Trade liberalisation India rejects EU call for fresh talks at WTO

NEW DELHI, Sept 12: India has rejected a European Union call for a fresh round of negotiations at the World Trade Organisation (WTO) to further liberalise trade, an official said here yesterday, reports AFP.

"India has maintained that there is no need for fresh negotiations at the WTO PP Prabhu, a top bureaucrat in the Commerce Department said.

The 15 European Union heads of state and government issued a statement in June calling for a comprehensive new round of liberalising negotia-tions' towards the end of 1999.

While Japan backed the EU proposal, the United States is firmly opposed, arguing that it will only slow down the entire liberalisation process.

For its part, New Delhi argues that some countries calling for India to implement "broadbased" liberalisation are not willing to allow "meaningful" market access to Indian tex-

India also complains about what it considers unfair antidumping duties imposed by some developed countries in its

"Most developing nations are misusing the anti-dumping provisions, Prabhu said.

"We have taken up the issue seriously and are attempting every possible way to stop levying additional excise duty on export items."

FedEx among Working Mother's 100 best cos

Star Business Report Federal Express Corp. (FedEx), a largest express transportation company, has been named as one of the 100 Best Companies in America for working mothers by Working Mother Magazine.

The announcement made recently will be highlighted in the October issue of the publication. "FedEx was one of 100 com-

panies chosen from thousands of entries because of its on-going commitment to employees and family-friendly policies." said the company in a press statement.

The winners were selected through six criteria - pay, opportunity for woman to advance, child care assistance, flexible work arrangements, work/life supports such as counseling and support groups, and other family-friendly benefits such as extended maternity and parental leave as well as adoption aid and elder care.

'Union members must ratify deal to save PAL'

MANILA, Sept 12: Union members of Philippine Airlines must ratify a tentative accord to save the ailing airline, including a provision which suspends their collective bargaining agreement for 10 years, a union official said Saturday, reports

On Friday, PAL chairman and majority owner Luciio Tan agreed to give 20 per cent ownership of the company to its employees as part of the deal. Under the proposed agreement. employees will also get three seats on the airline's 15-member board of directors. Each employees will receive

60,000 shares of stock worth 300,000 pesos (about dlrs 6,896) from the Tan group's shareholdings in PAL. However, they will not be allowed to dispose of or sell their shares until their retirement, the airline said. The accord commits the

company to refrain from cuts in salaries and medical benefits. and retrenched union members who have not received separation pay will be rehired, the airline said. A majority of the 21 board

members of the PAL Employees Association, which represents ground crew workers, have voted to accept the proposal.

The same offer was made by PAL to the flight attendants' and the pilots' unions, but there was no immediate response from either group.

Alex Barrientos, president of the ground crew union, said the agreement would have to be ratified by a majority of his union members in a vote next week.

"Employees would take the risk of letting PAL survive by supporting the programmes of the company," he said in explaining why union leaders accepted the offer.

He said company officials assured them their union would still be recognised but he

warned Tan not to trick them. The airlines said last week it lost 2.2 billion pesos (51 million dollars) in the first quarter of the fiscal year beginning April 1, mainly because of work

A 22-day pilots' strike in June caused the heaviest damage, causing revenue losses of about 200 million pesos (4.6 million dollars) a day, PAL

The airline said its losses also rose because of soaring dollar-denominated payments and continuing lease payments on unused planes which have not

yet been returned. The suspension of the collective bargaining agreement was also a key condition required by the airline's creditors.

PAL said. Barrientos, however, said there was "no assurance" that the airline would survive even if all the unions support the Ministers visit flood-hit industrial belt of Narayanganj

Donors promise financial support Govt won't excuse anybody for reconstruction plan

NARAYANGANJ, Sept 12: Heads of the donor agencies to day promised their financial support to the immediate need of the flood victims and postflood reconstruction plan, reports UNB.

The donor agency heads made their commitments during a visit to flood-hit industrial belt of Narayanganj. They accompanied Finance Minister SAMS Kibria and Commerce Minister Tofail Ahmed.

They saw the extent of industrial damage in the industrial

town caused by the floods. About 90 per cent of the industries ranging from textile and garment to jute were damaged by the floods. About 80 per cent of the industries had to stop their production.

Flood water was about to touch the roofs of the first floors of most industries in the

BSCIC area at Fatullah. Workers have taken shelter on different floors and roof-tops of the industries.

Speaking to businessmen and industrialists at Chashara Dak Bungalow, Finance Minister SAMS Kibria spelt out the steps the government has taken for industrial rehabilitation and an unhindered exports.

who suffered the loss by floods to immediately contact their respective banks and seek financial help for rehabilitation. "I am sorry to say our past records shows those who were

He urged the industrialists

affected by floods or any natural calamity did not get help from the banks. But, others who were not affected took the opportunity. So, rush to the banks

and bring them to the sites." Kibria said "We have already definitely get help from them." He said the government was ready to accept any reasonable demands from the affected peo-

"We are taking quick decisions and I assure you will be able to take care of your needs," Kibria asserted.

Commerce Minister Tofail Ahmed said he and his ministry will always stand by the genuine demands and needs of affected businessmen and industrialists.

munity to fight to restore their productive activities immediately after the flood water recedes. "The government is with you

He urged the business com-

We will take every necessary steps to bring back life in the industrial sector," said the

He also urge the business community to stand beside the distressed people.

Addressing the meeting out-going Country Director of World Bank Pierre Landell-Mills said the donor agencies have come forward with emergency relief and they will also come forward to help the post-flood reconstruction programme.

"We will assess the needs immediately after the flood water recedes and seek international help for repair, reconstruction works."

UN Resident Coordinator David E Lockwood said that the post-flood reconstruction pro-gramme could not be completed within a year. "It could take years together."

He also said that the UN missions in Dhaka would reassess the damages after flood water recedes.

Kibria warns businessmen

involved in hoarding

NARAYANGANJ, Sept 12: Finance Minister S A M S Kibria has warned against hoarding and asked the businessmen not to involve in such heinous hoarding acts increasing the misery of the distressed flood victim, re-

ports UNB. "The government will not excuse anybody involved in hoarding" he told a meeting of business people and industrial-ists at Chashara Dak Bungalow today

The Finance Minister said: "None will get that much benefit out of hoarding as there are enough food stock in the country and a huge quantum is coming through imports."

The donors are also responding very positively to the Bangladesh government's appeal for flood aid, he said during a visit to see the flood affected industrial belt in Narayanganí.

Later, talking to UNB, Com-merce and Industry Minister Tofail Ahmed said the government will take all steps to stop

Expressing confidence over the food stock and imports, he said any how the food market would be kept normal.

About the soaring prices of essentials for last few days, Tofail said it was only because of the disruption of the communi-

cation system. It will come down to normal in a couple of days, said the Commerce Minister.

Regarding scarcity of medicine in remote areas, he said the government is taking appropriate measures to ensure enough supply of medicine in

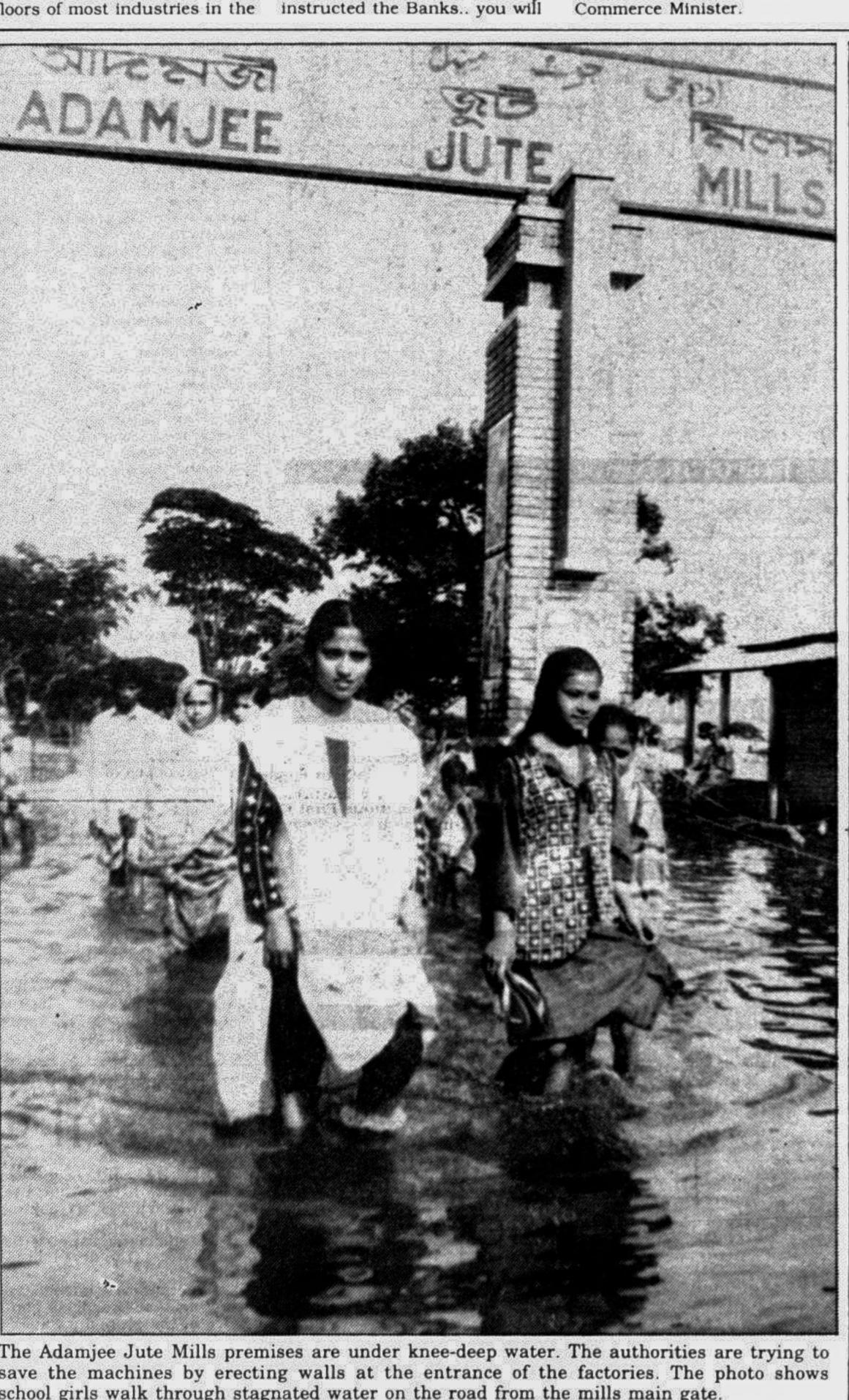
the rural areas. He said life saving medicines like oral saline will be adequate to combat the aftermath of floods.

Tofail said he will at with the businessmen on Monday to know what the businessmen were thinking or what steps they think should be taken by the government to keep the market normal.

The minister said he has confidence on the business community and thought that at this national crisis genuine businessmen would not take advantage of the situation.

Both the Finance Minister and the Commerce Minister along with heads of the donor agencies including the UNDP and the World Bank today visited Narayanganj industrial belt badly affected by flood wa-

During the visit, the heads of the donor agencies expressed their satisfaction over the relief distribution system.



save the machines by erecting walls at the entrance of the factories. The photo shows school girls walk through stagnated water on the road from the mills main gate.

BGIC declares 25 pc dividend

Star Business Report Bangladesh General Insurance Company Ltd has declared per cent 25 dividend for its shareholders for the year 1997. This was disclosed at the

13th annual general meeting of the company held in the city on Thursday. M A Samad, Chairman &

Managing Director of the company, presided over the meet-

While highlighting the company's performance for the year, the chairman stressed that this dividend was paid on the increased capital of Tk 7.20 crore, recalling that in 1996, the company declared bonus shares at the rate of one share for every five shares held in addition to cash dividend.

The total amount of cash dividend recommended for 1997 is Tk 1.80 crore as against Tk 1.44 crore paid out in 1996. The meeting also approved the accounts for the year 1997. says a press release.

The total asset of the company stood at Tk 40.36 crore. During the year, the company earned a profit of Tk 3.64 crore. The total reserve fund stood at Tk 13.45 crore.

The Dividend Equalisation Reserve has been increased to Tk 72 lakh and Exceptional Loss Reserve increased 12 per cent more than that of last year.

Mosahid Ali, Salim Bhuiyan and ASM Shahidullah Khan were reelected directors from the sponsors shareholders group, while Sirajul Islam Chowdhury and M A Motaleb were reelected as directors from

the public shareholders group. The meeting was attended by directors Salim Bhuiyan Towhid Samad, Abdus Sattar, F M A B Siddique, Saleh Ahmed, Mahmud Hasan, M A Motaleb and Kalim Sharafi.

Switzerland willing to track down Suharto's wealth

JAKARTA, Sept 12: The Swiss government is willing to track down any wealth former Indonesian President Suharto might have in Swiss banks, but only on the request of the government in Jakarta, state-run TVRI television said, reports

The assurance was given by Swiss Ambassador to Indonesia Gerard Fonjallaz in a meeting here Friday with Attorney General Andi Ghalib, which was shown by TVRI.

The 13th AGM of BGIC was held in the city on Thursday.

Crisis-hit Wall Street now becoming anxious about Clinton's future sions, when the Dow slumped

WASHINGTON, Sept 12: If recessions in one-third of the world's economies and the crumbling Russian rouble weren't enough, a worried Wall Street now also is becoming anxious about President Clinton's future, reports AP.

Investors are counting on two men to keep the US economy humming - and signaling he'll be there.

Rubin showed up on the White House lawn after an emotional meeting between Clinton and his Cabinet members Thursday night. Rubin assured the world via television that Clinton's troubles wouldn't divert his attention from the financial firestorm raging out of

"We have been totally focused" on the economic crisis, Rubin said.

The underlying message: Rubin, the savvy Wall Street veteran and architect of much of Clinton's economic success, has his eye on the ball and most importantly isn't going anywhere, despite widespread rumours this year that he would soon leave the Cabinet.

Last week, Greenspan, the Federal Reserve chairman, signaled that the central bank stood ready to lower interest rates to keep the US economy out of recession.

Those words were enough to power Wall Street to its biggest one-day point gain in history Tuesday, a rise of 380 points for the Dow Jones industrial index. But the market's extreme nervousness was underscored by the following two trading ses-

fall of sterling, while ignoring

trading in Russia for several

days contributed to a halt in co-

coa and chocolate imports, said

Meanwhile, West African co-

Coffee: Hot. Robusta coffee

for November rose sharply to

1,679 dollars a tonne, up 36 dol-

lars, thanks to a temporary

pected to drop off until the

1998-99 harvests from Ivory

Coast, Uganda and Vietnam ar-

for December fell 3.25 cents to

least quality teas fell back.

Robusta supplies are ex-

In New York Arabica coffee

Tea: Strong. Tea auctions in

The suspension of currency

underlying market factors.

by a total of 400 points. That drop was triggered by the announcement that Kenneth Starr's report was being re-The potential crisis in gov-

ernment is affecting the markets "because a beleaguered" presidency could mean the inability to deal with risky world situations ranging from terrorism to economic turmoil," said Allen Sinai, chief economist at Primark Decision Economics.

After those who down days, Wall Street rallied Friday, in part bolstered by Rubin's appearance and by rising hopes that Greenspan will follow up last week's hint with an actual cut in interest rates, possibly as early as the Fed's policy-making session Sept 29.

The Dow was up 179.96 points for the day, leaving it still down 1,542 points, or 16.5 per cent, from its July 17 record.

To underscore that the administration and the Fed are keeping in close touch, both Rubin and Greenspan will testify on the international economic troubles next Wednesday on Capitol Hill.

Rubin's appearance Thursday was in marked contrast to his low profile after Clinton's Jan. 23 Cabinet session, right after the Monica Lewinsky scandal broke. At that time. Rubin was not among a group of four Cabinet members who met

with reporters. So high is his standing with Wall Street that his mere absence that day sparked a stock

price plunge as rumours spread that he was on the verge of resigning.

The rumours were quickly denied. But they have popped up again throughout this year on speculation that Rubin was growing tired of his Treasury post and would depart by year's end. Rubin's coy denials in the spring fueled speculation fur-

But since the Asian crisis deepened this summer, Rubin's resolve to stay seems to have strengthened. Now with his president in trouble, analysts say they believe there's no chance he will leave anytime

"The markets look to Robert Rubin and Alan Greenspan to keep bad things from happening," said Lyle Gramley, a former Federal Reserve board governor. "When you are going through this type of turmoil. the departure of either one

would be a big blow." Hopes for Fed action gained strength with Friday's report that inflation is still a no-show in the Untied States. The worsening situation in Brazil, where the government is fighting a tough battle to keep from devaluing its currency, will likely also play into Greenspan's

thinking. Latin American officials "believe a Fed rate cut would demonstrate that someone was doing something to help calm global financial jitters," said Sung Won Sohn, chief economist for Norwest Corp., on a fact-finding mission to South America.

Commodity market: Gold, oil and tea strong over the week prices were unchanged at 1,071

LONDON, Sept 12: Gold prices shot up this week as the precious metal took on refuge status for investors taking cover from the effects of US President Bill Clinton's sexand-lies scandal on equities markets and the dollar, reports

On the London bullion market, gold rose almost 10 dollars an ounce as investors watched the growing possibility that Clinton might be impeached over perjury and other serious allegations in the special prosecutor's report delivered to

Investors were also driven from the dollar and stock markets by jitters over the plummeting stock prices in Brazil and Mexico, increasingly bad news from Japan and elsewhere in Asia, and the turmoil in Rus-

"Actually, everything is coming together very quickly in the same time," said precious metals expert Anday Smith at

Mitsui Bussan Commodities. "There's a political crisis in Russia, in the states, the dollar is going down. With such a background, no one wants to go on week-end without having secured a position on gold."

Elsewhere on the commodities markets, base metal prices continued to be caught up in the Asian and worldwide financial turmoil. However, there were signs that demand in steady, helping copper prices to rise.

Gold: Refuge. The sex-andlies scandal threatening to force US President Bill Clinton out of office sent the dollar and stock markets downwards and a pushed investors into gold. Gold ended the week at about 295.05 dollars an ounce, up 9.2 dollars.

Investors moved to the precious metal as a safe haven against possible political turmoil in the United States if Clinton is impeached over the prosecution report being examined by Congress, analysts said.

The increasingly gloomy Asian economic outlook and the political-financial upheavals in Russia also made gold attractive, said Andy Smith, precious metals analysts in London for Mitsui Bus-

san Commodities. The new strength of the yen against the dollar also made gold more competitive for Asian buyers.

tracked gold and ended the week at 4.98 dollars an ounce, up 17 The market, however, is bracing for a possible devaluation of the Indian rupee amid

Silver: Golden. Silver

Asian economic turmoil, as India is the biggest importer of silver in the world. Palladium and platinum: Dull. The two sister metals rose slightly this week in line with

the Russian crisis. Analysts expect a drop in Russian exports to Japan because of disruptions in the Russian economy and efforts in Russia to preserve reserves, which are difficult to replenish due to ageing infrastructure.

palladium producer and second platinum producer, after South Africa, Japan is the biggest importer of the two metals. Copper: Polished. Copper prices on the London Metal Exchange (LME) rose sharply this

week, pushed upwards by the

Russia is the world's biggest

falling dollar and despite an increase in warehouse stocks of 25,425 tonnes to 361,725 tonnes, especially in Singapore.

There-month copper rose 12 dollars to 1,689.50 dollars a tonne, shrugging off worldwide financial turmoil and the threat of devaluation in South American countries, including mining center Chile.

Lead: Heay. Lead prices fell slightly after moving little all week in slack trading volumes, despite a fall in LME warehouses reserves of 875 tonnes to 112,625 tonnes.

Three-month lead closed 15.25 dollars lower at 526.25 dollars a tonne. Zinc: Weak. Speculative sell-

ing pushed down zinc prices this week, with the metal not sharing other base metals' resistance to world financial turmoil. Three-month zinc fell 17

tonne, while LME stocks fell 2,025 tonnes to 364,850 tonnes. Aluminum: Dulled. Aluminum prices lost ground this week as a strong increase in London Metal Exchange warehouse stocks outweighed the supportive factor of the dollar

dollars to 1,034.50 dollars a

sliding against the yen. Three-month aluminum fell 38.5 dollars to 1,371.50 dollars a tone. LME stocks rose 21,900 tonnes to 474,100 tonnes. Nickel: Weak. Nickel prices were weakened this week by

poor sentiment over the future

of the Asian and Russian

economist.

There-month nickel fell 10 dollars to 4,147.5 dollars a tonne, while LME reserves fell 660 tonnes to 58,512 tonnes. **Tin:** Shiny. Three-month tin

prices rose 75 dollars to 5,420 dollars a tonne on the back of a fall in LME warehouse stocks of

185 tonnes to 7,905 tonnes. The market ignored the blockade by environmental campaigners greenpeace of new facilities owned by Greece's lark, which has been accused of dumping toxic materials into

Viktor Sharshapin, chairman the sea. of the Russian Confectionery Oil: Heating. Brent, the reference North Sea Oil, ended the Industry Association. week 32 cents higher, at about coa production in 1998-99 is 13.62 dollars a barrel, after the expected to be lower than the International Energy Agency reported a lowering of world previous season, production in Ivory Coast, the world's biggest production in August and also producer, is estimated at due to Iranian-Afghan ten-900,000 and 950,000 tonnes, sions

World productions of oil had fallen by 1.2 million barrels per day in August, the IEA said in a monthly report. This reflected an expected reduction of output of Norwegian oil at a time of year when

repairs are carried out on oil

platforms and an unexpected reduction by Nigeria. Overall production by the 11 members of OPEC had fallen by about 300,000 barrels per day to 27.26 million barrels per day. Rubber: Bouncy. Rubber

470 pounds a tonne, up 10

pounds, while October rubber

traded at 475 pounds, up 10

pounds.

prices rose sharply after Thai-Mombassa, Kenya saw strong demand this week, especially land, the biggest producer, defrom Egypt, Sudan and Yemen cided to reduce production to support the market, as well as and from Middle East importers, the tea broker's associstock buying by the International Natural Rubber Organiation in London said. Best selling were mediumsation (INRO). quality teas, while the top and September rubber traded at

15 cents a kilo. Dust, the low quality tea, fell 10 to 25 cents a However, the Kuala Lumpur RSS 1 index fell to 2.57 ringgits A major blow to tea ina kilo from 2.60 ringgits. Cocoa: Flat. December cocoa vestors was the crisis in Russia.

slightly lower.

dwindling of supply

rive on the market.

109 cents.

one of the biggest consumers in pounds a tonne this week on the the world, and the country's London futures market, with disappearance from the interinvestor following the rise and national auctions.

> million kilos of the 203 million kilos exported from India, it is also the top client for Sri Lankan tea, and an important customer for Chinese, Indonesian and Vietnamese tea. Sugar: Unsweetened. Sugar

In 1997, Russia bought 90

prices hit their lowest point since February 1993, with the Asian crisis, the Russian turmoil and threats to the stability of Latin American markets cutting prospects for demand.

The International Sugar Organisation said that Russia would be absent from the market for the rest of the year. Traders also feared a deval-

uation of the Brazilian real, as this would lead to increased exports as Brazilian producers tried to recoup their losses. On the London futures market. December sugar ended at

71.2 dollars. Vegetable oils: Smooth. Soya prices resisted the instability of global financial markets thanks to major purchases from China and South Korea, which took advantage of the new strength of the yen against

217.50 dollars a tonne, down

the dollar. The US Department of Agriculture said that its soya production in 1998-99 was expected to be 79.16 million tonnes, up BP 1 top quality fell five to 10 cents a kilo. Medium rose to from the 76.88 million tonnes

estimate in August. On the Chicago Board of Trade, soya rose one cent to 5.25 dollars a bushel of 27.2 kilosfor September.

Grains: Toast. Grain prices shot up this week as foreign buyers used the weakening of the dollar, amid President Bill Clinton's sex-and-lies scandal. to move into the US market.

Egypt made a tender for 55,000 tonnes of white wheat from the West Coast for October or November delivery. Prices may also be supported by news that low rainfall in the

south of the country next week

could delay winter sowing, al-

though some experts say that a delay in planting would not cause a delay in deliveries. Cotton: Frayed. Cotton prices continued to fall victim to the turmoil on world finan-

cial markets and low demand this week. Bad economic news from Asia and political turmoil in Russia and President Bill Clinton's problems in Washington meant investors were ignoring a report from the US department of Agriculture expected to estimate US 1998-99 produc-

tion at 13.96 million bales. In August, the USDA estimated the harvest at 14.262 million bales, last year, the figure totalled 19.76 million bales.

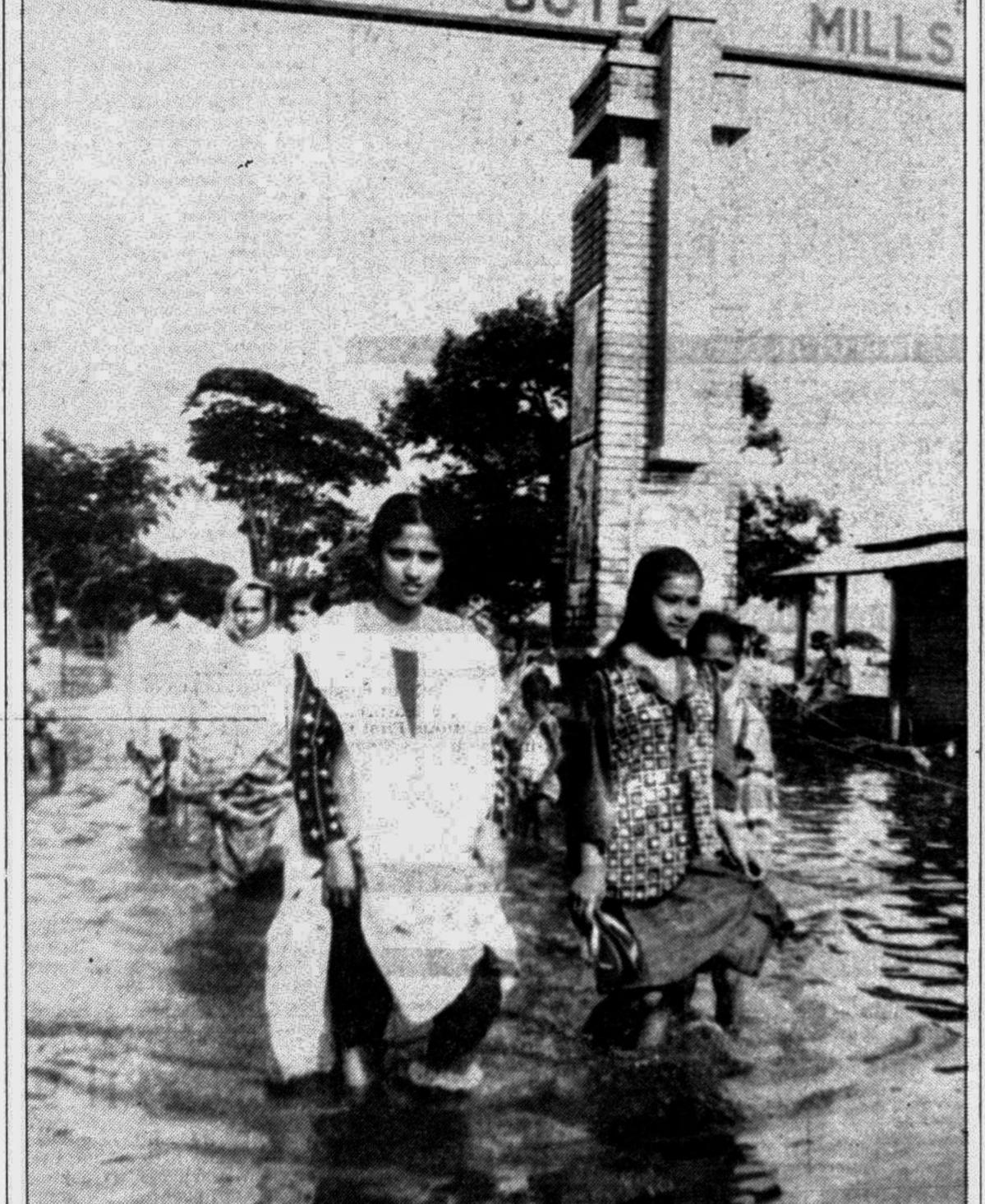
in Britain was unchanged at 300 pence a kilo, with weak prices cancelling out good demand. Out of the 2.03 million kilos on offer, 95 per cent were bought

Wools: Flat. The wooltops

index on the Bradford market

the British Wool Marketing Board said. However, the Australian

market remained hit by the Asian economic slump and oversupply, despite the government's freeze on stocks.



The Adamjee Jute Mills premises are under knee-deep water. The authorities are trying to - Star photo by Anisur Rahman