Kuwait to lend CIS \$ 1 billion

KUWAIT CITY, Feb 17: Kuwait has decided to lend the Commonwealth of Independent States (CIS) one billion dollar, Finance Mintsters Nasser al-Rudhan said in newspaper reports published. here Sunday, says AFP.

Rudhan said while on a visit to Moscow that his country's assistance for the former Soviet republics was part of loans to the CIS agreed upon by the Arab oil states of the Gulf Cooperation Council. He gave no details.

The GCC groups Kuwait with Bahrain, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

Bankruptcies in Japan up by 47 pc

TOKYO, Feb 17: Japanese bankruptcies jumped 46.9 per cent from a year earlier to 949 cases in January although liabilities fell 30.2 per cent to 448 billion yen (3.5 billion dollar), a credit research company said Sunday, reports AFP.

Teikoku Data Bank Ltd. said the latest increase was the 16th month in a row the number of corporate failures had risen, attribu ting almost 40 per cent of the insolvencies to the recent slowdown in the Japanese economy.

The company noted the fall in liabilities was the first decline in 16 months. Of the total number of bankrupt companies, 46 left habilities of one billion yen (7.9 million dollar) or more.

Manila backs Laos, Vietnam for ASEAN seats

MANILA. Feb 17: The Philippines endorsed the bids of Vietnam and Laos for membership of ASEAN and said they could become observers in the organization as early as July. Philippines Foreign Secretary Raul Manglapus said. reports Reuter.

I have already forward to the secretariat of the ASEAN in Jakarta a request ... to immediately process the applications of Vietnam and Laos to accede to the treaty of amity and cooperation. Manglapus told a news conference in

The treaty is the first step in joining the Association of South-East- Asian Nations. which groups Indonesia. Malaysia. Brunet, the Philippines, Thatland and Singapore.

Manglapus said quick handling of the applications of Vietnam and Laos might lead to a signing of accession to the treaty by the two Indo-Chinese nations when Manila hosts the ASEAN foreign ministerial meeting in July.

Pak-Uzbek pact on air services

KARACHI, Feb 17: Pakistan and Uzbekistan signed an air services agreement here Sunday allowing the two countries to operate regular flights for the first time starting next month officials said, reports

The agreement was signed by the head of the Uzbek delegation, Ghani Rafiqov, and the Director General of the Civil Aviation of Pakistan, retired Air Marshal M Yunis.

The agreement is the first Pakistan has signed with the newly independent Central Asian republic.

Uzbekistan has also asked to join the economic cooperation organization, which groups Pakfstan, Iran and Turkey and is currently holding a summit meeting in Tehran.

overtaken their hardline adversaries.

early 1980s.

Zedong.

Deng. who is officially retired but still

The official press laid some groundwork for

wields decisive influence, is credited with ini-

tiating China's liberal economic policies of the

a new initiative at the end of last year - notably

in coining the phrase 'Deng Xiaoping Thought.

an appellation previously reserve for Mao

Rifts in the top ranks of government ahead

of the Communist Party congress at the end of

the year also suggest the rising influence of the

Turkey-Iran rivalry surfaces

ECO summit begins in Tehran

TEHRAN, Feb 17: A summit of the Economic Cooperation Organization (ECO) opened here Sunday with plans to expand the grouping to include three Muslim republics of the former Soviet Union, reports AFP.

They are the Central Asian states of Azerbaijan. Uzbekistan and Turkmenistan. which will be formally accepted as members of the group which was founded in 1985 by Iran, Turkey and Pakistan.

Tadzhikistan, Kazakhstan and Kirghiztan, represented at ministerial level.

participating as observers. tranian President Ali Akbar Hashemi Rafsanjani was joined at the initial session by presidents Ayaz Mutalibov of Azerbatjan. Saparmurad Niyazov of Turkmenistan and Turgut Ozal of Turkey.

Pakistani Prime Minister Mohammad Nawaz Sharif and **Uzbek Parliamentary Speaker** Yldashuf Shawkat also attended the opening.

An earlier AFP report says: Summit for a future Muslim common market was to open Sunday amid a hint of rivalry between pro-US Turkey and host Iran as they court the new

Muslim republics of Central

Leaders from secular Turkey and fundamentalist fran expressed "friendship" ahead of the summit, but the official Iranian press said that Ankara's and Washington's approach to the former Sovict Republics would be a dark

Delegates are expected to agree on reducing preferential tariffs by at least by 10 per cent, on establishing a joint development bank, and on forming a common market for farm produce, the Iranian news agency IRNA reported.

But ECO has 'no intention of getting involved in areas such as military cooperation, IRNA said, summing up the position of Iranian Foreign Minister Ali Akbar Velayati.

Observers in Ankara said the Summit comes as the struggle between Turkey and Iran over the new Muslim republics starts to manifest itself openly.

US President George Bush and Turkish Prime Minister Suleiman Demirel decided in Washington Tucsday to increase their cooperation to help these republics in a bid to stem frantan influence in the region.

A Xinhua report from Tehran adds: Azerbaijani President Ayaz Mutulibov today welcomed Iran's efforts to mediate the dispute between his country and Armenia over the Nagorno-Karabakh enclave.

Mutulibov, who is here attending the Summit session of the Economic Cooperation Organization (ECO), was speaking to reporters.

In the recent flare-ups of armed ethnic violence in Nagorno-Karabakh, at least 20 people were killed. The region is within the boundaries of Azerbaijan but is inhabited mainly by Armentans.

Both Azerbaijan and Armenia have asked Iran to mediate between them, frantan Foreign Minister Ali Akbar Velayati is to visit the two countries after the current ECO session to start his

counterpart Ayaz Mutalibov minutes after the latter's arrival at Tehran's Mehrabad mediation efforts. - AFP photo. Experts fear dip in oil prices

GENEVA, Feb 17: Oil industry experts and analysts predicted on Sunday an immediate dip in crude oil prices this week in reaction to OPEC's weekend agreement to cut excess supply by only about one million barrels a day (MBD) in a bid to forestall a price collapse in the spring. reports AFP.

"Basically, that was quite bearish. The market had expected at least a 1.5 MBD cut." said Bahman Karbassioun, an Independent Vienna-based consultant.

Paul Mlotok, a senior analyst for Morgan Stanley. the New York brokers, said markets would "react negatively to

Prices "could fall by half a dollar or so" when trading reopens after the weekend on Far Eastern and European markets, he said. New York is closed Monday because of a

TEHRAN: Iranian President Akloar Hashemi Rofsanjani (R) meeting with his Azerbaijani

"It will cost them a dollar," said an American oil company official. Ending four days of chaotic bargaining on how much to reduce output and how to share out cuts, oil ministers of the Organization of Petroleum Exporting Countries (OPEC) set a new ceiling of 22.982 MBD late Saturday for

the period up to end-June. This marked a five per cent cutback from OPEC's current output of 24.2 MBD, which

Saudi Arabian Oil Minister Hisham Nazer said should prevent "a further deterioration" and possibly also allow for "an increase in the price" of oil.

Other OPEC ministers also played up the positive aspects as they emerged from the most difficult OPEC session since the start of the Gulf cri-

OPEC officials recognized that the credibility of the deal was weakened by reservations made by Saudi Arabia, OPEC's dominant producer, and Iran. Between them, the two heavyweights account for 50 per cent of the crude pumped by the organization.

The Saudis insisted on cut ting their current output by no

more than 500,000 barrels a day to 8 MBD, although Nazer told reporters he had never said he intended to stick to his present 35 per cent share in OPEC output.

Iran's Oil Minister Gholamreza Aghazadeh lodged a reservation on the new cetiing, arguing that any higher production limit than 22.5 MBD would leave the market oversupplied.

Positive features in the pact included the settling of interim quotas and a decision to hold immediate ministerial talks if and when the United Nations embargo on Iraqi exports is lifted. European off industry officials said.

Poland changing economic course

WARSAW (Poland), Feb 17: Poland's new center-right government has decided on an economic programme that backs away from the "shock therapy" of the past two years in favour of pumping up battered state industries, reports

Prime Minister Jan Olsrewski and his Cabinet approved the policy on Friday. and it was to be formally announced at a news conference Monday. The state news agency PAP released a brief outline late Saturday.

MOSCOW, Feb 17: Western

food aid to former Soviet

republics is being siphoned

off to the black market or

falling into the hands of

corrupt local authorities, a

Russian aid official said at

the weekend, reports

being stolen," said Yuri

Zapadalov, Deputy Chairman

match the chaos engulfing

the former Soviet Union.

said Zapadalov, also a

member of the Russian

Commission in charge of

God only knows how much is

of the Russian Red Cross.

Faulty distribution methods

Reuter.

The programme amounts to an admission that radical economic reforms adopted in January 1990 under then-Finance Minister Leszek Balcerowicz have failed to win social approval. despite success in lowering inflation and restoring goods to shops.

Poland now will shift away from fiscal austerity and tightmoney policies designed to fight inflation and move toward government investment and easier credit to overcome recession.

However, the plan stresses

Foreign Aid, in an interview. Russian officials said western

nations, ill-prepared in the

prestige race to deliver aid

must share some of the

most experienced in the

efforts by the West to

Director of the Russian Aid

Commission, said in a sep-

arate interview theft was a

problem but denied large

amounts were going

Alexander Zhitnikov. Deputy

protect aid supplies.

Russian swindlers are

the most experienced!

blame.

that the fight against inflation will not be abandoned, and that the government deficit will be kept within reasonable limits in part through new

> The Balcerowicz programme, worked out with Western advisers and endorsed by the International Monetary Fund, was considered the most radical in Eastern Europe, where countries were making the transformation from a centralized socialist economy to a free-market capitalist system. It was held up as

a model to the former Soviet Union, now starting on the road of economic reform.
Olszewski met last week

with a representative of the IMF, presumably to discuss his economic changes. Ongoing IMF support for Polish reforms is a pre-condition for the 1991 agreement by the Parts Club of Western creditor governments to forgive one-half of Poland's 35 billion dollar foreign debt.

In a public appearance Friday, Balcerowicz warned the new government not to alienatc the IMF and potential Western investors.



Lucky couple at the WVA Minabazer held on 31,01,92 receiving the DRAGONAIR lucky draw round trip air ticket DHAKA-HONGKONG-DHAKA from Mrs Nilufar Mannan wife of A Mannan, State Minister for Civil Aviation and Tourism. Present, among other, were General Manager Dragonair S'Iftikher Hossain and President, WVA Mrs Munira Khan.

Bid to islamise Pak banking hits foreign investment

ISLAMAHAD, Feb 17 : Calls by clergy to islamicise Pakistan's banking system have had a negative effect on foreign investment, Minister of State for Economic Affairs Asif Ahmed Alt said Sunday, reports AFP.

All said there had been serious reverses in foreign investment and pointed to the decision taken in November by the Federal Shariat Court (FSC) to call on the government to put an end to charging interest on loans because it was contrary to Islam.

Speaking to reporters at the opening of a bank in Lahore in East Pakistan, Ali said: "if the fatwa (religious decree on interest) is implemented, the economy of the country would be ruined, already it has suffered serious setbacks."

Foreign investors, including the Japanese, were still nervous because of the "lack of clear cut policy of the government," he added.

Prime Minister Nawaz Sharif a strong supporter of western style free enterprise had not wanted to offend religious circles over the issue. and has left the responsibility for appealing the decision to the Supreme Court of the recently privatised Muslim Commercial Bank.

The state-owned Agricultural Development Bank of Pakistan is also appealing the decision.

Pakistan's government has also sought the advice of Islamic law experts in other Muslim countries, including Egypt, Kuwait and Indonesia,

Indian rupee falls further

BOMBAY. Feb 17: The Reserve Bank of India_(RBI) here today announced a further downward revision of the rupee by 0.04 per cent in relation to the pound sterling. making the British unit costlier by two paise, reports

The new middle rate now works out to Rs 45.97 per sterling as against Rs 45.95 previously.

The new selling and buying rates for spot delivery are 2.1700 and 2.1808 sterling per Rs 100, corresponding to Rs 46.08 and Rs 45.85 per sterling respectively.

The rupce sterling rate was last adjusted on Feb 14, when the rupee was depreciated by 0.28 per cent.

Shares bounce back in Tokyo

TOKYO, Feb 17: Share prices bounced back in thin trading on the Tokyo Stock Exchange Monday, reports AP.

The 225-issue Nikkei Stock Average rose 441.12 points, or 2.11 per cent, closing at 21,324.98 points. Monday's gain came after the average had lost a total of 1,223.66 points in four consecutive trading days last week. including a 507.16-point decline on Friday.

The Tokyo Stock Price Index of all issues listed on the first section, which fell 30.77 points Friday, gained 4.52 points, or 0.29 per cent, to close at 1.559.83 points.

An estimated 200 million shares changed hands on the first section, up from Friday's 197 million shares. The dollar closed at 126.93

yen, down 1.02 yen from Friday's 127.95 yen. After opening at 128.06 yen, it ranged between 126.80 yen and 128.93 yen.

As of 3 pm (0600GMT), the benchmark No. 129 10-year Japanese government bonds rose to 105.76 points from Friday's 105.28-point finish. Their yield fell to 5.375 per cent from 5.455 per cent.

Stock traders said the Nikkei average's rebound was largely caused by index-linked buying in the afternoon.

A concerted dollar-selling intervention by Japanese and US central banks on the foreign exchange market had a favorable impact on the stock market, traders said.

Colombo announces 5-yr tax holiday for local industries

COLOMBO, Feb 17: The Sri Lankan government on Monday announced a five -year tax hofiday for a wide range of local industries in a bid to boost production and generate employment, reports AFP.

The Industries Ministry said in a statement that the concession would, apply to pioneering or expanding industries and industrial parks and estates that employed a minimum of 25 workers.

Companies which purchase equipment worth over five million rupee (120,000 dollar) to increase productivity will also benefit by the tax holiday, the statement said.

In a major move to create

more employment, the government last month extended generous tax concessions to existing industries setting up production facilities in some 200 regions designated as underdeveloped.

Entrepreneurs say the tax holiday will enable them to stabilise themselves and compete in the international market," say the revenue loss from the new measure.

Foreign investors setting up factories in three free trade zones already enjoy tax cxemptions and duty free imports necessary for their in-

Dollar up against most Asian currencies

HONG KONG, Feb 17: The US dollar rose over the week against most Asian currencies with resistance only from the Australian, Talwan and Hong Kong dollars and the Philippine peso, reports AFP.

The yen slipped on the back of further political scandal in Japan and remarks by Federal Reserve Chatrman Alan Greenspan. Also down were the New Zealand and Singapore dollars, the Indonesian ruptah, Malaysian ringgit, South Korean won and That bath.

Japanese yen: The yen tumbled against the dollar to close the week at 127.95, down 2.43 yen from a week cariter.

After opening the week 0.27 yen higher at 125.25, it peaked at 125.18 on Monday as the dollars was depressed by worse than expected US unemployment data.

Australian dollar: The Australian dollar finished the week at 75.49 US cents, up from the previous week's 74.70 US cents after firming on good offshore support. dealers said Friday.

The dealers reported consistent strong offshore demand, particularly from Singapore and Japan, underprinning generally quiet local trading.

Hong Kong dollar: The Hong Kong dollar closed the week at 7.7545-7.7555 to the US dollar, marginally former's on last week's close of 7.7560-7.7580.

The Hong Kong unit has been officially tied to the US dollar at around 7.8 since October 1983.

Indonesian rupiah: The Indonesian currency started the week's trading at 2,004 to the dollar, one rupiah weaker than its close Friday the previous week. It weakened further during the week to end at

Malaysian ringgit: The ringgit finished the week at 2.6100 to the dollar, slightly down from 2.6085 the previ-

Dealers said the good demand continued for the ringgit, which pushed the currency to the week's high of 2.6080 in mid-week.

New Zealand dollar: The New Zealand dollar closed Friday worth 54.13 US cents. little changed from its previous week's 54.18 cents.

Philippine peso: The peso strengthened to 26.15 to the dollar Friday, up from 26,159 at the close of trading the previous Friday. The peso's rise is attributed to surplus dellar in the

Philippine economy arising from the five percent levy on all imports which has discouraged business activity. Singapore dollar: The Singapore dollar weakened against the US dollar to 1.6365

Friday, down from the previous weeks 1.6265. Dealers said the greenback was steadier in the local mar-

ket throughout the week in line with other Asian markets. South Korean won: The won weakened from 763.80 to the dollar one week ago to close at

764.80 Friday. Dealers said over the coming week the won was expected to weaken further. possibly to 766, as demand for the dollar increased.

Taiwan dollar: The Taiwan currency remained strong and closed Friday at 24.99 to the US dollar, up one Taiwan cent from its previous week's finish of 25.00.

Thai baht: The baht weakened against the US dollar last week to close at a mid-rate of 25.45 Friday, down from 25.35 the week before.

There was no domestic factor behind the dollar's rise. a Bangkok bank official said.



Khurshid Alam, Member, Board of Directors, Singer Bangladesh Limited inaugurating Singer 37th show-roomcum-sales center at South Jatrabari, Dholaipar, Dhaka Saturday. Mahbub Jamil, Chairman & Managing Director was present.

Business briefs

\$10m IDB loan for Pakistan: The Jeddahbased Islamic Development Bank (IDB) has agreed to give Pakistan a 10 million dollar loan to pay for the import of fertilizers from Saudi Arabia. Turkey and Jordan, officials sources here said Sunday, reports AFP from Karachi.

The IDB is to give another two million dollar loan for the import of equipment, the official Associated Press of Pakistan (APP) said. It gave on details.

UN to give Vietnam \$93m: The United Nations will give Victnam 93 million dollar to aid the country's economic réforms, the official Vietnam News

The funds from the UN Development Programme will help Vietnam develop its legal system, reform financial and banking regulations, and help train and educate workers, the report said. A transcript of the Sunday report was seen Monday in Bangkok.

Fire guts 100m tonnes coal in China a year: Persistent fires in coal fields in Northwest China's Xinjiang burn 100 million tonnes of coal reserves worth more than 600 million dollar a year, it was reported here Friday, reports AFP from Hong Kong. The semi-official Hong Kong China news service said 37

fires, some of which had been burning for hundreds of years,

had affected an area of almost 100 square kilometers (40

square miles). Algeria delivers gas to Slovenia: Algeria made its first deliveries of natural gas to Slovenia on Saturday Via the Trans-Mediterranean gas pipeline linking Algeria. Tunisia and Italy, it was officially announced here on Sunday,

reports AFP from Algiers.

Reformists gaining ground in the Beijing's top brass isplicing, red 17: The Chinese government In another tacit sign of a new liberal offenhas appeared increasingly bent on speeding up The congress will be charged with making sive. Deng. 87, appeared on television early by several newspapers in recent weeks. the pace of economic reform since senior leadership changes, notably by retiring some

leader Deng Xiaoping toured the prosperous southern provinces late last month, reports Analysts say his reappearance after almost a year out of the public eye marked the start of a new campaign by Deng himself and showed Although the reforms were never officially that reformers have, at least for the moment,

laid to rest, they were significantly toned down after the pro-democracy movement and its military suppression.

characteristics," their crucial task will be overhauling its economy. After witnessing the collapse of the Soviet

elderly cadres. Since the June 4, 1989 crackdown on prodemocracy protestors. Beijing has directed its energies toward enforcing ideological ortho-

missing.

But if leaders of the world's last great bastion of hardline communism remain committed to what they call "socialism with Chinese

Union. Deng sent a clear message at the end of January: China has no future without more rapid economic reform. "Whoever is opposed to reform must leave office." he reportedly this month looking even healthier than he did during his last public appearance. Even Premier Li Peng. viewed as a hard-

liner, has added his voice to the chorus demanding faster reforms. And on Saturday, major newspapers quoted President Yang Shangkun, a loyal Deng supporter, as saying in Shanghai that the policy of opening "cannot and will not be changed." That Deng and Yang endorsed stepped-up

reforms in the liberal special economic zones and China's largest industrial city, respectively. is not accidental, analysis say. The zones, booming as a result of foreign capital, were made laboratories for economic reform a decade ago. Shanghai is slated to be-

come the showcase of modern China after the turn of the century. Liberals attack the official bureaucracy and "formality" that they say impedes reform. Both Deng and Yang have criticised the time cadres

A western diplomatic source said a document on Deng's directives had been sent to top

officials in the last few days and would evenhardline octogenarian leaders.

The liberals, for the moment, must turn words into actions, but observers are sceptical about their chances of expediting reform.

mous structural problems. They also wonder what will happen to Chinese communists.

waste in useless meetings, a theme picked up Agency reported, says AP from Bangkok.

tually trickle down to the lower ranks. Future Chinese policy still depends on numerous variables - in particular, the deaths of

Officials, moreover, seem unsure how to begin revamping an economy with such enor-

Increased borrowing from free-market principles threatens to cause at least temporarily widespread unemployment, as previous reforms widen the gap between tough official language and freewheeling reality, especially in the south.