

BRIEFS

Delhi simplifies customs rules

NEW DELHI, June 24: The Indian government has announced a series of measures simplifying customs rules for traders and travellers, including "self-assessment" of duties by importers, a Commerce Ministry statement said, reports Reuters.

The new measures introduce a "green channel" for imported cargo, liberalise baggage rules for tourists and Indians living abroad, and give greater flexibility to import goods through global couriers.

For certain categories of imports, traders will now be allowed to self-assess the value of goods being brought in, determine the duty liability and pay it, the Commerce Ministry said. A small percentage of the goods will be randomly checked by customs officers to ensure importers are honest.

Bombay brokers continue boycott

NEW DELHI, June 24: Nervous brokers continued Monday a trading boycott of the Bombay Stock Exchange (BSE), the country's largest, awaiting resolution of the uncertainties created by India's billion-dollar bond scam, reports AFP.

The exchange was officially open for trading but brokers stood by awaiting a ruling on the transferability of shares standing in the names of those accused in the scam, the Press Trust of India (PTI) said.

The assets of 31 people, including alleged scam mastermind Harshad "Big Bull" Mehta, have been attached by a government-appointed custodian.

US court declines to review liability case

WASHINGTON, June 24: The US Supreme Court, in a case of major importance for the international banking system, declined to review whether US banks can be held liable for deposits in their foreign branches when the foreign government freezes the assets, reports Reuters.

With potentially billions of dollars at stake, the High Court denied an appeal by Citicorp's (CCI.N) Citibank unit arguing that it should not be held liable.

According to Citibank's appeal, the case has wide significance. US banks now have more than 800 foreign branches in 71 nations with deposits of 300 billion US dollars.

Dollar falls, gold mixed in Europe

LONDON, June 24: The US dollar fell against other major currencies Wednesday in early European trading. Gold prices were mixed, reports AP.

In Tokyo, the dollar closed at 127.03 yen, up 0.07 yen from Tuesday's close. Later in London, the dollar was quoted at 127.04 yen.

Other dollar rates at midmorning compared with late Tuesday:

- 1.5613 German mark, down from 1.5650
- 1.4128 Swiss franc, down from 1.4150
- 5.2590 French franc, down from 5.2710
- 1.7585 Dutch guilder, down from 1.7635
- 1.181.50 Italian lire, down from 1.184.00
- 1.1970 Canadian dollar, up from 1.1965

London's major bullion dealers fixed a recommended gold price of 344.00 dollar per ounce at midmorning, down from 344.35 dollar bid per ounce late Tuesday.

HK govt buys stake at electronic company

HONG KONG, June 24: The Hong Kong government has agreed to take a minimum 30 per cent stake in an electronic communications system owned by some of the colony's most influential companies, a report said Tuesday, according to AP.

The Tradelink System, whose 11 shareholders include the Hong Kong Bank, Swire Pacific and Hong Kong Telecom, will allow businesses to communicate with the government electronically through an Electronic Data Interchange (EDI) gateway, the English-language South China Morning Post newspaper said.

Drug gang members arrested in US

NEW HAVEN (Conn), June 24: Federal agents and local police arrested 10 people believed to be members of a violent drug gang in a series of early-morning raids Monday, reports AP.

More than 80 officers began breaking down the doors of the suspects' homes shortly after 6 am, after a federal indictment was unsealed.

Developing states selling more food items to each other

During the last 30 years developing countries have been selling increasing quantities of their agricultural exports to other developing countries.

From 1960 to 1989, "intratrade" in agricultural products between developing countries grew at a rate of about 7.3 per cent a year, while the developing world's exports to industrial countries increased by six per cent annually, says a new report by International Food Policy Research Institute (IFPRI) in Washington, DC.

Developing countries increased the share of their total agricultural exports going to other developing countries from 17 per cent in the period 1966-68 to 26 per cent in the period 1987-89, says the report entitled "Agricultural Trade Between Developing Countries: Patterns and Future Possibilities."

Developing country markets are expected to "continue to gain importance in the future, due partly to higher rates of

income and population growth... and partly due to high income elasticity of demand for both food and non-food agricultural commodities," says the report by Nurul Islam, a senior policy adviser at IFPRI.

Most developing world intratrade is still within the major regions — Asia, Africa, and Latin America. In 1987-89 almost 87 per cent of Latin America's intratrade imports originated in that region. In South and Southeast Asia, intratrade was 85 per cent of total intratrade, the report says.

However, in recent years, the report adds, the overwhelming dominance of intratrade has started to diminish, and interregional trade increased from 27 to 30 per cent of total intratrade between 1966-68 and 1987-89.

"The growing importance of interregional trade is due partly to the diversification of demand in high-income developing countries and partly

to a reduction in long-distance transport costs and increased communications between far-flung regions," says the report.

If growth rates in developing countries accelerate at five per cent per year, the report says, intratrade in agricultural products could increase by about 71 per cent by the year 2001. High export growth rates are predicted for meats, fruits, vegetables, sugar, oilseeds, fats and oils. The report cautions that the industrial countries will remain major markets, even if developing world growth moves ahead as predicted. "Even by 2001, the major markets for raw materials, tropical beverages and tobacco, sugar, and fruits and vegetables will be in developed countries."

The expansion of intratrade, the report says, is slowed by a number of institutional and policy measures, some of which undoubtedly inhibit external trade in general. "High freight costs, limited transportation and communi-

cation facilities linking developing countries, scarcity of trade finance, and inadequate market intelligence and trade information are among the important barriers."

Another problem is trade barriers between the developing countries, the report says. It calls for the developing countries to work to simultaneously reduce their tariff barriers between each other, then later with the rest of the world. This kind of across-the-board liberalization "has the potential to yield higher net economic benefits if such an arrangement is a stage in a process toward — not a substitute for — liberalization on a global basis."

Industrial countries, the article adds, can assist the expansion of intratrade in developing countries by linking food and non-food aid from their own export promotion efforts.

— Washington Economic Reports

Economic crisis in Cuba may continue

WASHINGTON, June 24: Cuban economic deterioration will likely continue through 1992 as fuel and energy shortages persist, the US International Trade Commission (USITC) reports, according to USIS.

The June 1992 issue of USITC's publication International Economic Review says that food grains, fertilizers and cooking oil remain in short supply in Cuba while fuel shortages makes distribution of all goods a problem.

Although Cuban officials have been reported as asserting that the worst repercussions from the 1990-1991 loss of Soviet economic assistance have passed, the USITC says such optimism depends more on hopes for major oil finds and increasing tourism, less on actual improvements in economic performance.

The prospects for oil and tourism depend on massive new foreign investment, the article says.

Oil producers, consumers meet next month in Norway

OSLO, June 24: Oil producers and consumers meet in Norway next month to discuss wider cooperation and links between energy, the environment and economic development, Norway's Foreign Ministry said on Tuesday, reports Reuters.

It said 19 nations had so far agreed to attend informal talks near Bergen in west Norway on July 2 and 3, with delegates expected to include Saudi Arabian Oil Minister Ihsan Nazir and French Foreign Minister Roland Dumas.

The talks would make no decisions and avoid issues such as prices of OPEC production levels. Norway offered to host the talks at a similar meeting in Paris a year ago, when a main aim was to improve ties between two groups who are often at each others' throats.

India expects \$6.7b at consortium meet

'Balance of payment crisis yet not over'

NEW DELHI, June 24: India, which initiated far-reaching economic reforms a year ago to overcome a balance of payments crisis, still has a payments problem, a senior World Bank official said, reports Reuters.

"India has not turned the corner as far as balance of payments is concerned," said the official who did not want to be named. "But it's not a desperate situation like last year."

India is expected to get pledges of 6.7 billion dollar in project aid from the World Bank and other foreign donors at the annual India Consortium meeting in Paris on Wednesday.

The official said India needs another three billion US dollar exceptional financing to cope with its payments crisis.

He said India's current account deficit in 1992/93 (April/March) would be about six billion US dollar with debt repayments of US dollar 3.5 to

four billion. At least nine billion US dollar must be found to finance the country's requirements.

In 1990/91, India's total external financing needs rose to 12 billion US dollar, while its current account deficit and debt repayments were nine billion US dollar and three billion US dollar respectively.

The current account deficit fell sharply to three billion dollar in 1991/92 after India slashed imports to save foreign exchange.

The stringent import curbs, which were lifted earlier this year, and higher remittances from Indians living abroad helped boost reserves to five billion US dollar in 1991/92, the official said.

"Imports have to grow. So the situation will be as acute and serious as before, because exports are not showing any increase," the official said. "This is partly because of the collapse of the Soviet market."

Economic reforms in Russia a must to receive aid: Miyazawa

TOKYO, June 24: Russia and other former Soviet republics must undertake economic reforms to receive full-fledged financial aid from the International Monetary Fund (IMF) and Japan, Prime Minister Kiichi Miyazawa said, reports Reuters.

A consensus has emerged among the Group of Seven (G7) industrial nations that the decades-old Russo-Japanese territorial dispute is not just bilateral but a common G7 issue, he told a news conference. Miyazawa called the G7 summit in Munich on July 6-8 "crucial timing" to address the issue because Russian President Boris Yeltsin will meet G7 leaders at around the same time.

The IMF wants Russia to speed efforts to convert itself into a market-oriented economy, and the economic reform programme charted by the world body includes tough conditions for Moscow to follow, Miyazawa said.

"I understand Mr Yeltsin wants looser conditions and quicker provision (of international aid), but the former Soviet Union must undertake (the reforms) or neither the IMF nor we shall be able to prepare a full-fledged aid arrangement," he said. The G7 — Britain, Canada, France, Germany, Italy, Japan and the United States — have promised Russia 24 billion US dollar in financial help this year.

However, Moscow will not receive most of that until it reaches agreement with the IMF on a reform plan. Japan has said it will not give large-scale financial aid to Russia before the issue is addressed.

Rouble tumbles as Russian bank stops intervention

MOSCOW, June 24: The rouble tumbled against the dollar on Russia's tiny foreign exchange market on Tuesday after the central bank stopped intervening to prop up the battered currency, reports Reuters.

The rouble, legal tender in 14 of the 15 states of the former Soviet Union, fell to 146 per dollar on the Moscow Interbank currency exchange, from 129 last week. About 44 US million dollar changed hands.

Estonia dumped the rouble at the weekend, introducing its own kroon currency.

The exchange, which holds twice weekly sessions in the central Moscow building of the former Soviet central bank, gives a limited number of companies and finance houses an opportunity to buy or sell foreign exchange.

Russian television said the lower rouble rate was due to a central bank decision to stop intervening.

Some bankers say the currency could fall further in coming weeks if roubles flood in from other former Soviet republics.

The rouble has fluctuated wildly at this year's currency trading sessions.

It fell as low as 230 rouble per dollar early in the year and reached high around 112 soon after government officials said they planned to make the currency convertible.

The central bank reacted to the rise by ending up its official fixed "market rate". The rate, used for compulsory purchases of foreign exchange earnings, currently stands at 85 rouble per dollar.

UN for further keeping of aid workers in Iraq

UNITED NATIONS, June 24: The United Nations is prodding Saddam Hussein's government to allow the continued presence of 1,000 humanitarian aid workers in Iraq, UN diplomats said Tuesday, reports AP.

An agreement allowing the stationing of the UN aid workers expires at the end of this month. The United Nations sent Baghdad a letter in May requesting an extension, said UN spokeswoman Nadia Younes.

Diplomats, speaking on condition of anonymity, said the 15-nation Security Council may have to prod Iraq into extending the agreement, although they said Iraq is expected to cooperate.

The aid workers from agencies such as the World Food Programme UNICEF and the World Health Organisation are helping Kurds in the north suffering from an economic embargo imposed by Baghdad, as well as Shi'ite Muslims in the south.

Iraqi officials and the Iraqi media have stepped up verbal attacks on the United States and its allies in recent days, blaming them for hardships that Iraqis are suffering at least in part because of UN-imposed sanctions.

Health officials said 41,000 Iraqis, 14,000 of them children under five years of age, died in the first four months of this year because of severe

shortages of food and medicines.

UN experts said in May that this year's harvest could be 25 to 30 per cent lower than last year. Iraqi figures put the 1991 wheat harvest at 525,000 tons, compared with 1.19 million tons in 1990.

Saddam was quoted Tuesday as saying UN sanctions were taking a heavy toll on his countrymen.

"We are truly besieged in an effort to extinguish the light in our eyes and in our consciences," the Iraqi News Agency quoted Saddam as saying. He added that Iraqis should offer "more sacrifices in order to confront the forces of injustice, tyranny and aggression."

Saddam's remarks came one day after Iraqi and UN officials concluded talks in Vienna aimed at breaking a deadlock over efforts to ease the sanctions, imposed in August 1990 after Iraq invaded Kuwait.

But on Monday, UN officials said the two sides had reached a tentative agreement on a package which would go to the Security Council, which must approve any oil exports by Iraq.



Mir Nasiruddin, Mayor Chittagong City Corporation inaugurating the repairing work of a damaged link road to BSCIC Industrial Estate, Sholashahar. Md Moniruzzaman Chowdhury, Chairman BSCIC and other seminar officials are seen present on the occasion.

ESCAP meet starts in Tehran to discuss development strategy

TEHRAN, June 24: The ministerial meeting of the Economic and Social Commission for Asia and Pacific (ESCAP) opened here Tuesday, reports Xinhua.

The meeting, attended by representatives from 28 Asian and Pacific countries, is expected to focus on strategies for promoting sustainable industrial and technological development in the region.

Addressing the opening session, Iranian Industrial Minister Mohammad Reza Nemat-Zadeh said that with vast material and human potentials, the ESCAP countries stand a unique position among the UN to achieve the highest levels of economic, social and cultural development.

In the past two decades, the Minister said, a number of

developing countries in the Asian and Pacific region acquired tremendous experience in industrial and economic growth.

The ESCAP countries are undergoing economic and industrial shifting from centralised planning and closed government-sponsored economy to a market-oriented industrial development with more emphasis on foreign investment, transfer and absorption of updated technologies, cooperation and competition, he said.

However, Nemat-Zadeh said, the gap between developed countries and developing and Least Developed Countries (LDCs) is ever increasing and many inhabitants in the globe are poverty-stricken. The phenomenon will not

only deter any stable development at regional level, but inevitably lead to perilous and potentially explosive social circumstances, manifested by social instability, political unrest and ethnic conflicts in the world, he added.

Unless a remedy is found for the existing climate unfavourable for the progress of the developing and Least Developed World, the picture will be quite disquieting, he stressed.

The minister listed utilisation of modern science and technology, development of manpower, strengthening of regional cooperation together with the creation of sub-regional communications as major factors for industrial and economic achievements of the ESCAP.

Lloyds — the London insurance giant suffers record loss

LONDON, June 24: The Lloyds of London insurance market announced on Wednesday record losses for 1989 of 2.063 billion pound (3.837 billion dollar), reports AP.

Lloyds Chairman David Coleridge told the annual meeting of investors, or so-called "names," that 1989 was the worst year in the markets' 304 years of business.

"You can imagine that I take no pride in telling you this figure. It is an appalling result reflecting the extreme losses of a handful of excess-loss syndicates," Coleridge said from the floor of a 13-story atrium, packed with investors.

Just five syndicates were responsible for a third of the loss, he said.

The 1989 loss of 2.063 billion pound (3.837 billion dollar) was blamed on a string of disasters, including the Piper Alpha oil rig explosion in the North Sea, Hurricane Hugo and destructive wind storms in Britain. It is more than four times the 510 million pound (948 million dollar) loss for 1988.

Lloyds' takes three years to report annual results. Lloyds' 22,329 names, who have pledged their personal wealth to become members, face unlimited losses.

Outside Lloyds futuristic building in the City of London financial district, Alan Price, who said he has lost his home

and his Ferrari, begged for handouts, displaying a sign that said, "Impoverished name — give generously."

Peter Herbert, a York farmer who has been a Lloyds' name since 1957, called for a "massive reform" of the market.

"It's like a patient. If it is very ill it needs examining, and then an operation," said Herbert. He expected to lose 50,000 to 60,000 pound (93,000 to 111,600 dollar).

The minimum investment for membership in the market is 250,000 pound (465,000 dollar). Once a bastion of old British money, in the past 10 years Lloyds has become a hodgepodge of international investors ranging from lords to members of parliament, celebrities to secretaries, to an Ohio dentist.

The pledge of their personal wealth is used to underwrite insurance risks. For the right to reap profits in good years they agree to cover losses in bad years.

Faced with hundreds of dissident names calling for a no-confidence vote in the ruling council and contemplating legal action, Lloyds has agreed to an extraordinary general meeting on July 24.

The ruling council has said it will not bail out the names but has agreed to limit possible future losses.

Coleridge defended the

council's work.

"Already the council has acted to improve professional standards of those operating in the market, both by introducing peer reviews and by wider requirements for formal training and market experience."

The number of syndicates at Lloyds has reduced from 400 to 279, and will fall more this year, he said.

"This contraction represents a severe blow for many individuals whose livelihoods have disappeared. That is the price of a system that responds quickly," he said.

Coleridge said the council rejected the idea of seeking government assistance, and instead settled on hardship assistance programme to help those in serious difficulty.

It also is considering ways to raise 50 million pound (93 million dollar) on a voluntary basis to contribute towards hard hit members.

Names' future losses will be capped, Coleridge said, repeating an earlier decision.

An independent panel will investigate the exception losses, with fees expected to top two million pounds.

Many of the names say their losses cannot all be blamed on bad luck because other international re-insurance firms have not reported such bleak figures.

"The blame must lie with the regulatory affairs of Lloyds. It has not been regulated

properly. It has allowed the insiders to ... take enormous salaries and basically dump the names on the bad syndicates and keep the best ones for themselves," Chris Thomas, an accountant, told British Broadcasting Corp. radio. Thomas said he owes Lloyds almost a half-million pound.

Lloyds underwriters group names into various syndicates. British press reports indicate that particular syndicates, with a total of 4,500 names, will bear the bulk of the 1989 losses. The Financial Times has reported those names could face losses of more than 100,000 pounds each.

Coleridge criticized dissident names, saying they risk damaging Lloyds' worldwide business by undermining the market's reputation.

He encouraged them to use internal arbitration to air their grievances, rather than going to courts.

Jonathan Mantle, author of a book about Lloyds "For whom the Bell Tolls," said many of the investors never dreamed they would face unlimited losses.

"The great thing about Lloyds was that you didn't have to put up all your investment in order to get a return on it. In the early — and mid-1980s — when Lloyds had been making money for some years it seemed like a good idea," Mantle told BBC radio.

US bank trustee to sever ties with BCCI

WASHINGTON, June 24: A federal judge appointed a trustee Tuesday to handle the sale of First American Corp. and sever its ties to the scandal-plagued Bank of Credit and Commerce International, reports AP.

US District Judge Joyce Hens Green appointed former New York state banking superintendent Harry W Albright Jr and ordered him to carry out the sale in one year unless she allows an extension.

Albright, the former Chairman of Dime Savings Bank of New York, will control First American's stock until the sale but will not control its day-to-day operations.

Green called Albright "a person of impeccable credentials" and said the use of a trustee to handle the sale "will substantially serve the public interest."

First American shareholders approved his appointment as trustee last month.

BCCI pleaded guilty to federal racketeering charges in a plea agreement approved by Green on Jan 24 that called for the sale of First American.

Federal regulators said BCCI had secretly acquired First American in 1982. It was believed to have held 60 to 70 per cent of First American stock.