ANZ Grindlays scotches rumours of pullout from India

MADRAS, India, Aug 11: ANZ Grindlays scotched rumours Tuesday that it was on the verge of closing its banking operations in India, reports

Alister Maitland, the bank's Executive Director, said in this southern Indian city that ANZ Grindlays regarded its Indian network as "a core part of our global business and we are committed to fully developing its potential"

Maitland was in Madras to visit a new banking technology and training centre set up by the Australia and New Zealand

(ANZ) banking group in Madras. The opening of the training facility and planned new services were a "clear indication that ANZ Grindlays Bank has no plans of selling its India operations," the banker said.

Persistent rumours emanating from Bombay have said the bank was contemplating selling off its Indian network and that it had opened talks with the Hong Kong and Shanghai bank group on a possible sale.

Such rumours erupted after reports that ANZ Grindlays had decided not to expand its Asian operations except in regions where it had little or no pres-

Hata may visit US, Europe on rice issue

TOKYO, Aug 11: Japanese Agriculture, Forestry and Fisheries Minister Eifiro Hata indicated in an interview Tuesday that he might visit the United States and Europe to discuss rice issues, reports

"I would like to hold meetings," Hata was quoted by Jiji Press News Agency as saying in the interview.

Hata was referring to foreign demands for rice market liberalisation, a major issue in the Uruguay Round of global trade talks sponsored by the General Agreement on Tariffs and trade (GATT).

Following his appointment as minister Monday, Hata said at a news conference that his ministry would continue its opposition to opening Japan's rice market to imports.

Japan has maintained a policy of self sufficiency in rice, the country's staple, while the United States and other countries have pressed it to open up the rice market.

India takes steps to boost cocoon, silk yarn output

NEW DELHI, Aug 11: India has taken several measures to increase cocoon and silk yarn production, reports Xinhua.

The government has decided to enforce the ban strictly in reaction to the possession of imported stik yarn and enhanced the fine on those guilty of possessing smuggled silk tarn from 5,000 rupee (161 US dollar) to 25,000 rupee (806 US dollar).

He smuggled varn cost much less and has upset the price of local silk yarn. While 7,500 tons of silk yarn

were produced last year in Indians main silk-producing state of Karnataka, more than 4,000 got 4,000 tons were smuggled in to the state by Calcutta based smugglers.

With a view to increasing quantity and quality of silk production in the state, the Karnataka Government has also taken some steps which include grading of silk yarn, quality based pricing and introduction of new high yielding races of

Productivity of US worker falls at annual rate of 2.5pc

WASHINGTON, Aug 11: US worker productivity fell at an annual rate of 2.5 per cent in the second quarter of 1993, the Labour department said Tuesday, reports AFP.

It was the steepest fall in more than four years and followed a 1.6 per cent drop in the first quarter, marking the first back-to-back quarterly declines in more than two years.

The report suggested that recent productivity increases --2.6 per cent in 1992 -- were related to the economic recovery and not a long-term improve-

Economists say increased

productivity is essential to containing inflationary pressures and improving living standards.

Partly because of the productivity decline, unit labour costs rose 2.4 per cent in the April June period following a 2.4 per cent increase in the first three months of the year. Despite the overall trend, manufacturing productivity rose at a rate of five per cent in the April-June period, including a 7,1 per cent rise in factories making durable goods such as automos in and appliances.

Experts predict bickering before formation of NAFTA

WASHINGTON, Aug 11: As wrangling over sanctions delays the North American Free Trade Agreement, trade experts predict months of bickering before the world's biggest free markets is created in the United States, Canada and Mexico, reports Reuter.

But the experts says possible delays fall far short of fatlure, which would be a harsh blow to the principle of free trade at a time of economic uncertainty.

"Take the long-term perspective," said Stephen Cohen of the American University in Washington. "Even as we take months and months, the earth continues to spin on its existence. We simply don't need instant gratification on such complicated trade agreements."

Born under the Bush administration and due to take effect next January, NAFTA is an ambitious plan to join some 360 million consumers in the world's biggest free-trade zone.

But the pact, which was gingerly endorsed last year by then-candidate Bill Clinton, is now bogged down as the

BERLIN , Aug 11: The gov-

ernment on Tuesday predicted

Germany's high jobless rate will

continue to grow, despite signs

the country is recovering from

its worst recession since World

Rexrodt said increased exports

will boost the German economy

slightly in the second half of the

But he said even so four

The forecast is important not

only to Germany, but also to

other European Community

nations, which have been

struggling with faltering cur-

rencies and economic malaise,

brought on in part by

work force in the western part

of Germany is out of a job.

while the rate is 15.3 per cent

in the economically struggling

MANILA, Aug 11: A leading

investment firm forecast here

Wednesday that the Philippines'

economic growth in 1993 and

1994 will be far below the offi-

cial government target, reports

Corp released a report forecast-

ing that Gross National Product

(GNP) growth would be only 1.7

per cent this year and 4.6 per

cent next year, way below the

official government targets of

4.5 and 6.5 per cent growth, re-

(GDP) growth was forecast at

only 0.7 per cent this year and

company report said.

at 3.5 per cent next year, the

The poor growth perfor-

Gross domestic product

All Asia Capital and Trust

About 7.5 per cent of the

Germany's troubles.

million people may be out of

work by the beginning of next

year. That's a jump of a half-

million over today's numbers.

Economics Minister Guenter

War II, reports AP.

democrats try to put their stamp on the republican deal. In theory, NAFTA would cre-

ate jobs and raise living starsdards, cut prices and increase commerce by phasing out cross-border tartifs and other impediments to trade.

But the pact will also cost some Americans their jobs most likely low -skilled, lowwage workers - and could worsen pollution south of the US border. Seeking to stem the damage, President Bill Clinton is pushing for side agreements to augment the 2,000-page

But this week, trade ministers from the three nations drew a blank after a series of arduous talks failed to scale the key stumbling block: US insistence on trade sanctions to punish persistent violators of labour and environmental laws.

"But I still see progress," said Cohen. The political will is there and the technical ingenuity is there. It may be late but everybody wants to move in the right direction."

The question then is when.

east. In addition, there are more

than 1.8 million underemployed

Germany's gross domestic

product will grow by almost 1.5

per cent in 1994. That's up

from the previous government

estimate of 1.0 per cent growth

mestic product, meanwhile, will

rise at least 6.0 per cent but

probably no more than 6.5 per

The economics minister re-

peated the government's long-

standing arguments that rigid

labor laws as well as high labor

costs are keeping investors

declining economic autput and

lower initiative, especially

Helmut Kohl warned that

Germans have been "living be-

yond their means' for decades.

mance was attributed to a

firm also forecast that the infla-

tion rate would be at 7.7 per

cent this year, but would go

down to 7.4 per cent, adding

that interest rates would also

fall and that the local currency

would deprectate further in

All sectors of the economy

were predicted to recover in

1994 after suffering mediocre

due to a lack of funds.

those two years.

growth this year.

M A Wahab, Managing Director (current charge), National

Bank Ltd delivering his inaugural speech at the half-yearly

conference of the executives and branch in-charges, Sylhet re-

gion held on Thursday at its regional office.

Those laws are blamed for

On Monday, Chancellor

away from Germany.

among young people

'Manila's economy in '93, '94 to

fail to reach govt target'

cent next year, Rexrodt said,

Eastern German gross do-

Rexrodt said western

eastern workers.

next year.

Economy recovering from recession

Germany's high jobless

rate still continues

'Perhaps early next year, perhaps later," said Michael Aho of the council on Foreign Relations, a New York-based think tank. "Certainly don't think they'll make it this year at the rate they're going."

Under legislative rules, Clinton must submit the trade pact - plus the elaborate footnotes that are under dispute to both Houses of Congress which then have 90 working days to weigh the agreement and vote a simple yes or no.

Factor in a busy work schedule - the committees in charge of trade also have to deal with health care reform - as well as deep opposition to the deal, and a go-slow approach looks likely, said Aho.

Clinton has to twist a lot of arms and sweeten a lot of pots to get the votes," said Aho. "He simply can't afford to lose this one: "It would be a foreign policy debacle."

Loyal Clintonites say predictions of delay are premature. One possible way to break the current jogjam and strike a quick deal: Hang the sanctions

threat over Mexico's head but exempt Canada, the most dogged critic of the US strategy. While the various sides say not to that option - publicly at least, for now - it may be the

only way to save NAFTA.

Alan Raul, a former government official turned lawyer who advises companies about the free-trade pact, said delay was plausible but insisted the pact would eventually to thorough.

"The negotiators have altpped off every schedule they've established," he said. "But they're not as far apart on substance as on psychology. It comes down to language". All three sides agree the side

deals should be meaningful, but Raul said that while Canada bristles at the word 'sanctions, the US team is insisting to the last that the supplemental agreements have "teeth" - read sanctions.

a new lexicon," Raul said, "Then, if the votes are there, the timing can be worked out. And if the votes aren't there, timing is utterly irrelevant."

THE SECRETARY SECTION AND ADDRESS OF THE PARTY OF THE PAR

They must simply agree on

IMF suspends Sudan

WASHINGTON, Aug 11: The IMF has suspended Sudan because it has run up 1.6 billion dollar in arrears on its debt to the international financial or-

ganization, reports AFP. The International Monetary Fund board took this 'very difficult decision" Friday in a meeting with the Sudan finance minister, an IMF spokesman

It is the first time the IMF has suspended a member coun-

The IMF decided on the unusual move -- it is the first time the organization has suspended a member country -- because of Sudan's unwillingness to take measures it prescribed to improve the economy.

After efforts to persuade Sudan to comply in 1984, 1986, and 1990 the government finally showed signs of cooperation August last year, but then last month it cancelled the pro-

The IMF then decided there was no point in showing further indulgence and suspended its membership.

Sudan's Finance Minister promised Friday to cooperate with the IMF

OPEC calls for freezing output at existing levels

VIENNA, Aug 11: An OPEC committee called Tuesday for oil production to be frozen at existing levels beyond the third quarter in order to boost depressed prices and help restore market balance, reports AFP.

The Organisation of Petroleum Exporting Countries Market Monitoring Subcommittee called for production to be maintained at the current ceiling of 23.6 million barrels a day to absorb surplus oil on the market, the OPEC news agency

In a statement released by

the agency, the subcommittee urged the 12 member countries to adhere strictly to their assigned production quotas.

The subcommittee said oil supplies including those from OPEC countries "have been at levels higher than required, leading to the present depressed level of prices."

Although other producers certain world events and "unwarranted speculations" had influenced the market, OPEC countries also held a degree of responsibility for the present situation, the statement added.

Dollar falls to record low against yen in Tokyo

in Asia and Europe drove the dollar down to a new postports Reuter.

in recent months. Last Thursday it fell to 103.90 in New

peatedly intervened in the markets, buying dollar on at least four occasions, including in the late afternoon as the dollar sank below 104 yen, traders in Tokyo said.

There was no specific economic news to encourage dollar sales. "It was" all speculative Indosuez in Tokyo, new name

dollar has stayed under 105 yen, except for occasional rallies, but each rally failed to lead to a recovery and the US-currency fell back to the 104-plus yen level.

India's trade gap narrows

The department said imports

Exports reached 5.12 billion dollar during the period, up from 4.01 billion during the same period last year, as the trade gap for the first three months of the fiscal year narrowed to 301.49 billion dollar from 1.56 billion dollar in the

US economists project slower

WASHINGTON, Aug 11: After speeding up in the second half of 1993, the US economy will slow again next year because of the Clinton administration budget and health-care plans, some top economists believe, reports

Tuesday that the consensus Many Cubans have dollars

Cuba's economic crisis

caused by the collapse of the Socialist bloc in Europe, has continued to worsen.

The official Radio Rebelde announced Monday that a shortage of petroleum meant power outrages across the country "would continue to be

Power supplies in some parts

MCCI President Latifur Rahman (middle) and Commerce Minister M K Anwar also seen in the picture. - Star photo Riyadh launches drive to attract foreign investment

FBCCI President Mahbubur Rahman addressing the national convention of businessmen at Hotel Sonargaon yesterday.

power shortage that has caused lengthy daily outrages through much of the country and the ABU DHABI, Aug 11: Saudi government's failure to imple-Arabia has introduced new inment a series of planned ecocentives to attract foreign innomic pump- priming activities dustrial investment as part of its attempts to diversify its ofl-The Philippine- dominated

dependent economy, reports The incentives, including tax exemptions, coincide with feports that the International Monetary Fund (IMF) had asked the Saudis to tackle a persistent budget deficit created by sharp decline in oil prices.

The new facilities were introduced recently by the Saudi finance and national economy ministry and contained in a letter distributed by the kingdom's embassies abroad, according to

the Saudi embassy here. Under the new rules, foreign partners seeking to expand their industrial projects in Saudi Arabia would be temporarily exempted from income

"Foreign capital invested in expanding any industrial project in Saudi Arabia will be exempted from income and corporate taxes whether the expansion is financed through undistributed profits or funds transferred by the foreign partner from abroad," said the letter, obtained by AFP on Tuesday.

The new regulation is within the kingdom's economic policy which encourages foreign investment in joint projects."

Saudi Arabia, the world's top ofl exporter, has stepped up a

drive to expand the industrial sector to diversify sources of income since its oil earnings began to shrink in the past decade due to lower oil prices and decline in production by nearly four million barrels per day.

The drive has made headway with the investment of around 30 billion dollar in more than 1,880 medium and small factories. Industrial exports also exceeded five billion dollar in

But oil has remained the main component of the economy, with the annual budget tailored according to crude export earnings, which plunged to 40 billion dollar in 1992 from more than 100 billion dollar in

The decline has created a persistent budget deficit despite a large reduction in expenditure. The deficit stood at eight billion dollar in 1992 and was projected at 7.4 billion dollar in fiscal 1993, when revenues were expected at 45.1 billion dollar and spending at 52.5 billion dollar.

Quoting an IMF report, the Nicosia-based Middle East Economy Survey (MEES) said Rtyadh had expressed readiness to make important cuts in the 1993 budget.

Saudi Arabia produces around eight million BPD of oil under an OPEC output agreement and its 1993 budget was

Lloyd's of London survives attack by rebel investors

London on Tuesday survived an attack by rebel investors who could have derafled the troubled insurance market's survival plan, reports AP.

tled names had hoped to make Lloyd's liable for their damages.

based on an average oil price of 16 dollar.

Spending in the 1993 was higher by around four billion dollar over 1992 and economists have described it as an expansionary budget, which is needed to activate the economy as it relies heavily on government expenditure.

According to the Saudi letter, the new investment rules apply

only to institutions in which the national partnership is within the specified limit. It did not elaborate but Saudi Arabia and other oil-rich Gulf states stipulate locals should own at least 51 per cent of any joint venture.

The period of exemption from taxes is equivalent to the period of exemption given to the project when it was first set up,"

Cuba prepares to legalise dollar

Greenback prices soar

in socialist Cuba, a dollar doesn't go as far as it used to, reports AP. After promising to

MEXICO CITY, Aug 11: Even

Cubans own dollars and to drop a ban on their shopping at dollar - only stores, the government kicked up the prices in those stores by 50 per cent to assure that more of the scarce greenbacks land in government hands.

effect Monday, are part of a series of reforms intended to help Cuba survive a dire economic crisis.

This is the state's effort to tax people who are using dollars and also to garner more of the dollars for the state," Smith College economist Andrew Zimbalist, an expert on Cuba," said Tuesday.

President Fidel Castro announced last month that officials would launch a series of lenew policies aimed to bolster

foreign exchange income.

Measures include dropping a ban on possession of foreign currency, letting Cubans shop at dollar stores, easing restrictions on visits by Cuban exiles abroad and encouraging more foreign investment.

The foreign currency stores intended for tourists, diplomats and foreign businessmen were closed on Sunday as workers raised prices across the board,

according to reporters in Havana contacted by telephone.

trousers had gone from 12 dollar to 18 dollar, a small chicken from 3.50 dollar to 5.20 dollar, a bottle of rum from five dollar to 7.50 dollar.

Prices in dollar- only tourist restaurants remained the same.

by asking foreigners to buy goods for them. The dollar prices rebound on the booming black market as Cubans from the city travel into the countryside to swap dollarstore goods such as soap and shampoo for chicken or pork.

sent by relatives abroad, culled from tourist tips or gained on the black market, where dollars have been trading for 70 pesos despite an official exchange rate of one-to-one.

of Havana are out for half of the day. The Mexican news agency Motimex, in a dispatch from Havana, said there are outrages of 16 to 20 hours a day in some provinces.

Mexico's foreign debt fises to \$111.2b in April

MEXICO CITY, Aug 11: Mexico's foreign debt rose to a record 111.2 billion dellar in April, with most of the increase coming in private sector borrowing, according to figures pub-Itshed Tuesday, reports AFP.
The record debt, breaking

the record of 107.4 billion dollar set in 1987, is made up of 77.3 billion dollar in public sector debt, 12.4 billion in borrowing by private-owned business, and 21.5 billion in debts of private

Mexico's debt was down to 100.3 billion dollar when the current government took office in 1988.

At that time, the public sector debt -- including borrowings by the Bank of Mexico -- totaled 81 billion dollar, while private businesses owed 7.1 billion and the then state-owned banks 7.4

The public sector debt has since fallen largely due to rescheduling which has been capital repayments postponed for 30 years.

But at the same time the private debt has ballooned, as businesses have taken advantage of an easing of import controls to import equipment to modernize production while the banks needed a large injection of cash when they were privatised in 1991 and 1992.

TORYO, Aug 11: Speculators

World War Two low of 103.65 yen in Tokyo on Wednesday, re-The dollar has been plumbing new depths against the yen

The Bank of Japan (BOJ) re-

moves," said Hiroyoshi Okayama, a senior dealer at Banque

Dealers said speculative selling emerged after the market realised that the dollar had limited upward momentum.

For the past two weeks, the

NEW DELHI, Aug 11: India's trade deficit narrowed during the first quarter of fiscal 1993-94 as exports rose by nearly 28 per cent to 5.12 billion dollar between April and June, the commerce department reported Tuesday, says AFP.

in the first quarter of the financial year which began April 1 dropped to 5.42 billion dollar against 5.57 billion during the corresponding period of fiscal 1992-93.

first quarter of 1992, it added.

growth in '94

The newsletter Blue Chip Economic Indicators reported

forecast of 51 economists in an early August survey projected economic growth of 2.8 per cent in all of 1994. That would be down from annual growth rates of 3.1 percent projected for the current July-September quarter and 3.3

per cent for the final three months of 1993, according to the Sedona, Ariz, publication. Editor Robert J Eggert Sr said many of the economists did not believe the full effects of

higher gasoline and personal income tax increases in the Clinton budget package would be felt until next said fears of still higher taxes to pay for the Clinton administration's plans to expand medical coverage to those now uninsured will add to uncertainty next year in the business community, hamper-ing business spending and hiring, Eggert wrote.

Clinton signs deficit-cut succeed in an endless season of Friday -- Vice President Al Gorpartisan bitterness and rancor e's -- after squeaking through

WASHINGTON, Aug 11: President Bill Clinton celebrated a major political victory for his presidency Tuesday, as he signed into law a budget packaged designed to reduce the deficit growth by nearly 500 billion dollar over five years, reports AFP.

"This is a beginning." Clinton said, hailing the package of tax hikes and spending cuts that won narrow approval after months of bitter debate in Congress.

"Today we come here for more than a bill signing, we come here to begin a new direction for our nation." Attacked by Republicans as another Democratic tax and

spend measure, the bill passed

the Senate by a single vote

the House the day before by a two-vote margin. The president signed the bill

before a gathering of democratic lawmakers, administration officials and other guests on the south lawn of the White House. The plan would reduce the

federal deficit from current projection by 496 billion dollar including 255 billion dollar in spending cuts and tax hikes amounting to 141 billion dollar. Clinton expressed dismay over the bickering over his plan

-- which under went major changes in Congress -- and said he hoped for a greater spirit of cooperation on other major is-"In the long run, we cannot

and bickering," he said. "Let us resolve when this (Congressional) recess is over to

come back with a new determination to finish the work and let us again hold out our hands to those who were not part of this process and say," America needs us all, let us go forward together." Clinton faces equally difficult obstacles in passing a health

and the rest of his programme. The plan increases income taxes on the wealthiest taxpayers and imposes a 4.3 cent per gallon gas tax, while providing more generous tax credits for the so-called working poor.

care reform programme, ratifi-

cation of the North American

Free Trade Agreement (NAFTA)

Thousands of the oncewealthy investors, known as

rock stars to oil tankers.

Thousands of these disgrun-

LONDON, Aug 11: Lloyd's of

"names," have lost their entire personal fortunes, which they put on the line to back insurance policies at Lloyd's, famous for covering everything from

When they opened on Monday, most prices had been raised by 50 per cent. A pair of

With goods as common as soap and good shoes often unavailable at regular stores, Cubans increasingly have turned to dollar shops, either by risking arrest to shop there or The new prices, which took