

PDB chairman says
Khulna to have
40MW power
sub-station

KHULNA, Sept 11: Chairman of Bangladesh Power Development Board Quamrul Islam Siddiqui Friday said that a 40-megawatt power sub-station would be installed at the old power house sub-station at Sher-e-Bangla Road here at a cost of Tk 12 crore to meet the demand of Khulna city, says a press release.

Quamrul Islam Siddiqui was speaking to local journalists who led by President of Khulna Press Club Humayun Kabir Balu, called on him last evening at the Galpara Power House at Khalishpur.

The PDB chairman said that the production of power had increased during the last three months and PDB had been generating 2,500 to 2,700 mw of power in the country, which was about 2,100 mw three months before.

He also said that about 275 to 300 MW of power was now being generated in Khalishpur, Bheramara and Barisal power stations while the demand in this zone is about 400 MW. The deficit is now being met with supply from the national grid, he added.

He said the system loss of power is now about 55 per cent and added that proper and effective steps, including administrative measures, were underway to bring down the percentage of system loss of power.

He also said that the 60 MW Galpara Power Station was closed down for about ten years which has now been commissioned after repair along with the 120 MW power plant by a Chinese company.

Crisis dampens Asian food market

AUCKLAND, Sept 11: The Asia-Pacific food market is still feeling the impact of the financial crisis which has hurt family incomes and forced up food prices, according to a report released here today, reports AFP.

The Pacific Economic Cooperation Council, a think tank, said overall food consumption had declined in worst-hit economies of Southeast Asia, South Korea and Russia, and some urban poor had returned to the countryside to survive.

The report was released on the eve of the Asia-Pacific Economic Co-operation (APEC) forum summit, which brings together 21 economies.

The bow wave of the economic crisis continues to spread across Asia's rural areas," said Carol Brookings, chairwoman of the council's food and agricultural forum which prepared the report.

"Governments are only beginning to appreciate the impact of economic crisis on the food system and particularly the infrastructure that supports it.

"Rural populations account for 60 per cent of the total populations in the most financially distressed economies so the problem is urgent," Brookings added in a statement.

The report said one of the most troubling impacts of the financial crisis was the scaling back of private and public investments in infrastructure, essential to making the region's food market more efficient and to sustain economic growth.

Combined public and private sector investment in physical infrastructure before the crisis in developing Asia exceeded five per cent of gross domestic product, or about 80 billion dollars a year.

US endorses IMF plan to revalue gold

WASHINGTON, Sept 11: The United States yesterday endorsed the International Monetary Fund's plan to revalue its gold to fund debt relief, adding to a positive reception from US lawmakers and virtually assuring the plan will succeed, reports Reuters.

The plan, which replaces an earlier contentious plan to sell IMF gold on the open-market, was welcomed by US Treasury Secretary Lawrence Summers.

"The IMF has laid out an approach that will make it possible to mobilise the IMF gold reserves without gold sales," Summers told reporters after a news briefing. "I believe that is a constructive approach."

The plan, which will see the IMF revalue part of its massive gold reserve to unlock \$2.1 billion in profits to fund debt relief for impoverished nations, requires 85 per cent majority vote at the IMF's board next week.

The board rarely votes against the wishes of its largest shareholder, the United States, meaning the plan should be approved when the fund's board discusses it for the last time next week.

Thomas Dawson, the IMF's external affairs director, said he expects the board finally to resolve the matter next week.

"There is every expectation it will be concluded before the end of next week," Dawson said, adding that the board had yet to set a firm date for next week's discussion.

Under the new plan, revealed through IMF documents obtained by Reuters this week, the IMF would sell its gold at market prices to countries which had payments coming due for past loans. Those countries would then pay their IMF obligations in gold.

Clinton, Jiang try to forge US-China thaw at APEC

AUCKLAND, Sept 11: US President Bill Clinton and Chinese President Jiang Zemin met for the first time in more than a year Saturday, says AP.

Clinton said he is "eager to get on with" repairing troubled relations and achieving a trade deal with Beijing.

Clinton stressed that US policy toward Taiwan, a sore spot with China, "has not and will not change." He said the United States will maintain "a one-China policy," which does not recognise Taiwan as an independent nation.

For his part, Jiang said China's policy toward Taiwan "is one of peaceful unification." But he did not rule out using force against Taiwan if there were any outside interference in their dispute, or if Taiwan asserted independence.

"We would not undertake to renounce the use of force," the Chinese leader said.

When asked by reporters whether US-Chinese relations

were on the mend, Clinton said he did not want to speak for Jiang, but "from our point of view I'm eager to get on with it, and have this meeting."

Asked if he thought the United States could conclude an agreement for China's admission into the World Trade Organization, Clinton said "I certainly hope so."

While saying that US policy toward Taiwan had not changed, the president emphasized that "we favour a peaceful approach to working out the differences. We favour a cross-strait dialogue."

"Our policy has not changed and it will not change," the president said.

Clinton and Jiang held their face-to-face talks — their first since June 1998 — on the eve of a summit of Asia-Pacific leaders.

The meeting came after months of worsening tensions between the United States and China over the bombing of the Chinese embassy in Belgrade.

during the NATO campaign there.

Despite the tensions between their countries, Clinton and Jiang seemed at ease with each other. They smiled and shook hands as they posed for photographers. Both signaled desire to mend the tattered US-China relationship, and Washington and Beijing agreed to resume the WTO negotiations.

On the issue of Taiwan, China has stepped up threats to attack the island since Taiwan's president, Lee Teng-hui, asserted in July that China and Taiwan should have a "state-to-state" relationship.

China saw that as a move toward formal independence, which it finds unacceptable because it regards Taiwan as a renegade province that must be reunited with the mainland.

China has been outraged by US arms sales to Taiwan and US discussion of a possible anti-missile shield in East Asia.

Jiang, stopping in Australia en route to New Zealand, called Clinton "my good friend." Clinton said he hoped the passage of time since "the terrible accident" — the May 7 bombing of the Chinese Embassy in Yugoslavia — would allow resumption of constructive talks.

The two leaders were meeting on the side at the Asia-Pacific Economic Cooperation forum, a group whose 21 members carry on 45 per cent of the world's trade.

In addition to Jiang, Clinton will meet on Sunday with Japanese Prime Minister Keizo Obuchi and South Korean President Kim Dae-jung to discuss North Korea's suspected preparations to test a new long-range ballistic missile. Clinton also will hold his first meeting with Russia's new prime minister, Vladimir Putin, in the aftermath of new allegations of corruption in the Kremlin and money laundering.

New Pacific free trade group in the making

AUCKLAND, Sept 11: Negotiations are underway to create a five-nation Pacific free trade area, officials said here today on the sidelines of a major Asia-Pacific conference, reports AFP.

Singapore Trade and Industry Minister George Yeo told reporters that his country, the United States, Australia, Chile and New Zealand wanted to forge a "Pacific Five" group that will move rapidly to tear down tariffs.

The P-five has had preliminary discussion on possible vehicles to expand free trade in the Pacific in line with the APEC goal. Yeo said after signing an agreement with his New Zealand counterpart Lockwood Smith to launch talks on a bilateral free trade deal.

Singapore and New Zealand, as well as their other three prospective Pacific five partners, are in the 21-member Asia-Pacific Economic Co-

operation (APEC) forum, whose primary goal is to achieve free trade and investment by 2020.

APEC leaders are scheduled to hold two-day talks here beginning Sunday to push ahead with the free trade process.

APEC has been criticised for lagging behind in its free trade drive, especially after its Asian members were hit by an economic and financial crisis.

Yeo's statement today confirmed recent reports of moves to set up the new Pacific group aimed at giving greater momentum to liberalisation.

"We can't determine at this stage how fast P-five will develop but it is thought about because of its strategic value," Smith said.

Influential US economist Fred Bergsten, who was among those who helped frame the free trade goals of APEC when it was established in 1989, said Pacific Five members must eliminate virtually all trade barriers by

2010 and prod broader liberalisation projects to early success.

Bergsten said in a published report circulated here that US participation in Pacific Five would not be a problem as none of the partner countries would raise "low-wage competition" or labour and environmental standards.

Yes said all the Pacific Five participants agreed that "the main goal is global free trade" and "nothing should prejudice our collective movement towards that goal."

"Everything else should facilitate this goal," he said.

Singapore Prime Minister Goh Chok Tong and his New Zealand counterpart Jenny Shipley told a news conference today that Asia Pacific economies should move quickly to open up their markets.



President Jiang Zemin of China (L) prepares to leave the airport tarmac with New Zealand Prime Minister Jenny Shipley (R) as he receives a traditional Pacific Island welcome as he arrives in Auckland for the Asia Pacific Economic Co-operation summit yesterday. Jiang will be joined by US President Bill Clinton and 19 other leaders who represent half of the world's population and trade to discuss pressing trade issues.

— AFP photo

European support needed for tariff plans: NZ

'APEC must renew its vow to narrow rich-poor gap'

AUCKLAND, Sept 11: Pacific Rim nations must renew their commitment to narrowing the gap between rich and poor countries in the region, New Zealand Prime Minister Jenny Shipley said Saturday, reports AP.

Shipley, host of this year's Asia-Pacific Economic Cooperation summit, said many APEC members have forgotten that reducing the gap was the reason the 21-member organisation agreed to remove trade and investment barriers.

"Now is the time to urgently lift the pace of our progress," she said.

Business groups have criticized APEC's slow performance in lifting trade and investment restrictions, saying it is unlikely to meet the goal it set in 1994 of free trade by 2010 for its developed members and 2020 for its developing nations.

However, other APEC critics say unbridled free trade would instead hurt the poor because small businessmen and farmers in developing countries would be overwhelmed by powerful companies from abroad.

Shipley rejected that view, calling free trade a "highway to development and success."

"We need to challenge those who claim the moral high ground to come down from their

protectionist pedestal," she said.

In meetings Thursday and Friday, APEC trade ministers agreed that all agricultural export subsidies should be eliminated and said they will ask the World Trade Organisation to consider tariff reductions on eight categories of goods when it meets for a new round of global trade talks in November.

APEC, however, failed itself last year to reach agreement on the eight sectors because of Japan's refusal to open up its fisheries and forestry markets.

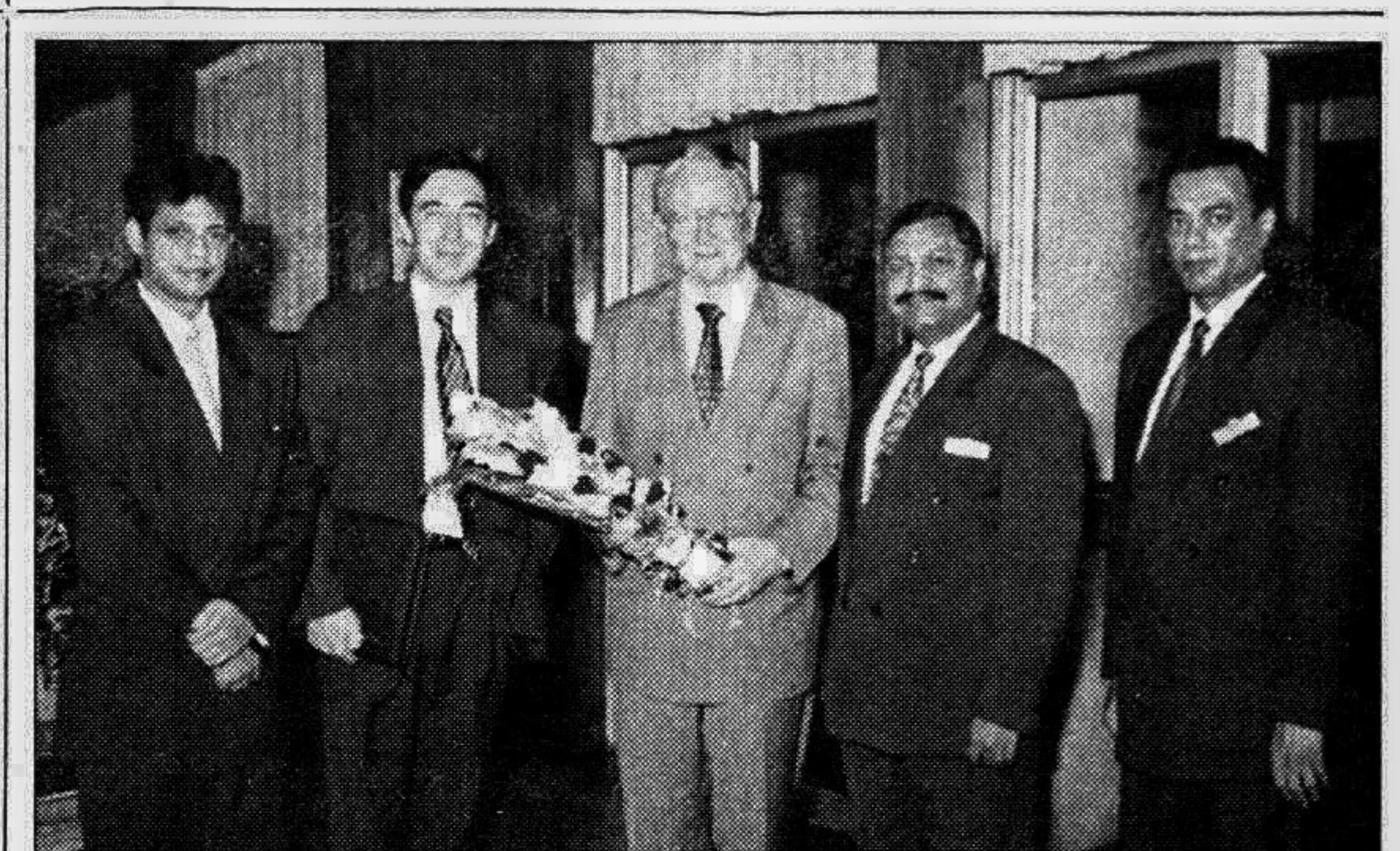
Thailand's commerce minister, Supachai Panitchpakdi, who will lead the WTO for three years beginning in 2002, acknowledged progress with the eight sectors will be a challenge.

"It looks difficult because it was already under certain intensive debate by APEC economies," Supachai said in an interview with The Associated Press.

Proponents, he said, hope to win support by tying the sectors into a broader package with other trade proposals at the WTO.

The eight sectors are fisheries, forestry, chemicals, gems and jewelry, medical equipment, energy, environmental goods and services and toys.

But they sought agreement this year on lowering tariffs in eight industrial sectors on a provisional basis, a plan called accelerated tariff liberalisation (ATL).



Dhaka Sheraton management extended a warm welcome to Chairman of Nestle HO Maucher on Wednesday on his arrival at the hotel. San Amalan, General Manager of Dhaka Sheraton, welcomed him. Also present to greet the Nestle Chairman were Executive Assistant Manager K Shafiqul Alam and Director-Sales of the hotel Saeed Ahmed. Aldo Siegrist, Managing Director of Nestle Bangladesh, accompanied the Chairman.

— Sheraton photo

Metal: Weekly Roundup

Gold, platinum, palladium go up on yen gains

LONDON, Sept 11: Gold prices rose sharply in line with gains made by the yen, which makes dollar-denominated contracts relatively less expensive to Asian buyers, reports AFP.

The gold spot price rose by 1.1 dollars to 256.6 dollars an ounce on the London Bullion Market. Prices rose above 257 dollars on Thursday.

The gains followed an announcement from the Dutch finance ministry that the IMF has abandoned plans to sell gold to finance debt relief for the world's poorest countries in the face of strong opposition from several countries, including South Africa and the US Congress.

The rise of the yen to three-year highs against the dollar further aided the metal.

But analysts added a note of caution saying that any gains

would be limited ahead of the next Bank of England gold auction on September 21.

Silver: Shine: Silver gained from strong demand and the ripple effect of higher gold prices.

On the London Bullion Market, silver gained four cents to 5.18 dollars an ounce.

Platinum and Palladium: Bright. These two sister metals rose on the wings of the yen.

On the London Palladium and Platinum Market, palladium prices rose by 10 dollars to 355 dollars an ounce and platinum gained 7.5 dollars to 357 dollars an ounce.

The rise of the yen, inspired in part by new-found optimism in the Japanese economy, led Asian investors back to market.

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