Investors celebrate Gorbachev's return

NEW YORK, Aug 22 : US stocks soared and the Dollar tumbled on Wednesday as the coup to oust Soviet President Mikhail Gorbachev fell apart, reports Reuter.

Wall Street investors celebrated by pushing the Dow Jones industrial average to its biggest one-day gain since the Gulf war started in January.

The 30-share Dow jumped 88.10 points to 3,001.79, more than reversing its loss of nearly 70 points on Monday. when the Communist hardliners' bid to topple Gorbachev unnerved investors around the world.

On January 17 the index gained 114,60 points on optimism the Gulf war would end with a quick allied victory.

After news early in the session that the Soviet Defence

Japanese business leaders welcome collapse of coup

TOKYO, Aug 22 : Japanese business leaders here welcomed the collapse of the Soviet Communist hardliners' coup attempt against Soviet President Mikhail Gorbachev, reports AFP.

Gaishi Hiraiwa, Chairman of Japan's most powerful economic group Keidanren (the Federation of Economic Organizations), said 'The event ended in the best way and Japan Soviet relations would return to pre-coup d'etat normaley."

Masaru Hayami, Chairman of the Japan Association of Corporate Executives, said the Soviet central authorities would need to quickly sign a Union Treaty in order to normalize bilateralties with its Republics.

But some officials at major trading houses pointed to uncertainty over Soviet arrears in import payments to Japanese traders and future prospects of a new Soviet Union Treaty originally scheduled for signing Tuesday.

They said the political crisis resulted in greater distrust of the Soviet Union among Japanese companies.

Jun Yoshikawa, Chief of the Economic Planning Agency's Research Institute, said the expected confusion resulting form the coup would be unlikely to harm the Japanese economy Bilateral trade ac counts for only 1.1 per cent of

India further revises Rupee

BOMBAY, Aug 22 : The Reserve Bank of India (RBI) today announced a further sharp downward revision of the Rupee by 1.95 per cent in relation to the Pound Starling. making the British Unit costlier by another eighty five paisa, reports PTI.

The new middle rate now works out to Rs 43.50 per sterling as against Rs 42.65 previously.

The new buying and selling rates for spot delivery are 2.3046 and 2.2932 Sterling per Rs 100, corresponding to Rs 43.39 and Rs 43.61 per sterling respectively. The Rupee was depreciated

by 0.70 per cent yesterday.

Srilanka's tea prices up

COLOMBO, Aug 22 : Prices rose on good demand for the million Kilogrammes (13.64 million Pounds) of tea offered at this week's tea auction here following heavy bidding by Iran and Libya, brokers said Thursday, reports AFP.

Select best teas fetched high prices as buyers feared the end of the the quality season because of erratic weather in tea-growing areas, brokers said adding however that poor teas continued to attract lower prices.

UK, N. Ireland to ratify international jute agreement

United Kingdom and Northern Ireland have provisionally applied the International Agreement on Jute and Jute Products, 1989, as a step towards ratification of the agreement, reports UNB.

A press release of the International Jute Organisation (IJO) said here today the UK had earlier signed the agreement which came into force

provisionally on April 12 last. The IJO currently has 22 members of which three are exporting and 19 importing countries.

The exporting countries are Bangladesh, China and India. The importing member countries are Belgium, Denmark, Egypt, Finland, France, Germany, Greece, Indonesia, Ireland, Japan, Luxembourg, the Natherland, Norway, Pakistan, Spain, Sweden Switzerland, UK and USA.

Ministry had ordered troops to withdraw from Moscow, stocks started rising and never looked back. Late in the day the Tass news agency said the Soviet Parliament had reinstated Gorbachev.

In currency markets, the Dollar, which rose heavily on Monday as investors sought a safe heaven for their money. fell steeply against the German

The Dollar slid more than five Pfennings to 1.7405 Marks, off from 1.7955 Marks on Tuesday against the Japanese Yen the Dollar dipped to 136.50 Yen from 137.10 on Tuesday.

Reuter reports from Tokyo: Far East Stock markets today celebrated the news that the Soviet hardline coup had collapsed, with shares rapidly making up much of the ground lost since the crisis began on Monday.

Markets from Tokyo to Taipei, Singapore to Sydney, posted big gains from the start of trading, though domestic

worries cooled off the Tokyo surge in late morning. Hong Kong too saw a slight cooling after hitting an intra-day record high early on.

"The prices are simply sky-

rocketing," a Singapore broker There was much less exeitement on the foreign ex-

change markets. The Dollar

was little changed in thin Asian trade after early gains. With the Soviet crisis fading as a trading factor, dealers said, the Asian market was losing direction. The Dollar at mid-day was trading at around 136.60 Japanese Yen and 1.7412 German Marks after

closing in New York at 136.50 and 1.7408. On Thursday the 225-share Nikkei average soared to a gain of 631.80 points or 2.87 per cent in mid-session, before falling back to finish the morning up 533.85 points or

2.42 per cent at 22.585.45. There was some disappointment that the Nikkei failed to recover its level of

around 23,000 prior to the coup attempt.

In Hong Kong, share prices spiralled upwards from the start of trading on the news from Moscow, sending the Blue Chip Hang Seng index to 4,094.72, a record intra-day high only for selling to emerge to pull it back down a bit.

Singapore share prices soared from the off, with the Straits Times Industrial Index jumping 62.96 points or 4.7 per cent to 1,408.41 in the first 30 minutes of trading.

There was similar euphorias in Taiwan, where share prices soared across the board in early active trade. Further South the

Australian and New Zealand share markets also opened sharply higher on news, the Soviet coup was over. Brokers in Sydney said the

market tracked overseas performances overnight with strong gains in the industrial sector which was hardest hit on Monday by the political turmoil in the Soviet Union.



State Minister for Civil Aviation and Tourism Abdul Mannan alongwith other high officials offering munajat after unveiling the plaque of Cargo Export Centre of Biman at ZIA Thursday.

West cautious about economic aid to USSR

LONDON, Aug 22: Western leaders were adamant and unanimous in seeking Mikhail Gorbachev's return to power, and now they face new decisions about how to help the Soviet Union reform, reports

"We ought to try with every means to help the Soviet economy to transform itself as rapidly as possible into a market economy," Italy's Budget Minister, Paalo Cirino Pomincino, said Wednesday.

But, said U.S. President Bush, "certain things have to happen before you send

The argument about which comes first-aid or reformpreoccupied leaders of the big industrial democracies just a month ago in London at the Group of Seven summit. Bush's view prevailed. Gorbachev returned home with promises of support and advice, and associate status in the International Monetary Fund, but no large-scale financial assistance.

The Soviet President now returns to Moscow beholden to his frequent rival, Russian President Boris Yeltsin, and the radical forces he leaders. But Gorbachev may also now feel no need to compromise with the Communist Party hard-liners who resisted his reform policies of perestrotka and glasnost.

"Gorbachev has no reason now to be compromise-prone, as he used to be, because the whole horde of hard-liners just disappears. They will be removed from power, thousands and thousands of people," said Boris Fyodorov, who resigned as Russian Finance Minister in

December expressing impatience with the pace of reform He is now with the European Bank

Reconstruction Development in London. British Prime Minister John Major said, "There may be many things that we will be prepared to do in the months

But nobody should run away with the belief that simply the provision of cash from the Western nations is going to solve the economic problems and bring about the changes that are necessary in the Soviet Union," Major said in an interview with BBC television.

Not all the problems are in the Soviet Union, said Jogn Young, lecturer International History at the London School of Economics.

Oil prices course reversed

NEW YORK, Aug 22: prices plunged Wednesday as the Soviet coup failed and fears of a disruption of exports from the world's largest petroleum producer subsided, reports AP.

Light sweet crude oil for delivery in October settled at 21.55 Dollars per Barrel, down 85 Cents, at the New York Mercantile Exchange. In London, North Sea Brent Blend crude oil for delivery in October settled at 19.64 Dollars per Barrel, down 1.01 Dollars at the International Petroleum Exchange.

The drop was as swift and steep as oil's panicky rally had been on Monday, when Soviet President Mikhail S. Gorbachev was ousted. The price of crude landed about where it was before the crisis began.

"The market had obviously risen sharply on fears there could be a supply cutoff, and

HANOI, Aug 22: The US

The capital's official news-

Dollar hit the symbolic level of

10,000 Dong yesterday amid

galloping inflation and a yawn-

ing Vietnamese budget deficit,

paper, Hanoi Moi, reported

that the market rate of the

Dollar was 9,970 to 10,000

Dong, though state-run banks

were offering just 9,200 Dong

Dollar on the black market at

the start of this year, and

9,200 one month ago. The

Dong's 40 per cent drop since

January compares with a 60

per cent devaluation during all

pace with prices, which have

risen about 40 per cent since

the start of the year, according

to a foreign economist here.

The Dollar's climb has kept

It took 7,000 Dong to buy a

reports AFP.

for one Dollar.

of 1990.

with the coup evaporating, so the fears and so did prices," said Andrew Lebow, an oil analyst with E. D. and F. Man International Futures Inc.

For three days, the market behaved as wildly as it had a year earlier in the wake of Iraq's invasion of Kuwait. But this crisis appeared to have ended much more quickly and traders said the jolt to the market was less severe.

"After last fall, people kind of knew what to expect," said Victor Yu, Vice President of Futures at Refco Inc. "The emotional factor I don't think was as strong, even though there was headline trading."

During the Gulf crisis, traders were worried about combat damaging vital Saudi oil facilities. That would have had a more devastating effect on the global supply stream, because the Saudis export far more crude than the Soviets.

The Dong, which is allowed

to float freely in line with

market rates was worth about

4,300 to one Dollar in mid-

1989, before prices resumed a

steep upward climb begun in

deficits have been key contrib-

utors to the Dong's fall, the

on Dong savings accounts also

encourage the flight to the

Dollars, said one young

Vietnamesc. If you keep piles

of Dong at home, your savings

might be worth half as much

duce its aid and end barter

trading at the start of this year

has amplified the problem,

Moscow's decision to re-

by the end of the month.

Official estimates of inflation since Vietnam now needs to start of the year.

Vietnam's chronic budget

Relatively low interest rates

keep my savings in

are slightly lower.

economist said.

greenback, he added.

Wednesday, prices of refined petroleum products also retreated from their sharp rises earlier in the week.

Home heating oil for delivery in September settled at 61.80 Cents a gallon, down 4.52 Cents. Unleaded gasoline for delivery in September settled at 67.93 Cents a gallon, down 1.14 Cents.

biggest move down, because it had the farthest to fall after posting the largest gains earlier. The Soviet Union is a major supplier of gas oil, the European equivalent of oil used to heat residences, and any supply problems would have caused sharp price rises as the cold season draws near.

Natural Gas futures finished mostly higher, with contracts for delivery in September settling at 1.312 Dollars per 1,000 cubic feet, up 1.9 Cents. Dollar all-time high in Vietnam

While oil fell back

Heating oil made the

use hard currency to buy

essential products such as fer-

concessionary terms.

tilizers previously received on

Rampant smuggling across

Since the largest note in

the border with China also

monopolizes convertible cur-

existence is 5,000 Dong, or 50

U.S. cents, resident of

Vietnam must carry thick wads

item, such as one of the popu-

lar 70cc Honda motorbikes

that retail for about 15 million

Dong (1,500 Dollars), would

take a pile of bills at least 30

"It blows my mind, said,

one trendy young black market

money changer, commenting

on the Dong's fall since the

Centimeters (one feet) high.

Buying a costly consumer

of bills to the marketplace.

Japanese envoy leaves for Europe to seek urgent G-7 meet

TOKYO, Aug 22 : Japan's Deputy Foreign Minister Koji Watanabe was to leave for Europe and Washington Wednesday to arrange an urgent meeting of the Group of Seven (Q-7) industrial countries a Foreign Ministry officials said, reports AFP.

It is extremely important that there would be a dialogue and policy coordination among the G-7 nations "the official said referring to the deepening crisis in the Soviet Union following President Mikhail Gorbachev's ouster.

Watanabe is to visit London boon and the European Community headquarters in Brussels before travelling to Washington, the official said.

Japan is emphasizing the visit to London as Britain currently chairs the G-7 which also includes Germany, France, Italy, the United States and Canada. The G-7 leaders all met with Gorbachev at their summit in London last month.

Pakistan to build dual lane highway

ISLAMABAD, Aug 22 Pakistan is to build a 280 Kilometer (175 mile) dual lane highway between Rawalpindi. near here, and the border city of Lahore with World Bank assistance, a Federal Minister said yesterday, reports AFP.

The World Bank will finance 70 per cent of the project whose total cost is estimated at about 32 million Dollars, the official Associated Press of Pakistan quoted Communications Minister Ghulam Murtaza Jatoi as say

Work on the project will start next month' he said. adding that an internationally reputed firm had been awarded the contract. He did not name the firm.

Lahore, Pakistan's second largest city close to the border with India, is currently linked to Rawalpindi and Islamabad by a single lane road.

\$4.1m Japanese aid to Nepal

KATMANDU, Aug 22 : Japan on Thursday agreed to provide financial assistance worth 5.6 billion Yen (41 million dollars) for various developmental projects in Nepal, a government statement said.

The aid covers seven projects, including expansion of the Japanese-built Tribhuvan University, rural telecommunications network to connect remote areas and supply of safe drinking water in towns.

An agreement for the aid was signed Thursday by Japanese Ambassador Chuichi Ito and Joint Secretary at the Ministry of Finance Thakur

Top ten billionaires getting richer NEW YORK, Aug 22: The Second on the list was American Sam Walton, who

world's Billionaires are getting richer and there more of them in 1991, Fortune Magazine said on Wednesday, although two dozen names have dropped from its list since last year, reports Reuter. In its September 9 issue.

due on US newsstands on Monday, the US business magazine said 2.2 people were worth one billion Dollars or more in 1991, up from 182 in Their average net worth

grew to 2.7 billion Dollars, or 100 million Dollars more than last year. The list includes 13 women and an eight-year-old The Sultan of Brunei re-

termined. mains the world's richest man at 31 billion Dollars the value of his oil, real estate and other investments. Last year he was

owns 39 per cent of Wal-Mart Stores Inc, the biggest U S retailer, helping to make him worth 21.1 billion Dollars. Walton benefited from a 31 per cent rise in Wal-Mart's stock Sam's daughter, Alice, is

among the 13 billionaires. Shetkh Jaber Ahmed Al-Sabah, whose country of Kuwait was invaded by Iraq and later liberated by allied forces, disappeared from the list. Fortune said the value of his assets since the war was unde-

The youngest billionaire is eight-year-old Prince Albert Von Thurn Und Taxis, who came into a 1.8 billion Dollar fortune when his father. worth a more 25 billion Prince Johannes of Germany.

Japan to resume aid to Soviet Union

TOKYO, Aug 22 : Japan will soon lift its suspension of aid to the Soviet Union following the failure of the coup attempt in Moscow, Chief Cabinet Secretary Misoji Sakamoto said today, reports AFP.

Sakamoto, the government's official spokesman said Japan would resume its technical and humanitarian assistance as soon as the state of emergency in the country was revoked and peace restored. Prime Minister Toshiki

Kaifu suspended aid to the Soviet Union Tuesday. The assistance includes a 100 million Dollar loan through the Export Import Bank of Japan to buy food plus various technical programmes including the exchange of 300 experts to promote Soviet economic reforms.

AFP says in an earlier report The Bank of Japan began emergency hearings to hear from major Japanese corporations what effects the Soviet crisis could have on them, Jill press reported.

JIJI said the Central Bank took the action because it was worried that capital market instability brought on by the Soviet crisis might adversely affect the Japanese economy which appears to be slowing

It said the bank's monthly economic report for August, to be published in September, would not include data on the Soviet crisis which began only Monday. However, JiJl said. the bank intended to include results from the hearings in the report.

JiJi also said bank officials thought it necessary to know what psychological effects the Soviet crisis would have on the major corporations

US budget deficit soares higher

WASHINGTON, Aug 22 : The gap between the US Government's spending and its income soared to 40.8 billion Dollars in July from 2.5 billion Dollars in June, the treasury department said Wednesday, reports Reuter.

The monthly deficit last month was 57 per cent higher. than in July, 1990, when it was 25.9 billion Dollars.

Total spending in July by all US government departments was 119,4 billion Dollars, while receipts, primarily from taxation, were 78.6 billion Dollars.

The government's deficit has been swelling steadily be-I resulting from the recession lion Dollars in fiscal 1992.

that began in mid-1990. Any hope of Balancing it in the early 1990s, as once was the goal, is now gone.

The government's spending deficit for the first 10 months of fiscal 1991 that ends on September 30 has reached 218.3 billion Dollars. That is up 16 per cent from 188.5 billion in the comparable 10 months of fiscal 1990.

The deficit for all of fiscal 1990 that ended on last September 30 was 220.5 billion Dollars. That figure is forecast by the US Congressional Budget Office to grow to a record 279 billion Dollars for all of fiscal 1991 cause of a drop in tax revenues and then to balloon to 362 bil

World Bank praises Indian economic reform the International Monetary

WASHINGTON, Aug 22: India's new government is addressing its economic crisis swiftly and resolutely, justifying support from foreign governments and lending institutions, the World Bank's Vice President for Asia said, reports

Back from New Delhi visit, President Attila Karaosmanoglu told reporters he was "glad to see that the government has not wasted any time in addressing the serious crisis" that Prime Minister P.V Narasimha Rao inherited when he took power two months ago.

Karaosmanoglu said he was encouraged in talks with offiand Indian business

leaders to find that Rao and Finance Minister Manmohan Singh had made a significant reduction of controls" on private and foreign investment.

Bank experts "feel the government will now be capable of getting the severe economic situation under control," he told a Wednesday news briefing. He said this raises prospects for easing the imbalance in India's foreign payments at an upcoming meeting in Paris of creditor and donor nations sponsored by the Bank. He said he hopes donors will pledge at least as much as

last year's 6.1 billion Dollars in multilateral and direct credit and aid. A delegation from the World Bank's sister lending agency.

Fund, has also been in India and is "coming to a very successful conclusion" on a loan to India, he added. Monetary reforms sought by

the international lending institutions are being put in place for final adjustment in October or November, he said. While India has the advan-

tage of a relatively low inflation rate and strong credit, a major trade liberalization problem will be reducing tariffs that have been a major source of Indian government revenue, he said. Reuter adds: The World

Bank wants aid donors to back economically hard-pressed India with at least as much

money in 1991/92 as the 6.1 billion Dollars pledged last year and may request about 10 per cent more for 1992/93, Karaosmanglu said. Bank Vice President

praised India for taking tough economic reforms and voiced optimism that it had weathered a financial crisis that some feared might force it to default on its 70 billion Dollars in foreign debt. "I was very happy to see

that the (Indian) government did not waste any time in addressing some rather pressing problems, Karaosmanoglu told reporters after returning from a visit to India, Bangladesh and

He said the bank itself plans to increase its lending to India

in the year ending next June 30 to about three billion Dollars from 2.05 billion Dollars in the last fiscal year.

lift hard by the financial fallout from the Gulf crisis and a disruption in its trade with the Soviet Union, India faced a financing squeeze earlier this year and was forced to pledge some of its gold as collateral for short-term emergency

But the government of Prime Minister Narasimha Rao has attacked its economic problems head-on, devaluing its currency, raising interest rates and cutting subsidies.

Given those actions, Kraosmanoglu voiced optimism that India will be able to

International Monetary Fund on how to reform its statedominated economy. Karaosmanoglu said the

strike a deal with the

World Bank will ask aid donors at a meeting in Parts on September 19 and 20 to try to speed up their assistance to India in 1991/92.

The donors' meeting, which normally takes place around June, was delayed this year by the economic crisis in India and by the assassination of Rajiv Gandhi.

Representatives from bilateral donors, such as the United States and Japan, and from international organisations, like the World Bank the IMF, usually attend.

Biman's export cargo centre at ZIA inaugurated Civil Aviation and Tourism

State Minister Abdul Mannan Thursday called upon the officials to make Biman a truly service-oriented and commercially viable organisation, reports UNB.

He was inaugurating the newly set up export cargo centre at Zia International Airport (ZIA) on Thursday.

Chaired by Biman's Managing Director Muffazzel Karim, the inaugural ceremony was also addressed by Heshamuddin Ahmed, Civil and Tourism Aviation Secretary and Air Commodore Azharul Haq, Chairman, Civil Aviation Authority. The Minister said we have

to be sincere and dedicated in discharging our responsibilities. He called upon the Biman officials to be above all irregularities and mismanagement for the greater national inter-Referring to the new bag-

democratic government will extend more facilities to the exporters. Heshamuddin Ahmed said the export cargo centre having a bigger storage capacity would

gage handling system, the

minister assured that the new

help boost country's exports. Muffazzel Karim thanked the Civil Aviation Authority for extending support in setting up of the new export cargo centre. The centre, costing about 2

crore Taka with 25317 square

feet covered area and 10218

square fect open space is expected to serve as the hub of Biman's international air freight movement. Earlier, both import and export air freights were handied from a common premises

which has now been converted into import air freight centre. Australia restores

credit to USSR

CANBERRA, Aug 22

Australia has restored a 500 million Dollar (390 million US Dollar) line of credit to the Soviet Union, Prime Minister Bob Hawke said today, reports Reuter. "With the defeat of the

coup, I have given directions to cancel all measures we took to put cooperation with the Soviet government on hold," Hawke told parliament. Australia suspended the line

of credit carlier this week, as well as a training scheme for Soviet managers in protest against the overthrow of President Mikhail Gorbachev. Of the credit extended to

the Soviet Union last year, 400 million dollars (312 million US Dollar) was for wool, the remainder for wheat and other commodities. We rejoice at the restora-

tion of President Gorbachev and at the promise which that victory holds for future reform in the Soviet Union and for further International cooperation," Hawke said. Foreign Affairs Minister Garcth Evens carlier told re-

porters he expected the coup's

failure to further push for greater freedom in the Soviet "It will mean renewed momentum in favour of the breakup of the Soviet Union into its

constituent Republics," Evans The reaction of the Soviet people showed how out of touch the coup leaders were, he said.

Japanese company suspends LCD export to US

TOKYO, Aug 22: Japan's Hosiden Corp. said Wednesday it had suspended computer Screen Exports to the United States to avoid duties for selling Liquid Crystal Displays (LCDs) at unfairly low prices, reports AFP.

An Osaka-based company spokesman said the U. S. International Trade Commission (ITC) last Wednesday imposed antidumping duties on Hosiden and other Japanese flat-panel display manufactures following a U. S. Commerce Department finding that the products were sold below foreign market The suspension of the flat-

pannel exports to the United States will not affect our overall worldwide exports. We will just switch export markets to Southeast Asia and Europe, the spokesman said. The flat-pannel displays ex-

ported by Hostden, Sharp

Corp. and other manufacturers are used in a wide range of computers, medical instruments, industrial controls and commercial avionics in these regions, he said. In the first four months of fiscal 1991, Hostden exports

to the United States were valued at 5.8 million to 6.6 million Dollars, the spokesman