

### Russian Federation ready to share Soviet's external debt

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.

"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."

"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 debt.

### Thai Airways to launch flights to Taipei

BANGKOK, Aug 23: Thai Airways International (THAI) will launch flights later this year between Taipei and the northern Thai city of Chiang Mai in a bid to promote foreign tourism, an airline spokesman said here yesterday, reports AFP.

That will from October 29 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 Saturday.

But it return flights which 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 northern Thailand, he said.

Currently, foreign tourists who wish to see Chiang Mai and nearby northern provinces have to travel to Bangkok and take a domestic flight from there.

### Official to seek postponement of BCCHK liquidation

HONG KONG, Aug 23: The liquidator of the Bank of Credit and Commerce Hong Kong Ltd. announced Thursday that he would ask the High Court to adjourn hearings on the liquidation of the bank in order to negotiate its possible sale, reports AP.

Noel Gleeson, the government-appointed liquidator, said he would present an application to the court on Tuesday for a two-month adjournment.

This two-month period would give me time to negotiate and, if possible, finalize arrangement for the takeover of the bank, Gleeson said in a statement.

The government decided to liquidate BCCHK following the collapse of the bank's international operations on July 5.

The majority owner of the Bank of Credit and Commerce International is the Abu Dhabi government.

### BCCI may ask Bank of China to buy Pak branches

KARACHI, Aug 23: The Bank of Credit and Commerce International (BCCI) may ask the Bank of China (BOC) to buy into its Pakistan operation to rescue it from possible liquidation, the Associated Press of Pakistan (APP) said yesterday, reports AFP.

Quoting unspecified banking sources, the official agency said employees and customers of BCCI Pakistan might consider inviting the BOC to be equity partner in a proposed takeover.

About 1,000 BCCI employees last week offered to acquire control of BCCI's three branches in Pakistan in a management-customer buy-out.

The Pakistani central bank has exonerated BCCI Pakistan of allegations of fraud, money-laundering and other malpractices.

### Britain's trade deficit 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 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 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 million Pounds.

Analysts had expected the deterioration in Britain's visible trade position to take the deficit to 700 million Pounds.

### \$52m ADB loan to Pakistan

MANILA, Aug 23 The Asian Development Bank has approved a 52 million Dollar loan to develop Pakistan's oil and gas fields, the bank said in a statement here yesterday, reports AFP.

The project is to produce 48 million barrels of oil and condensate and 57 billion cubic feet (1.7 billion cubic meters) of gas, and it should save Pakistan 47 million Dollars annually in oil imports, it said.

The loan is earmarked for 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 determined.

ADB loan for fishery project in Indonesia

MANILA, Aug 23: The Asian Development Bank (ADB) yesterday approved a 100 million-Dollar loan to Indonesia to finance a fisheries development project, the Philippines-based bank said in a statement, reports AFP.

The state commercial banks Bank Bumi Daya, Bank Dagang Negara, Bank Negara Indonesia, and Bank Rakyat Indonesia, along with the private institutions Bank Bali and Bank Niaga, will be allotted funds to lend to sub-borrowers in the fisheries sector.

The loan is repayable in 15 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 in the second semester.

The loan comes with a technical assistance grant of 380,000 Dollars to strengthen the fisheries term lending capabilities of the six banks, and a grant of 512,000 Dollars to study the potential of the project in eastern Indonesia, the statement said.

### Nissan launches new luxury car

TOKYO, Aug 23: Japan's Nissan Motor Co Ltd launched a new version of its best-selling luxury car, the CIMA, and announced a monthly sales target of 4,000 units a month, reports AFP.

The new model, which 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 averaged around 3,000 units a month but have since fallen to around 2,000 units, a company spokesman said.

The launch may help offset slow sales of the Infinity, another luxury model made by Nissan which has performed poorly in comparison with the Lexus which is produced by archrival Toyota Motor Corp, industry sources said.



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

### Singapore urges ASEAN to cooperate on energy

SINGAPORE, Aug 23: Singapore on Thursday urged Association for Southeast Asian Nations (ASEAN) to boost their economic cooperation, especially in the energy sector, reports AFP.

One promising area for increased economic cooperation among ASEAN members is in energy since supplies of energy at competitive prices are vital to the economic vitality of all nations.

Deputy Prime Minister Lee Hsien 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.

### World markets back to normalcy

LONDON, Aug 23: Europe's financial markets returned to 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 conclusions.

"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.

### WB affiliate announces loan to Indian shipping co

WASHINGTON, Aug 23: A World Bank affiliate will invest 16.6 million Dollars to expand the fleet of Varun Shipping Co. Ltd. of India, the bank said 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 International Finance Co, which finances private business in developing countries.

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

### China to protect foreign firms

BEIJING, Aug 23: China will not restrict foreign investment even though it is harming state industry, the Trade Ministry spokesman said in an interview published here yesterday, reports AFP.

Fears that China would cut back foreign investment to protect state-owned firms were "absolutely groundless," spokesman Liu Xiang Dong said, adding that the authorities would continue to respect laws passed to encourage investment.

Some western businessmen here recently said that Beijing was moving to protect the inefficient state sector from foreign funded companies.

The entry of goods into the domestic market from foreign invested firms has indeed increased pressure on some state-owned enterprises," The People's Daily quoted Liu as saying.

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

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 structure.

"This is an important aim of absorbing foreign investment," Liu added.

### India likely to get \$4b IMF loan by September

NEW DELHI, Aug 23: India 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.

PTI quoted Reserve Bank of India Governor S. Venkataramanan as saying talks with the IMF had been "fruitful" and the remaining two billion Dollars would follow soon.

Venkataramanan 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 announced, PTI said.

It quoted Venkataramanan saying the loan was necessary to re-establish the country's credibility to other nations as well as the international banking community.

Western businessmen said 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 recent statements by China's Trade Minister, Li Lanqing, 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.

# 'Gorbachev has opportunity to accelerate reform'

LONDON, Aug 23: Mikhail 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.

Executive Director of the British Soviet Chamber of Commerce, Keith Skeoch, said they have to look at the alternatives, agree on a plan for rapid movement and stick to it.

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

Keith Skeoch, chief economist with the London investment firm James Capel and Co, said: "You 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.

A gradual approach prolongs 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.

But its economic output is 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.

### 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 for unemployment benefits, a significant increase over the previous week's mark of 408,000, the Labor Department said.

Analysts, who had been expecting only a slight increase, said the early August spurt may be a sign of a sputtering economic recovery.

"It's an indication that the labor markets have stalled," said David Wyss of the forecasting firm DRU-McGraw Hill.

"We had a start of recovery 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 fluctuating between 400,000 and 430,000, Wyss noted.

Though disturbed by the latest jump in the jobless claims number, analysts also hesitated to read too much into the report, noting that the number can be extremely erratic from week to week.

Generally, analysts look for a three- or four-week movement in one direction or the other for a better look at how lay offs are hitting American workers.

"I'm still concerned about the economy, and this could be 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, there were about 3.3 million Americans actually receiving unemployment benefits, a slight increase of 6,000 from the previous week.

The nation's unemployment rate in July was 6.8 per cent and the ranks of the jobless numbered about 8.5 million.

The Labor Department 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.

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

The ships would be used for international and coastal transport of coal and petroleum 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.

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