## 'Prospects for self-reliant economy hopeful'

Star Economic Report

hopeful prospects of a self-reliant economy in Bangladesh despite its heavy dependence on

foreign aid. This was observed by Dr. Qazi Kholiguzzaman Ahmad, an eminent economist, chairman of Bangladesh Unnayan Parishad and President of Bangladesh Society of Economists.

In an exclusive interview to the Daily Star on Friday, Dr Ahmad said country's vast manpower should be the basic focus of resource mobilisation. Economic and social restructuring will also be needed to help enable the masses use their creative energies, he

Following is the excerpts from the interview taken by Star's Special Correspondent Shahtduzzaman Khan.

Q: The 1980s is now regarded as a 'lost decade' for the world's poor countries including Bangladesh. What prospects, do you see, are there for these countries in the 1990s?

A: If the 1990s is a repeat of the 1980s in terms of economic failure for the poor countries of the South, the results will not only further destabilize them but can also be a serious threat to peace and stability in the world as a

LONDON, July 19: The ruler

of Abu Dhabi on Friday criti-

cised the Bank of England for

its "unjustified action" in

freezing the assets of the Bank

of Credit and Commerce

Nahayan, together with the

Abu Dhabt government and the

Sultanate's investment author-

ity, took out a full page adver-

tisement in Friday's Times

holders in the crisis-hit bank

say they were "shocked" by the

"abrupt action" of the Bank of

England and other regulations.

They are also critical of audi-

last year, at their instigation, a

They add that in autumn

tors price waterhouse.

The three majority share-

criticising the bank's move.

Sheikh Zayed Bin Sultan Al-

International, reports AFP.

whole. The world community therefore has a stake in the economic progress of the

of course a lot to do by them-

selves. They must, for exam-

The affected countries have

ple, recast their priorities to utilize available resources, both domestic and foreign, to achieve best possible results in terms of human development. This means that their economic programmes should focus on bringing the presently alienated large numbers of people into the productive spheres introducing, for example, far-reaching agrarian reforms and promoting small scale and cottage industries on a wide scale. Also, more resources will need to be devoted to basic education, primary health care, family planning and protection of the environment. Arms expenditures should be reduced and corruption eliminated. Indeed, a strong political will is needed in order to bring about such a recasting of priorities, which can be guaranteed by a truly democratic and accountable system of governance and eco-

nomic management. In so far as Bangladesh is concerned, there is now an excellent opportunity with the replacement of a long standing autocratic regime by a demo-

Nahayan slates Bank of England

for freezing BCCI assets

new separate Banks in London,

Abu Dhabi and Hong Kong was

at an advanced stage and se-

nior staff were already re-

cruited with the knowledge of

the Bank of England and other

Lumpur adds: Malaysia's strin-

gent banking guidelines stop-

ped the scandal-htt Luxem-

bourg based Bank of Credit and

Commerce International

(BCCI) group from setting up

Bank Negara, the Central Bank

Bank Regulations, Abdul Murad

Khalid said the BCCI group had

several times sought represen-

"Between 1976 and 1990.

tation in Malaysia.

The bank's Manager for

operations in this country,

said Thursday, reports AFP.

Another report from Kuala

regulators.

cratic process. If we the parliamentary system, which the Jatiya Sangsad is now working on, is satisfactorily introduced and democratic institutions are created at appropriate lower levels, with adequate guarantees for peoples voices to be properly reflected in decisions made and socio-economic programme formulated, the needed political will should emerge. But, this will depend on the foresight and respect for democratic values on the part of the elected representatives of the people, both in the government and in opposition, who are now in charge of shaping the country's

On the other hand, unless the international system which is grossly inimical to the interests of the south is reordered appropriately, the poor countries have virtually no chance of achieving economic progress. Gamini Corea, who chaired a UN General Assembly committee that designed last year a development strategy for the 1990's, has warned that as long as northy ern economic hegemony, import barriers. Third world debt crisis and depressed commodity prices are not corrected there will be more turmoil in the south which could spill over and directly af-

Holdings Ltd, seeking approval

to establish a commercial bank

branch office in Malaysia," he

Murad said the applications

were rejected, partly because

of the officials stance that no

new licence would be issued

for the establishment of a bank

failing to obtain approval for a

branch, the BCCI group.

through another subsidiary,

BCCI S.A Luxemburg, applied

to open a representative office

in Malaysia but Bank Negara

also turned down that applica-

made another two attempts in

Murad said the BCCI group

10/50

100/5

54.00

He said that in 1988, after

in Malaysia.

told Bernama news agency.

fect the North.

in the post-cold war situation, while the Soviet Union is no longer in a position to influence the international proceedings, the United States has virtually become the single superpower. The 'new world order that US President George Bush has called for seems therefore to be one that will be supervised by one superpower, and has nothing to do with the 'new international



Dr. Qazi Kholiquzzaman Ahmed

economic order that was the call of the 1970s. Let me say in short, that it is the kind of equitable international economic order that was being discussed in the 1970s that can guarantee stability and peace in the post-cold war period. The UN can and should play a catalytic and ptvotal role in this process; but it must be ensured that the interests of all nations, poor and rich, militarily weak and mighty, are protected and enhanced by the UN, without prejudice or favour.

Q: You have mentioned the evolving democratic system in Bangladesh. What are the economic implications of this process?

A: The establishment of a true democratic system in Bangladesh involves both a political process and an economic process. While the par ticipation of the people in the governance of the country through representative institu tions, rule of law, and public accountability of those who ar in charge of decision making and implementation of policies, programmes and projects are essential ingredients of the political process, poverty alleviation must be the central theme in the economic process. Only when people see that the evolving democratic process is able and working

country, the primary role forces is unjustified and mis-Donors such as USA, EEC

should be assigned to agriculture, properly reorganized and supported, while industrialization should be so planned as to play a complementary and supporting role. And as I mentioned earlier, an appropriate agrarian reform, and promotion of small and cottage type economic activities must be given priority in the allocation of resources and policy sup-

nomic conditions they will

It is not rhetoric, but con-

crete and hard-headed policies

and programmes placing peo-

ple at the centre stage that are

needed. Given the prevailing

objective conditions in the

support the system.

Q: Is Poverty Alleviation in Bangladesh possible through Market mechanism which is now being propagated as the panacea for all economic ills.

A: Each system has its advantages and disadvantages such that it can achieve certain things efficiently, but is inefficient in other respects. Market economy has led to fast economic growth in many countries but, at the same time, failed to bring about corresponding the human development in terms of life expectancy, health, education and sanitation. On the other hand, public interventions in

other countries have led to faster human development although economic growth has been rather sluggish in these countries, e.g. China, Cost Rica, Sri Lanka and Jamaica. Therefore reliance on market forces is not a panacea for all economic ills. Hence, dogmatic reliance on market

and World Bank insist that recipients introduce unfettered market mechanisms in all spheres of their economies. But the USA and EEC countries pay billions of dollars as agricultural subsidies. The Uruguay Round of trade negotiations faces virtual collapse as a result of their uncompromising attitude on this issue. This is a double standard, reflecting 'dollar' power.

In short, I would argue that selective and effective use of both market mechanism and public interventions is likely to produce good results in terms of both economic growth and

human development. In Bangladesh, poverty alleviation definitely calls for public actions; and, in the name of reliance on market forces, the government must not abdicate its responsibilities. In such cases as promotion of employment for the poor masses

### G-7 helps conceal **UK** recession

LONDON, July 19: The upbeat message of recovery presented by the Group of Seven (G-7) major industrialised nations at this week's summit helped disguise the fact that Britain remains in deep recession and is set to lag behind the general upturn, economists here believe, reports

The headlines grabbed by the G-7 summit's assertion that global recovery was already underway overshadowed a series of acknowledgements in recent days by British treasury ministers that there were no signs yet of a pick-up in activity here," Robert Lind, UK economist with UBS Phillips Andrew said.

Official figures released Thursday showed unemployment rising 59,700 to 2.28 million in June, its 15th consecutive monthly rise and tak-

Although the June increase was smaller than expected most economists see unemployment rising steadtly to

over three million at some

point next year.

Industrial output fell by 0.5 per cent in May from April, a drop that was significantly sharper than the 0.2 per cent fall predicted by city analysts.

AFP from Tokyo adds: Japanese newspapers Thursday stressed the emphasis placed on political over economic issues at the summit in London of the world's seven leading industrialised deated

They noted the greater importance attached to international organisations by the G-7 particularly the United Nat

and their integration in the economic process. I see no alternative to public proand actions. grammes However, what bedevils the whole public intervention process is large scale corruption. It is therefore necessary to root out corruption and make the public sector more efficient and accountable rather than switching away from public actions to market mechanisms indiscriminately.

In this context appropriate institutions and trained and motivated management cadres are of crucial importance. Unfortunately, Bangladesh is grossly deficient in both these respects. This needs urgent correction.

Q: Bangladesh is heavily dependent on foreign aid and domestic mobilization of resources is a crucial pre-condition for reducing dependence on foreign aid and introducing a self-reliant economic process. What are the prospects for domestic mobilization o resources.

A: Indeed, the domestic

saving in Bangladesh is 2 per cent of the GDP or less and national savings, which include domestic saving. foreign remittances and other invisible earnings, of the order of 4.5 per cent of the GNP. In addition, natural calamities keep on inflicting heavy economic losses to the country. Bangladesh is therefore heavily dependent on foreign aid. But I believe there are hopeful prospects of a self-reliant economy. First of all, the mobilization of resources has been to be seen in a large context. That is, utilization of the vast potential humanpower that this country has must be basic focus of mobilization of resources. In this context, economic and social restructuring will be needed in order to enable the mass of the people to use their creative energies and labour for economic upliftment of themselves and the country. I have already indicated some directions. Also, employment based planning may be used. This means that employment generation. and not investment, will be the primary basis of economic planning. The investment targets will be derived from employment targets. However, efficient utilization of capital and minimization of environmental impact will be built into the

The tax system must also be made more efficient. At 8.6 per cent of GNP, the tax ratio in Bangladesh is one of the

planning process.

# Snippets

such guarantee in 17 years, reports AP. Participants in a deal to sell US equipment for manufacturing batteries to the Soviet Union had tried unsuccessfully to get a bank loan without the guarantee. But President Bush waived the prohibition of help

US bank guarantees

first loan to Soviets

WASHINGTON, July 19: The

government's Export-Import

Bank agreed on Thursday to

guarantee a 17.3 million

Dollars loan by a private bank

to the Soviet Union, the first

#### making the guarantee possible. Dollar, Pound and gold share bad day

from the government bank,

LONDON, July 19: The Dollar weakened on Thursday despite better than expected US trade deficit figures, and was accompanied by the Pound and gold on its downward trajectory, reports AFP.

Everybody is selling Dollars today," said Barclay's analyst Bill Simpson. Brokers attributed the trend to technical

Sterling weakened after the publication of government figures showing the British recession to deepening and finished down against all currencies except the Dollar, the French France and the Yen.

#### Germany's inflation to rise

FRANKFURT, July 19: Steep tax increases which took effect on July 1 will add half a percentage point to Germany's inflation rate in the second half of the year, the Bundesbank said here Thursday, reports AFP.

Inflation in the former West Germany had reached an annual 3.5 per cent in June, its highest level in eight years and a figure described a "absolutely unsatisfactory" by Helmut Schlesinger, the incoming Bundesbank President.

#### Common policies to boost coffee prices

GUADALAJARA (Mexico). July 19: Brazilian President Fernando Collor and his Colombian counterpart Cesar Gaviria held talks here Thursday on adopting common policies to boost international coffee prices, Colombian Foreign Minister Luis Fernando Jaramillo said, reports AFP.

The presidents of the world's top two coffee exporters met on the sidelines of the two-day 21-nation Iberian-Latin American summit which Mexican President Carlos Salinas opened Thursday.

#### Nigeria realises extra revenue from oil

LAGOS, July 19: Nigeria, which based its 1990 budget on 16 Dollars per barrel of crude, realised extra revenue of 2.314 billion Dollars as a result of increase in quantity and price of crude oil sold during the Gulf war, Vice President Augustus Aikhomu said here Wednesday, reports AFP.

Actual volume of oil export sales made by Nigeria between last July to December was about 147.3 million barrels -27.7 million barrels higher than the 119.6 barrels that would have been produced in accordance with the budget, he said in an address to Nigerian journalists and heads of media organisations.

#### Confce on tourism in Singapore

SINGAPORE, July 19: The local tourism industry will meet leading Japanese travel wholesalers at a conference here as part of efforts to arrest the decline in the number of visitors from Japan to the island republic following the Gulf war, reports AFP.

The Singapore Tourist Promotion Board (STPB)'s Executive Director, Pek Hock Thiam, said in a statement Thursday that the conference to be held Saturday, was a constructive initiative from the local tourist industry and would further bolster efforts to rebuild growth in Japanese arrivals.

#### Natural rubber output falls in Malaysia

**KUALA LUMPUR, July 19:** Malaysta's natural rubber production fell two per cent to 467,497 tonnes during the first five months of this year the official statistics department said Thursday, reports

The department, releasing its latest monthly rubber statistics, said Malaysia produced 474,694 tonnes of natural rubber during the same period last year.

It said stocks at May 31 stood at 139,380 tonnes, a drop of 11 per cent or 18,110 tonnes compared with April

#### major investigation was laun-Bank Negara received three 1987 and 1990 to gain a ched into irregularities at foothold in Malaysia, through applications from Bank of equity participation in a fi-Credit and Commerce Interna-The shareholders say plantional Cayman Islands (BCCI nance company and a merning for the formation of three Overseas), a subsidiary of BCCI chant bank respectively. towards improving their eco-Market Prices of Listed Shares and Debentures

At the close of trading on July 11 and July 18, 1991.

with Dhaka Stock Exchange

Gawsia Jute

Islam Jute

		July		354670	1990-'91	
		11	July 18	High	Low	
Company BANKS (Ten)	EV/ML*	Taka	Taka	Taka	Taka	
AL Baraka Bank	1000/1	810.00	810.00	1135.00	725.00	
A.B Bank	100/5	182.00	185.00	255.00	135.00	
City Bank	100/5	268.00	270.00	275.00	160.00	
I.F.I.C Islami Bank	100/5	190.00 1210.00	180.00 1215.00	235.00 1210.00	140.00 925.00	
National Bank	100/5	110.00	109.00	145.00	102.00	
Pupali Bank	100/5	110.00	110.00	115.00	90.00	
Rupali Bank U.C.B.L.	100/10 100/5	78.50 128.20	77.00 129.00	130.00 155.00	75.00 128.00	
Uttara Bank	100/5	214.00	214.00	240.00	193.00	
INVESTMENT (EL		100.00		E E	THE COLUMN	
I.C.B 1st ICB M.Fund	100/5	100.00 422.00	100.00 422.00	117.50 575.00	90.00 403.00	
2nd ICB Fund	100/5	190.00	186.00	220.00	170.00	
3rd ICB M. Fund 4th ICB M. Fund	100/5	159.20	155.00	173.00	143.00	
5th ICB M. Fund	100/10	144.00 128.36	141.00 124.50	161.00 142.00	133.00	
6th ICB M. Fund	100/10	90.00	88.00	104.00	115.00 85.00	
ICB Unit Cert.				1.5000000000000000000000000000000000000		
Sales Price Re-purchase						
INSURANCE (Four	)					
BGIC	100/10	110.00	110.00	117.50	104.00	
Green Delta Peoples	100/10	118.50 120.50AL	110.00XD	122.00	104.50	
United	100/10	117.00	120.50AL 116.56	120.50 122.00	108.00 105.00	
ENGINERING (Nin		OTFORWA MERCEN			100.00	
Aftab Automobiles Atlas Bangladesh	100/5 1050	200.00	197.00	232.00	194.00	
Aziz Pipes	100/5	39.50 235.00	39.50 250.00	48.00 250.00	35.50 180.00	
Bangladesh Autoca	rs100/5	104.00	102.00	157.00	102.00	
Bangladesh Lamps B.Thai Alluminium	105/5	290.00	290.00	365.00	230.00	
Bengal Carbide	100/10	98.00AL 400.00	98.52 400.00	110.00 450.00	75.00	
Bengal Steel	10/50	18.00	18.00	400.00	320.00	
Eastern Cables Howlader PVC	100/5	81.00	78.00	109.00	75.00	
Karim Pipe	100/10	101.50 117.00	103.00 117.00	122.00	100.00	
Metalex Corp.	100/5	100.00	100.00	139.00 113.00	110.00 75.00	
Monno Stafilers Monno Jutex	10/05	250.00	250.00	250.00	250.00	
National Tubes	100/5	350.00 108.00	350.00 110.00	400.00	350.00	
Panther Steel	10/50	6.00	6.00	137.00	102.00	
Quasem Drycells	10.50	8.11	8.00	9.30	7.25	
Renwick Jajneswar Singer Bangladesh	100/5	66.75 1005.00	67.00 1005.00	75.00	40.00	
FOOD & ALLIED (7	wenty on		1005.00	1150.00	1000.00	
A.B Biscuit Alpha Tobacco	100/5	200.00	200.00	290.00	200.00	
Aman Sea Food	10/50 100/5	48.00 36.00	48.00 36.00	48.00	48.00	
Apex Food	100/5	340.00	340.00	40.00 340.00	36.00 260.00	
Aroma Tea Bangas	100/5	50.00	50.00	54.00	45.00	
Bengal Food	100/5 100/5	305.00 155.00	305.00 148.00	255.00	140.00	
B.L.T.C.	100/5	600.00	600.00	600.00	140.00 600.00	
B.T.C. Ctg. Vegetable	10/50	50.00	50.00	83.00	35.00	
Dhaka Vegetable	100/0 100/5	100.00 134.32	100.00 130.00	117.00	90.00	
E.L. Cemellia	100/5	700.00	700.00	192.00 700.00	130.00 500.00	
Frogleg Export Gemini Sea Food	10/50	8.00	6.00	8.00	4.00	
Modern Industries	100.00 100/5	100.00 1160.00	100.00 160.00	100.00 160.00	100.00	
N.T.C	100/5	265.00	265.00	350.00	120.00 220.00	
Rabeya Flour Rupan Oil	10/100	NT	NT			
Tultp Datry	10/100	6.00AL 94.00AL	6.00AL 92.00AL	9.25	6.00	
Yousuf Flour	10/50	NT	NT	105.00	90.00	
Zcal Bangla	10/50	8.00	8.10	10.00	7.40	
FUEL & POWER (T) Padma Oil Co.	10/50	40.00	40.00	42.00		
Eastern Lubricant	10/50	14.00	40.00 14.00	47.00 90.00	40.00 46.50	
Oxyzen	10/50	48.25XD	48.50	-	40.00	
JUTE (Twelve) Ahad Jute	100/10	NO		- 10		
Anowara Jute	10/50	NT NT	NT		*	
Delta Jute	10/50	8.50	8.50	0		
	20					

	Islam Jute	100/5	54.00	54.00	63.00	50.00
	Jute Spinner	100/5	97.00	97.00	100.00	93.00
	Mutual Jute	100/5	100.00	100.00	100.00	50.00
	Northern Jute	10/50	NT	NT	65 #3 *	
	Shamser Jute	100/5	100.00	100.00		
	Spcialised Jute	10/50	NT	NT	A)	
	Shine Pukur Jute	100/5	94.00	94.00	100.00	93.00
	Sonali Aansh	100/5	84.00	83.18	85.00	51.00
	PHARMACEUTIC A	ALS & CHI	EMICALS (F	ifteen)		x results and
	Ambee Pharma	10.50	14.00	13.75	18.25	12.50
	Bangla Process	100/5	60.00	50.00	73.00	
	Beximco Pharma	100/5	173.00	173.33	182.00	
	Glaxo	10/50	125.00	125.00	240.00	
	ICI	10/50	10.00	10.00		
	Kohinoor Chemica	1 100/5	70.00	68.00	93.00	66.00
	Petro Synthetic	10/50	15.50	15.50	1500000000000	
	Pfizer	100/5	110.00	110.00		1,50,50
	Phama Aids	100/5	175.00	175.00		150.00
	Phamaco	100/5	40.00	40.00		
	Progressive Plastic	110/5	45.00	45.00	273-77-23-77-23-77	
	Reckitt & Colman	10/50	240.00	240.00		
	Rahman Chemicals	100/10	49.00AL	35.00AL		
	Therapeutics	100/5	40.00	40.00	50.00	
	The Ibnsina	100/10	90.00	90.00	105.00	
	PAPER & PRINTIN		100	17.17.7		75.00
	Eagle Box	10/50	13.00	13.00	14.50	9.50
	Monospool	100/5	108.00	105.00	135.00	98.00
	Paper Converting	100/5	113.00	113.00	125.00	
	Paper Processing	100/10	106.00AL	106.00AL	115.00	
	Padma Printers	10/50	50.00	50.00	50	25.00
	Sonali Paper	10/50	55.00	55.00	60.00	
	SERVICE (Two)		00.00	30.00	00.00	33.00
	Bangladesh Hotel	10/50	12.00	12.00	-	
	Bd. Service	10/50	NT	NT		. 8
	TEXTILE (Eighteen	n)		14.1		3
	Alhaj Textile	10/50	NT	NT		
	Arbee Textile	100/10	NT	NT		
	Ashraf Textile	10/50	32.00	NT	04.05	
	Chand Textile	10/50	NT	32.00	34.25	27.00
	Chand Spining	10/50	NT	NT		
	Desh Garments	100/10	70.00	NT	100.00	-
	Dulamia Cotton	100.10	88.00	68.00	102.00	70.00
	Eagle Star	10/50	34.00	85.00AL	107.00	69.00
	GMG Ind. Corp.	10/50	13.00	34.00	42.00	30.00
	Modern Dying	100/5	35.13	13.00	13.00	10.00
	Quasem Silk	10/50	6.00	35.13	45.00	32.00
g	Quasem Textile	10/50	8.25	6.00	8.00	6.00
	Rahim Textile	100/5	48.00	8.25	10.00	7.50
	Satham Textile	100/10		46.00	65.00	46.00
	S.T.M. (ORD)	100/5	78.00	78.00	103.00	77.00
	Stylecraft	100/5	17.00	17.00	60.00	12.00
	Swan Textile		100.00	100.00		The same of the sa
	Tallu Spinning	100/5	60.00	60.00	73.00	60.00
	MISCELLANEOUS (	100/10	115.00AL	114.25AL	123.00	101.00
	Apex Tannery				400000000000000000000000000000000000000	www.com
	Aramit	100/5	147.00	144.00	155.00	135.00
	Bata Shoe	10/50	NT	NT	l same	necessit.
	Beximco	10/100	37.25	37.00	64.00	37.50
	BSC	10/100	9.00	9,00	12.00	8.50
	J. (100 pt 100 p	100/5	45.00	45.00	60.00	45.00
	Chittagong Cement		162.00	162.50	165.00	, 107.00
7.4	,G. Q. Ball Pen Himadri Ltd.	10/50	57.00	55.50	75.00	51.00
	(BESELVE) '무료 (BESELVE)' '무슨이 있다' (기타 1915	10/100	. NT	NT	-	
	Milon Tannery	100/5	30.87	30.00	54.00	26.00
	Monno Ceramic	100/5	142.00	142.00	160.00	127.00
	Pheonix Leather	100/5	90.00	90.00	110.00	90.00
	Savar Refractories	100/5	104.00	104.00	132.00	104.00
	The Englineers	100/5	100.00	100.00	200000000000000000000000000000000000000	
	Usmania Glass	100/5	134.00	135.00	152.00	123.00
	DEBENTURES (For	AND RESIDENCE OF THE PARTY OF T	V Maria de Company	200000000000000000000000000000000000000	A company	TENERAL PERSON
	Apex Tannery	1000/1	990.00	990.00	1040.00	875.00
	(17% 1992)		2/69/27/2006	* 52500 AC 12510		
	Bengal Food	1470/1	875.00	875.00	1800.00	875.00
	(18.5% 1992)	.45.44.5	Same Person	-		
		1714/1	1555.00	1555.00	1000 00	1540.00
	Beximco Pharma	1714/1	1000.00	1000.00	1880.00	1540.00
	(17% 1997) Quasem Silk	2000/1	1590.00	1590.00	1880.00	1540.00

NT= Not Traded,

\* Trading was closed on February 21 because of 'Shaheed Day'

AL=Allotment Letter XB= Ex.Bonus/ XD= Ex. Dividend

\*\* FV = Face Value\* ML= Market Lot



wanted to step up ties with to improve economic and ponon-communist nations in litical links with countries in Southeast Asia, one of the the Asia-Pacific region. world's fastest growing regions, reports Reuter.

"We would like to maintain closer contacts and we would like our trade, economic and political relations to develop faster than before". First Deputy Prime Minister Yuri Maslykov told reporters on his arrival in Malaysia.

#### Unemployment rate to rise sharply in West

PARIS, July 19: The unemployment rate for the industrialised democracies will rise sharply this year, and economic prospects for Eastern Europe are worse, according to a major report issued Thursday, says AP.

The Organisation of Economic Cooperation and Development, in its annual report on global labour trends, said the average unemployment rate for its 24-members would rise from 6.2 to 7.1 per cent this year, boosting the number of unemployed to about 28 million.

The higher jobless rates were forecast to last at least through 1992.

Maslykov and Chinese Foreign Minister Qian Qicken, who arrived on Wednesday, will meet Foreign Ministers of the Association of South East Asian Nations (ASEAN) who are holding their annual meeting on Friday.

This is the first time the Soviet Union and China have been invited for talks with ASEAN which groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

Diplomatic sources said both countries were keen to formalise their relationship with the economically dynamic group, including possibly joining ASEAN's seven main trading partners known as 'dialogue partners'.

Maslykov and Qian will hold separate talks with ASEAN leaders but will not be included in ASEAN's meeting with Foreign Ministers of dialogue partners - the United States, the European Community, New Zealand, Canada, Japan, Australia and South Korea.

Maslykov said his delegation would meet leading commercial firms in Malaysia to explore possibilities and prospects for developing cooperation.

# Japan, EC agree

Thursday on the terms of a wide-ranging accord to increase their political and economic cooperation, reports

The agreement was announced by Dutch Prime Minister Ruud Lubbers and Japanese Prime Minister Toshiki Kaifu after a meeting of nearly two hours.

The agreement followed a compromise on a dispute over trade access. The two sides agreed to pursue mutual "equitable" access to markets and remove trade barries "on the basis of comparable opportunities."

#### Mongolia faces deep economic crisis

ULAN BATOR, July 19: Mongolia has plunged into a deep economic crisis and popular discontent is on the rise a year after democratisation, as this vast Asian country begins the transformation to a market economy, reports AFP.

For the first time since the foundation of the republic 70 years ago, Mongolians are having to submit to rationing.

Although there are in estimated 25 million head of livestock in the country, the average Mongolian is allowed only 90 grams (four ounces) of meat per day.