LONDON, Aug 23 : The Russian Federation is prepared to take 55 to 60 per cent of the Soviet Union's 60 billion US Dollar external debt when it is divided among the Republics, the Head of the Republic's Central Bank said on Thursday, reports Reuter.

"It is difficult to calculate which portion (of the debt) belongs to which Republic," Gyorgy Matyukhin, Chairman of the Russian Central Bank, told a news conference in London.

But if we take into account GNP and population, we can find a solution. We agree in Russia to get between 55 and 60 per cent," he added.

Matyukhin said the only problem with Soviet external debt was one of liquidity.

He added that, in terms of usual debt ratios such as debt to Gross National Product, the Soviet debt did not pose a problem. But the fact that 50 per cent of the debt had a maturity of less than one year meant there was a short-term liquidity problem.

He said Soviet President Mikhail Gorbachev had often promised the external debt

Thai Airways to

launch flights

to Taipei

Airways International (THAI)

will launch flights later this

year between Taipei and the

northern Thai city of Chiang

Mat in a bid to promote foreign

tourism, an airline spokesman

said here yesterday, reports

start three flights per week

from Bangkok to Taipei with a

stopover in Gong King, the

spokesman said, adding that

the new flights would operate

every Tuesday. Thursday and

will be operated the same

days, That will use a new route

between Taipei-Hong Kong

Chiang Mai with the aim of

boosting foreign tourism in

Currently, foreign tourists

who wish to see Chiang Mai

and nearby northern provinces

have to travel to Bangkok and

take a domestic flight form

time for tourists," he added.

Official to seek

postponement of

BCCHK

liquidation

liquidator of the Bank of Credit

and Commerce Hong King

Ltd. announced Thursday that

he would ask the High Court to

adjourn hearings on the liqui-

dation of the bank in order to

negotiate its possible sale, re-

ment-appointed liquidator.

said he would present an ap-

Tuesday for a two-month ad-

would give me time to nego-

tiate and, if possible, finalize

arrangement for the takeover

of the bank," Gleeson said in a

liquidate BCCHK following the

'collapse of the bank's interna

tional operations on July 5.

The majority owner of the

Bank of Credit and Commerce

International is the Abu Dhabi

BCCI may ask

Bank of China

to buy Pak

branches

of Credit and Commerce

International (BCCI) may ask

the Bank of China (BOC) to buy

into its Pakistan operation to

rescue it from possible liqui-

dation, the Associated Press of

Quoting unspecified bank

ing sources, the official agency

said employees and customers

of BCCI Pakistan might con-

sider inviting the BOC to be

equity partner in a proposed

About 1,000 BCCl employ

The Pakistani central bank

Khaitl A Hasan, the leader of

ees last week offered to ac

quire control of BCCI's three

branches in Pakistan in a man

has exonerated BCCl Pakistar

of allegations of fraud, money

laundering and other malprac

a management-customer asso-

been handling almost all inter-

national and local transactions

between BCCI Pakistan and

BOC could benefit the two

collaboration with the BOC.

banks, he said.

between Pakistan and China in

The excellent relationship

ciation, told APP that BCCI had

agement-customer buy-out.

Pakistan (APP) said yesterday

KARACHI, Aug 23: The Bank

The government decided to

plication to the court on

This two-month period

Noel Gleeson, the govern-

ports AP.

journment.

statement.

government.

reports AFP

takeover.

tices.

HONG KONG, Aug 23: The

This new route will save

northern Thailand, he said.

But it return flights which

Saturday.

Thai will from October 29

BANCKOK, Aug 23: That

would be divided among the Republics but this plan had been blocked by what he called "governmental institutions." "They pretend to know

nothing and in this way try to sabotage this idea of deciding this in principal." Matyukhin put forward four ways of curing the liquidity

problem of servicing the Soviet - A rescheduling of maturities subject to the agreement

of western banks. - Debt for equity swaps as-

sociated with privatisation of state enterprises. - The use of gold as collat-

eral for loans. - The issue of long-term

government bonds to substitute for debt which would be convertible to hard currency.

"Debt swaps have been used in many countries, so why not use them in the Soviet Union."

Matyukhin said the Group of Seven (G-7) industrialised countries had been right when their leaders met Gorbachev in London in July not to provide substantial financial aid to the Soviet Union.

"I do not think that if Gorbachev had received money from the west, we would have progressed much more rapidly," Matyukhin said. "I'm afraid that money would have been used for other purposes as occurred before.

Matyukhin was in London as the guest of Europe Energy Environment, a business con sultancy specialising in the energy sectors of eastern and central Europe.

On privatisation, Matyukhin noted the Russian Federation law was already much more progressive than that of the Soviet Union as a whole. He said a law of land privatisation was ready but had been sabotaged by hardliners.

But the central banker ad mitted that privatisation of industry would be more problematical.

"We will start with partial privatisation," he said. "For example, in banking we've agreed to distribute 10 per cent of shares publicly. We also think debt swaps are an interesting way out of our external

New Market

ports AFP.

termined.

ports AFP.

fisheries sector.

statement said

reports AFP.

spokesman said.

industry sources said.

\$52m ADB loan

to Pakistan

Development Bank has ap-

proved a 52 million Dollar loan

to develop Pakistan's oil and

gas fields, the bank said in a

The project is to produce

statement here yesterday, re-

48 million barrels of oil and

condensate and 57 billion cu-

bic feet (1.7 billion cubic me

ters) of gas, and it should save

Pakistan 47 million Dollars an-

development of oil and gas

fields in lower Sindh province,

it said, adding that it was

payable in 15 years including a

three-year grace period with

the interest rate yet to be de-

ADB loan for

fishery project

in Indonesia

Development Bank (ADB) yes

terday approved a 100 million-

Dollar loan to Indonesia to fi

nance a fisheries development

project; the Philippines-based

bank said in a statement, re-

Bank Bumi Daya, Bank Dagang

Negara, Bank Negara Indonesia

and Bank Rakyat Indonesia,

along with the private institu-

tions Bank Bali and Bank

Niaga, will be allotted funds to

lend to sub-borrowers in the

years including a three-year

grace at an interest rate to be

determined according to the

ADB's pool-based lending rate,

which stands at 6.61 per cent

technical assistance grant of

380,000 Dollars to strengthen

the fisheries term lending ca-

pabilities of the six banks, and

study the potential of the pro-

ject in eastern Indonesia, the

Nissan launches

new luxury car

Nissan Motor Co Ltd Launched

a new version of its best

selling luxury car, the CIMA,

and announced a monthly sales

carries a retail price of up to

6.26 million Yen (46,000

Dollars), comes three and a

half years after the release of

the first CIMA in 1988. Sales

of the first model initially aver-

aged around 3,000 units a

month but have since fallen to

around 2,000 units, a company

slow sales of the Infinity, an-

other luxury model made by

Nissan which has performed

poorly in comparison with the

The launch may help offset

The new model, which

target of 4,000 units a month,

TOKYO, Aug 23: Japan's

a grant of 512,000 Dollars to

The loan comes with a

in the second semester.

The loan is repayable in 15

The state commercial banks

MANILA, Aug 23: The Asian

The loan is carmarked for

nually in oil imports, it said.

MANILA. Aug 23 The Asian

Britain's trade deficit

years, reports AFP.

Nevertheless, the deficit was smaller than the expected figure of between 200 and 300 million Pounds.

The move into the red was produced by an increase in the million Pounds.

Non-oil exports declined markedly from 8.464 billion to 8.351 billion Pounds, as did non-oil imports (from 8.966 billion to 8.959 billion).

A spokesman for the Central Statistical Office said the visible trade deficit in the three months to July was 1.864 billion Pounds, its lowest level since the first quarter of 1987. The current account deficit over three months was 664 million Pounds, its lowest level since the three months to April 1987.

A treasury spokesman said Analysts had expected the the narrowing of the current account deficit was due "entirely to a further growth in exports."

stands at £ 165m

LONDON, Aug 23: Britain's current account balance slipped to a deficit of 165 million Pounds in July after a surprise surplus of 23 million Pounds in June, Britain's first monthly trade surplus for four

deficit in visibly traded goods from 377 million pounds to 565 million Pounds, the traditional invisible trade surplus. which records income from areas such as banking, insurance and tourism and which is notoriously difficult to measure accurately, was stable at 400

deterioration in Britain's visi ble trade position to take the deficit to 700 million Pounds.

The effects of cuts in North Sea oil production because of safety work reduced the petroleum trade surplus from 125 million Pounds to 43 milhon Pounds.

America to write off Bolivia's \$370m debt

WASHINGTON, Aug 23 The United States will write off 370 million Dollars of Bolivia's official foreign debt on Thursday, a Bolivian embassy official said yesterday, reports

The write-off, which will leave only a fraction of the nation's current 440 million Dollars of debt with the US government, will include Bolivia's entire debt of 341 million Dollars with the US Agency for International Development, said Economic Counsellor Carlos Lopez.

About 30 million Dollars in food assistance debt will also be cancelled, he said.

US official sources said Treasury Deputy Secretary

John Robson and Bolivian Planning Minister Samuel Doria Medina will sign the agreement, the second such debt-reduction pact under President George Bush's enterprise for the Americas ini

But the sources could not confirm the figures provided by the Bolivian official.

Washington cancelled 16 million Dollars of debt with Chile on June 27, the first an niversary of Bush's initiative aimed at creating a Pan-American Free Trade Zone.

Bolivia's debt with the United States represents about 11 per cent of its total four bil lion Dollar debt.

Filipinos' remittances to help cut debt

MANILA, Aug 23 : President Corazon Aquino authorized incentives yesterday for Filipinos working abroad to buy government bonds that will be used to buy back part of the country's foreign debt, reports

Under a law creative the Overseas Workers Investment Fund, Filipino contract workers can remit earnings from abroad through the banking system in a manner that will also reduce the country's 28 billion Dollar foreign debt.

Earnings will be pooled to buy participatory debt reduction certificates, which will give premiums of 25 per cent cashable with the Central Bank for an equivalent amount in Pesos over a five-year period, Aquino said.

The money will be used to buy Philippine foreign debt papers at a discount of at least 35 per cent, she said. Part o the money will go toward an investment fund for other in centives to be extended to overseas workers.

Aside from the premium, buyers will be entitled to incentives such as health insurance, scholarships, credit facilities, a housing program and special raffles.

cooperate on energy SINGAPORE. Aug 23: One promising area for in-Singapore on Thursday urged creased economic cooperation He added that by cooperat-Association for Southeast Asian among ASEAN members is in

Singapore urges ASEAN to

Popularity of home gardening in city has given rise to selling of pot saplings, like in the picture, on the Mirpur Road near

Nations (ASEAN) to boost their economic cooperation, especially in the energy sector, reports AFP.

Deputy Prime Minister Lee lisien Loong, speaking at the opening of the 10th meeting of the ASEAN Economic Ministers on Energy Cooperation, said the grouping needs to go beyond promoting regional stability to more substantive economic cooperation" in the 1990s.

He told the one-day meeting that many countries had taken protectionist measures to limit access to their domestic markets.

"ASEAN members need to cooperate more closely economically, instead of venturing forth individually into an unpredictable and possibly hostile world," said Lee, who is also the Trade and Industry Minister.

energy since supplies of energy at competitive prices are vital to the economic vitality of all nations. ASEAN, which stands for

the Association of Southeast, Asian nations, comprises oil producers Brunei, Indonesia and Malaysia as well as oil importers like the Philippines, Singapore and Thailand. Lee said that the oil crisis of

1973 and 1979 and the most recent one caused by Iraq's invasion of Kuwait amply demonstrated the vulnerability of the world to sudden restrictions in energy supplies and sharp increases in prices.

"ASEAN should therefore cooperate more closely on energy matters. Possible areas are joint development and utilisation of energy resources, transfer of technology and expertise in energy management and sharing of infrastructure,"

ing with one another," ASEAN members, whether producers or suppliers, can diversify their dependence, and utilise energy resources more efficiently, and reduce their vulnerability.

- Star Photo

Lee predicted energy use would only increase especially with all ASEAN members experiencing steady and even dramatic economic growth.

He said energy cooperation within ASEAN need not involve all six members in every project or have a full consensus before proceeding.

"Difference in goals or priorities should be expected and accommodated. Any project which can benefit two or three member countries for a start should be pursued. If the potential is there, it can always be extended later to include other ASEAN parties," he said

Share markets, which saw

up to 10 per cent of their trad-

ing values wiped out at the

start of the coup, were back

almost exactly to last Friday's

London's Financial Times-

Stock Exchange index was up

around 25 points at 2,628.4,

around the record levels it was

up nearly 20 points at

1,811.33, compared with its

DAX index, the hardest hit of

the bourses because of

Germany's close ties with the

Soviet Union, was up nearly 60

points at 1,628.25 compared

with last Friday's close of

Western businessmen said

close last Friday of 1,820.31.

The Paris CAC-40 index was

And Frankfurt's 30-share

breaking last week.

1,653.33.

Jobless claims rise in US

WASHINGTON, Aug 23: The number of Americans filing new claims for unemployment benefits jumped by 22,000 in the first full week of August. the government said Thursday. reports AP.

For the week ending Aug 10, there were 430,000 Americans filing new claims

economic recovery.

labour markets have stalled," said David Wyss of the forecasting firm DRI-McGraw Hill.

in the spring. Now, during the summer months, it seems to have stalled out. We hope and expect it's going to come back to life after Labour Day (Sep 2), "Wyss said.

Since reaching peaks of more than 500,000 in March, the level of Americans filing first-time jobless claims had been falling, for the most part, through June. Since June, the level has been fluctuation between 400,000 and 430,000.

Though disturbed by the latest jump in the jobless claims number, analysts also hesitated to read too much into the report, nothing that the number can be extremely erratic from week to week.

ment in one direction or the other for a better look at how lay offs are hitting American "I'm still concerned about

the start of a troubling trend," said Robert Brusca of Nikko Securities. "On the other hand, it could just be one-week volatility. For the week ending Aug 3,

the previous week. The nation's unemploy-

ment rate in July was 6.8 per cent and the ranks of the jobless numbered about 8.5 mil-

said that for early August, Ohio reported the biggest jump in jobless claims, and blamed its 3,600 increase on lay off in & transportation equipment.

WASHINGTON, Aug 23: A World Bank affiliate will invest 16.6 million Dollars to expand the fleet of Varun Shipping Co.

Friday, reports AP. The investment includes a 15.5 million Dollars loan and a 1.6 million Dollars investment in the company's bonds, said the announcement of the

It said Varun's expansion programme includes acquisition in the coming year of four modern, fuel-efficient ships -two tankers and two bulk carriers — to increase Varun's

The ships would be used for international and coastal transport of coal and petr-oleum

products. IFC said the investment

would help boost India's seaborne trade. It noted that since 1959 it has invested about 1 billion Dollars in 57 companies operating in India, involving industries such as shipping, iron and steel, chemicals, fertilizers, building, industrial equipment and manufacturing.

get \$4b IMF loan by September

is expected to get four billion Dollars of a six billion Dollars of a six billion Dollar International Monetary Fund (IMF) loan by mid-September, the Press Trust of India (PTI) news agency said on Thursday, reports Reuter.

India Governor S. Venkitaramanan as saying talks with the IMF had been "fruitful" and the remaining two billion Dollars would follow

Venkitaramanan told a meeting of the Indian Chambers of Commerce in the eastern city of Calcutta the IMF had taken note of India's difficulties and the structural reforms it had recently an-

age a quick transition, along nounced, PTI said. It quoted Venkitaramanan saying the loan was necessary to re-establish the country's credibility to other nations as well as the international bank-

World markets back to normalcy Trading was thin across the 19.69 Dollars a Barrel.

LONDON, Aug 23: Europe's financial markets returned to board. business as usual, with the Dollar and share prices moving back to where they were before the abortive 60-hour coup against Soviet President Mikhail Gorbachev, reports Reuter.

Share prices recouped all of the last three days' losses, while the dollar, which had already dropped back to last week's levels on Wednesday, traded quietly.

Traders said would be wary of jumping to any hasty conclu-

"I don't think people will take up any new positions now until it's absolutely clear that Gorbachev is firmly in control, one Frankfurt foreign exchange dealer said.

BEIJING, Aug 23 : China

will not restrict foreign in-

vestment even though it is

harming state industry, the

Trade Ministry spokesman

said in an interview published

Fears that China would cut

back foreign investment to

protect state-owned firms

were "absolutely groundless,"

spokesman Liu Xiang Dong

said, adding that the authori-

ties would continue to respect

laws passed to encourage in-

here recently said that Beijing

was moving to protect the

Some western businessmen

vestment.

here yesterday, reports AFP.

The Dollar, which jumped seven Pfennigs after Gorbachev was ousted by hardliners on Monday, drifted just under 1.75 Marks and around 136.70 Yen, roughly where it stood at the end of last week.

It had closed in Europe on Wednesday, the day the coup collapsed, at 1.7577 Marks and 136.65 Yen and moved little overnight in Asia and the United States.

Gold was up around a Dollar from Wednesday at 357.25 Dollars an Ounce, and oil, which had jumped more than two Dollars during the crisis, were stable again.

The October futures contract for brunt blend crude traded five Cents higher at

China to protect foreign firms domestic market from foreign

> "But we believe that protecting state-owned enterprises is for development, not for protecting backwardness,"

Lexis which is produced by | inefficient state sector from "This is an important aim of "The entry of goods into the Liu added.

He said competition from foreign-funded firms would allow state industry to "recognize its shortcomings" and use the information to improve management, enhance technology and rectify product

absorbing foreign investment,"

nance minister of the Russian

Federation who now works for

the European Bank for

invested firms has indeed increased pressure on some state-owned enterprises," The People's Daily quoted Liu as

Liu said.

structure.

the implementation of a wage ceiling in foreign firm in March was an attempt to keep them from luring the best employees away from state industry, more than 40 per cent of which are losing money. They also interpreted re-

cent statements by China's Trade Minister, Li Langing, to mean that the government intended to limit the growth of foreign ventures to reduce pressure on state firms. But Liu said that more than

5,000 foreign projects with a total investment of 4.55 billion Yuan (850 million Dollars) were approved in the first half of the year, increases of 80 per cent 93 per cent respectively.

consumer economy, said Paul

Whitwam, President of the

British Computer Company ICL

International, which operates

To help make the ruble

convertible, the Soviet Union

must begin producing goods

that the West will want to buy,

publics should act to encour-

He also said the Soviet re

in the Soviet Union.

Price said.

month.

Gorbachev has opportunity to accelerate reform LONDON, Aug 23: Mikhail Executive Director of the A gradual approach pro-But its economic output is redirecting resources to the Boris Fyodorov, a former fi-

archrival Toyota Motor Corp, | foreign funded companies.

Gorbachev has an opportunity to move rapidly to accelerate economic reform and attract Western aid, but his government needs to agree on an economic plan and remain committed to it, experts said Thursday, reports AP.

The view from the West is that quick, definite steps are required: introducing free prices, privatizing state-owned industries, making the ruble convertible into foreign currencies.

"They've had dozens of plans in the past. The problem is that nobody has taken the plans seriously. They've been squabbling about it and they've fallen out," said Michael Hall,

British Soviet Chamber of Commerce.

They have to look at the alternatives, agree on a plan for rapid movement and stick to

The hardliners' failure to oust Gorbachev effectively got rid of the obstacles to sweeping reform, and the crowds were on the side of perestroika, they said. Keith Skeoch, chief

economist with the London investment firm James Capel and Co, said: "Your now have a pretty good chance that people will take the pain of reform. They recognize they have to go through this to get to the other side.

longs the pain and dilutes the improvements, Skeoch said. A "Big Bang" approach, as

adopted by Poland and East Germany, however, is fraught with the danger of high unemployment and civil unrest and a return to a centrally planned economy, Skeoch said.

"Because of the poor state of the economic infrastructure and the incfficiencies within the system, you initially get a recession. It gets a lot worse before it gets better, " Skeoch

The Soviet Union is a rich country with massive natural resources and a potentially lucrative market of 280 million people.

falling. Inflation is rising. Food can't get from the fields to the store shelves. David Price, a London-based

Soviet expert with the accounting firm Ernst and Young, advocated that the Soviet Union adopt a 500-day plan worked out by Grigory Yavlinsky, a young Soviet economist. This so-called " grand bar-

this year with Harvard University experts, hasn't been endorsed by Gorbachev. The plan would link Western aid to Soviet reform, a notion which some Western

nations reject.

gain", which Yavlinsky devel-

oped a year ago and revised

Development, supports a link between aid and "concrete economic reform. "The economic system doesn't exist which can pro-

Reconstruction

cess these billions of Dollars," Fyodorov said. Yavlinsky's plan calls for a phased transformation: it would stabilize the economy with a tight grip on monetary and fiscal policy, privatize in-

convertible. What is crucial is reducing the Soviet Union's massive military spending and

dustries and make the ruble

venture.

One is a foreign investment law which allows investors to own up to 100 per cent of a

ing community.

for unemployment benefits, a significant increase over the previous week's mark of 408,000, the Labour Department said. Analysts, who had been expecting only a slight increase, said the early August spurt may be a sign of a sputtering

"It's an indication that the

"We had a start of recovery

Wyss noted.

Generally, analysts look for a three-or four-week move-

the economy, and this could be

there were about 3.3 million Americans actually receiving unemployment benefits, a slight increase of 6,000 from

The Labour Department

WB affiliate announces loan to Indian shipping co

Ltd. of India, the bank said

International Finance Co. which finances private business in developing countries.

deadweight tonnage from 87,000 to about 214,000.

India likely to NEW DELHI, Aug 23: India

PTI quoted Reserve Bank of

the lines of two laws passed by the Russian Federation last