India raises lending to curb inflation

NEW DELHI, Oct 10: The Reserve Bank of India (RBI) has hiked lending rates by one per cent effective today in a bid to curb inflation now run ning at 15 per cent per an num, news reports said here.

The hike in the bank rate from 11 to 12 per cent, the second this year, was announced by the RBI, the country's central bank, in Bombay late Tuesday by Governor S Venkitaraman, the reports

Venkitaraman called the 15 per cent inflation level unsustainable", and said that the credit restriction were intended to be temporary.

Initial reactions from industry were gloomy, with the President of the Federation of Indian Chambers Commerce, V L Dutt, saying the move was likely to result in a fall in production rather than in prices.

interest, he said, was a significant part of cost, both in trade and industry, and the 'hike would add 0.5 per cent to prices.

US may impose trade sanctions against China

WASHINGTON, Oct 10: The United States today will move to impose trade sanctions on China if it refuses to end the high tariffs and complex system on import licenses that keep American-made products from its markets, the Washington Post reported, says

The Post quoted Bush administration and congressional sources as saying late Wednesday that the decision on the China trade curb came after US trade representative Carla Hills gave China until last Monday to propose a plan to end its import barriers. The Chinese at the last minute presented an offer, but Washington rejected it as inadequate.

President George Bush, pressured by Congress to force an end to the Chinese trade barriers, was personally involved in the decision to impose the sanctions, administration sources were quoted as saying.

The administration will order an unfair-trade-practices investigation against China on Thursday under Section 301 of US Trade Law, the administration and confessional sources told the Post.

US pays \$181m in UN back dues

UNITED NATIONS, Oct 10: The United States paid 181 million Dollars in back dues to the United Nations on Wednesday, the eve of the Secretary-General's annual ad-

dress on the world body's financial plight, reports AP. UN spokesman Francois Giuliani said the US also paid

6.6 million Dollars toward outstanding dues last week. The payments reduce the US bill for current and past

dues to approximately 343.6 million Dollars. As of Oct 1, the 531.6 million Dollars that the United States had owed constituted the bulk of the 809 million

Dollars in dues outstanding by

all the member states to the

regular budget. The Secretary-General is to address the General Assembly subcommittee on UN finances on Thursday.

Industrial nations urged to tighten belts

BANGKOK, Oct 10: The International Monetary Fund warned leading industrial nations that long-term economic growth will be jeopardised unless they make tough public spending cuts, reports Reuter.

The IMF said in its latest economic forecast that the United States, Britain and Canada will help drag the world economy out of the doldrums in 1992 as they rebound from their first recession in a decade. World economic growth is poised to accelerate to 2.8 per cent next year after slumping to less than one per cent 1991, according to the forecast.

But the fund tempered its upbeat forecast, issued on the eve of the annual meeting here of the IMF and the World Bank, with a warning that recovery could be short-lived.

Massive new demands on the pool of world savings from the war shattered Middle East, the Soviet Union, Eastern Europe and a newly reunified Germany can be met only by fiscal belt- tightening by the

leading industrial economies. "New demands for saving associated with reconstruction in the Middle East, German unification, and reform in Eastern Europe and the USSR,



Although winter is yet to set in, warm clothes have started to arrive at pavement markets. The prices are, however, on the high side. - Star photo

US, ASEAN firm to end GATT talks

KUALA LUMPUR, Oct 10: The United States and the Association of Southeast Asian Nations (ASEAN) Wednesday reaffirmed their mutual commitment to a successful conclusion of the Uruguay Round of multilateral

trade talks, reports AFP. Their comments came at a meeting of US trade representative Carla Ilills and ASEAN Economic ministers, the first such group session to be held under an accord on trade and investment signed in December.

The snagged talks under the General Agreement on Tariffs and Trade (GATT) topped the agenda for the discussions which followed the ASEAN ministers' annual two day meeting here.

Also expected to be raised

were complaints of lack of market access on both sides, the status of efforts to develop free trade areas within ASEAN and North America, and prospects for furthering US ASEAN cooperation.

Hills acknowledged that some differences remained between the United States and ASEAN which groups Malaysia, Singapore, Thailand, Indonesia, Brunei and the Philippines.

But she added, the areas of agreement have been growing steadily year by year and I am confident will in a short time overwhelm the areas of disagreement.

The US trade representative who will sign a framework agreement on trade and investment with Singapore on Friday.

US, allies split over aid to USSR

TOKYO, Oct 10: The United States (US) and its industrial allies are split over how best to help the Soviet Union cope with its cash crunch and avoid defaulting on its foreign debt of around 70 billion Dollars, US officials said on Wednesday, reports Reuter.

"These are different views within the group on various elements of the problem, including how big it is," a senior US Treasury Department official told reporters.

The officials, travelling with US Treasury Secretary Nicholas Brady to international financial meetings in Bangkok, said that the United States and Japan basically see eye-to-eye on how to tackle the Soviet Union's debt crisis.

They oppose a full-scale rescheduling of the country's foreign debt, idea first raised by France, and want Moscow to maintain some debt payments in order to retain at least a semblance of creditworthiness.

Brady met Japanese Finance Minister Ryutaro Hashimoto on Wednesday night for a twohour working dinner dominated by discussion of the Soviet Union's economic plight.

Japan unveiled a 2.5 billion Dollar package of emergency help for Moscow on Tuesday. Hashimoto explained the package in general terms to Brady, but did not press the United States to follow suit, said a US official, who declined to be named.

Costa Rica to get \$58m loan from IDB

WASHINGTON, Oct 10: The Inter-American Development Bank (tDB) has approved a 57.87-million-Dollar loan to Costa Rica for city drinking water projects and for sanitation reconstruction in an earthquake-damaged province,

reports AFP. The iDB's announcement Wednesday came as Costa Rican President Rafael Angel Calderon began an official visit to Washington. He is due to meet IDB Director Enrique

Iglesias on Thursday. The IDB loan will be used to improve drinking water supplies for 4,80,000 people living in 16 Costa Rican cities and to rebuild the sanitation infrastructure in southern Limon province, which was heavily damaged by an earthquake in April.

Asian NGOs call for Third World debt cut

MANILA, Oct 10: Non-government groups (NGOs) in Asia called today for the cancelling of Third World debts and military spending cuts to accelerate human development in the region, reports AFP.

Representatives of NGOs from 27 countries attending a United Nations-sponsored regional conference here said foreign debt serving and military spending were a "drain on resources for social development".

"Debt-for-social-development swaps should be considered. Multilateral and bilateral development agencies as well as private banks should consider writing off debts of Asia-Pacific countries," a statement drafted by the NGOs said. "The funds raised through

such write-offs should be used

for social development pro-

grammes and projects."

C'wealth wants cut in debt of poor states

KUALA LUMPUR, Oct 10: Resolving the debt problems of the world's poorest nations should be a major issue at next week's gathering of the International Monetary Fund (IMF) and World Bank (WB) in Bangkok, Commonwealth Finance Ministers said on Wednesday, reports Reuter.

A Commonwealth plan, known as the Trinidad Terms, is designed to slash the official debt of the poorest nations by 18 billion dollars and reschedule the rest on more favourable terms than currently available.

There will be negotiations about the Trinidad Terms in Bangkok, said John Maples, Britain's Economic Secretary at the Treasury.

We were disappointed that the Paris Club couldn't conic to a conclusion about it in September, he said. The Paris Club groups the world's richest creditor governments.

Maples said the United States sympathised with the plan's goals but faced budgetary restrictions as well as problems obtaining approval

from US Congress. This is an initiative that has been on the table for about a year and we think that its' about time it was brought to a conclusion, Maples said. The Trinidad Terms were proposed by Britain last year.

Maples was less enthusiastic about cuts in the foreign debt of middle-income countries, an idea that won support from some Commonwealth nations after the Paris Club cancelled about half the official debt of Poland and Egypt earlier this year.

Asked if such cuts were possible, Maples said: I don't think so. I don't think we can even start thinking about it until the Trinidad Terms come to a conclusion.

Maples said the debt relief

middle-income countries already receive from the Paris Club and the commercial banks on a case by case basis was often sufficient.

Malaysian Finance Minister Anwar Ibrahim said debt cuts offered by rich nations were

"minimalist". While we welcome the initiative on debt relief for Poland and Egypt, we fail to see consistency in policy with regard to the plight of the lower and middle-income countries of Asia and Africa, Anwar said.

Forty-six finance ministers from the grouping of Britain and its former colonies are holding two days of talks in the Malaysian capital, focusing on debt relief and development.

Malaysian Prime Minister Mahathir Mohamad opened the meeting by warning donor nations not to link aid to performance on human rights or the environment.

Camdessus calls for arms spending cut

More funds sought for investment

BANGKOK, Oct 10: The Managing Director of the International Monetary Fund (IMF) appealed today for countries to release more funds for investment by cutting spending on arms and wasteful subsidies, reports Reuter.

Michel Camdessus told journalists before this year's annual meeting of the IMF and World Bank that an extra 100 billion Dollars of investment capital could be needed over the next few years to help the reconstruction of the Middle East and Eastern Europe.

But it would be possible to raise this amount, and much more, if governments took advantage of reductions in world tensions and also switched funds away from "pernicious" subsidies, he said.

Camdessus, who has just been appointed to a second five-year term as chief executive of the world financial

agency, also urged industrial nations to match efforts by developing countries and open up their markets to imported

He called on industrialised

India's oil import bill to reach \$ 5b

NEW DELIII, Oct 10: India's bill for crude oil and petroleum product imports will amount to some five billion Dollars in fiscal 1991-2 ending March, the Press Trust of India said Wednesday, reports

The agency quoted K N

Venkatasubramantum. Chairman of the state-owned Indian Oil Company as saying the amount would cover the import of 19.6 million tonnes of crude and 10 million tonnes of products.

countries to increase efforts to deal with the debt of the world's poorest nations and added that more middle-income countries should be on the list of nations benefiting from efforts to reduce debts to official creditors.

Camdessus said the difficult task of switching funds away from defence and subsidies required formidable leader-

This is a major element for world prosperity," he said. Camdessus said 140 billion

Dollars could be saved if countries that spent more than 4.5 per cent of their gross national products on arms took the "very modest step" of cutting spending to that level.

At the same time, spending on farm support packages in the industrialised world alone totalled exactly the 100 billion Dollars likely to be needed for additional investment, he said.

'Sharifs manipulated \$320m'

ISLAMABAD, Oct 10: The Opposition Pakistan People's Party (PPP) accused Prime Minister Nawaz Sharif's family Wednesday of manipulating bank loans worth 320 million dollars this wear for setting up new industries, reports AFP.

The Sharif's are building an empire from public money not in years but in day," said Salman Taseer, PPP's Central Information Secretary.

Addressing a press conference, Tascer described as a pack of lies" a statement on October 1 by a spokesman for the Ittefaq Group of Industries, owned by the family of Sharif who became Prime Minister in November last year.

The spokesman had said the total amount of outstanding loans of all units of the Ittelaq Group stood at about 100 million dollars against assets of 184 million dollars pledged with the banks.

"I challenge anyone from the Sharif family to a public debate on the issue," Tascer said, asserting that the actual amounted borrowed from banks and development financial institutions in the past nine months totalled 320 mil-

lion dollars. He alleged the Sharif was "misusing" his o'he to expand his family's industrial wealth.

"Can Indian Prime Minister Narasimha Rao or Britain's John Major set up mills and factories in the same fashion, he asked.

Taseer said Sharif's family had received permission to set up nine sugar mills, while another 13 such mills were sanctioned for ruling Islamic Democratic Alliance members - including Interior Minister Chaudhry Shujaat Hussain.

There is a rush to set up sugar mills, " he said, adding that no thought had been given to the possible impact of such a "reckless" policy, which could result in a "sugar glut" by

"This mad rush meant to satisfy the greed" of the Sharif family and their "cronies," the PPP leader said.

He said a foundry owned by the Ittefaq Group, which manufactures machinery for sugar mills, was getting contracts as well as loans at concessional rates under a government policy to encourage local machinery manufacture.



Nasimuddin Ahmed, Secretary, Ministry of Commerce, distributed certificate to the participants of a month-long training course on "Financial Management" organised by the Dhaka Chamber of Commerce and Industry (DCCI) with technical assistance of UNDP-Dhaka, ITC (Geneva) and ZDH (Germany)/TA (Singapore) on Wednesday at DCCI. Seen in the picture along with the participants are Nasimuddin Ahmed, Secretary, Ministry of Commerce, Mahbubur Rahman, President, DCCI, Max J Maldacker, Charge d'Affaires of the Embassy of Germany, Ganti Narasimhan, UNIDO Country Director, Azizur Rahman, Local Co-ordinator of ZDH/TA Project, among others.

IMF sees moderate '92 world economic rebound

BANGKOK, Oct 10: The world is poised for a "relatively moderate" economic rebound in 1992, reflecting recovery from recession in North America and Britain, easing oil prices, the Gulf war impacts and Soviet turmoil, the International Monetary Fund

(IMF) said today, reports AFP. The latest IMF assessment of the world economic outlook, released ahead of more than week-long high-level financial and monetary talks in the Thai capital, indicated this year's slump in eastern Europe would be markedly deeper than carlier anticipated.

The IMF projected a further

fall in Soviet output next year,

but said the contraction trig-

gered by initial moves towards market- oriented reform in other eastern European countries should bottom out this year and lead to a "modest" increase in output in 1992. Growth in eastern Europe,

including the Soviet Union, would be down by 10.6 per cent this year, and by a further 3.9 per cent in 1992, it said. Without the Soviet Union, the group would see a 12 per cent decline followed by two per cent growth next year.

The IMF set world output growth this year at 0.9 per cent, the lowest since 1982, but foresaw a 1992 pickup to 2.75 per cent.

It said growth in industrial nations was also likely to aver-

age 2.75 per cent next year, up from this year's 1.25 per cent. with inflation declining to around 3.75 per cent from 4.5 per cent this year and nearly five per cent in 1989.

But IMF economists cautioned that monetary policy "needs to remain alert" to prevent a renewed surge of infla-They said industrial coun-

tries running substantial budget deficits must step up their deficit-cutting efforts in order to reduce pressure on world savings and meet private sector investment needs, as well as funding demands stemming from reconstruction in the Middle East, German unification and reforms in eastern Europe and the Soviet Union. The report also said the delayed conclusion of the Urugual Round of trade negotiations "deprives the world of large efficiency and welfare gains" and stressed that continued curbs on market access would adversely affect developing countries and could impair eastern European reform efforts.

The IMF noted a further correction of external imbalances between the United States, Japan and Germany, partly as a result of transfers to the US treasury to help cover the cost of the Gulf war.

The United States was expected to stage a comeback in 1992 with three per cent

growth after this year's 0.3 per cent decline, the IMF survey said, ruling out a relapse into recession. "Some of the recent figures are a little less glowing than

we might have expected," IMF

Chief Economist Michael Mussa conceded. But he told reporters the IMF still considered the prospects for a moderate recovery in the three per cent range as "very good".

Canada should record a 3.8 per cent growth rate, fastest, among the Group of Seven (G-7) industrial powers, after a 0.9 per cent fall this year, and Britain, hardest hit by recession among the G-7 countries, was headed for a 2.4 per cent

rafly after this year's 1.8 per cent drop. Japan and Germany, which

helped cushion the international impact of the shamp in the three G-7 economies by growing briskly in the first half of 1991 were both bound to see a declaration in 1992, to 3.4 and two per cent respectively. The IMF estimated Japan's 1991 growth rate at 4.5 per cent and Germany's at 3.1 per cent.

On a regional basis, Asia was expected to lead the pack, expanding at a rate of 5.2 per cent, roughly in line with this year's five per cent, with many Asian countries experiencing continued rapid growth.

6,000 police to guard WB, **IMF** meets

BANGKOK, Oct 10: More than 6,000 police will be deployed to protect delegates to the World Bank (WB) and International Monetary Fund (IMF) meetings in Bangkok, where citizens are growing increasingly upset at the elaborate arrangements made for their wealthy guests, reports

"Altogether 6,365 police will be deployed at the convention centre, hotels and other locations," a spokesman for the police department

Ten thousand delegates, observers and journalists are attending the meeting and the informal gatherings that surround the annual meetings which get underway this week.

Soviet republics to join IMF meet

BANGKOK, Oct 10: Representatives from Soviet republics will join central government officials when Moscow sends a delegation to the International Monetary Fund (IMF) annual meeting. International Monetary sources said, reports Reuter.

The high powered 17 member delegation is led by Chief Economic Strategist **Grigory Yavlinsky and Soviet** State Bank Chairman Viktor Gerashchenko, the sources told Reuter.

But it also includes a senior representative of the Russian Federation's Supreme Soviet Kirphizia's Finance Minister and Byelorussia's Deputy Finance Minister.

The three are attending the meeting expected to be dominated by how the Soviet Union can introduce market,

Price Barometer: Essentials

October -10

(Taka per kg) 20.00-21.00 Aman (Very fine) 15.50-17.00 14.00-15.00 14.00-15.00 VEGETABLES (Taka per kg) Potato(White) 12.00-16.00 18.00-20.00 Lady's finger 12.00-14.00 20.00-22.00 10.00-12.00 Pui Shak 6.00-8.00 6.00-7.00 Green Banana (Four Pieces) 6.00-8.00 OTHER POODGRAIN (Taka per leg Flour 13.00-14.00 12.00-12.50 11.00 Wheat 17.00-18.00 (Taka per kg) Ruhi(big) 140.00-150.00 100.00-120.00 Katla(big) 38.00-42.00 100.00-120.00 65.00-75.00 80.00-90.00 80.00-90.00 EGG (4pcs)

Khesari 16.00-18.00 MEAT (Taka per kg) Not Available Mutton Not Available (Taka per Litre) 52.00-54.00 37.00-38.00 Coconut (Colombo) 70.00-80.00 Vegelable Ghee 54.00-5600 (Taka Per kg) SPICES

PULSES

Moogh

Chhola

14.00

(Taka per kg)

33.00-34.00

29.00-30.00

29.00-30.00

24.00-25.00

24.00-26.00

28.00-29.00

Onion 20.00-21.00 42.00-44.00 Garlic Chillies 85.00-95.00 48.00-52.00 Turmeric(Round) 48.00-56.00 Green chillies 35.00-40.00 10.00-14.00 3.00-3.50 Cinnamon* (10gms) Cardamom* (large) 3.00-4.00 Jhira (50gms) 7.00-7.50 MILK (Two kgs)

265.00-266.00 Red-Cow 262.00-263.00 254.00-255.00 MISCELLANEOUS (Taka) 225:00-240.00 70.00-80.00 Tea (Dust) 8.00-9.00

22.00-24.00 Source: Department of Agricultural Marketing

Gold & Silver October —10

6,100.00 Guinea 200.00 Source: Department of Agricultural Marketing

(Taka for 11.66 grams)

Hides & Skin

(Wet/Salted) October —10

(Taka per100 pieces)

13,000.00 — 27,000.00 47,000.00 - 52,000.00 57,000.00 - 62,000.00 67,000.00 - 72,000.00 77,000.00 - 82,000.00 21,000.00 - 24,000.00

- 9,800.00 6,100.00 - 7,300.00Rejected 2,900.00 - 3,600.00 8,000.00 - 8,500.00 54,000.00 - 59,000.00 Source: Department of Agricultural Marketing