

G-7 meet likely to talk Soviet Union problems

LONDON, Oct 5: Finance ministers of the Group of Seven (G-7) countries will meet to discuss the problems of the Soviet Union on October 11 in Bangkok, European Monetary sources said, reports Reuters.

The sources said the US had suggested a meeting in Washington tomorrow but this had been rejected by the other members as they were due to meet in Bangkok on October 12 any way to discuss the usual wide range of economic issues.

The G-7 meeting precedes the annual gatherings of the International Monetary Fund (IMF) and World Bank.

The ministers are expected to discuss food aid to the Soviet Union as well as the latest reports on the Soviet economic situation.

Yesterday, British Prime Minister John Major said the European Community had agreed a substantial package of emergency humanitarian assistance for the Soviet Union to be approved at a meeting in Luxembourg next Monday of EC finance ministers.

This is expected to be matched by the non-European members of the G-7 group.

Good demand for tea in India

CALCUTTA, Oct 5: There was good demand for all categories of tea on offer at this week's auction with prices showing signs of firming up, reports PTI.

In the CTC tea category, the USSR entered the market but operated selectively. All sold at fully firm to dearer rates, while good Assams were slightly lower.

The USSR was active in this category too which saw only fair interest from Iran shippers. Brighter sorts attracted selective interest from continental buyers. Whole leaf grades were steady.

Clean and good Whole Leaf grades of Orthodox tea sold at fully firm to dearer rates with remaining Whole Leaf grades becoming irregular. Better Broken were firm to occasionally dearer while the remainder sold at barely steady rates.

Fannings were firm to dearer there was some export interest in tippy and liquoring varieties.

In the dust tea category, Gold liquoring dusts generally sold at steady rates. Plain and medium varieties were barely steady.

Wall Street faces old obstacle

NEW YORK, Oct 5: In what has become a familiar exercise over the past couple of years, Wall Street is battening down for another round of adverse news on corporate earnings, reports AP.

Most analyst agree that profit reports due out over the next few weeks for the third quarter for the year will continue to show the effects of the recession.

That has been the dominant theme in the estimates and projections issued by a variety of companies, including several in high technology, since the July-September quarter ended last Monday.

But while individual disappointments may still cause a jolt, some vocal analysts argue that the biggest surprise may be how calmly the market takes them.

"Earnings prospects will get better soon, which softens the disappointment of the last of the bad comparisons," says Greg Smith, investment strategist for Prudential Securities, in a current commentary.

"I believe there's a good chance that even bad third-quarter earnings may be greeted with contained dismay by investors, because of the argument that it is the last bad earnings comparison."

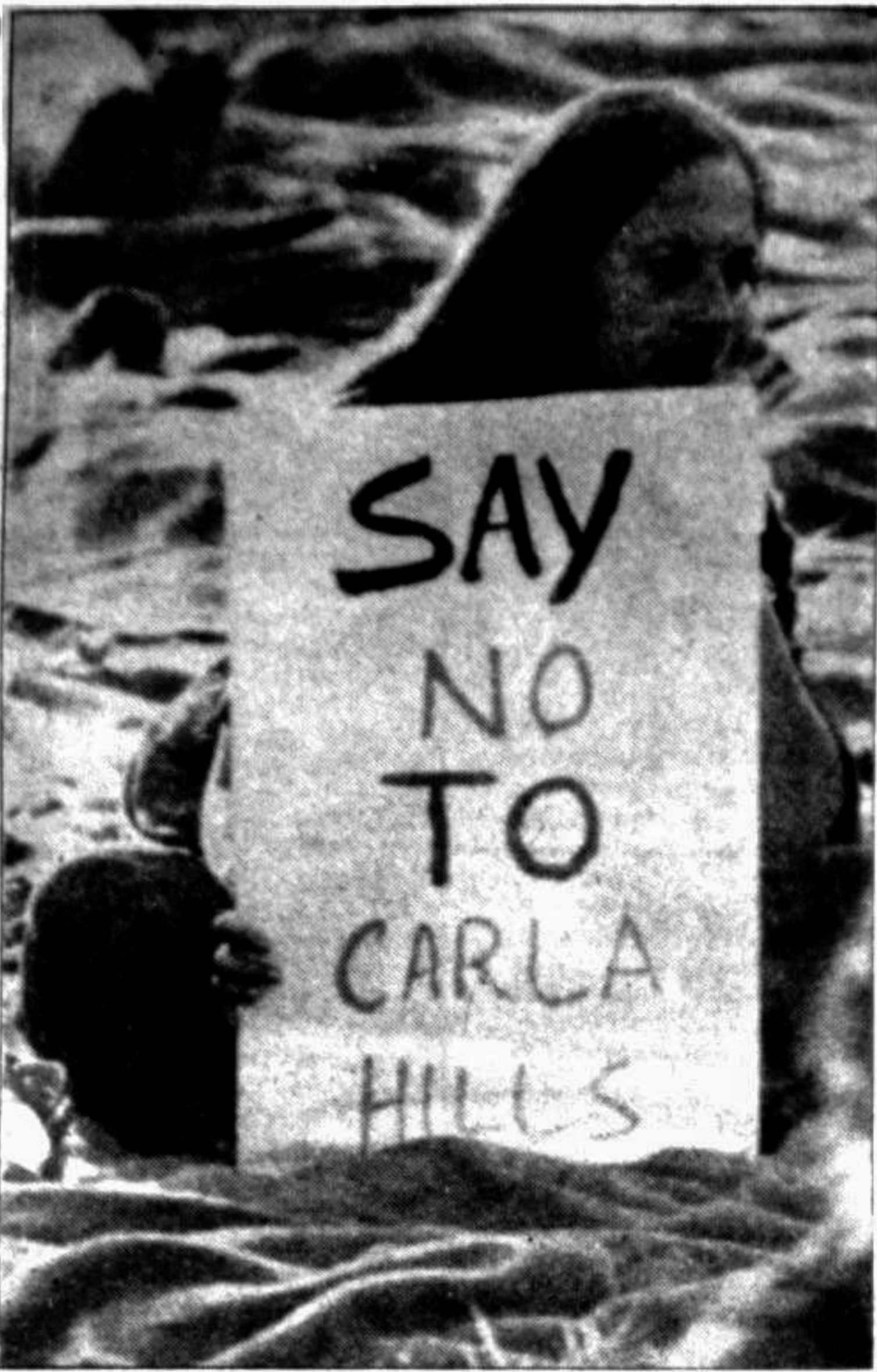
"Then, for most companies, earnings comparisons starting in the fourth quarter of this year and all through next year and 1993 should be positive."

To some observers, this prospect goes a long way toward explaining why stocks have been able to hold so persistently at levels that look very high by most standard gauges.

"Many concerned investors point to the fact that Standard and Poor's 500-stock index is selling at 20 times latest 12-month earnings, vs. a historic average of 14 times," says Jack Shaughnessy, research director at Advest Inc. in Hartford, Conn.

"This is inappropriate, because equity markets sell on future earnings and are currently accorded a multiple of less than 14 times our 1992 estimate excluding non-recurring items."

Similarly asserts Michael Sherman at Shearson Lehman Brothers Inc. Many pundits who are warning of an imminent collapse due to the overvalued state of the stock market are misreading history.



NEW DELHI: As United States trade representative Carla Hills arrived in the Indian capital a young lady holds a placard during a small sit-in protest against Hills' visit. The US has cited India under Super-301 and Special-301 of its trade act for New Delhi's policies of excluding foreign insurance companies and barring foreign investment.

Bush worried over slow economic recovery

WASHINGTON, Oct 5: President George Bush has expressed concern about the strength of the US economy's recovery from recession but insisted that matters could be a lot worse, reports Reuters.

Bush at a news conference on Friday appeared on the defensive at times about the economy, blaming the democratic-led Congress for failing to approve his growth package.

Since becoming President in January 1989 Bush has shown a mastery of handling foreign policy crises from the Gulf war to the disintegration of the Soviet Union.

But the economy entered a recession under his watch, in July 1990, and is making a slow recovery that is worrisome to the White House.

Democrats, who would like to take back the presidency in the 1992 poll, are seizing on the issue as evidence of Bush's disinterest in domestic affairs.

"Thank god this recession hasn't been as deep as previous recessions," Bush said. He said evidence of this was that the so-called "misery index" of unemployment and inflation added together was relatively low.

"Thank god, even when people are hurting, that misery index is lower than at some of the times in the recent past — within the last 15, 20 years. It's not doing badly," he said.

Bush was heartened by Labour Department statistics showing the unemployment rate easing to 6.7 per cent in September from 6.8 per cent

ANC fears loan burden

JOHANNESBURG, Oct 5: The African National Congress (ANC) said on Friday a future Black government in South Africa would be entitled to review loan obligations inherited from President FW De Klerk's White minority administration, reports Reuters.

The ANC's policy-making national working committee, headed by ANC President Nelson Mandela, endorsed a statement on the issue by the organisation's Secretary General Cyril Ramaphosa.

He told diplomats on Monday a post-apartheid government would review the purposes for which loans were made before deciding whether to honour them.

Ramaphosa later said reports suggesting an ANC-led government might renege on debt commitments have misrepresented his views.

"The [committee] discussed the matter and wishes to reaffirm that the Secretary-General's statements on the issue of loans accurately reflected the ANC position," the ANC said in a statement.

Ramaphosa, former leader of the powerful National Union of Mineworkers, said on Monday the purpose for which loans were made would be relevant.

"We are not keen to take over a burden imposed on the country under an apartheid government. We would have to discuss whether we would honour foreign loans."

Rumours boost Yen

TOKYO, Oct 5: The Yen has firmed against the US Dollar and the Deutsch Mark amid reports partly confirmed that Japan will let its currency appreciate to reduce external surpluses, dealers said here, reports AFP.

After going below 130 Yen in the morning for the first time since February, the Dollar closed Friday at 130.20 Yen in a nervous market. The US unit closed at 131.15 Yen the day before and at 133.11 Yen Wednesday.

The Deutsch Mark lost two per cent against the Yen within two days to close Friday at 78 Yen.

Fueled by official Japanese statements reported by the local press and inflated by rumours, the market is buying

the Yen.

It is counting that Japan will respond favourably to pressure from its partners in the Group of Seven (G-7) leading industrialised nations to let the Yen strengthen to boost its trade surplus.

On Friday, the finance ministry announced that the current account surplus had increased for the fifth consecutive month.

The surplus — measuring trade in goods and services along with certain financial transactions such as gifts and grants — rose more than six times from 850 million Dollars a year to 5.48 billion Dollars in August.

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Abu Dhabi won't reopen UK BCCI

LONDON, Oct 5: The ruler of Abu Dhabi yesterday effectively shut the door on a re-launch of BCCI in Britain, dashing the hopes of thousands of small depositors who had been lobbying for a rescue of the scandal-hit bank, reports Reuters.

BCCI's majority shareholders, the ruler of Abu Dhabi Sheikh Zaid Bin Sultan Al-Nahayan and the Emirate's government and investment authority, said they saw little prospect of putting together a rescue package.

There is little real prospect of restructuring the bank as originally envisaged, the shareholders, who own 77.4 per cent of the bank, said in a statement issued in London.

The Bank of Credit and Commerce International (BCCI) was shut down by banking regulators in many countries on July 5 to end what investigators said was the biggest fraud in the history of world finance.

The Bank of England demanded the bank be wound up in Britain, but the courts gave Abu Dhabi until December 2 to come up with a radical restructuring to keep the bank going.

Thursday's statement spells the end to attempts to re-launch the bank.

But the majority shareholders indicated that they wanted to seek a middle path which would avoid immediate liquidation.

BCCI still earns money from a number of outstanding loans and according to the new plan floated on Thursday, these would continue to be managed to earn cash and increase the chance of paying back depositors whose accounts have been frozen.

The Bank of England said: "We note the statement and we will be considering the implications of this development for the interests of BCCI's UK depositors."

Abandonment of a rescue plan means most of BCCI's staff in Britain will lose their jobs. Three million pounds (£5.25 million dollars) have been set aside for redundancy packages and a specialist agency will advise on jobs, the statement said.

BCCI staff will be given a three-month moratorium on repayments on some 49 million pounds (£6 million dollars) in loans they must repay to the bank.

The Abu Dhabi authorities had invested hundreds of millions of dollars in capital and set aside up to five billion dollars for a worldwide restructuring of the Luxembourg-based bank.

But their plans were thwarted when the Bank of England closed down its operations in July.

Regulators allege that at least four billion dollars was lost to fraud in BCCI around the world and that drug money

Poland to abolish state farms

WARSAW, Oct 5: The Polish parliament on Friday voted to abolish state farms, one of the relics of the Communist economy which is being phased out under free market reforms, reports Reuters.

The Sejm (lower house) voted 198 to 13 with 30 abstentions to pass the bill which has to be approved by the senate and signed by President Lech Walesa.

Under the law some 500,000 state farm workers will be able to form companies to work the farms of individually rent some of the 4.5 million hectares (10.8 million acres) of arable land they occupy.

Most of the 2,500 state farms, which were heavily subsidised under Communism after their creation in the 1950s, are bankrupt.

USSR gets IMF associate membership

MOSCOW, Oct 5: The International Monetary Fund granted the Soviet Union associate membership on Saturday, which opens the way for it to tap the IMF's technical resources, reports AP.

IMF Managing Director Michel Camdessus said he and Soviet President Mikhail S Gorbachev exchanged official letters on associate membership during a meeting at the Kremlin.

The agreement will take effect immediately and the first team of IMF experts will arrive on Monday to begin providing technical assistance in budget planning, banking, management techniques and a whole spectrum of economic activities designed to turn the country into a free market.

The agreement extends to both the weak central government and individual republics, Camdessus told a news conference.

Leaders of the seven major industrialised nations approved associate membership in the IMF for the Soviet Union at their July Summit meeting in London as a first step to integrate the former Communist superpower into the world economy.

But the leaders from the United States, Britain, Germany, France, Japan, Italy and Canada rejected Gorbachev's request for full membership which would have enabled the Soviets to borrow money from the IMF.

Earlier, Reuters report adds: A meeting between President Mikhail Gorbachev and IMF Chairman Michel Camdessus has been put off, postponing Moscow's application to become an Associate Member of the institution, Interfax news agency reported today.

Interfax said Gorbachev told

US to export capitalism to Soviet schools

WASHINGTON, Oct 5: The United States will export capitalism to the Soviet Union this year as 1,000 Soviet schools bring in junior achievement counselors to teach little Muscovites about the business world, reports AFP.

Soviet Ambassador Victor Komplektov told reporters that junior achievement instructors will journey to the Soviet Union to bring their corporate savvy to Soviet youth.

Junior achievement has been teaching young Americans the ins-and-outs of business since 1919 by helping students start up and run their own model companies.

Soviet President Mikhail Gorbachev lauded the junior achievement plan and said in a statement read by the ambassador that he hoped the programme "will open the world of business to our children and help them to learn how to live in the world of the market economy."

Komplektov also read comments from Arkady Volysky, one of Gorbachev's top economic advisers, saying, "It is not only desirable, but necessary to immerse ourselves in concepts we once rejected."

The ambassadors' announcement was made in a room of the Soviet embassy in which was hanging a huge portrait of one of the world's greatest Marxist thinkers and principle leaders of the Bolshevik revolution — V I Lenin.

The programme will begin in 1,000 Soviet high schools and colleges, and will later be expanded to elementary schools, said junior achievement Chairman James Hayes, the publisher of Fortune magazine.

The programme is scheduled to kick-off in Moscow in the first week of December in connection with a US-Soviet business conference there. Some 50 junior achievement students, teachers and business consultants will attend the Moscow conference.

Manila demands Marcos' \$356 m from Swiss Bank

MANILA, Oct 5: The Philippines demanded that Imelda Marcos returns 356 million Dollars deposited in Swiss Banks accusing the exiled former First Lady of unparalleled greed while her country wallowed in poverty, reports Reuters.

"The Marcoses unconscionably emptied the different government financial institutions to enrich themselves at the expense of the starving Filipino people," solicitor general Francisco Chavez said in a case filed with the government Ombudsman.

Imelda Marcos, who has lived in exile in the United States since 1986, said in a statement she would fight the charges.

Power failure hits production in Patuakhali

PATUAKHALI, Oct 5: Frequent power failure has been affecting life and living of the town-dwellers and hampering production in mills, factories, workshops and hospitals in the locality, reports UNB.

Residents complained that the town and its adjoining areas plunge into darkness paralysing normal life almost everyday giving rise to the anti-social activities.

Besides, students and hospital patients, rice mills, flower mills, small workshops, tailoring shops and cottage industries have been worst affected.

Mill owners said, they are incurring huge loss as production falls in their industrial units for erratic power supply.

Moreover, voltage fluctuations have damaged valuable electric and electronic gadgets at the residences.

Janata Bank writes off Tk 105 cr more farm loan

Janata Bank has written off Taka 105 crore advanced as agricultural loans to 177,488 borrowers, a bank press release said Saturday, reports BSS.

It said, a meeting of the Board of Directors of the Bank took the decision after reviewing the cases of borrowers who took up to Taka 5,000 as agricultural credit.

The bank has so far written off Taka 140 crore agricultural loans, which is 90 per cent of the amount eligible for exemption, the press release mentioned.

ASEAN meet to talk plans on regional trade expansion

KUALA LUMPUR, Oct 5: Economic Ministers of the Association of South East Asian Nations (ASEAN), among the world's fastest growing economies, will discuss plans to expand regional trade at annual talks beginning Monday, officials said Friday, reports AFP.

Rafidah Aziz, Malaysia's Minister for International Trade and Industry, said the meeting would discuss an Indonesian plan for an ASEAN Common Effective Preferential Tariff (CEPT), a Thai proposal for an ASEAN Free Trade Area and a call by the Philippines for a

ASEAN meet to talk plans on regional trade expansion

economic projects without successfully integrating their economies, analysts said.

"We have been more successful on the political front mainly in solving other people's political problems, not our own," Rafidah said, citing the recognition ASEAN had won for its efforts in resolving the Cambodian conflict.

"Now is the time for ASEAN to look into its own economic housekeeping. So far we have been quite slack in realising our leaders call for bold and innovative initiatives," she said.

Rafidah said that although trade under the PTA grew

from 121 million Dollars in 1987 to 578 million Dollars in 1989, the value of transactions accounted for only 3.2 per cent of intra-Asian trade.

She said the Indonesian proposal for an ACEPT could serve as an interim measure leading up to Thailand's plan for a free-trade area.

The Thai proposal, promoted by Prime Minister Anand Panyarachun for implementation on a sector-by-sector basis over the next 10 to 15 years, has already won endorsement from Singapore, Brunei and Malaysia.

Anand told a conference in

Bangkok earlier this week that his proposal did not mean the creation of a single common market immediately. "We would like to see these six fragmented ASEAN markets merging gradually into a larger market," he said.

Thai Commerce Minister Amaret Silaon said ASEAN leaders should seize the opportunity presented by a proposed summit to be held in Singapore in January to establish a free trade area or "fall behind the rest of the world."

"In my opinion, the top priority over the next few months before the summit is to ensure

that there is a universal acceptance of the idea of a free trade area or something close to it," he said.

Malaysian officials said the rule of origin for items traded would call for a local content of at least 40 per cent for products traded within the free trade area.

Philippine Trade Secretary Peter Garrucho, who will attend the talks, said Manila was supportive of both the ACEPT and free trade area proposals.

Rafidah said the ministers would also study the report of a working group



Quazi Baharul Islam, Managing Director, Agrani Bank addressing the Branch Managers of the Bank handling Foreign Exchange of Dhaka, Narayanganj and Chittagang zone on Thursday at the Board room of the Bank Head Office, Dhaka.