Japan wants investment guarantees

The Japanese side suggested at Monday's Bangladesh-Japan Economic forum in Dhaka that there should be investment guarantees from the government of Bangladesh to attract Japanese private capital. Such guarantees should be bilaterally

agreed with Japan. The suggestions for encouraging more Japanese investments in Bangladesh were presented by Yasuki Fuji, Regional Adviser, Mitsui and Co Ltd. in his paper presented at the forum.

Fuji said that a scheme like that in Sri Lanka should be drawn up in Bangladesh for investment protection so that the Japanese investors could scrutinise the same.

His suggestions included strengthening of infrastructure like hospitals, transport, shopping facilities, restaurants, power supply and recreation facilities at Export Processing Zone, more training and education for a productive workforce, domestic infrastructure improvement for faster loading and unloading facilities at ports and

Reliance's closure downs Indian share prices

BOMBAY, Sept 2: Indian share prices, which crossed an historic barrier in a bull stampede last week, fell as the stock market closed yesterday after five days of buoyant trading, reports AFP.

At one point during trading Monday, the Bombay Stock Exchange (BSE) Index, or SENSEX, hit 1861.94 points, exceeding last week's record 1802.81 points.

The Index fell by 6.9 points during the week to close at 1795.9 points. The BSE National Index shed 14.5 points to close at 855.4.

The fall Friday followed confusion over the closure of Reliance Industries, which has one of the largest market capitalisation on the Indian stock exchange, traders said here.

It had the second highest gross daily turnover in the last fortnight - 2.5 billion Rupees (97 million Dollars), and the confusion led to a six per cent decline in the value of its 10 Rupee share and a 31 point fall in the BSE Sensex.

But trading remained upbeat with indications that, contrary to earlier expectations, companies might fare well in the first six months of

The all - round credit crunch which had affected working capital requirements of many firms seemed to have eased with inter-bank call money market interest rates falling to less than 10 per cent from a high of 40 to 50 per cent two months ago.

UK industrialists see bad days to stay till 1993

LONDON, Sept 2: British industrialists expect to begin emerging from the recession next year, but one-third of companies believe it will take until 1993 before they attain 1989 levels of sales and profits, according to a survey to be published here Monday, reports AFP.

The study, conducted by the Confederation of British Industry and the accounting firm AT Kearney in the second quarter of this year, polled 685 companies in 11 branches of industry.

Each sector foresaw growth in sales next year, but fewer than half the companies surveyed believed sales would climb to 1989 levels. Almost one in three companies predicted 1989 levels would not be reached until 1993.

The survey noted that unemployment was expected to continue to climb next year.

Poland to buy 9 Boeing 737

WARSAW, Sept 2: Poland's Lot airline announced yesterday it will buy nine Boeing 737 planes to replace its ageing fleet of Soviet aircraft, reports Reuter.

It said it decided on Boeing aircraft after carefully considering rival offers from McDonnell Douglas and Airbus.

"We decided to choose nine Boeing 737 planes of the 400 and 500 series which will be supplied in 1992-94," a Lot press statement said.

Lot chose Boeing despite having signed a letter of intent in June to buy eight or nine McDonnell Douglas Md-80 medium-range planes.

It cancelled the 350 million Dollar agreement on August 1, citing problems over financing the operation.

Lot sought further offers after a government commission supervising negotiations with the rival manufacturers said the deal should be expanded to include investment in Poland's ailing aviation

Star Economic Report transport facilities, and development of peripheral indus tries where Japanese companies would like to invest in peripheral industries if the con-

ditions were favourable. In another paper presented at the forum, Kanji Yamada, General Manager, Project Promotion Division, Japan International Development Organisation Ltd, noted that Bangladesh could be considered for Japanese investments in software. At present, Japanese investors are engaged with software operational aspects in India and

"We have a large demand for software, but problem is with Japanese language," he said while observing that Bangladesh should study demand side, management and

MOSCOW, Sept,2 The Soviet

Union will issue some 100 bil-

lion rubles instead of a planned

seven billion at the end of this

year, the head of the Soviet

Parliament's Budget and

Finances Committee said

out of control Viktor

Kucherenko told the Russian

came after Arakady Volsky

the Deputy Head of the

Economic Committee attempt

ing to coordinate economic

policy among Soviet republics,

warned on Friday that

"unpopular measures" would

He said notably in an inter-

view with the unofficial news

agency Interfax that the Soviet

governments planned to cut

the number of bills in circula-

tion by cutting bonuses to

Soviet State Bank had warned

According to Volsky, the

BEIJING, Sept 2: China's

Communist Party newspaper

urged party members Monday

to support limited economic

reforms but oppose any at-

tempt to abandon communism.

People's Daily (Renmin Ribao)

said party members should

"keep our heads cool" and

build up the economy as the

best insurance of staying in

will depend on the party's

ability to increase people's

prosperity, and that in turn

depends on continuing eco-

nomic reform, the editorial

The carefully worded edito-

rial did not mention the col-

lapse of communism in the

Soviet Union, but it was clearly

intended as guidance to party

members discouraged or con-

fused by events across the bor-

der in the country China once

regarded as its "big brother" in

All other national newspa-

pers also printed the editorial

in full or in part, reflecting the

PERTH (AUSTRALIA), Sept

2: Australian industrialists here

warned the government

Monday that misuse of laws

designed to protect aboriginal

sites is costing them millions

of Dollars in lost development

"Investor confidence,

essential to (economic) recov-

ery, is being shaken by vexa-

tious manipulation of aboriginal

heritage legislation to threaten

developments which will help

get the economy moving and

create jobs", said in open let-

ter to Western Australia's

Labour Premier Carmen

page in the West Australian

newspaper and was signed by

the Chief Executives of the

state's three most influential

companies - Peter Ellery of

the Chamber of Mines and

The letter took up a full

projects, reports AFP.

Lawrence.

Marxism.

Socialisms survival in China

A front-page editorial in the

reports AP.

Our finances are absolutely

Kucherenko's comments

Saturday, reports AFP.

information agency.

have to be taken.

technical know-how of relevant market for the same in

Participating in the forum, Tetsuo Ito. Charge de Affaires of the Embassy of Japan in Bangladesh said that bilateral trade between Bangladesh and Japan had been stagnant over the last few years largely due to lack of exportable products from Bangladesh. Japanese private investments have also lagged behind compared to other South East Asian countries due to lack of proper investment climate and incen-

tives, he pointed out He suggested for increased protection for enhancing Japanese investment in Bangladesh and a staff and friendly environment for continued growth of investment. "The abundance of indus-

Soviet President Mikhail

Gorbachev that the country

was on the verge of financial

Yevgny Yasin, quoted by

Interfax, said inflation could

reach 1,000 per cent unless

urgent financial measures were

without wages next month be-

cause of the uncontrolled

growth of a money supply

which is not backed by goods,

(Lithunia): Lithunia is moving

closer to breaking its links

with Moscow but the

Republic's leaders say eco-

nomic survival depends on co-

operation with Russia and

spearding the independence

moves that are tearing the

Soviet Union apart, has al-

ready started disentangling it-

self from the country's collaps-

'Socialism's survival depends on reform'

importance the leadership

vatization, a Western multi-

party system in politics and

ideological pluralization, this

will plunge the party and na-

tional into chaos," the editorial

the life or death of socialism,

we must have a firm, clear-cut

stand and not be confused or

was given over to a defense of

the economic reforms begun

more than a decade ago that

The past few years reform

and opening upto the outside

world have put vitality in our

country's socialism, "it said,

of the socialist system.

"Reform is the self-perfection

world is an important aspect of

the reform. By absorbing ad-

vanced foreign science and

technology, management ex-

perience and excellent cultural

achievements, we can develop

The editorial, avoiding left-

Aussie investors warn against

abuse of aborigine law

Energy, Lyndon Rowe of the

Confederation of Industry and

Ross Mclean of the Chamber of

should act immediately to re-

move the threat to urban,

tourist and mineral develop-

ment and create a framework

act in the interests of aborigi-

nal groups, are using heritage

legislation to asset de facto

control over high-profile eco

nomic development projects

for their own political agendas,

" it said. "This problem will not

go away unless the government

"The issue is not for the

protection of sites of genuine

significance to aboriginal peo-

ple," but the threat to - de-

velopment projects worth

hundreds of millions of Dollars

"Some people, claiming to

It said the government

Commerce and Industry.

for development.

"To open up to the outside

have raised living standards.

"On this issue that affects

But most of the editorial

"If we adopt economic pri-

places on the message.

The Baltic Republics,

other Soviet Republics.

Reuter adds from Vilnius

Some workers could be left

trious labour force of Bangladesh could be attractive for Japanese investors," he said while assuring continued assistance from Japan for infrastructure building he cited in this connection several examples like building embankment for protecting Chittagong EPZ and an international Airport at Chittagong which were affected by recent cy-

Among others, Dr. Sultan Hafeez Rahman of Bangladesh Institute of Development Studies (BIDS), S. Kashem Khan, Chairman, Bangladesh Textile Mills Association, Zamil Azhar, Jamaluddin President Ahmed and Bangladesh Employees Association Anisuddoula took part in the deliberations at the workshop.

ing command economy by in

troducing market-based re

moving with Lithunia to accel

erate the overall reform pro

cess, Deputy Prime Minister

Vytatas Pakalinkis said on

prepared to join an economic

different treaties with differ

ent states but I think this gov-

ernment would never sign a

treaty by which we give up our

property or administration of

our property to another party."

has concluded treaties with

Russia and the Ukraine, the

two most powerful republics,

which could serve as a model

for trade with other republics.

pendences is very much

linked to how we will trade

with them," Pakalniskis said

ist, rhetoric about class strug

gle and stressing integration

with the world, bore the stamp

of reformists in China's Communist Party. With 50 mil-

lion members, the Chinese

Communist Party is the world's

largest and one of the few still

Some analysts have specu

lated that the collapse of so-

cialism in the Soviet Union

will strengthen elderly conser-

vatives in China who want to

reduce exchanges with the

West and end economic re-

form. The editorial, published

on the day that British Prime

visit to Beijing, may have been

intended to assure foreign

Chinese readers that no policy

Chinese officials are ex-

However, the editorial also

pected to convey that message

to Major in meetings over the

made clear that even the

party's reformists reject politi

cal pluralism and have no in-

tention of following the Soviet

example of banning CP

by misuse of the legislation.

"Future projects face the

same threats - a signal of the

worst kind to investors, " it

for the Perth-based Aboriginal

Legal Service, slammed the

letter, saying it was "replete

with unsubstantiated allega-

He asked:" who are the in-

vestors whose confidence is

being shaken? What actions on

behalf of the aboriginal people,

rather than the inability of the

mining companies to comply

with the legislative provisions,

people asserting de facto con-

trol over economic develop-

ment projects? What are theirs

unidentified political agen-

"Who are the unidentified

is shaking that confidence?

John Cameron, the Counsel

Minister John Major began

governments as well

changes are planned.

next few days.

The question of our inde-

In the past year, Lithunia

union of Republics, he said.

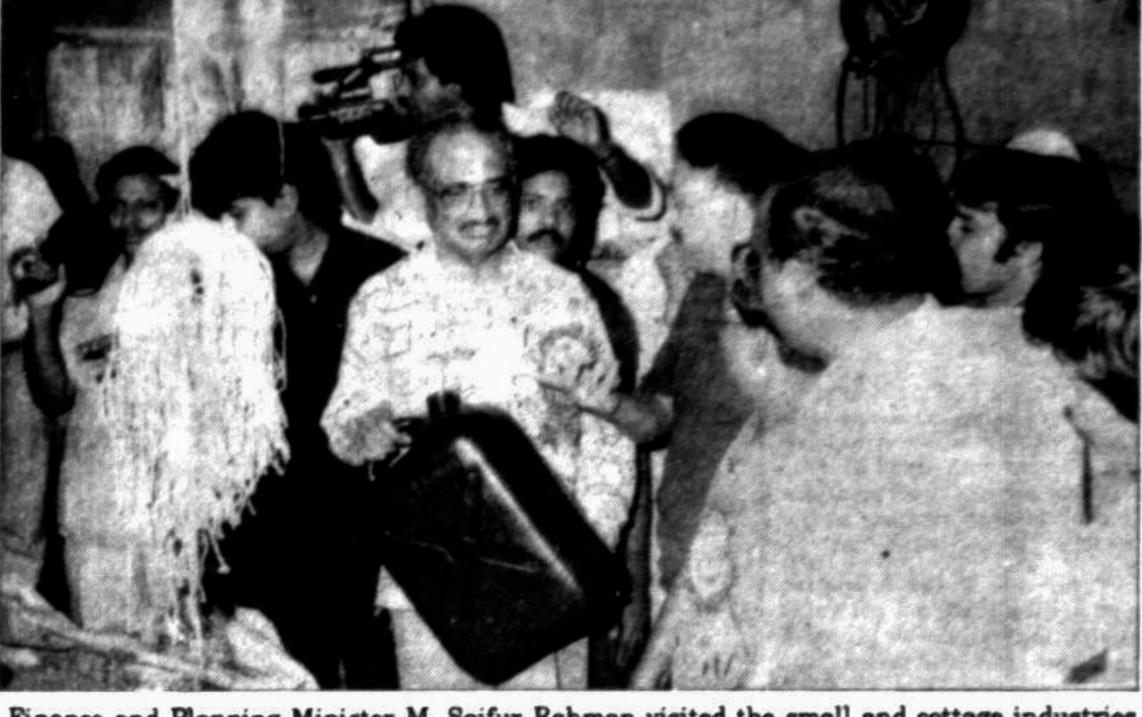
Asked if Lithunia would be

"Lithunia could think about

An independent, expert, depend on other Republics

Sunday.

However, success might



Finance and Planning Minister M. Saifur Rahman visited the small and cottage industries at Islampur area in city Monday.

Steps to curb inflation in USSR Poor children supply raw materials in small units

Finance and Planning number of people. Minister M Saifur Rahman said in Dhaka Monday that the present BNP government would patronise and provide all necessary facilities for promotion of small industries in the

country, reports BSS. The Finance Minister was talking to the entrepreneurs of small industries during a visit to islambagh area in the city where a number of such industries are being fast set up.

He was informed that the raw materials of these industries were supplied by poor children who collects those from various parts of the metropolis and other areas of the country.

About one thousand such small industries are functioning in the Islambagh area providing employment to a large

Bank notes to

make garden

compost in

England

that money doesn't grow on

trees could be stood on its

head by plans at The Bank of

England to use old bank notes

to make garden compost, re-

Goldie said an official of

Britain's central bank had

with farm manure and other

materials to see whether the

redundant cash could be used

"I thought he was kidding

until he went into details about

their problem disposing of old

bank notes," Goldies from

Middlesbrough in North

2,000 Tonnes of old notes

with a face value of billions of

pounds every year but it says

there is now a shortage of land

Indo-Nepal Task

Force meet

begins

Indo-Nepal high-level task

force today began its two-day

meeting focussing on a com-

prehensive economic coopera-

tion in hydroelectric genera-

tion projects, trade and com-

The two sides discussed

The Nepalese delegation at

various development projects

which the two neighbours

the talks was led by Damodar

Prasad Gautam, Chief

Secretary, and included the

Foreign Secretary, the Finance

Secretary and the Commerce

Secretary, headed the Indian

side at the second meeting of

in pursuance to a decision

taken by Prime Minister of

India and Nepal in February

the Indo-Nepal Task Force.

Naresh Chandra, Cabinet

The Task Force was set up

merce, reports PTI.

could undertake.

Secretary.

this year.

NEW DELHI, Sept 2: The

The Bank of England shreds

to help plants to grow.

Eastern England said.

fill disposal sites.

asked him to mix old notes

Compost maker Stuart

ports Reuter.

LONDON, Sept 2: The adage

Mir Shawkat Ali, MP, was Export Promotion

Bureau to organise 64 workshops. The Export Promotion Bureau will organise 64 workshops and seminars at 30 dif-

ferent places in the country during the current fiscal year under the National Export Programme, reports UNB. The main objectives of the programme is to inform the

exporters about the export polices and programmes and global market situation. Meanwhile, under the pro-

gramme, the Bureau organised a one day workshop on "G S P, G S T P and Bangkok Agreement' on Tuesday last.

present on the occasion. Satfur Rahman said, pro-

motion of small industries was essential for strengthening the economy as well as creating employment opportunities for the unemployed youths. The Finance Minister said

the government has exempted small industries from the purview of Value Added Tax (VAT) to help and encourage their unhindered growth in the overall national interest.

He went round the industrial units in the area which produce plastic shoes, rubber slippers, plastic cans and pots, plastic toys, and utensils. Satfur Rahman evinced

keen interest in these small industries and was happy to know that the machinery of these industries were being made locally.

China to build worlds 3rd largest hydro-electric dam

BEIJING, Sept 2: China signed a contract yesterday with French, Italian and German partners to build the world's third biggest hydroelectric dam in the central province of Sichuan, reports

Almost half the 1.9 billion Dollars needed to build the dam has come from the World Banks its largest-ever loan to

The first 400 million has already been approved. The remainder will come from Beijing and the provincial government.

The contract was signed here by Premier Li Peng and representatives from French firms Dumez International and GTM International, the Italian companies Impregilo S P A and Torno, and German concerns Philip Holzmann AG and Hochitief AG.

The dam, operated by the Ertan Hydro-electric Develop-

China's largest hydro-electric project to date with six 550-Megawatt generators producing a total 3,300 Megawatts.

ment Corp (EHDC) will be

Annual production has been put at about half the province's energy production, still far short of needs. The dam will be built on the Yalong river. whose development is considered a priority.

Sichuan, China's most populous province with nearly 1000 million inhabitants, has considerable hydraulic potential, which has so far been underexploited.

The dam will be 240 Metres (720 feet) high, a few Metres (yards) short of the world's tallest dam inguri in the Soviet Union which stands 272 Meters (816 feet) high.

Construction is due to be completed by the end of the century.

ABU DHABI, Sept 2: A group of 90 former employees of the troubled Bank of Credit and Commerce International (BCCI) have filed claims for end of service dues owed to them by the bank, one of them said on Sunday, reports AFP.

The claim has been filed through local solicitors Khalifa and Dafallah in a joint application submitted last week to the United Arab Emirates (UAE)

The ministry can ask the solicitors to take the matter to the legal courts if it cannot achieve a settlement between the bank and the employees, the employees, who spoke on condition of anonymity, said.

The 90 claimants are former BCC1 employees who were on secondment to the Bank's UAE subsidiary Bank of Credit and Commerce Emirates (BCCE) and were abNational Bank (UNB) and ter-

signed from BCCI before formal induction into Union National Bank are seeking up to 100,000 Dollars in some cases from an estimated 40 million Dollar Provident Fund in Luxembourg.

BCCI's worldwide employees used to contribute the equivalent of one month of their annual salary towards the fund which was meant to compensate them at end of service.

Employees at the BCCl central office in Abu Dhabi have also sent a petition to the provisional liquidator Brian Smouha of Touche Ross and court appointed receiver Ali al-Sharhan, a bank official said.

Former employees of BCCI claims compensation

Ministry of Labour, he said.

sorbed into the BCCE in July. BCCE renamed itself Union minated an eight-year old management contract with Luxembourg-based BCCI after its worldwide operations were frozen on July 5 amidst allegations of fraud. The employees who re-

Asian currencies mixed against US Dollar Greenback from 731.90 Won HONG KONG, Sept 2: Asian down't think the Aussic Dollar Reserve Bank and major tradlower against the US Dollar

currencies finished the week mixed against the US Dollar as events in Moscow eclipsed regional developments, reports

The Japanese Yen lost some ground as investors bought US Dollars as a safe haven. The Australian, New Zealand, South Korean, Thai and Indonesian currencies also dropped marginally against the

Greenback. Hong Kong, Taiwan, Singapore and Malaysia saw their currencies log modest gains. Only the Philippine Peso

finished unchanged. JAPANESE YEN: The Japanese Yen finished slightly

Friday as investors stayed on the sidelines to follow developments in Moscow, dealers said. The local currency

closed at 136.88 Yen, down

from 136. 70 Yen a week ear-

After opening at 137 .00 Yen it reaches a low of 137.13 Yen Wednesday as investors sold off the Japanese and German units for the security of the Greenback amid ongoing upheaval in the Soviet Union

dealers said. The Yen reached the week's high of 136.73 Yen Thursday when revised US figures showed the American Economy contracting in the second quarter, they said. AUSTRALIAN DOLLAR: The

Australian Dollar finished at 78.50 US cents, down slightly from 78.60 cents a week earlier dealers said. The currency closed at 60.4 on the Trade Weighted Index, compared with 60.6 the previous Friday.

A lot of people are beginning to think that the Aussie Dollar is unaffected by the turmoil in Europe and that it could be a good investment currency, a Macquarle Bank delear said. There are signs that we

might see European Fund

raisers looking at this area. I

expect to see a drift upwards

next week in quiet trading and

will be volatile," the dealer

HONG KONG: The Hong Kong Dollar finished higher against the US Dollar at 7.762-7.7612, up from 7.7670-7.7680 the previous Friday, the effective exchange rate was 113.1. The Hong Kong Dollar has

been officially pegged at around 7.80 to the Greenback since October 1983. **NEW ZEALAND DOLLAR:**

The New Zealand Dollar showed little movement throughout the week closing at 57.35 US cents down from 57.46 cents a week earlier. But a loud row between the

The OCBs Bank's Trade weighted Index calculated against the currencies of Singapore's top 12 trading partners stood at 136.00, up from 135.92 a week earlier.

> SOUTH KOREAN WON: The Won finished the week lower at 735.50 Won against the

1.7235 the previous Friday.

Trading in the Greenback was

quiet during the week, dealers

the previous Friday. ing Bank National over interest rate policy and currency sup-TAIWAN DOLLAR: The port had little impact.

Taiwan Dollar finished marginally higher against the SINGAPORE DOLLAR: The Greenback at 26.7, up from Singapore Dollar finished the 26.7025 a week earlier. week higher against the US Dollar at 1.7215, up from

After opening. Monday at 26,7035, the local unit moved in a tight Range between 26.705 and 26.7 amid central bank intervention to kept the Tatwan Dollar around the 26.7 level, dealers said.

THAI BAHT: The Thai Baht finished lower against the Greenback at 25.72 Baht. down from 25.70 Baht a week earlier a Bangkok Bank official

Sale of BCCI HK to Jakarta firm approved

HONG KONG, Sept 2 : A court agreed Monday to a plan under which an Indonesian conglomerate would buy a majority stake in Hong Kong's subsidiary of the Bank of Credit and Commerce International (BCCI).

The British colony's High Court approved the sale of not less than 51 per cent of the bank to the Hong Kong Chinese bank, a subsidiary of the Jakarta-based Lippo Group.

Lippo is controlled by Mochtar Riady, reported to be one of the richest men in Indonesia. The Hong Kong Chinese Bank ranks 20th in Hong Kong in terms of equity and holds an estimated 623 million U. S. Dollars in assets.

In addition to the bank, the buyer also would obtain a lucrative credit card operation run by BCC Hong Kong.

Noel Gleeson, the government-appointed provisional liquidator of the Bank of Credit and Commerce Hong Kong Ltd., said a set of preconditions still must be satisfied. requiring ecoperation from that ban's major depositors.

Terms of the transaction weren't disclosed.

The Hong Kong government moved to liquidate the bank on July 8 after its parent bank became embroiled in a worldwide financial scandal based on allegations of money laundering, arms deals and shady financial transactions.

The deal marks the second time that a sale of a BCCI unit has been approved since the scandal broke in July . Last month, Kenya's BCCI branch was sold. in Hong Kong, the bank's

24 branches served 47,000 mostly small depositors and had 1.4 billion U.S. Dollars in deposits. When it decided on liquida-

tion, the government said it could only guarantee a 25 cent return on each Dollar deposited in the bank. Hundreds of the bank's de-

positors stated hunger strikes and demonstrations, criticising the government's move. The bank's closing in early July also sparked a series of runs on other banks. The trouble shook confi-

dence in the government of this already nervous colony, which returns to Chinese control in 1997.

Gleeson said he thought the plan to sell the bank would be good for the colony.

Setting up of a stock market demanded in **UAE**

ABU DHABI, Sept 2: The United Arab Emirates (UAE) has been urged again to join other Gulf states in setting up a formal stock market to attract investment and end manipulation, reports AFP.

"Authorities should embark on plans to open an official floor to attract domestic investment and activate the economy," urged said Al-Jarwan, Director of Sharjah Chamber of Trade and

Industry. His call, carried in an article in the Chamber's magazine this week, was the latest in a series of local demands for opening a formal exchange to streamline business in the oil-

rich country. Unlike Kuwait, Bahrain and Oman, the UAE has no official market, although the project has been under study since

A draft law on a stock exchange was finalised by the central bank in 1988 but is apparently still on the shelves of the Economy and Commerce Ministry, central

bank sources said. Share dealing in the UAE is conducted by telephone through brokers, but there have been reports of manipulation. Central Bank Governor Abdul Malik Al-Hamar said recently an official floor was the only solution to end malpractices in the market, adding such a market had become necessary to recycle part of the enourmous overseas domestic funds.

Toyota project in Pakistan gets reprieve ISLAMABAD, Sept 2: A joint

venture to manufacture Japanese Toyata vehicles in Pakistan was reprieved Sunday as the authorities withdrew an order cancelling its sponsors' import authorization, reports Pakistan's Chief Controller

of Imports and Exports resorted the import registration certificate of the Indus Motors Co., which is to set up a Toyata plant with Japanese collaborain renewing the certificate,

the Controller warned Indus Motors to ensure it observed all regulations governing the import and marketing of vehicles, the Associated Press of Pakistan(APP) said.