

# Russia vows to maintain tight govt spending policy

MOSCOW, Mar 18: Premier Viktor Chernomyrdin said on Thursday that Russia could not spend its way out of its current economic crisis and promised to keep government spending policy tight, reports Reuter.

Chernomyrdin, speaking one day before crucial talks with the head of the International Monetary Fund (IMF), said there was no easy solution to Russia's problems.

"Many people want to be kind now," he told the upper chamber of the Russian parliament. "But we will never get out of this swamp if we are too kind."

In a speech which at times echoed the monetarist lines of reformist former ministers Yegor Gaidar and Boris Fyodorov, Chernomyrdin warned indebted agriculturalists and industrialists that they could no longer rely on cheap government handouts.

"Pumping in money may improve the situation for a couple of months, but collapse is then inevitable," he said. "Russia is facing a structural crisis now and there are no fast and populist solutions."

Many Western economists had expected Chernomyrdin, a former gas industry boss, to back the free-spending indus-

trial lobby after the reformist ministers quit in January. Industrialists demand big subsidies for ailing firms.

But the premier, summoned by parliament to explain how he planned to resolve a mounting crisis of indebtedness at every level of the Russian economy, took a more pro-market line.

"Currently there is no mechanism of bankruptcy if an enterprise fails to pay. This should be corrected as quickly as possible. Debts should be paid," he said.

Mounting corporate indebtedness is one of the main problems facing Russia, a quarter of the way through its third year of free market economic reforms.

Many factories — waiting in vain for customers to pay their bills — have closed because they cannot afford the fuel or materials they need to keep production lines running. Workers have gone on strike because they have not been paid for months.

Chernomyrdin said companies had debts of about 32 trillion rubles (18.6 billion US dollars) although they had also waded some 24 trillion rubles (14.5 billion dollars).

Opposition claims that tight monetary policies were to blame for the rising levels of indebtedness were "not quite true," he said.

Chernomyrdin said the main factors were recalcitrant payers in other former Soviet republics, a lack of financial controls within Russia and inefficient factory managers at home. "Nobody is paying, and debts are just building up."

Many managers found it hard to adjust their enterprises to the demands of the market, he said.

Chernomyrdin said the government had approved a "tight but realistic" 1994 budget, which aimed to keep the deficit to nine per cent of gross domestic product.

But the conservative — dominated parliament has yet to set a date to debate 1994 spending and deputies are expected to challenge many of the government's plans.

The budget — and the government's ability to fulfill it — will be a key factor in talks with Chernomyrdin meets IMF Managing Director Michel Camdessus on Friday.

The IMF, which has already given Moscow 2.5 billion US dollars, is debating whether to grant 1.5 billion dollars of new loans.

# China may allow free circulation of HK dollar in Shenzhen

HONG KONG, Mar 18: China may allow Hong Kong's currency to circulate freely in the mainland's booming Shenzhen special economic zone, which borders on the British colony, it was reported Friday, reports AFP.

Senior officials of the People's Bank of China were cited by the Beijing-run Ta Kung Pao newspaper as saying they would be flexible in considering whether to allow the Hong Kong dollar to circulate freely in Shenzhen.

The officials added that the special economic zone has close economic ties to the British colony which is to revert to Chinese rule in 1997.

Zhou Zhongqiang, Deputy Governor of the Chinese central bank, said "We will consider the matter from an aspect that would benefit the development of economic ties between Shenzhen and Hong Kong."

# Honda to limit terms for managers not promoted

TOKYO, Mar 18: Honda Motor Co said Friday it will introduce a new personnel programme in June under which managers who do not get promoted after a certain amount of time will be asked to resign, reports AP.

A company spokesman said the programme is intended to boost managerial productivity by giving younger employees more opportunities and responsibilities while cutting the number of older managers.

The spokesman, who requested anonymity, denied media reports that the move was aimed at trimming Honda's payroll, saying it was intended to contribute to the company's productivity and profitability.

As the nation's tradition of lifetime employment system is gradually falling apart because of the recession, this could represent the latest strategy for dealing with aging, over-paid workers.

# Republicans offer tax cuts in US budget

WASHINGTON, Mar 18: Senate Budget Committee Republicans are touting a spending plan for 1995 that offers tax cuts to millions of Americans, but they face near-certain defeat by the panel's majority Democrats, reports AP.

The committee was expected to reject the GOP proposal today and instead approve a 1.51 trillion dollar Democratic package that is a virtual photocopy of President Clinton's fiscal blueprint. It trims defence spending and dozens of domestic programmes, boosts spending for road building and other initiatives, and holds next year's deficit to 175.1 billion dollars, the smallest since 1989.

"I'm not here telling my colleagues that we've broken the back of the deficit problem, because we surely haven't, but we administered a sharp crack to its vertebrae," panel Chairman Jim Sasser, a Democrat from Tennessee, said Wednesday.

Republicans were offering a plan with hundreds of billions more in spending cuts and 500 dollars tax credits for children. Sen Pete Domenici of New Mexico, the panel's ranking Republican, said the package would bring the 1999 deficit down to 499 billion. Under Clinton's plan, the red ink that year would be more than 200 billion dollars.

As senators debated plans for the fiscal year that starts October 1, the House was embroiled in a largely symbolic debate over a constitutional amendment that would require balanced budgets.

Even supporters conceded that they were likely to fall short of the two-thirds majority needed to alter the Constitution. The Senate rejected the amendment last month, making the House debate all but moot.

The amendment would allow deficits only if three-fifths of lawmakers voted for them, a stiff requirement supporters said would discourage spending.

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"It was a modest amount of money... but it grew and she probably made about 30,000 US dollars in 1978, maybe twice that in 1979," he said.

The New York Times, which first reported on Mrs. Clinton's investments in Friday's editions, did not accuse Mrs Clinton of any impropriety.

However, the Times said the relationship put the Clintons in a position of relying on the help of Blair, whom it described as one of the state's premier power brokers.

During Clinton's tenure as governor, Tyson — the nation's biggest poultry company and one of the largest employers in Arkansas — benefited from a variety of state actions, including nine million US dollars in government loans and favourable decisions on environmental issues.

# 430m dollar swindle AG detains ex-state bank President in Jakarta

JAKARTA, Mar 18: The Attorney General has detained a former state bank President for his alleged involvement in a 430-million dollar swindle, a report said here today, reports AFP.

The leading Kompas daily reported a spokesman for Attorney General said that former bank Pembangunan Indonesia (Bapindo) President Towil Heryoto was arrested Thursday evening.

The arrest came one day after Finance Minister Marie Muhammad suspended Heroyoto as Bapindo's president director.

The Attorney General was investigating a credit scandal at Bapindo involving the P T Golden Key Group (GKG).

Towil Heryoto was Bapindo's Director for Credit Affairs when the bank issued a credit for 430 million dollars to GKG two years ago.

Losses in interest and other charges have brought the total loss to 613 million dollars.

The swindle involved a conversion of an irrevocable letter of credit, which is payable when the goods have been provided. Into a red clause letter of credit.

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# Hanoi to reduce control of key economic sectors

HANOI, Mar 18: Vietnam plans to reduce direct state control of key economic sectors in an effort to boost efficiency and foster corporate self-management, reports AP.

The strategy, backed by Prime Minister Vo Van Kiet, calls for the formation of business groups each comprising at least seven major companies, the state-run Vietnam News reported Friday.

The groups will manage their own operations rather than rely on the direction of government ministries. The prime minister, a major sponsor of free market economic reforms, will appoint the managers of each group, the paper said.

The plan, to begin on a trial basis this June, aims to boost economic efficiency and end conflict between national and local authorities over responsibility for individual firms.

The first company groupings will take place in Ho Chi Minh City and with certain firms now controlled by ministries in economic and technology fields, the paper reported.

Vietnam began to liberalize its moribund, socialist economy in the late 1980s. The Hanoi government has closed loss-making state-owned enterprises, reduced inflation to 5.2 per cent, and raised eco-

nomical growth to an annual average of 7.1 per cent over the last three years.

The Communist Party of Vietnam renewed its commitment to reforms in a midterm Congress last January.

The government's State Planning Committee also has backed the creation of an economic development zone linking Hanoi with the port cities of Haiphong and Hong Gai in northern Vietnam, the Vietnam News reported.

The zone would contain large coal deposits and 60 per cent of the country's hydroelectricity generating capacity. The committee's plan calls for great industrialization and foreign investment in the area during the first ten years of the next century, the paper said.

By the end of last year, foreigners had invested 1.6 billion dollars in 162 projects in the planned zone, it said.

The State Bank of Vietnam, meanwhile, has announced a plan to modernize its foreign exchange management system, the paper reported. The State Bank wants to centralize its control over the inter-bank foreign exchange market, with exclusive rights to setting daily exchange rates.

Other non-bank companies, such as trading firms, now participate in the market.

# Exchange Rates

The following are the Somali Bank's dealing rates to public for some selected foreign currencies effective as on Mar 17 and 18.

(Figures in Taka)

Currency	Selling		Buying	
	TT & OD	FC	TT	OD
US Dollar	40.1805	40.2105	39.9805	39.8960
Pound Sterling	60.0096	60.0544	59.2353	59.1100
DM	23.9581	23.9760	23.5946	23.4711
F Franc	7.0436	7.0490	6.9352	6.8989
C Dollar	29.6159	29.6381	29.1540	29.0923
S Franc	28.2288	28.2499	27.7895	27.7307
Yap Yen	0.3841	0.3844	0.3743	0.3735
Indian Rupee (AMU)	1.2844	1.2883	1.2741	1.2583
Pak Rupee (AMU)	1.3178	1.3218	1.3072	1.2910
Aranian Riyal (AMU)	0.0230	0.0231	0.0228	0.0226

A) T.T (DOC) US Dollar Spot Buying Tk 39.9832  
 B) Usage Rates:  
 30 Days DA 60 Days DA 90 Days DA 120 Days DA 180 Days DA  
 39.6312 39.3480 39.0648 38.7816 38.2152  
 C) US Dollar sight export bill 3 months forward purchase: Tk 39.8960  
 D) US Dollar 3 months forward sale: Tk 40.6105

Indicative Rates

Currency	Selling		Buying	
	T.T & O.D.	FC	O.D.	Transfer
S Riyal	10.7151	10.6550	10.6550	10.6550
UAE Dirham	10.9424	10.8294	10.8294	10.8294
Kuwaiti Dinar	134.9788	133.5583	133.5583	133.5583
Singapore Dollar	25.3897	25.0557	25.0557	25.0557
D Guilders	21.0744	20.8574	20.8574	20.8574
S Kroner	5.0920	5.0969	5.0969	5.0969
Malaysian Ringgit	14.7543	14.5986	14.5986	14.5986

Note: AMU - Asian Monetary Union

# Shipping Intelligence

Chittagong port

Berth position and performance of vessels as on 17.03.94

Berth No.	Name of vessels	Cargo	Last port	Local agent	Date of arrival	Leaving
J/1	Sils	C Peas	Sing	Royal	12/03	22/03
J/2	lokastani	Cement	Tuti	Litmond	1/01	10/03
J/3	Sukarawan Nareed	Peas	Sing	Litmond	1/03	20/03
J/4	Salem Nine	SSP	MSA	R/A	23/03	23/03
J/6	Banglar Baari	GL	Mong	BSC	12/03	20/03
J/7	Tahallia	GL	Const	OTL	26/02	18/03
J/8	Iyvererett	GL	Sing	EBPL	15/03	18/03
J/9	Honjay Victory	Cement	Visa	USTC	7/01	17/03
J/10	Victoria	C Peas	Sing	MSA	13/03	23/03
MB/1	Banglar Robi	Cont	Mong	BSC	16/03	18/03
MP/2	Imke wehr	Cont	Sing	PSL/B	15/03	19/03
CCJ	Alexander Fredererdy	Gypsum	Visa	Seacom	26/02	17/03
TSP	Dolores	Idle	Seacom	R/A	30/03	30/03
JM/4	Tenary Star	TS Cargo	Mad	Seacom	13/03	21/03
RM/6	Esso Melbourne	Cement	Tuti	USTC	20/02	17/03
DDJ	Banglar Shourabh	Repair	Sing	HSC	R/A	20/03
DD	Long Bird	Repair	Mong	Seacom	15/11	20/03
DIJ/1	Bangla Asha	Repair	RHS	BSC	R/A	20/03
RM/9	Banglar Urmil	Repair	Col	HSC	5/03	31/03

Vessels due at outer anchorage

Name of vessels	Date of arrival	Last port	Local agent	Cargo	Loading port
Feng Ming	17/03	Quande	OTL	Cement	-
Sea Master M	18/03	Sing	ESAL	Cement	-
Tian Zi Shan	18/03	Yangmb	MSA	Cement	-
Meng Lee	18/04	Sing	AML	Cont	Cal
Kritika Marre	19/03	Vanc	Royal	Canola in Bulk	-
I Yamburenko	18/03	Sing	CT	Cont	Sing
Infinity	19/03	Sing	ESL	Cont	Sing
Anagel Hope	18/03	Sing	Allseas	Cement	N/Entr
Banglar Shobha	18/03	Peng	BSC	GI	-
Amanetida (E/L)	20/03	Mong	OWSL	(W/LDIE/L	Ilyi
Cattleya	19/03	Hong	Prog	GI	-
Mar-christina	19/03	Sing	JF	Scrapping	-
Fong Shin	20/03	Sing	BDship	Cont	Sing
Hua Quan	19/03	Sing	RPSA	R Phos	-
Green Island	20/03	Sing	Karna	GI (Lashi)	-
Karabereer	20/03	Sing	EBPL	Cont	-
Juvelina	20/03	Sing	PSAL	Cement	-
Jiang Cheng	21/03	Sing	BDship	GI	-
Kota Buana	22/03	Sing	RSL	Cont	Sing
Andriana Goncharov	22/03	Sing	CT	Cont	Sing

Tanker Due

Name of vessels	Date of arrival	Last port	Local agent	Cargo	Loading port
Sinbad	19/03	Sing	MSPL	HSD/JF	Sko
Gemini	20/03	Sing	MSPL	HSD	-
Ocean Meg	20/03	Sing	Seacom	CPO	-
Ilya Chavchavadze	21/03	Sing	CT	LOI	-

Vessels at Kutubdia

Name of vessels	Cargo	Last port	Local agent	Date of arrival
Arcadia-1	C Clink	Visa	CSL	13/03
China Star	Cont	Sing	BBA	16/03
Ultima	Cont	Col	BTSA	17/03

Vessels awaiting instruction

Name of vessels	Cargo	Last port	Local agent	Date of arrival
Sea Nymph	Cement	Sing	PSAL	R/A(11/3)
Banglar Jyoti	Sing	Sing	BSC	R/A(11/3)
Sea sprits	Sing	Sing	JF	27/02

Movement of vessels for 18/03/94

Outgoing	Incoming	Shifting
J/2 China Star	J/B Meng Lee	Fonjoy Victory
J/7 Thallia-BS	J/9 I Yamburenko	TSP Dockers
J/8 Iyvererett	MPB-1 B-Moni	-
J/13 Uffera	J/8 Tian Zi Shan	-
MPB-1 B-Rob	J/11 Lambda	-
J/4 S Naree	J/7-B Shobha	-
J/5 Salem Nine	J/4/5/3 Kritika Naree	-
MPB-2 Imke Wehr	MPB-2-Infinity	-
RM-4 Tanary Star	J/2 Cattleya	-
-	TSP-Hua Quan	-
-	RM-6-Sinbad	-

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.

# Asian stock markets close lower

HONG KONG, Mar 18: Asian stock markets closed mostly lower Friday, with share prices plunging in Hong Kong for the fourth straight day, reports AP.

The Hang Seng index, the Hong Kong market's key indicator of blue chips, fell 380.82 points, or 4.0 per cent, closing at 9,132.31. On Thursday, the index had tumbled 207 points.

Brokers attributed the tumble to continued selling of blue chip stocks by overseas investors.

They said there was gloom in the market about possible interest rate increases and whether the United States would renew China's most favoured trading status, this year.

In Tokyo, share prices closed lower for the second consecutive session.

The 225-issue Nikkei Stock Average fell 122.71 points, or 0.60 per cent, closing the week at 20,469.45. On Thursday, the index fell 85.61 points, or 0.41 per cent, closing at 20,592.16.

The Tokyo Stock Price

Index of all issues listed on the first section was down 1.29 points, or 0.8 per cent, to 1,647.24.

Share prices were mixed at the end of the morning session on buying of foreign investors, but turned lower as Japanese corporate investors continued to sell as part of their accounting settlement ahead of the March 31 closing of the fiscal year.

SINGAPORE: Share prices closed lower in thin trading in reaction to the fall in Hong Kong. The 30-share Straits Times Industrial (STI) index fell 49.63 points to 2,104.02.

KUALA LUMPUR: Malaysian share prices closed lower in light trading, hit by sustained selling in blue chips. The Composite Index fell 20.14 points to 1,007.06 points.

WELLINGTON: New Zealand share prices closed slightly higher with activity centred around several leading stocks, with the broader market remaining quiet. The NZSE-40 capital index rose 7.39 points to 2,293.16.

TAEPEI: Share prices

closed lower lower on profit-taking. The market's Weighted Index fell 122.25 points to 5,274.81 after Thursday's 65.72 gain.

MANILA: Share prices closed lower because of profit-taking following Thursday's sharp rally. The Manila composite index of 31 selected issues fell 55.33 points to 2,657.98 after Thursday's 70-point rise.

SYDNEY: Australian share prices closed little changed in quiet trading. The All-Ordinary Index of share prices closed at 2,163.5, down 0.9 point.

SEOUL: Share prices closed slightly lower in active trading. The Korea Composite Stock Price Index fell 5.49 points to 893.07.

BANGKOK: Thai share prices closed lower in line with the decline in major Asian markets. The Stock Exchange of Thailand (SET) index fell 19.80 points to 1,246.84.

JAKARTA: The Stock exchange's Composite Index fell 0.972 points, closing at 508.576.

# Borland returns to China

BEIJING, Mar 18: Borland, one of the world's leading software companies, announced its return to China on Friday despite concerns about widespread piracy, reports AP.

The California based company told a standing-room-only audience of more than 500 Chinese computer users at a local hotel that it will be distributing six locally made products in China, including dBase IV Version 2.0.

The products are being manufactured by subcontractors in China to make them more attractive to Chinese users and to lower costs, said Patrick Hui, Borland's Hong Kong-based general manager for Greater China.

Paul Yan, Managing Director for Asia, said the company may open a Beijing office later this year.

All this comes just four years after Borland retreated from China because rampant software piracy left little market for the real thing.

# Dhaka Stock Prices

Weekly comparison: At the close of tradings on March 10 and March 17, 1994

Company	FV/ML*	March 10		March 17	
		Taka	Taka	Taka	Taka
<b>BANKS (12)</b>					
Al Baraka Bank	1000/1	807.50	810.00	908.00	800.00
AB Bank	100/5	190.00	190.00	200.00	160.00
Eastern Bank	100/5	286.00	286.00	355.00	290.00
IDLC Ltd	100/20	110.00	110.00	110.00	105.00
IFIC	100/5	334.50	347.86	335.00	200.00
Islamic Bank	1000/1	1150.00	1500.00	163.12	198.00
National Bank	100/5	125.00	127.00	130.00	85.00
Pubali Bank	100/5	100.00	100.00	100.00	85.00
Rupali Bank	100/10	95.00	95.00	95.00	65.00
U.C.B.L	100/5	108.00	108.00	120.00	80.00
Uttara Bank	100/5	90.00	90.00	103.00	80.00
<b>INVESTMENT (8)</b>					
1st ICB M.Fund	100/5	110.00	110.00	113.00	100.00
2nd ICB M.Fund	100/5	600.00	600.00	750.00	350.00
3rd ICB M.Fund	100/5	186.92	200.00	205.00	160.00
4th ICB M.Fund	100/5	185.00	190.00	195.00	140.00
5th ICB M.Fund	100/10	190.00	200.00	195.00	140.00
6th ICB M.Fund	100/10	149.36	149.36	150.00	86.00