Pakistan to get \$10m Chinese loan

ISLAMABAD, Oct 28: China agreed on Sunday to give Pakistan interest-free loans and grants worth nearly 10 million Dollars for economic projects and Afghan refugees, reports Reuter.

Two accords for 9.3 million Dollars in loans and 600,000 Dollars from Afghan refugees were signed after talks between visiting Chinese President Yang Shangkun and Pakistani President Ghulam Ishaq Khan, a government statement said

The two leaders, reflection their concern about US dominance of a new international order, felt it imperative that all nations be equitably treated, it

Pakistan and China agreed to further promote cooperation in trade, science and technology, the statement said. There was no specific mention of defence.

Military cooperation has grown since US economic and military aid to Pakistan was halted a year ago over con that Islamabad had stepped up efforts to make nuclear weapons. Pakistan denies it is trying to become a nuclear power.

The two countries are jointly developing a main battle tank in Pakistan. China earlier this year supplied M-11 surfaceto-surface missiles despite protests from Washington.

Yang will visit Pakistan's cultural capital Lahore on Monday for a day's sightsecing before leaving for Iran on Wednesday.

Pak state bank sale offer withdrawn

LAHORE, Oct 28: The Pakistan government decided to retain one of three state-run commercial banks it offered last week for sale to the highest bidders, Finance Minister Sartaj Aziz said Sunday, reports Reuter.

"We have reconsidered the offer and we are taking out the National Bank of Pakistan (NBP) from the offer as of today, he told a seminar in Lahore.

The government would go ahead with the sale of the country's biggest financial institution, Habib Bank Limited and United Bank Limited as part of its massive privatisation programme.

Two other state-owned banks, the Commercial Bank and Allied Bank Limited, were privatised earlier this year.

UK Foreign Minister in UAE

ABU DHABI, Oct 28: British Foreign Office Minister Douglas Hogg arrived in Abu Dhabt for talks on the scandalhit, closed Bank of Credit and Commerce International (BCCI), reports Reuter.

The United Arab Emirates news agency said Hogg would also visit Qatar and Bahrain. The BCCI, one of the world's largest private banks and 77.4 percent owned by the UAE, was closed on July 5, amid allegation of massive fraud.

The British Foreign Office said last week planned to discuss BCCI affairs during his visit to the Emirate, the first by a British government Minister since the closure of the bank.

Exchange Rates

October -28

SELLING AND BUYING RATES, offered by

Overseas Dirafts (ODs) One Unit of Foreign Currenctes (FGs) for Take Buying 37.8226 37.3318 UK Pound Sterling 64.7501 German Deutsche 22.2551 21.9573 French Franc 6.5211 6.4343 Saud! Riyal 10.1184 9.9871 **Dutch Guilders** 19.4842 19.7507 Pakistan Rupee 1.5147 1.5293 (AMU") Singapore Dollar 22.0182 223076 **UAE Dirham** 10.3332 10.1991 **Kuwait Dinar** avatlable Indian Rupee UMA 1.4621 1.4483 S. Kroner 6.1127 6.0285

*AMU-Astan Monetary Union ECONDARY EXCHANGE MARKET Wage Earners Fund/ Export Performance Benefit (XPB) Fund

US Dollar 38.39 **UK Pound** 65.71 Saud! Riyal 10.26 10.31 **UAE Dirham** 10.47 . The rates of Pound Sterling are decided every day, based on the crossrates of New York market Source: Sonali Bank

Gold & Silver

(Taka for 11.66 grams) 6,200.00 6,100.00



ISLAMABAD: Pakistani Premier Nawaz Sharif (L) calls on the visiting Chinese President Yang Shangkun in Islamabad on October 27. Yang Shangkun is here on six-day official visit. He pledged a 10 million Dollar loan package to Pakistan during his visit. __ AFP photo

IMF assures all possible help to Pakistan

International Monetary Fund (IMF) assured Pakistan that it will try to provide all possible assistance to the country's economic development, reports Xinhua.

IMF Managing Director Michel Camdessus said at a meeting with Pakistan President Ghulam Ishaq Khan here Sunday night that if, as a result of readjustment polices, Pakistan's economy comes under pressure, the fund will provide the required safety

"Camdessus said the structural adjustments in Pakistan's economy have well laid down the ground now to take the country from the low income country status to the middle income group.

President Ghulam Ishaq

ISLAMABAD, Oct 28: The Khan emphasised that the restructuring policies need to be encouraged by international monetary institutions like the IMF which should provide enough resources to sustain

> The IMF Managing Director said the IMF supports the micro economic policies o Pakistan.

and carry them forward.

However Camdessus urged Pakistan to bring about meaningful reductions in defense expenditure - in order to transfer human and financial resources to more productive

The IMF officials, who was in Lahore for a seminar on structural adjustment and macro-economic policy issues on October 26-28, arrived in Islamabad Sunday for formal talks with Pakistan officials.

Wildcat strike at Mongla Port

\$65m given by shipping agents as demurrage

From Our Khulna Office

KHULNA, Oct 28: About sixtyfive million dollars was given as demurrage by the local shipping agents for wildcat strike in Mongla Port during the last three years, according

Dock Labour Board started functioning at the port in 1987 with 18,000 registered Muslims and 3,000 unregistered workers due to mismanagement in the dock labours management board. The workers went on wildcat strike 84 times in three years causing loss of 124 working days. The shipping agents had to bear the loss three to five thousand dollar a day as demurrage for holding the ship beyond her scheduled time at the port. The export and import performances were also hampered for the same reason. The Stevedors Association asked

the Government to constitute

an administrative body to control the labours' unruly and lousy activities in the port. When contacted, an officer

of the Dock Labour Management Board said that they control only a section of labour. The Stevedors Association also control a group of labourers. He however denied that they were responsible for organising these

The chairman, Mongla Port authority, who holds the post of the Chairman of the board as ex-officio told Correspondent that due to prevailing socio-economic condition, the labourers became more unruly and impatient and went on strike being provocation by the outsiders. This problem should be solved all concerned sitting in a table, he added.

US officials divulged BCCI action to drug dealers

NEW YORK, Oct 28: Government investigators suspect that some of the world's most powerful drug dealers who withdrew money from BCCI accounts days before the arrest of five bank executives in 1988 were tipped off by US government sources, the New York Times reported on Sunday, reports Reuter.

Bank records show the dealers withdrew millions of Dollars from their accounts at the Bank of Credit and Commerce International (BCCI) just before federal undercover agents made a surprise arrest of five executives of the now-scandal plagues operation, The New York Times

The newspaper said it had obtained records of the bank's dealings and correspondence

which underscored the enormous amounts of money that were being laundered at BCCI branches in Panama. New York, Miami and other cities.

One day before the executives were arrested on October 8, 1988, two men described by the government as licutenants in a large Colombian drug ring insisted that their accounts at BCCI's Panama city branch, worth about two million Dollars, be closed immediately,

The New York Times said. Drug ring members also withdrew one million Dollars from another Panama branch on the same day.

The newspaper said customs service officials had acknowledged that the Colombia-based Don Chepe drug smuggling ring may have learned of the undercover operation-

BCCHK liquidator gets six months

HONG KONG, Oct 28: The high court on Monday gave the liquidator of the Bank of Credit and Commerce Hong Kong (BCCHK) up to six more weeks to decide whether to sell the bank to Hong Kong Chinese Bank or to liquidate it, reports

Registrar-General Noel Gleeson, provisional liquidator of BCCHK, said the adjournment until December 9, was necessary to study proposals by Hong Kong Chinese Bank to take over the bank.

Gleeson said he had to eval uate fully the impact of the takeover on the creditors and depositors.

The Hong Kong Chinese Bank is the only prospective purchaser of BCCHK after two banks which had earlier expressed interest withdraw.

Some 470,000 local depositors have staged rallies, protests and hunger strikes and sent petitions to get the government to reverse its decision to liquidate BCCIIK which was closed early July in concert with similar closures abroad amid reports of fraud and money laundering

Gleeson did not disclose the details of the proposals for takeover by the llong Kong Chinese Bank, which is part of the Indonesian-owned Lippo Group.

The government has refused to bail out BCCIIK. although it conducted a number of rescue operations in the mid-1980s when a series of banks collapsed here.

HK businessman convicted in sex trial

HONG KONG, Oct 28: A case that titillated Hong Kong for months with tales of sex, starlets and sleaze ended Monday with a businessman's conviction on charges of theft, blackmail and unlawful sexual procurement, reports AP.

For some, the trial was a diverting, sexy, scandal Hundreds of mostly male spectators crowded the courtroom. For others, it illustrated just

how much tolerance there is for sexual harassment in this British colony. Anything truly was for sale.

For spectators ranging from street sweepers to high-level bureaucrats, the case took on almost mythic proportions. Zhou Nan, China's top representative to the British colony and hard-line Communist, even quipped about the case to reporters.

After businessmen Chin Chi-ming was convicted, Chan sentenced him to three years and 11 months in prison. She did not comment on the case and a stone-faced Chin said he would appeal. Police escorted him from the courtroom.

"Chin's trial began in July and unfolded like a soap opera, as people a fammed the 60seat gallery to hear steamy disclosures of sex, blackmail and compromising photos.

Camdessus for Indo-Pak arms cut

LAHORE, Oct 28 International Monetary Fund (IMF) head Michel Camdessus on Sunday pleaded with arch enemies India and Pakistan to cut their defence spending, reports Reuter.

He said India was already engaged in meaningful reductions in defence expenditure and Hoped Pakistan also will show leadership in this direction. Camdessus, who visited India before coming to Pakistan said he knew defence cuts could not be made overnight. India and Pakistan fought three wars against each other since independence from Britain in 1947 and came close to a fourth last year over a Muslim uprising in Indian Kashmir. Camdessus said he did not

know if defence cuts would be a condition for any future IMF loans for Pakistan, but said, "they have to tell us what are their policies."

Pakistan, which spends more than 40 percent of its budget on defence, always rejected cuts in armed forces spending, saying the enormous

Zaire economy worsening

PARIS, Oct 28: France appealed to its 500 nationals remaining in Zaire to seize a last chance to flee before western troops withdraw from the riot-plagued central African country, reports Reuter.

"The French embassy in Zaire has confirmed the seriousness of the situation it could worsen in the next few days. Looting continues. The economic apparatus is being destroyed. The country's oil refinery has been virtually destroyed." Cooperation Minister Edwige Avice told state tele-

strength of India makes such cuts impossible.

A senior Pakistani official said the IMF chiefs remarks were valid but said india did not include some major armaments projects in its defence budget and it, too, must be asked to reduce its spending.

Camdessus, in Pakistan for talks with the government on the economy and IMF funding, said the last trance of 140 million Dollars of a structural adjustment facility, would come up for approval in December. Pakistan ran into problems

with the IMF over the disbursement of a 868 million Dollars package of structural adjustment and standby loans last year when it failed to meet fund targets.

The final standby instalment of about 100 million Dollars was never disbursed. but IMF officials recommended last month the structural loan payment should go ahead.

World economy set for recovery

Oct PARIS. International capital markets appear firmly set for recovery after suffering their first significant setback in a decade last year, the Organisation for **Economic Cooperation and** Development (OECD) said in a report released here Sunday, reports AFP.

It said overall borrowing during the first eight months of the year totalled 320.5 billion Dollars, a 14 per cent year-on-year increase that was broadly in line with the average annual growth of the second half of the 1980s.

If sustained until year-end, this could bring total borrowing in 1991 to an all-time high of about 500 billion Dollars, the report said.

The previous peak was recorded in 1989, at 466.5 billion Dollars, while last year the total was down by 7.5 per cent to 431.9 billion largely in response to weakening economic conditions and uncertainties caused by the Gulf cri-

Against the background of this year's projected economic recovery, the OECD reported a record amount of new offer ings on the international securities markets during the January August period.

However, the volume of new commercial paper and similar medium-term borrowing pro grammes remained well below the trend of recent years, and Syndicated Bank lending was sluggish, it said. A total of 195 billion Dollars

was raised on international bond markets during the eight-month period, a 30 per cent year-on-year rise helped in particular by a surge in straight bond issues. For the first time in the his-

tory of the Euro-Bond market the European Currency Unit (ECU) moved up as the second-largest currency of denomination next to the US

The Dollar's share of the market fell off somewhat to 29.4 per cent against 33.3 per cent in 1990 - and over 45 per cent in 1989.

The ECU moved ahead of the Yen with market share of 13 per cent against 8.1 per cent in 1990. The Japanese currency fell back from 13.5 per cent last year of 10.6 per cent, with Sterling hard on its heels at 10.4 per cent.

A Major downturn was meanwhile recorded in Syndicated Bank credit during the January-to-August period with newly signed loans barely attaining 63 billion Dollars.

This was 16 per cent less than the year-earlier level and available information pointed to a 1991 lending total of about 100 billion Dollars in this sector, which would be the lowest since 1987, the OECD said.

GATT talks reach climax

GENEVA, Oct 28 : GATT attendance by diplomats has rarely been higher and its cal endar of trade negotiations rarely fuller as attempts mount to wind up five years of talks, reports Reuter. Ironically, however, the

most important decisions in GATT's Uruguay Round of trade talks - those to break a deadlock on agriculture - will probably not be made anywhere near Geneva. While the diplomats beaver-

ing away in meetings at the General Agreement on Tariffs and Trade (GATT) are doing legitimate an necessary work, everyone seems to be waiting for the moment when agreement finally is reached in the capitals.

"It's still a watching game. I'm sitting with my hands in my pockets," confided an agriculture negotiator from one of the main players in the 108nation talks, which began in

Her advice was not to be either way on the results. But the mood among negotiators

NAIROBI, Oct 28: The Gulf

War is not yet over for the

world's airlines, who' face

combined losses of up to four

billion Dollars on scheduled

services this year, officials said

ahead of the industry body's

annual meeting on Monday.

"At the conclusion of the war

most carriers were of the

opinion that traffic would

rebound and that 1990 levels

would be regained by mid-year.

This has not happened, said

the International Air Transport

Association (IATA) financial

committee report released at

Gunter Eser, Director

General of the 202-member

IATA, will announce total

losses of 2.7 billion Dollars for

1990 - the worst in 46 years

of civil aviation history — due

mainly to doubled fuel prices

reports Reuter.

the meeting.

appeared to be more one of hope than of desperation. "At a political level, the key

players seem to be moving and indeed talking to each other, perhaps starting a meaningful negotiation for the first time, a trade officials commented. Most of the top-level dis-

few negotiators in Geneva know where they are taking place or even between whom. But they say that the most important ones are between the United States and the European Community (EC)

cussions are so discreet that

over subsidies and import barriers on farm products. Washington, supported by the Cairns group of farm-exporting nations including Australia and Argentina, is demanding deep cuts in subsidies and import barriers on

fair share of the market. The Common Agricultural Policy (CAP) is dear to the powerful farm lobbies.
But the EC has given an increasing number of signals that

it will be willing to compro-

Iraq's invasion of Kuwait in

IATA estimates losses for

the first quarter of 1991, when

US-led coalition forces drove

Iraq's army out of Kuwait, at

The financial committee re-

port adds: "It is expected that

the industry will again show

heavy financial losses for

Brindley said businesses and

holiday-makers had canceled

flights due to the Gulf War-re-

lated recession and fears of

terrorism in late 1990 and

Things will be looking better

by the end of the year, but we

are doing nothing more than

getting back to where we

Other issues to be discussed

at the two-day meeting in-

were, Brindley added.

IATA spokesman John

August last year.

2.5 billion Dollars.

early 1991.

' and war risk premiums after clude the industry's strategies

the grounds that they rob their

In Luxembourg last week

Dutch Farm Minister Piet Bukman said his EC colleagues had agreed to give EC negotiators the clbow room needed to finish the negotiations, though French Minister Louis Mermaz dented this. EC Farm Commissioner Ray

Macsharry said all had agreed that both the EC and Washington would meet to show flexibility.

On the fringes of the Luxembourg meeting, GATT Director-General Arthur Dunkel discussed the farm negotiations with Macsharry and the European Trade Commissioner Frans Andriessen.

Dunkel has asked each of the Uruguay Round's seven negoliating groups, covering everything from Banking to patients, to present a draft agreement by November 1, though it has become apparent that there will be some slippage on that date.

Gulf War costs airlines \$4b

to cope with congestion, environmental concerns and the increasing range of taxes being imposed on airlines by gov-The industry showed net profits of 2.5 billion Dollars in

Despite financial losses in 1990, passenger traffic grew by 6.9 per cent to 928 million on both international and domestic services. Freight grew by 0.6 per cent to 14.7 million

1988 and 600 million Dollars

ernments.

in 1989.

A decline of 1.7 per cent in international passenger traffic is forecast for 191, but the annual report adds - The global economy has still not recovered as quickly as expected by carriers and this could lead to

Most Asian currencies weaker against US Dollar HONG KONG, Oct 28: Asian count rate. has been pegged at around New Zealand Dollar: The growing.

currencies fell across the broad against the 45 Dollar this week, with the Taiwan Dollar the only regional unit to post a gain, reports AFP.

Domestic factors largely dominated a generally quiet week's trading. Japanese Yen: the Japanese Yen closed the week at 131.36

Yen, down on the preceding week's 129.85 finish. investors were waiting for fresh news, including the US gross national product(GNP) figures to be announced Tuesday.

Market players were also carefully watching the future course of Japanese interest rates as speculation grew that the Central Bank of Japan might soon cut its official dis-

After opening at 129.72 Yen on Monday, the Japanese currency moved between 129.57 Yen and 131.75 Yen.

Australian Dollars drifted downward during the week to close at 78.65 US cents, compared to the previous week's close of 79.82 US cents, as foreign investors anticipated new cuts in interest rates

"We have seen continual investor selling, particularly out of Europe and the states," a Macquacie Bank dealer said.

Hong Kong closed the week at 7.563-7.573 to the Greenback, slightly down on the previous week's close of 7.455-7.555. The Hong Kong currency 7.80 to the Dollar since October 1983. The effective exchange rate closed the week at 112.1, compared to the Indonesia Rupiah: The

Indonesia currency closed the week lower at 1,977 Rupiah to the Dollar, compared to the previous weeks close of 1,974. Malaysian Ringgit: The

2.7465 to the Dollar, marginally down on the preceding week's finish of 2.7460. Dealers said Ringgit sentiment was still bearish amid worrted of a burgeoning cur-

rent account deficit, rising in-

flation and the November 1

presentation of the 1992 bud-

dramatically through the week to close at 55.80 US cents, against the preceding week's close of 56.65 cents. The fall, mainly on the back of the strengthening US Unit, delegated hard-pressed ex-

New Zealand Dollar plunged

porters. Philippine Peso: The Philippine Peso remained at 27 Pesos to the US Dollar all

from 749.50 Won a week ago to 750.0 Won Friday. Dealers said the Won was expected to continue sliding as South Korea's trade imbalance kept

Singapore Dollar: The Singapore Dollar weakened against the US currency, closing at 1.6975 here Friday, compared with the previous week's level of 1.6940.

The OCBC Bank trade weighted index for the Singapore Dollar stood at 135.68, up from last weck's 135.38.

island republic's top 12 trade partners. Taiwan Dollar: The Taiwan currency inched up to close

Dollar, up 3.9 Taiwan cents from the previous week's finish of 26.410. After opening Monday at

26.408, the local unit steadily picked up stream during this holiday-shortened week, boosted by the central banks plan to reopen forward foreign exchange trading, market analysts said. The market was closed

Friday for a three-day holiday Thai Baht: The Thai Baht

weakened against the US Dollar here Friday, closing at a mid-rate of 25.57 Baht per Dollar, compared with 25.50 Baht a week ago, an official at the Bangkok Bank said.

fell against the Greenback after traders switched to buying Dollars instead of holding the local currency due to high liquidity in the market.

The official said the Baht

FBCCI welcomes steps to reduce power system loss

Star Economic Report

President of the Federation of Bangladesh Chambers of Commerce and Industry Alhai Akram Hossain on Monday hailed the government for constitution of two steering committees in a bid to reduce system loss of electricity.

The steering committees would play an effective role in reducing system loss, he said in a statement adding that this was a timely step by the government.

He stressed the need of inclusion of FBCCI representatives at various levels of the steering committee.

IA resumes Ctg-Calcutta flight Nov 1

The Indian Airlines after nearly ten months of suspension because of the Gulf War is going to resume its once a week Calcutta-Chittagong-Calcutta flight from November 1, reports BSS.

The flight in this route with the introduction of winter schedule will be operated on every Saturday with Boeing 737 aircraft, a press release

The airlines said this flight will provide convenient connections to various metropolis of India.

Meanwhile, the airlines has slightly altered its departure timing from Dhaka. The airlines, which runs four flights (Monday, Wednesday, Friday and Saturday) will have its departure time advanced by 15 minutes from the current 15-45 hours.

First mother oil tanker in private sector Star Economic Report

The Government has approved acquisition of a Mother Oil Tanker by a private shipping company namely Dynamic Shipping Lines Limited. The vessel with a dead weight capacity of 1,55,500 tons will be the ever biggest vessel in pri-

vate and public sector, says a

Press release.

Bangladesh Petroleum Corporation pays Tk 46 crore per year in foreign currency to the foreign chartered vessels which will be fully saved by acquiring this vessel. It had been possible by a private company to acquire such a prestigious vessel under Bangladesh Flag and have a major breakthrough in private sector shipping due to the massive privatisation policy of the present demo-

cratically elected government.



October —28

RICE (Taka per kg) 20.50-21.00 Aman (Very fine) Aman(fine) 15.50-17.00 13.00-14.00 Paijam Ufshi 14.00-15.00 VEGETABLES (Taka per kg) 7.50-8.00 Potato(White) Brinjal 11.00-14.00 Lady's finger 20.00-22.00 14.00-16.00 Karolla 20.00-22.00 Lalshak 10.00-12.00 Pui Shak 8.00-10.00 5.00-6.00 Green Banana (Four Pieces) 6.00-10.00 OTHER-FOODGRAIN (Tale per hg) Flour 13.00-14.00 11.00-11.50 Wheat 8.50-9.00 17.00-18.00 (Taka per kg) Ruhi(big 110.00-120.00 Katla(big) 80.00-90.00 Hilsha 40.00-45.00 75.00-80.00 Pangas 55.00-65.00 75.00-80.00 65.00-75.00 EGG (4pcs) Duck 13.00 PULSES (Taka per kg) 29.00-29.00 30.00-32.00 29.50-30.00 23.00-24.00

24.00-26.00 15.00-16.00 Khasani MEAT (Taks per kg) Beef 55.00-60.00 Mutton 80.00-90.00 OIL (Taka per Litre) Mustard 50.00-52.00 Soyabean 36.00-38.00 70,00-80.00 Coconut(Colombo) Vegetable Ghee 50.00-52.00 SPICES (Taka Per kg) 19.00-20.00 Onion Gartic 40.00-48.00 Chillies 80.00-90.00 Turmeric(Round) 48.00-54.00 52.00-56.00 (Long) 50.00-60.00 Green chillies 12.00-14.00 **Ginger** Cinnamon* (10gms) Cardamom* (large) Jhira (50gms)

Red-Cow MISCELLANEOUS Tea (Dust)

MILK (Two kgs)

(Take) 220.00-230.00 80.00-90.00 8.00-9.00 28.00-28.00 22.00-24.00

3.00-3.50

3.00-4.00

7.00-7.50

265.00-266.00

262.00-263.00

254.00-255.00

iource: Department of Agricultural Marketing

October -28

Australian Dollars: The

dealers said.

Hong Kong Dollar: The

previous week's 111.8.

Ringgit ended the week at

week, due partly to heavy central bank buying on the trading South Korean Won: The Won marginally weakened

The index is calculated against the currencies of the

Thursday at 26.371 to the US