

**G-7 meet opens  
Iran returns to  
market economy**

TEHRAN, Nov 21: Iranian President Akbar Hashemi Rafsanjani said Iran would adopt a unified exchange rate, reports Reuter.

In a speech opening a ministerial conference of 128 developing countries, Rafsanjani also outlined strategy for turning Iran back to a market economy and abandoning revolutionary experiments adopted after the 1979 overthrow of the monarchy.

Iran, which since April has been allowing the value of the Rial to fall gradually on the free market in what amounts to a masked devaluation, operates three exchange rates.

"We are reforming our foreign exchange regulations, we have already reduced the rates to three and we are moving towards a unified exchange rate," Rafsanjani said.

The official rate is 70 Rials to the Dollars, its value before the 1979 revolution but Iran also has a "competitive" rate of 800 Rials, mainly used by private companies needing foreign exchange for importing essential supplies such as medicines, and a free market rate of 1,400 Rials.

Central Bank Governor Mohammad Hossein Aedeli said this week he favoured a sudden and deep devaluation of the Rial, and the faster Iran moved towards a unified exchange rate, the better.

Central bank officials said Iran's leadership appeared to have accepted the bank's arguments in favour of tough action.

The number of rates shrank from 12 to three in April.

Aedeli told Reuter newspaper a unified exchange rate was bound to cause hardship, but he did not believe the new rate would necessarily be as low as the free market level.

He added that some government organisations were buying foreign exchange at the official rate and reselling it to the public at a huge profit.

BSS adds: The seventh ministerial meeting of the Group 77 began here Tuesday.

Iranian President Ali Akbar Hashemi Rafsanjani inaugurated the meeting, being held in preparation of the forthcoming eighth session of the UNCTAD with the objective of arriving at a common platform of developing countries in respect of international commodity prices, market access, debt problem and transfer of technology.

Bangladesh Delegation to the meeting is being led by Commerce Minister M K Anwar who has been elected unanimously as one of the vice-presidents.

In a message on the occasion Prime Minister Begum Khaleda Zia congratulated Iranian leaders for hosting the meeting in Tehran.

She said the meeting is taking place in the background of a new international setting, characterised by the end of Cold War, conference of super power interests, dramatic political and economic transformation across the globe, upsurge of pluralistic democracy, an earnest endeavour on the part of the developing countries towards opening their economies through painful structural adjustments while there is discernible tendencies on the part of some major industrial countries towards protectionist practices in unilateralism.

She hoped that the members would be able to take advantage of this new international setting to arrive at a common position.

**Abu Dhabi likely to pay  
\$3b to BCCI depositors**

ABU DHABI, Nov 21: Abu Dhabi may pay between three and four billion Dollars in compensation to depositors with the disgraced Bank of Credit and Commerce International (BCCI), a Gulf newspaper reported Wednesday, reports AFP.

The Dubai-based Gulf News said the sum had originally been earmarked by Abu Dhabi for injection into BCCI as part of restructuring plans before its closure early this year.

"Discussions between BCCI shareholders and provisional liquidators might revolve around an offer by the shareholders to make available a

sum of three to four billion Dollars for compensation of depositors internationally," it said.

It said the sum would easily meet compensation for small depositors, who alone could get two billion Dollars.

Abu Dhabi owns 77 per cent of BCCI, which was shut in Britain and other countries in July on charges of massive fraud that allegedly involve nearly 10 billion Dollars.

A British official involved in the BCCI investigation was still in Abu Dhabi Wednesday with two ex-staff members of the bank to press for a fair settlement with depositors and employees.

Keith Vaz, a member of parliament, confirmed reports of ongoing negotiations between BCCI shareholders and provisional liquidators Touche Ross.

"They confirmed that negotiations are still going on to find a settlement," he said after meeting Touche Ross representatives here. "But the liquidators have not finalised a plan yet."

He said the liquidation of BCCI worldwide could cost around 1.5 million Pounds (2.5 million Dollars) a week.

Vaz was also told the negotiations would be completed before December 2, the deadline set by the Bank of England to decide the fate of BCCI.



MOSCOW: Soviet President Mikhail Gorbachev shows members of the G-7 delegation to their places in Kremlin. The G-7 members offered a 3-point economic relief plan but the country's most powerful republics have yet to agree on a plan for repaying the Soviet foreign debt putting the G-7 offer in jeopardy. —APPUNB photo

**Japan bends to US pressure**

TOKYO, Nov 21: The Japanese government has tentatively decided to partially open its rice market to imports, the Yomiuri Shimbun reported Tuesday, reports AFP.

Quoting government and ruling party sources, the major daily said Japan was expected to import 500,000 tons of rice

a year for the time being, or some five per cent of the country's annual consumption.

The sources were quoted as saying that it was difficult for Japan to accept immediately the imposition of proposed tariffs on rice imports, but it was ready to discuss the idea with foreign countries.

Japanese government leaders have maintained that Japan should oppose the tariffs, which would eventually lead to the complete liberalisation of its rice imports.

US proposals call on countries to abolish import bans on farm products and instead levy high tariffs that should be reduced gradually in the future.

US Trade Representative Carla Hills renewed calls on Japan to accept the tariffs when she met government leaders here last week.

Hills was quoted by official sources as saying the United States would not be satisfied with a partial liberalisation of Japan's rice imports.

Observers said they believed Japan would have to make concessions on the rice issue to bring the Uruguay Round of global farm trade talks to a successful conclusion.

Rice is one of the major agricultural items which are being discussed at the Uruguay Round of the General Agreement on Tariffs and Trade (GATT).

Influential members of Japan's ruling Liberal Democratic Party (LDP) have said that Japan should liberalise rice imports.

**Pakistan expects  
multi-million  
Dollar  
foreign investment**

ISLAMABAD, Nov 21: A dozen foreign companies have expressed interest in projects in Pakistan following an ambitious international conference that ended Wednesday, officials said, reports AP.

The three-day conference was attended by 347 foreign investors from 40 nations. It was co-sponsored by the Multilateral Investment Guarantee Agency, a World Bank affiliate.

Negotiations between foreign investors and Pakistani businesses were still being conducted following the conclusion of the conference.

**Gulf states seek  
\$ 2.8b to tackle  
pollution**

MANAMA (Bahrain), Nov 21: Gulf Arab states are seeking 2.8 billion Dollars from the international community to help clean up Gulf War pollution, Khalid Fakhro, Vice-Chairman of Bahrain's Environmental Protection Committee said, reports Reuter.

Fakhro told a Middle East oil conference in Bahrain representatives from a regional environmental group and the UN Environment Programme (UNEP) would meet in New York this month or early next year to decide how to finance the plan.

**\$ 66 b Soviet deficit crisis budget**

MOSCOW, Nov 21: The Soviet republics have adopted a crisis budget for the fourth quarter of the year with a 110 billion Rouble (66 billion Dollars) deficit, Soviet President Mikhail Gorbachev said Wednesday, reports AFP.

But the largest republic, Russia, voted against the budget, the unofficial news agency Interfax said, a move which analysts said would make the budget difficult to implement.

Gorbachev told the leaders of the republic that the state budget deficit for the year would total 200 billion Roubles, not counting the republic's 100 billion Dollar shortfall.

He also said he needed approval to issue more Roubles to ensure payment of wages.

The financial problems of the country are merely a reflection of the unfavourable situation of the entire economy in the country, of which the main cause is the fall of industrial and agricultural production," Gorbachev said.

The Council of Soviet Republican Leaders had

adopted a crisis budget for the fourth quarter showing a deficit of 110 billion Roubles (66 billion Dollars), he said.

The council groups the Prime Ministers from the 12 republics under the chairmanship of Ivan Silayev who is head of the Soviet government, the unofficial Interfax news agency reported.

Gorbachev said that total state spending for the year, eased by the first de-centralisation measures and the closure of some ministries, should total 266.3 billion Roubles instead of 276.8 billion Roubles as had been expected.

But he noted that the republics had transferred to the federal budget only 26 billion Roubles out of 41.6 billion Roubles due in 1991.

Silayev said that the state budget deficit was caused mainly by the loss of 42 billion Roubles due to the collapse of industrial output, and of 40 billion Roubles in taxes which had not been collected.

Inflation had increased the nominal cost of defence expenditure by 6.1 billion Roubles, and social spending would rise by 15.2 billion Roubles, Gorbachev said.

The budget for Chernobyl, site of a nuclear accident at its power station in 1985, had also required 3.2 billion Roubles more than had been expected.

Gorbachev said that the issue of 83 billion Roubles between January 1 and November 1 had been justified, and he again asked parliament for authority to issue an additional 30 billion Roubles, partly to permit payment of wages.

Reuter adds: President Mikhail Gorbachev, urging the Soviet Parliament to approve billions in financing for the state budget, said the country was headed for economic and political catastrophe.

In a 55-minute address, Gorbachev painted a grim picture of economic collapse, falling production and declining foreign trade but offered no concrete measure to halt it.

**Gold coins  
spill out of  
car wreckage**

WELLINGTON, Nov 21: A car smash produced a small fortune Monday for a driver Jeremy Sunckell when 75 gold coins worth around 45,000 New Zealand Dollars (25,000 US Dollars) spilled out of his vehicle's dashboard, reports AFP.

Radio New Zealand (RNZ) reported the Ford Falcon utility had previously been owned by an American now facing deportation on suspicion of links with drug dealing in the United States.

Sunckell of Amberley, southwest of here, bought the Ford at a farm clearance sale earlier this year for 19,500 Dollars (11,000 US Dollars) early Monday he hit a power pole, damaging the vehicle, although he was uninjured.

Later in the day a panel beater repairing the Ford, discovered the South African Krugerrands which appeared to have spilled out of the dashboard and called the police.

Detective Sergeant Rob Aitken confirmed later, however, that the coins had been handed over to Sunckell who denied knowing they had ever been in the car.

**Pak private sector gets  
\$ 300m World Bank loan**

ISLAMABAD, Nov 21: The World Bank has approved a 300 million Dollar loan for a private power generation project in Pakistan, Finance Minister Sartaj Aziz told a press conference late Wednesday, reports AFP.

Work on the thermal project located at Ilub, in south-western Baluchistan province, is to start in January, the minister said. He added that private parties, which he did not name, had committed 700 million Dollars to the scheme.

Designed to generate 1,300 megawatt of electricity, the plant would be Pakistan's largest private sector power project, he said.

Industries Minister Sheikh Rashid Ahmed said a total of one billion Dollar investment by foreign and domestic entrepreneurs had been assured as a result of an international business conference here.

The three-day conference, which gathered some 400 foreign businessmen and 300 local prospective investors, ended here Wednesday.

Rashid told reporters many parties had either firmed up

their proposals or signed letters of intent for investment, while many others had declared their "positive" intention to invest in the "near future."

He said MEFT of Singapore intended to invest 100 million Dollars in the area of deep sea fishing, while the BAS group of the United States wanted to make an investment worth 60 million Dollars in electronics.

The Al-Karem Group pledged to invest 50 million Dollars in the field of polyester fibre, while another investment of the same amount was promised in the same field jointly by Sukab of Sweden and a local company, he said.

The minister also mentioned China's Xin Jiang, South Korea's Daewoo Corp, Fror J Mikle of Canada, and Ilatti Loikkanen of Finland among those who have offered to invest, but did not mention any amounts.

Rashid said the investment promotion conference had enabled Pakistan to project the reforms introduced by the government of Prime Minister Nawaz Sharif to deregulate and liberalise the economy.

**India won't  
privatise  
banks: WB**

WASHINGTON, Nov 21: The World Bank doesn't expect India to privatise nationalised banks and other financial institutions as part of structural reforms, World Bank Vice-President Karasmanoglu said here today, reports PTI.

However when questioned by reporters, he added, the bank wanted "a level playing-field" for private enterprise in the financial sector.

The Vice President said the Indian government had formed a very high level committee with very well-known individuals in these areas. "We are hoping their report will be available soon, which we can make the basis of our financial adjustment programme."

"There is a big discussion about privatisation of the banks and political difficulties, ETC. I have discussed this with the minister of finance and suggested to him that three actions would suffice to start sound reforms in the financial sector:

1. To open the financial sector to private enterprise,
2. To improve the prudential standards for both public and private financial institutions and
3. Provide a real level playing field for private and public banks.

Whether the present public sector banks and financial institutions remain public or privatised is not the essential point which one should be worried about at the beginning of reform, he said.

**IBM likely to  
cut 20,000  
jobs in '92**

NEW YORK, Nov 21: International Business Machines (IBM) Corp. is expected to announce it will cut about 20,000 jobs next year on top of more than 20,000 it is eliminating this year, a published report said Wednesday, reports AP.

The story said the cuts are part of a general restructuring that IBM is considering, and that the executives cautioned that no final decision has been made on the jobs cuts or on the restructuring.

But it said the executives said further jobs cuts are almost certain and that 20,000 is the most likely number.

That would bring IBM's employee total down to around 3,30,000 worldwide at the end of 1992 from about 3,73,000 at the start of this year.

**Delors criticises  
draft union treaty**

STRASBOURG, Nov 21: European Commission President Jacques Delors on Wednesday strongly criticised the draft treaty for European Community political union due to be discussed at an EC summit in less than month, reports AFP.

Delors told the European Parliament the treaty was not "dynamic" enough to "absorb properly any future expansion" of the 12-member EC to include more countries.

He also said that the draft treaty to be discussed at the summit in Maastricht, the Netherlands, on December 9 and 10, was not in line with the spirit of the wishes of the "fathers of the treaty of Rome", the document which founded the EC in 1958.

Dutch Foreign Minister Hans Van Den Broek — whose country is hosting the summit as current holder of the rotating EC Presidency and has prepared the draft — said the

text "is not ideal for everyone but that "it does not close any doors" to a more ambitious effort at a later date.

He said the 12 EC member countries "had moved closer to success at Maastricht" during ministerial level talks last week in the Netherlands, but that social issues and bringing the EC economies closer together remained the most difficult topics.

Delors said that in trying to draw up a draft treaty acceptable to all 12 countries, the EC had been carrying out institutional do-it-yourself and complained that "often one-sided concessions had been made" to satisfy Britain's concern over the prospect of giving more power to Brussels.

He particularly criticised the compromise formula for a common foreign policy with decisions to be made either on a unanimous or "qualified majority" basis.

**China to curb control  
to join GATT**

HONG KONG, Nov 21: China will curb administrative interference in its imports in order to join the General Agreement on Tariffs and Trade (GATT), Chinese Premier Li Peng has said, reports AFP.

Li, speaking recently at a meeting, said "China will adhere to the principle of free trade by cutting down administrative interference with regard to imports," the pro-Beijing Wen Wei Po said Thursday.

Li said China, which restricts imports through high tariffs and customs barriers, would use "more economic managerial methods" to regulate its imports in the future.

"The Chinese Premier was quoted by reliable sources as

saying that he was against the method of restricting imports in order to protect Chinese-made goods, the paper said.

He said that since China has been applying to join the Geneva-based UN agency that oversees most of the world's trade since 1986, then it must adhere to the GATT principle, it said.

Beijing's reason for joining GATT was to maintain beneficial conditions for the country's economic openness policy.

Last month, Li asked European Commission President Jacques Delors to support Beijing's application to join GATT, saying China's economic reform policy and progress in recent years should enable it to do so.



Dr Claudio Pacifico, Ambassador of Italy in Bangladesh met with the Committee Members of Metropolitan Chamber of Commerce and Industry on Wednesday.

**WB urges Japan to share secrets of economic success**

WASHINGTON, Nov 21: A senior World Bank official Wednesday urged Japan to share the secrets of its economic success with the world so other nations can learn from its experience, reports AFP.

Attila Karasmanoglu, the World Bank's Vice President in charge of the regional office for Asia, said the bank was beginning research on successful East Asian economies to see what lessons can be drawn from their experience.

During a recent visit to Japan, Karasmanoglu said at a news conference here, he en-

couraged the Japanese to provide an understanding of their experience and make available their technical expertise in certain areas to policy-makers in other lands.

"The repercussions of that are still continuing, he said. He said the World Bank's Asian staff has been in contact with the Japanese about possible joint efforts in several areas, including the environment.

"We are trying to increase the number of Japanese staff and consultants in our work in order to get the necessary expertise which has been accumulated over the years, he

noted that in the past two years — the worst in the last three decades for the developing world as a whole — Asian economies generally continued to perform well.

The bank expects economic growth of 5.3 per cent in Asia this year, down from 6.0 per cent last year but far outstripping the 0.2 per cent decline in the world economy.

The trade, despite problems all over the world, is significantly increasing in Asian countries, he said.

Trade growth is expected to soar this year in Thailand by

20.5 per cent. In China by 18 per cent, Nepal 20 per cent, Malaysia 14 per cent, Korea 12 per cent and Bangladesh 12 per cent, said Karasmanoglu.

The question is are there certain things we can add to say there is an Asian paradigm for growth and whether it is replicable and transferable to other parts of the world, he said.

A key question, he said, was the extent to which government should direct growth and the extent to which it should be left to the market.

Karasmanoglu said the role of the government varied

greatly among Asian countries with some, such as Malaysia, having among the world's most open markets and others, such as South Korea, with more closed economies.

But he said the Asian countries have all shown a great sensitivity to relative prices as they were changing in the World and all managed to have competition built into their economies.

The World Bank official said he was often asked how countries like Japan, South Korea and Taiwan have succeeded in targeting industries for development, but confessed: I honestly don't know how does one pick the winner.

While admitting that the World Bank once looked at South Korea's ultimately successful ventures into shipbuilding and steel, and the construction of Japan's bullet train, he stressed that other countries should not mimic those countries since development must be keyed to local conditions and the international markets.

But there is always great merit in establishing competition and putting a great emphasis in the human resource development, he said.

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\* FOB ready = Narayanganj \*\* FOB sight = Chittagong/Mongla Ports. Indicative Price at which sales may be considered for EPC registration. The prices are exclusive of any selling commission. O. D. (Sight non-traditional) applicable to export bills. One \$ = Tk. 37.7927

\* MT = Metric Ton

Imports/arrivals of Kutcha bales at Narayanganj were ten to twelve thousand mounds while at Daulatpur at fifteen to twenty thousands mounds. (One mound is equal to 37.32417 KGs.) Source: Bangladesh Jute Association