to persuade Malaysia to raise interest rates sharply.

Over the past month, Malaysia has slashed rates to try to pull the economy out of recession.

The IMF wanted much higher interest rates, we did not agree. The IMF wanted a balanced budget, which we did not agree. We had a deficit budget so don't get duped into their campaign in trying to associate me with the IMF," Anwar said.

My difference with some members of the government is while criticising the international system, currency traders, make some adjustments and correct within our own system too — don't just assume that we are perfect and all the blame is on others.

Earlier on Saturday, Anwar said he harboured no ill feelings towards Mahathir.

Philippines exports up 19.1pc

MANILA, Sept 6: The Philippines' merchandise exports grew by 19.1 per cent in the first seven months this year to 16.4 billion US dollars from 13.77 billion dollars during the same period last year, the National Statistics Office said Thursday, reports Xinhua.

For the month of July, the country's total export earnings reached 2.5 billion dollars, 20.9 per cent higher than a year ago, according to figures released by the office.

Except for April and June, the country's exports' year-on-year growth has been more than 20 per cent during the period.

Leading the top foreign exchange earners for July were electronics and components, with their sales growing by 51 per cent to 1.2 billion dollars from last year.

Articles of apparel and clothing accessories emerged as the second top earner with sales amounting to nearly 260 million dollars.

EBL foundation course for new recruits ends
Star Business Report
A week-long foundation course for the new recruits of Eastern Bank Limited (EBL) ended in the city on Thursday.

EBL EASTERN BANK LTD VALEDICTORY SESSION OF THE FOUNDATION COURSE ON GENERAL BANKING TRAINING ACADEMY AUGUST 30- SEPTEMBER 03, 1998

M Khairul Alam, Managing Director of Eastern Bank Limited (middle), addresses as chief guest the valedictory session of the foundation course on general banking Thursday organised by the Training Academy of EBL. The course was imparted by QGM Farooqi, Principal of the Training Academy, and was assisted by S M Hafizur Rahman and Mahbubur Rahman Khan, faculty members of the academy.

LatAm nations make move to tackle global crisis impact

PANAMA CITY, Sept 6: Mexican Foreign Minister Rosario Green called on Saturday for urgent action to reduce the impact of the economic crisis in Russia and Asia on Latin America, reports Reuters.

"In the world today, there is a very delicate situation that should be attended to immediately to slow the crisis from worsening and causing major damage in our region," Green told reporters at a summit of the Group of Rio in Panama.

At the end of the meeting later on Saturday, Latin American heads of state signed a declaration appealing to international financial institutions and the Group of Seven to reflect urgently on the crisis that is threatening emerging Latin American economies.

The Rio Group expands the Contadora Group of Panama, Venezuela, Colombia and Mexico, bringing in Chile, Peru, Bolivia, Uruguay, Argentina, Brazil, Ecuador and Paraguay.

The summit has been marred by the absence of three of the Group's most influential presidents — Carlos Menem of Argentina, Fernando Henrique Cardoso of Brazil, and Julio Maria Sanguinetti of Uruguay.

Following are the highlights from the 59-point declaration signed Saturday by 14 Latin American nations at the 12th Rio Group summit in Panama City, Panama:

General Statement: The governments pledge to strengthen the Rio Group as a vehicle of dialogue and as a representative of the region.