

China claims success in curbing money supply growth in '95

BEIJING, Jan 22: China claimed yesterday success in curbing money supply growth in 1995 by applying new regulatory measures, saying this had played an important role in bringing down inflation to within state targets, reports AFP.

Currency in circulation increased by 60 billion yuan (7.2 billion dollars), or 8.2 per cent, to 790 billion yuan, Xinhua quoted people's Bank of China officials as saying, adding that the rise had compared with one of 82 billion yuan in 1994.

The M1 money supply, which also includes enterprise's current account deposits, grew 16.8 per cent to 2.4 trillion yuan, while the broad M2, which covers all forms of deposits, jumped 29.5 per cent to 6.08 trillion yuan, the report said.

The growth in M1 and M2 were 10 percentage points and nearly five percentage points slower respectively than in 1994 and were lower than initial 1995 targets of 23 to 25 per cent and 30 per cent, it said.

This is the first time in past few years that M2 growth has fallen below 30 per cent, it added, saying this success had been an "important factor" in bringing inflation down from 21.7 per cent in 1994 to 14.8 per cent last year, 0.2 percentage points below the government's target.

The report said that in 1995 the central bank had applied new measures to regulate money supply, including raising interest rates on loans, issuing financial bonds, accepting special deposit accounts, lending through re-discount and extending temporary loans.

By the end of 1995, deposits in China's financial institutions hit 5.39 trillion yuan, up 1.3 trillion yuan from the start of the year, Xinhua said, adding that individual deposits had jumped 813 billion yuan to 2.9 trillion yuan.

The amount of loans extended by the institutions increased 22.7 per cent to 5.05 trillion yuan, it said.

Egypt to cut import duties on 25 items

CAIRO, Jan 22: Egypt is to cut import duties on an array of investment products including transport ships and engine equipment to 10 per cent, the government Daily Al-Ahram reported yesterday, says AFP.

Finance Minister Mohie Eddin Al-Gharib announced the reductions on a list of 25 products on which duties formerly ranged from 30 to as high as 70 per cent, the paper said.

The products include transport and fishing ships as well as yachts, diesel and steam engine equipment, air conditioning parts, electrical equipment, tractors, ambulance and hearses, as well as fire-fighting and irrigation equipment.

The ministry decision to lower the customs is awaiting a presidential approval before going into effect, Gharib said.

Reduction of Egypt's high import tariffs has been a pressing demand by the International Monetary Fund in its review of the country's ambitious, four-year-old campaign of privatisation and economic reform.

Venezuela's Pdvsa giving contracts to major oil cos

CARACAS, Venezuela, Jan 22: Exxon, Shell, Mobil and other foreign companies start bidding Monday on what they expect to be a hotly contested auction of oil fields cut off to them since 1976, says AP.

The state oil monopoly Petroleos de Venezuela (Pdvsa), one of the world's largest oil companies, is awarding contracts to exploit 10 fields strung across this South American country.

Bidding runs through Friday. Competing are 75 companies including Texaco, Amoco, Chevron and British Petroleum.

Venezuela, the largest foreign supplier of oil to the United States, nationalised the industry two decades ago. But in 1991, it slowly started opening its reserves — the largest outside the Middle East — to private companies.

This week's auction is the biggest step yet in the opening.

The fields could produce about 500,000 barrels a day and help Venezuela boost its current production capacity of 3 million barrels a day to 5 million barrels a day by 2005, according to Pdvsa officials.

That would make it the No. 4 producer worldwide.

Dhaka to receive \$ 80 m Japanese grant aid

The governments of Japan and Bangladesh signed here yesterday an agreement concerning Japanese grant aid for debt relief, amounting to 8.014.469.00 yen with the intention of producing the same effect as cancelling an international debt.

When the repayment of an official development assistance debt is made by a less developed country, Japan, instead of reducing the debt, offers the same amount as the repaid debt.

In this aspect, the grant will enable the recipient country to purchase commodities and equipment from all member countries of

notes, the government of Japan will provide Bangladesh with a grant assistance of 8.014.469.00 yen with the intention of producing the same effect as cancelling an international debt.

Since this grant is to be utilised by the government of Bangladesh for the import of commodities and equipment for much needed investment programmes, it will substantially contribute to the development of various sectors of the Bangladesh economy and social welfare, it said.

It will also contribute considerably in improving the balance of payments position of the recipient country, it said.

Under the exchange of

47,000 US troops in Japan are stationed, especially after a rape of a 12-year-old Okinawan girl last September allegedly committed by three US servicemen.

Winning public support for the plan to rescue the housing lenders, called "jusen," will be a key test for Hashimoto, the dapper former trade chief who became prime minister January 11.

The squabble over the plan, which calls for using 680 billion yen (6.5 billion dollars) in taxpayer money, is expected to dominate the parliamentary session that opened Monday.

"I will make every possible effort to gain popular understanding for our chosen course of action," he said.

Also Monday, Hashimoto's Liberal Democratic Party and its coalition partners agreed to push for disclosure of the major borrowers in the bailout, local media reported.

A report from the Finance Ministry Friday on the seven housing lenders' outstanding loans was criticized because it did not disclose the names of the borrowers. Some are suspected to have links with "yakuza" mobsters.

In his speech, Hashimoto did not say whether the borrowers would be identified, but he vowed to push for the fullest possible disclosure.

The Liberal Democrats, who ruled Japan alone for nearly four decades, were kicked out of power in 1993 after a string of corruption scandals. They staged a comeback by forging a coalition with the Socialists in 1994.

Some changes in Russian reforms likely

MOSCOW, Jan 22: Seeking to reassure jittery foreign investors, Prime Minister Viktor Chernomyrdin on Monday said Russia would stick to financial goals of stabilization but that some changes in reform would be made, reports AP.

Chernomyrdin was speaking less than a week after President Boris Yeltsin fired Anatoly Chubais, a deputy prime minister who was in charge of the privatization of state industry and the lone reformer left in the Cabinet.

Foreign investors, however, eager to cash in on one of the biggest sell-offs of state industry in history, are worried the government may now roll back the clock on reforms.

Many working class Russians despise the government's privatization plan that has created a small elite of very rich Russians. Opposition to the programme helped the Communists win last month's parliamentary elections.

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