

# Britain to impose clampdown on public sector spending

LONDON, June 18: The British government is to impose a clampdown on public sector spending, holding any rise in spending well within the underlying growth rate in the economy until 1997, government sources said Thursday, reports AFP.

The government decided its strategy at a cabinet meeting Thursday morning, the sources said.

The cabinet, presided over by Prime Minister John Major, decided to keep the ceiling for total spending at 253.6 billion pound (480.4 billion dollar) for 1994/95 and 263.3 billion pound for 1995/96.

The figures allow no real increase in spending over the next two years, after inflation is

taken into account, officials said.

For 1996/97, spending will be allowed to grow by one per cent in real terms, with the economy expected to be growing more quickly at the time and public spending thus becoming a smaller proportion of the total.

No decision has yet been made on spending agreements for the individual departments, officials said.

Chancellor of the Exchequer Kenneth Clarke said Tuesday that "unpopular measures" would have to be taken, cutting spending in some areas, to tackle Britain's 50 billion pound (75 billion dollar) budget deficit. Clarke, who replaced

Norman Lamont as Chancellor on May 27, has so far refused to rule out increases in taxes to bring down the deficit as these would be very unpopular with the rightwing of the ruling Conservative Party.

Instead, the government has instituted a review of spending by the four main spending departments — health, social security, education and the home office — and has threatened cuts in welfare spending in particular.

It is "intended to keep real growth in spending over the whole period (to the end of the parliamentary term in 1997) within the underlying growth in economy," a government spokesman said Thursday.

This reduction in spending could make a "contribution" to reducing the fiscal deficit in the medium term "to accompany the tax increases announced in the last budget," he said.

The tax increases announced in March included an extension of the VAT spending tax on domestic fuel costs along with increases in the "national insurance" element of direct taxation that goes to paying for welfare services.

At the cabinet meeting, Clarke said he was cautious about the recovery, despite low inflation and a welcome fall in unemployment in May, and warned against an artificial "dash for growth" which could set prices rising.

## Indian salt, cattlehead seized in Kushtia

KUSHTIA, June 18: Bangladesh Rifles (BDR) seized 1,850 kg of Indian salt and 12 Indian cattleheads worth about Taka one lakh in two separate raids at Kazirhat in Bharamara thana on Monday, reports UNB.

On information, BDR men raided the areas and recovered the smuggled Indian salt and cattleheads.

The salt and cows were handed over to the local customs authorities. None was arrested in this connection.

## Pindi partly revokes duty cut on car imports

ISLAMABAD, June 18: The Pakistani government partly revoked a cut in duty on imported cars announced three days ago, bowing to protests from local manufacturers, reports Reuters.

Local manufacturers of Toyota cars, the Indus Motor Company, warned it might have to close its plant because of the cut, which would have made imported cars cheaper.

The Pak Suzuki motor company, owned 40 per cent by Japan's Suzuki Motor Corporation, was another firm that might have been hit.

Japanese ambassador Kunio Muraoka had urged Prime Minister Nawaz Sharif to maintain protection of the fledgling automobile industry.

## Coca Cola threatens Iranian companies

TEHRAN, June 18: Coca Cola, making a triumphant comeback in Iran after it was banned for years, threatens to bankrupt local soft-drink companies, an Iranian manager warned Thursday, reports AFP.

Abbas Rabihi, the manager of the Khoshnush Company which produces a Cola-like drink in Hamedan, eastern Iran, spoke of a "fall in demand for local drinks since Coca Cola was distributed in the Iranian market."

Coca Cola was banned as a symbol of undesirable western culture after the revolution, but it found it way back onto the Iranian market last year through a factory producing the drink under licence in the eastern city of Mashhad.

Rabihi called on the government to ban imports of Coca Cola to "prevent further losses" by Iranian companies.

# US House okays \$13b foreign aid appropriations bill

WASHINGTON, June 18: The US House of Representatives approved a 13 billion dollar foreign aid appropriations bill on Thursday after defeating an attempt to cut aid to Russia for the second time in two days, reports Reuters.

The bill approved by a 309-111 vote, contained 2.5 billion dollar in aid to republics of the former Soviet Union for 1993 and 1994, including 1.8 billion dollar as the US share of 24 billion dollar pledged by the Group

of Seven countries in Tokyo.

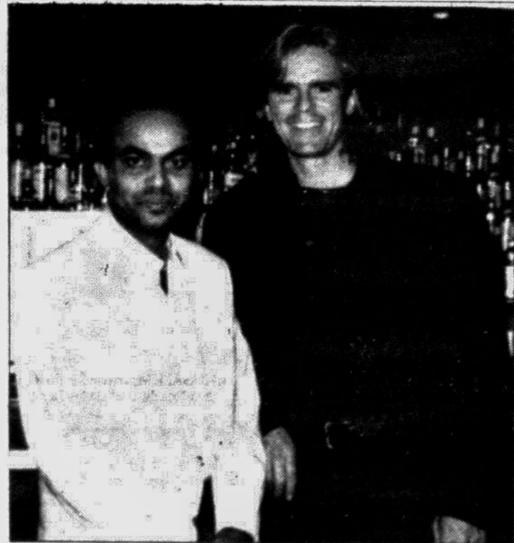
It also included three billion dollar in economic and military aid to Israel and 2.1 billion dollar to Egypt and 400 million dollar in economic aid for East Europe and the Baltic states.

The proposal by conservative members of the House and members of the Congressional black caucus to eliminate 1.6 billion dollar of the aid to the former Soviet Union to be provided this year was defeated by

a vote of 289-140.

During debate, the House also rejected an appeal to cut \$1 million in development aid to signal disapproval of human rights abuses in India, making a cut of 4.1 million dollar instead.

The house narrowly defeated an amendment by representative John Kasich of Ohio to eliminate the 55 million dollar US capital contribution to the World Bank.



Famous Hollywood Actor Richard Dean Anderson, known as McQyver, with restaurateur Amin Ali at the Red Fort Restaurant in London.

## Charity in UK to raise money for projects in Bangladesh

Britain's leading film and television stars are to attend one of the country's biggest celebrity charity parties, which is being organised by leading restaurateur Amin Ali on July 5, says a press release.

All the founding owner of the prestigious Red Fort restaurant in the west end of London, is to play host to such celebrated screen stars as Oscar winners Sir Anthony Hopkins and Emma Thompson, who will help raise money for the charity One World Action which supports a number of projects in Bangladesh.

This is the third annual charity party which Ali has thrown. Last year's was attended by film director Sir Richard Attenborough and the then Labour Party leader Neil Kinnock. The first year's party raised more than 20,000 dollar for Bangladesh.

# China posts \$1.3b trade deficit in May

HONG KONG, June 18: China posted a 1.3 billion dollar trade deficit in May, with price hikes and poor infrastructure hampering economic development, according to State Statistics Bureau data reported by the official Xinhua news agency, says AFP.

May exports totalled 7.2 billion dollar, outstripped by the 8.5 billion in imports in the same month, according to the Xinhua report, monitored in Hong Kong.

The state department's figures showed May exports rose 9.2 per cent from the same month in 1992, which imports were up 33.9 per cent.

In the first five months of the year, China posted a trade deficit of 3.1 billion dollar, as 33.3 billion in imports outlasted 30.2 billion dollar worth of exports.

The January-May export figure was up 8.2 per cent from the same period last year, while imports for the five-month period were up 26.9 per cent.

According to the statistics bureau, failure to develop transportation, electricity and other infrastructural sectors is hampering China's economic development, while investment in fixed assets has increased too swiftly.

It said prices were rising too rapidly and too much money had been printed in a bid to cope with inflation.

China's industrial output climbed 27.3 per cent in May from the same month a year earlier, the highest rise since 1978, Xinhua reported.

It said industrial output in the first five months of this year climbed 23.8 per cent

over the same period in 1992.

Investment by state-owned companies totalled 52.8 billion yuan (6.6 billion dollar) in May, up 70.1 per cent from the same month last year, and 150 billion yuan (18.75 billion dollar) in the first five months of this year, up 69.3 per cent from January-May 1992, according to Xinhua.

Xinhua quoted the State Statistics Bureau as saying much of the investment was in the transportation and telecommunications sectors, which investment in energy and raw materials waned.

Retail sales in May climbed 27.3 per cent from May 1992 to 109.4 billion yuan (13.68 billion dollar). January-May retail sales totalled 525.5 billion yuan (65.69 billion dollar), up 20.2 per cent from the first five months of last year.

# Experiment on chemical-free cropping

ONGAR, England, June 18: British farmer Lister Noble is proud of his ripening crop of organic wheat, grown entirely without artificial chemicals, reports Reuters.

"It looks promising. My hunch is we'll have another good crop," he said, running his hands through the still-green ears.

But Nobel is no ordinary farmer.

He is running a 10-year experiment into the viability of chemical-free cropping for one of the world's top five agro-chemical producers, France's Rhone-Poulenc Sa.

It is a sign of just how far organic farming has advanced from the margins of European Agriculture that it now merits such serious study from the chemical industry.

Once dismissed as a minority pastime for aging hippies, organic farming is gaining ground across Europe.

Advocates, including Britain's heir to the throne prince Charles, say it produces food which is healthier, tastier and better for the environment.

Since 1985 the area of land farmed in Western Europe using the old-fashioned system of crop rotation and muck spreading has more than tripled.

It still represents only around 0.5 per cent of the total, but it is expected to increase at least fourfold by the end of the decade.

Disciplines of the organic movement say it could easily make up 20 per cent of farmland if the European Community diverts some of the billions of dollars spent propping up conventional farms into subsidies for those wanting to go organic.

Patrick Holden, director of Britain's organic growers' association, sees some hopeful

signs.

Recent German and Danish aid schemes, which compensate farmers for some of the income they lose by abandoning yield-boosting pesticides and fertilisers, have triggered widespread switching to organic production.

Holden expects Britain to start providing modest aid from September, and other EC states to follow, as ministers seek ways to "green" farming practices under guidelines laid down by last year's reform of the common agricultural policy (CAP).

Consultant Landell Mills — commissioned by the chemical industry to examine the sector — estimates France, Germany, Britain, Spain, Italy, Denmark and the Netherlands in 1992 had 11,500 organic farmers working 304,000 hectares (751,000 acres).

That compares with just

5,500 farmers and 100,000 hectares (247,000 acres) in 1985.

Growth is expected to continue, with organic fields accounting for two to three per cent of EC farmland by 2000.

However, the rapid pace of expansion seen in the late 1970s is slowing as price premiums slide, reflecting increased supply and a recession-induced slowdown in demand.

The problem was clearly illustrated when Nobel tried to sell his first crop of organic milling wheat harvested from Rhone-Poulenc's test farm northeast of London last year.

He had expected to make over 200 pound (300 US dollar) a tonne, but in the event got only 187 pound (280 dollar), compared with 147 pound (220 dollar) for the conventional crop grown in a nearby field.

# 'EBRD makes inadequate impact on E Europe'

LONDON, June 18: European Bank for Reconstruction and Development (EBRD) investments have made an inadequate impact on eastern European economies, a report in The Financial Times showed Friday, reports AFP.

The confidential report, commissioned by the bank's President Jacques Attali and carried out by two consultants who have worked for the EBRD, said the "bank's impact comes up short as compared to the use of its resources."

In the two years since the bank was created, private sector financing "has been concentrated in fewer than a half-dozen recipient countries (Czech Republic, Hungary, Poland, Russia)".

The report comes two months after controversy erupted over the 55 million pound (83.5 million dollar) allegedly lavish fitting out of the bank's London headquarters.

The new report accused the EBRD of failing to make a "coherent... contribution to the (east European) economic transition process" and added that when the bank had funded

public sector projects, only a few countries benefited.

The report noted that investments had been confined to limited sectors, notably communications, construction and energy.

Of the 25 countries which the EBRD can assist "some nine or ten... have received little or no financial assistance," the report said.

In his preface to the report, given to the bank's 23 directors, Attali said it was "one element" in his decision to propose a radical reorganisation of the bank's management.

The board also received a report by Attali recommending that three senior management positions be created, all reporting to him.

Attali urged that the bank's development banking and merchant banking operations be merged and then divided into three "operations departments" each covering a group of countries.

At the moment, merchant banking provides private sector investment. While development banking concentrates on financing infrastructure projects.

# Shipping Intelligence CHITTAGONG PORT

Berth position and performance of vessels as on: 17th June, 1993

Berth	Name of Vessels	Cargo	L Port	Local Call	Agent	Date of Leaving	Date of Arrival
J/1	Santa Margherita	GI	Sing	Prog	PSAL	15/06	23/06
J/2	Vishva Umang	Cement	Sing	PSAL	PSAL	23/05	22/06
J/3	Orsha	Cement	Sing	USTC	USTC	06/05	18/06
J/4	Eastern Mars	GI	Hong	Prog	USTC	12/06	18/06
J/5	Banglar Sampad	Repair	Mong	BSC	BSC	08/06	21/06
J/6	Banglar Kiron	Repair	Mong	BSC	BSC	16/06	19/06
J/7	Arktis Island	GI	Sing	BSC	BSC	15/06	20/06
J/8	I Yamburenko	Cont	Sing	CT	CT	14/06	17/06
MPB/1	Fong Shin	Cont	Sing	BDSHIP	BDSHIP	15/06	18/06
MPB/2	Kota Buana	Cont	Sing	RSL	RSL	16/06	19/06
CCJ	Alkyonis	C Clink	Buki	UMAL	UMAL	30/05	14/06
GSJ	Estratos-G	IDLE	Ant	BSC	BSC	20/05	10/06
TSP	Portatissa	R Phos	Saf	SSST	SSST	14/06	22/06
RM/3	Petr Schmidt	CDSO	Kar	Seacom	Seacom	15/06	19/06
RM/4	Global Jupiter	W/LD	P Kan	OTL	OTL	15/06	19/06
Doj	Banglar Jyoti	Repair	BSC	R/A	R/A	21/06	21/06
DDJ	Endurance Sea	Repair	Aqaba	CLA	CLA	25/01	22/06
DDJ/1	Tug Y Success/Labroy-90	GI	Sing	ILA	ILA	31/01	07/08
DDJ/2	Banglar Asha	Repair	BSC	R/A	R/A	25/06	25/06
CUFJ	Sea Rhapsody	Urca	Urca	PSAL	PSAL	04/05	19/06

## VESSELS DUE AT OUTER ANCHORAGE

Name of Vessels	Date of Arrival	Last Port	Local Call	Cargo	Loading Port
Ocean Voyager	17/06	Padra	AML	Cement	Ctg
Rafah	18/06	Niko	Dynamic	M Seeds	L/Japa. Kore
Al Salma	18/06	Rang	ASLJ	GI	L/Japa. Kore
Banglar Kallol	18/06	Busa	BSC	GI	Dunder. Ha
Dharatendu	18/06	Mong	SSL	GI	Dunder. Ha
Shaplaeverett	18/06	Sing	EBPL	GI	Sing
Eponyma	19/06	Sing	CTS	Cont	Sing
Keban	18/06	Dubai	BSC	Steel	Billets
Banglar Robi	18/06	Sing	BSC	Cont	Sing
Safina-E-Ismael 02	29/06	Mong	ASLJ	Bunkering	Sing
Trans Asia	20/06	Yang	Cross	GI	Sing
Tamudra Samrat	20/06	Mong	SSL	Dry Docking	Sing
Continent-1	20/06	Pena	CLA	GI	Sing
NGS Ranger	21/06	Sing	BDSHIP	Cont	Sing
Knud Jespersen	20/06	Sing	CT	Cont	Sing
Mary-M	20/06	Sing	USTC	M Seeds	Sing
Sam He	21/06	Sing	Seacoast	GI	Sing
Qing He Cheng	21/06	Sing	BDSHIP	GI	Sing
Fong Yun	21/06	Sing	BDSHIP	Cont	Sing
Gold Future	22/06	Sing	AML	GI	Mom Mapu
Meng Lee	22/06	Sing	AML	Cont	Sing
Iyverett	24/06	Sing	EBPL	GI	Sing
Banglar Mont	24/06	Sing	BSC	Cont	Sing
Samudra Rani	24/06	Sing	SSL	GI	Sing
Eagle Breeze	23/06	Sing	ULA	Cont	USA FE
Optima	25/06	Sing	RSL	Cont	Sing
Tn Ghi Shan	25/06	Sing	Khansons	Cement	Sing
Andrian Goncharov	25/06	Sing	CT	Cont	Sing
Ingenuty	25/06	Sing	RSL	Cont	Col
Nezabudka	27/06	Sing	USTC	Cement	Sing
Sound Royal	30/06	Sing	BBA	Cement	Sing

## TANKER DUE

Pacific	18/06	Sing	MSP	H&D/JP-1	(RM/8)
Dolores	21/06	Sing	Seacom	CDSO	(RM/3)

## VESSELS AT KUTUBDIA

Name of Vessels	Cargo	Last Port	Local Call	Date of Arrival
Cipsam	Cement	Tuz	PSAL	14/04
Banglar Shourabh	Cement	Tuz	BSC	R/A

## VESSELS READY

Name of Vessels	Cargo	Last Port	Local Call	Date of Arrival
Usarytskr	Tallow	Brez	CT	16/06
* NGS Express	Cont	Sing	BDSHIP	16/06
* Lena	P Mat	Sing	Prog	17/06

## VESSELS NOT READY

Ronjay Choomie	Cement	Sing	USTC	02/06
Agra	Cement	Sing	PSAL	12/06

## VESSELS AWAITING EMPLOYMENT/INSTRUCTION

Cipsam	Cement	Tuz	PSAL	14/04
Banglar Shourabh	Cement	Tuz	BSC	R/A

## VESSELS NOT ENTERING

Sern	Scraping	Mong	NFT	09/04
Homithas	Scraping	Sing	ARL	05/06
T Anax	Scraping	Futa	OTBL	16/06

The above were the Thursday's shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

# Exchange Rates

The following are the Commercial Banks' BC selling and TT (C), OD transfer buying rates for some selected foreign currencies effective on June 18 and 19.

(Figures in Taka)

Currency	Selling B.C.	T.T. (C)	Buying OD Transfers
US Dollar	39.9326	39.7087	39.4556
Pound Sterling	60.1246	59.8222	59.4619
DM	24.1212	23.9714	23.8186
FF	7.1750	7.1290	7.0636
S Riyal	10.6740	10.6142	10.5465
D Guilders	21.5038	21.3717	21.2355
S Kroner	5.3970	5.3631	5.3289
Singapore Dollar	24.7108	24.5722	24.4156
UAE Dirham	10.9096	10.8485	10.7793
Kuwait Dinar	133.4188	132.6707	131.8251
Indian Rupee (AMU)	1.2693	1.2636	1.2573
Pak Rupee (AMU)	1.4721	1.4655	1.4581

Authorised dealers will apply T T clean buying rate for purchase of remittances of Bangladeshis working abroad.

Note: AMU—Asian Monetary Union.

# Dhaka Stock Prices

Weekly comparison: At the close of tradings on June 18 and June 17, 1993

Company	FV/ML*	June 17		June 18	
		Taka	Taka	Taka	Taka
<b>BANKS (12)</b>					
Al Baraka Bank	1000/1	950.00	900.30	1150.00	850.00
AB Bank	100/5	167.50	170.00	215.00	165.00
City Bank	100/5	352.00	355.00	355.00	268.00
Eastern Bank	100/20	—	110.00	—	—
IDLC Ltd	100/20	227AL	227.30	242.00	215.00
LFIC	100/5	170.25	178.00	185.00	150.00
Islamic Bank	1000/1	1700.00	1703.00	1750.00	1400.00
National Bank	100/5	94.00	93.00	122.50	90.00
Public Bank	100/5	100.00	100.30	105.00	90.00
Rupali Bank	100/10	70.00	70.30	106.00	89.00
U.C.B.L	100/5	90.00	95.00	125.00	90.00
Uttara Bank	100/5	88.00	87.00	135.00	87.00
<b>INVESTMENT (08)</b>					
ICB	100/5	100.00	100.00	100.00	79.00
1st ICB M.Fund	100/5	365.00	365.00	403.00	340.00
2nd ICB Fund	100/5	176.00	176.00	204.00	160.00
3rd ICB M. Fund	100/5	149.00	149.00	161.00	136.00
4th ICB M. Fund	100/10	151.00	152.00	158.00	135.00
5th ICB M. Fund	100/10	94.00	93.00	109.00	85.00
6th ICB M. Fund	100/10	61.00	61.25	87.00	56.00
Unit Certificate	—	—	—	—	—
Sales Price	—	121.00	122.00	—	—
Re-purchase					