

**First Islamic bank soon in Indonesia**

JAKARTA, Aug 28: Indonesian President Suharto Tuesday pledged 3.5 billion Rupiah (1.8 million Dollars) to help set up the country's first Islamic bank which will waive interest charges on loans and deposits, reports AFP.

The fund, interest free and lent for an indefinite time, would be taken from the private fund of the Yayasan Amal Bakti Muslim Pancasila, a Muslim charity foundation chaired by the President, said Hasan Basri, Chairman of the Ulema Council (MUI) which is the bank's main sponsor.

The fund would be used towards providing the new bank, to be called Bank Muamalat Islam Indonesia (BIMI), with the 10 billion Rupiah minimum capital required by banking regulations, Basri said, adding Suharto had also promised to help find the remainder among rich Indonesian Muslims.

**338 oil well fires capped in Kuwait**

KUWAIT, Aug 28: Almost half of the oil wells set ablaze by retreating Iraqi troops during the Gulf war have been extinguished and the 15 firms in charge of operations are capping 80 of them each month, a senior Kuwaiti Oil Official said Tuesday, reports AFP.

Saoud Al-Nashami said that 338 oil wells out of 732 which were set ablaze by the Iraqi troops have been already capped, the official Kuwaiti news agency KUNA quoted him as saying.

He reiterated plans by the government to draw in international companies to pump, filter and recycle crude oil which has formed huge lakes around the oil wells.

Nashami said the authorities expect this way to recover 20,000 barrels of crude oil per day and that the work to clean up the lakes should last three months.

**5,500 gold miners reinstated**

JOHANNESBURG, Aug 28: South African mining house Gold Fields said Tuesday it had reinstated some 5,500 miners sacked last week from its Doornfontein mine west of here, reports AFP.

A dispute between mine management and the National Union of Mineworkers (NUM) had been amicably resolved late Monday night and the mine would be back in full production within days, the company said in a statement.

The miners went on strike last Tuesday after objecting to conditions of a retrenchment package offered them by Gold Fields, which has cut back drastically on operations at Doornfontein in order to keep it profitable.

They also resisted offers of alternative employment at lower grades to avoid retrenchment.

On Friday, Gold Fields issued an ultimatum to the miners to return to work. When this was ignored, they were served with dismissal notices.

**Unemployment rate rises in Taiwan**

TAIWAN, Aug 28: Taiwan's July unemployment rate inched up to 1.82 per cent compared with the 1.37 per cent the previous month, the Council for Economic and Planning Development (CEPD), said Tuesday, reports AFP.

The July unemployment represented a jobless population of 1,58,000 up 34.7 per cent over June's 1,17,000 said the CEPD, the island's top economic planner.

Total work force in July was 8.65 million people, up 1.07 per cent over the previous month, it said, adding that a seasonal surge in the number of job seekers following college graduation was mainly blamed for the unemployment growth.

However, the CEPD said, the construction, manufacturing and textile sectors were suffering from acute labour shortages as job hunters were increasingly unwilling to take blue-collar jobs.

**Dollar rises, gold down**

NEW YORK, Aug 28: The Dollar edged up slightly in New York Tuesday in lackluster trading while gold dipped, reports AFP.

The Dollar traded at 1.7508 German Marks against 1.7480 at Monday's close, and at 136.95 Yen against 136.85. It had opened at 137.05 Yen and 1.75 Marks.

The US currency traded at 5.9435 French Francs against 5.9350 at 0.5953 Pounds Sterling against 0.5949 it dropped against the Swiss Franc closing at 1.5235 against 1.5247.

Gold lost 80 cents to close at 354.40 Dollars an ounce.

The market was hollow and without direction the entire day, largely due to technical factors, said one trader.

**World trade hits record \$6.79 t**

WASHINGTON, Aug 28: World trade climbed to a record 6.79 trillion Dollars last year, up from 5.92 trillion Dollars in 1989, but trade with the Soviet Union dropped and would have fallen further if oil prices had not increased, according to the International Monetary Fund (IMF), reports AFP.

The United States was the leading global trader with 910 billion Dollars in combined exports and imports, a 6.2 per cent increase from 857 billion Dollars in 1989, according to the IMF's 1991 annual directory of trade statistics issued Monday.

The directory deals with sales of goods in 1990. It does not cover the sale of services.

Germany took second place

with 756 billion Dollars in trade, up 24 per cent from the previous year.

Soviet imports plunged to 64.9 billion Dollars in 1990 from 67.7 billion the previous year, while exports slipped to 49.6 billion Dollars from 50.2 billion.

The value of Soviet trade, which had been climbing since 1984, was increasingly based on imports.

The IMF report did not provide an estimate of what prices the Soviet Union or any other producer received for its oil in either 1989 or 1990. The report, however, credited rising oil prices with offsetting the decrease in Soviet trade.

The Soviet Union is the world's biggest oil producer and has been second only to

Saudi Arabia in oil exports. But Soviet oil production dropped to 10.681 million Barrels a day in 1990, down from 11.42 million Barrels a day in the previous year, the US Energy Department said.

Soviet exports to the United States grew to 1.06 billion Dollars, up from 713 million. Soviet imports from the United States, mainly agricultural products, fell to 3.4 billion Dollars from 4.7 billion.

Overall Soviet trade with industrial countries rose sharply.

Germany nearly doubled its exports to the Soviet Union from the year before, to 13 billion Dollars from 6.76 billion.

**\$30m World Bank loan to USSR**

WASHINGTON, Aug 28: The World Bank said on Tuesday that it approved a 30 million-Dollar fund to help the Soviet Union and its Republics overhaul their economy and improve the lot of their people, reports Reuters.

The fund, which falls far short of the billions of Dollars that some analysts say Moscow needs, will be used to pay for advice on everything from privatisation to housing as the Soviet Union shifts its economy from communism to capitalism.

The bank's board had been scheduled to consider establishment of the fund last week, but put off the discussion until Tuesday because of the attempted coup by Soviet hard-liners.

The Trust Fund can make a valuable contribution to the integration of the Soviet Union into the world economy, to the evolution of its economic system and an improved quality of life for the Soviet people," World Bank President Barber Conable said.

The bank said it was ready

to advise the Soviet Union and its republics in a number of areas, including ways to protect vulnerable groups from the pain of economic reforms.

The fund will be financed by money the bank earns on its loans to developing countries.

**Little change in oil prices**

LONDON, Aug 28: Oil prices were little changed on Tuesday as markets settled into quiet trading range ahead of next month's meeting of the Organisation of Petroleum Exporting Countries (OPEC) in Geneva, traders said, reports Reuters.

At 1630 GMT US light crude oil futures for October delivery on the New York Mercantile Exchange were four cents weaker at 21.93 Dollars a Barrel.

In London North Sea Brent crude oil futures for October loadings were up 10 cents at 20.08 Dollars a Barrel, catching up on Monday's gains when the British market was closed

but officials said that contributions from wealthy nations would also be welcomed.

Eveline Herfkens, the Dutch Representative on the bank's board, said her country would be willing to contribute to the fund in coordination with other wealthy nations.

The Soviet Union applied late last month to join both the World Bank and the International Monetary Fund. Membership would allow Moscow to borrow billions of Dollars from the bank and the fund to reform its battered economy.

But the United States and Japan, which together holds way in the two international organisations, have been reluctant to allow the Soviet Union to join.

By allowing bank staff to deal with the Republics as well as the central government, the board gave them flexibility to cope with rapidly changing circumstances in the Soviet Union.

Moldavia on Tuesday joined Republics voting to opt out of the Soviet Union.

**Denmark drafts austerity budget**

COPENHAGEN, Aug 28: Danish Finance Minister Henning Dyrneson on Tuesday unveiled a draft austerity budget for 1992 with a deficit of 30.5 billion Kroner (4.35 billion Dollars) despite cuts of some 7.7 billion Kroner, reports AFP.

But the Minister stressed that the 1992 projected deficit, which is equal to some 3.5 per cent of Gross National Product, is an improvement of five billion Kroner over that of 1991 which according to the latest estimates will total 35.8 billion Kroner.

The government had originally forecast a 1991 budget deficit of 16 billion Kroner.

Total state spending in 1992 including interest on the country's 58 billion Kroner domestic and foreign debt and its contribution to the European Community budget is put at 126.2 billion Kroner (46.8 billion Dollars) with net spending totalling 245 billion Kroner, the same levels as

this year.

But if this ceiling is to be respected it will mean cuts of 7.7 billion Kroner which will be achieved by reductions in unemployment and sickness benefit, early retirements and housing aid.

Prime Minister Poul Schulerer warned that no increase in public spending can

**Kuwait imports 27,000 cars**

DUBAI (United Arab Emirates), Aug 28: Kuwait has imported more than 27,000 cars including 13,111 US made, through neighbouring Dubai in the past four months, a port official said on Tuesday, reports AFP.

Saeed Rashid, Deputy Director of Port Rashid, said 6,125 of the 13,111 US-made vehicles had already been shipped to the war-ravaged Gulf Emirate.

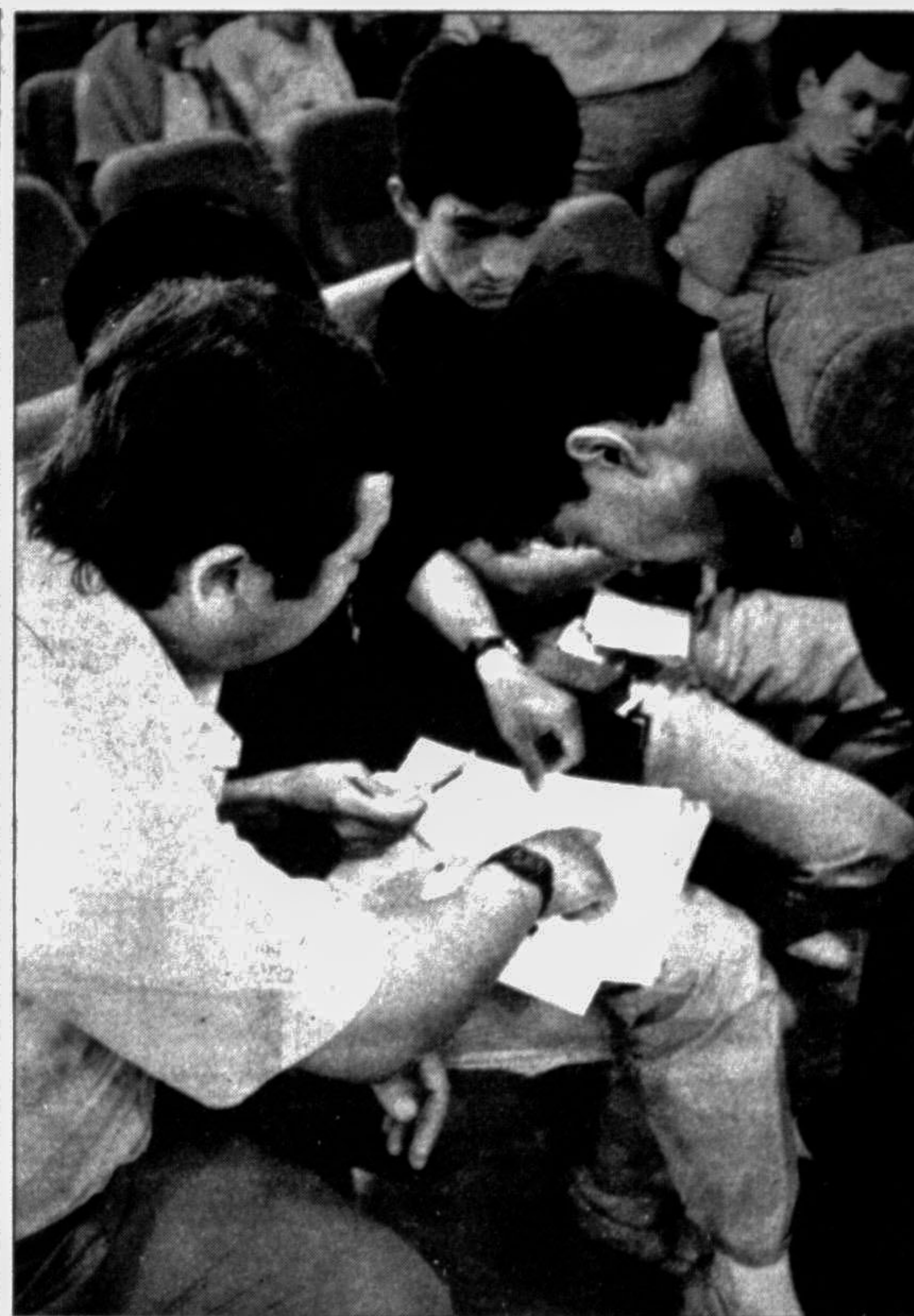
be accepted if it is not financed Kroner for Kroner by real savings.

Total revenue for 1992 is put at 295.7 billion Kroner, 4.7 per cent higher than 1991, with 98.7 billion Kroner coming from income tax and 76.5 billion from Value Added Tax, against 13.5 billion in company taxes.

The Minister stressed that the budget contained many positive elements, pointing to the fact that the country's foreign debt would be reduced by 15 billion Kroner in 1992 to 76.3 billion Kroner against 119 billion in 1990.

The Social Affairs Ministry has the largest slice of the cake with 77.7 billion Kroner, a 700 million Kroner increase over 1991, while the Labour Ministry's spending is put at 46.3 billion up 4.4 billion Kroner due to the rise in the number of jobless.

But the Defence Ministry budget is to be cut 50 million Kroner to 14.8 billion.



Westerners push Soviet Union to accelerate market economy. So, brokers are being taught on exchange deals at the school of brokerage of the Moscow Central Stock Exchange. — Novosti photo.

**Computer viruses hit 90 businesses in China**

BEIJING, Aug 28: More than 20 computer viruses have infected computers in Guangdong province, prompting police to call for a halt to using software of unknown origin, the China News Service (CNS) reported Tuesday, reports AFP.

More than 90 businesses in the province bordering Hong Kong were hit by the viruses, the semi-official agency said. Three-fourths of the computers in some businesses were infected, causing huge losses, it added.

The viruses have names such as "Friday the 13th," "Caterpillar" and "Pakistan." Some completely wiped out memory banks, erasing documents and reducing efficiency.

Police called for all businesses with computers to stop using software whose origin was unknown, CNS said.

**Sharif orders action against fraud by finance companies**

ISLAMABAD, Aug 28: Prime Minister Nawaz Sharif has ordered tough action against private finance companies allegedly involved in misappropriating public savings worth millions of dollars, officials said Tuesday, reports AFP.

Measures were already underway to bring the "culprits" to book, they said following demonstrations by depositors alleging malpractice by about a dozen privately run finance companies, cooperatives and corporations.

Banking sources said the firms lured depositors by offering interest rates far higher than those of commercial banks and invested the money mainly in real estate.

Depositors became concerned after the firms failed to pay promised dividends and ignored demands to return deposits.

Aggrieved depositors, reportedly numbering several thousands, staged demonstrations in various places which led to press articles on the alleged fraud.

Reports said at least 10 companies, out of scores of such organisations registered with provincial governments, were involved in serious irregularities involving about a billion dollars.

Most of the firms enjoyed the patronage of influential people including Deputies and Senators, press reports said Tuesday.

This is the second time private finance companies have been accused of defrauding

**Taiwan's economy improving**

TAIPEI, Aug 28: Taiwan's economy kept improving in July with the monthly economic performance posting a two-year high, the Council for Economic Planning and Development (CEPD) said yesterday, reports AFP.

The CEPD, the island's top economic planner, attributed July's performance to surges in money supply and banking loans as well as value of bills processed.

Sales in the manufacturing sector, the pillar of Taiwan's economy, inched up 2.1 per cent in July from the previous month and showed an 18 per cent growth over a year ago in terms value, the CEPD added.

According to a recent poll conducted by the CEPD, 25 per cent of local manufacturers expected stronger economic activity in the coming three months

**Japanese economic boom equals post-war record**

TOKYO, Aug 28: Japan's booming economy entered its 57th month of uninterrupted expansion in June, equalling the previous post-war boom set more than 20 years ago, the economic planning agency said Tuesday, reports AFP.

"Domestic demand is expanding steadily and the economy is still in an expansionary phase," the agency said, adding that a new record was likely to be set next month. The previous expansion record, known as the Izanagi boom after a legendary Shinto figure, lasted from November 1965 to July 1970.

The report, citing previously released figures, said the continued expansion reflected a steady increase in capital investment as well as consumer spending. Investment in plant and equipment in June rose 7.1 per cent from a year earlier while household spending was up five per cent.

Housing starts, which have been slowing down, are expected to bottom out soon, the agency said. Industrial production, which shrank 0.7 per cent from a year earlier in the three months to June, is meanwhile expected to improve with a recovery of domestic vehicles sales.

The report also noted that imports were increasing, led by merchandise goods, while exports were fluctuating. Domestic wholesale and consumer prices are steady while both short and long-term interest rates are falling, it added.



HRC Group organised a dinner in honour of Marc Dumetz, the outgoing Country Manager and JP Raynaud, the new Country Manager of Banque Indosuez recently. The function was well attended by government officials, members of diplomatic corp and elites of the city.

**Economies of Soviet breakaway republics not viable**

PARIS, Aug 28: The republics declaring independence from the Soviet Union will probably have to maintain a joint economic structure with the rest of the Union, economic experts say, as their economies would not be viable if links with the Union were completely broken off, reports AFP.

Experts on the Soviet economy say it would take almost a generation to rationalise the production structures of the various republics now becoming independent or moving in that direction.

"It will be necessary to establish the market and find the objective, as opposed to forced, specialisations of each republic if they want to manage all transformations within

15 to 25 years," a specialist at the Centre for Future-oriented Studies and International Information (CEPII) here said.

Territorial development in the Soviet Union, aimed at supporting military power and centralised development, has been based on forced specialisation in the light of the lack of natural resources in some republics.

The result is that the Republics are highly dependent on their trade with the others. The eight republics that have moved toward independence (Estonia, Latvia, Lithuania, Belorussia, Ukraine, Georgia, Uzbekistan and Moldavia) export an average of more than 60 per cent of goods they produce to other republics.

In Ukraine, it is 39 per cent — but that represents much higher dependence than marks the Russian Federation (by far the biggest Republic), which delivers only 18 per cent of the goods it makes to the rest of the Union.

The specialisation logic has left its mark in all sectors, including the processing industries. For instance, Estonian-made safety-belts equip all Soviet vehicles, while all of the quarry dump-trucks come from Belorussia.

"A complete break with the rest of the Union would be extremely damaging," says Gerard Wild, heads the CEPII Eastern Department.

He compares the Republic's secession with the breakup of COMECON, the former

Communist Bloc economic grouping — "modification of the rules of the game, when each side tried to follow its own development policy, brought a breakup of the set of physical links created over the years, and led to accelerated disorganization".

The strong points of the Baltic Republics, plus Belorussia and Moldavia, are the food industry (especially stock farming) and manufacturing industries — particularly those making consumer goods such as optical goods, photo equipment, watches, and motorbikes.

"Belorussia and the Baltic Republics, to some extent, have played the role vis-a-vis the Soviet Union that the newly industrialized nations of

Asia have played in the world economy," an economist said.

But they have some critical handicaps, including dependence on basic materials (the Baltic Republics and Belorussia get all of their oil from the Volga Region, Ukraine supplies steel, and so on) and inability to meet world standards.

Such items, as Latvian bicycles and Estonian food products — adapted to Soviet standards — are utterly uncompetitive in the outside world.

Ukraine, which specializes in heavy industry, suffers from the inefficiency of its processing industries. Moreover, the economy is disjointed, the West being a farming region (cereals and sugarbeets, above all) with a poor essentially Ukrainian population. The

eastern part has the steel industry and heavy machinery, and the labor force is primarily Russian.

The potential for complementarity exists," if big investments are made.

Hence the maintenance, in some form or other, of a central institution coordinating economic links and preserving a minimum amount of physical solidarity between the independent Republics and the rest of the Union would seem to be a sine qua non for survival.

The challenge is even more complex due to the absence of political stability. Sovietologists comment that within each Republic, "many potential Yugoslavians are potentially present."

**World's best airport**

SINGAPORE, Aug 28: Singapore's Changi Airport has been voted the best airport in the world for the fourth consecutive year by readers of a British travel magazine, Business Traveller, reports AFP.

The airport also came out top for the first time in a separate poll by the magazine's US edition, Business Traveller International, a Civil Aviation authority of Singapore (CAAS) statement said Tuesday.

Changi was the favourite choice for almost half of the readers of the British magazine in its 1991 annual survey polling 49 per cent of the votes while Amsterdam's Schiphol Airport was second with 14 per cent and Zurich scored six per cent to take third place.

Readers of the magazine's US edition placed Changi three votes ahead of Schiphol which was their number one choice for two years.

"The latest award came just nine months after Changi opened its 650 million Dollar (378 million US) terminal two to enhance passenger handling capacity and improve quality of service for airport users," CAAS said.

The airport is connected to 110 cities worldwide by 2,100 flights weekly operated by 53 international airlines.

**French jobless level hits new record**

Paris, Aug 28: The number of unemployed in France rose 1.6 per cent in July over the June level to a record 2.76 million, taking the unemployment rate to 9.5 per cent, according to official figures published here Tuesday, reports AFP.

The unemployment rate stood at 9.4 per cent in June and 8.9 per cent in July last year.

The number of jobless rose 42,600 in July, the Labour Ministry said citing seasonally-adjusted figures.

Other figures out Tuesday showed that the country's trade deficit rose to 4.26 billion franc (711 million dollars) in July, from a 3.78 billion franc (630 million dollars) shortfall in June, taking the cumulative foreign trade deficit for the first seven months of the year to 26.07 billion franc, up from 19.03 billion in the same period of 1990.

But Prime Minister Edith Cresson said that the country should see an economic recovery "before the end of the year."

"We must be prepared for it. This is not the moment to give up the fight," Cresson said in a radio interview, adding that the failure of a Soviet coup attempt earlier this month would encourage recovery.

The Labour Ministry said the steep rise in July unemployment was largely the result of an influx of school and college-leavers onto the job market.

Experts noted that the level or trade as very high in July, taken by some experts as a sign of renewed economic activity.

July imports rose to a record 109.7 billion franc from 103.12 billion in June, while exports were up to 105.4 billion franc from 99.33 billion.

Industrial trade, including military items, had a deficit of 3.3 billion franc, against a 4.58 billion franc shortfall in June.

The surplus in trade in military items fell from 1.46 billion franc in June to 949 million in July.

The agro-food trade surplus also fell, to 3.19 billion franc from 4.09 billion the previous month.

**Suharto urges cooperatives to help clove farmers**

JAKARTA, Aug 28: President Suharto Tuesday urged village cooperatives to provide advance payment to clove farmers to help them maintain a quality level acceptable for purchase by the country's sole clove agency, reports AFP.

The president's call was to help cash-hungry farmers get a fairer price for their cloves, Trade Minister Arifin Stregar said after meeting Suharto.

Siregar said farmers were pressed to seal cloves without the necessary quality control to get money for their pressing daily needs.

The governmental set the price of cloves at a minimum of 7,000 Rupiah (3.6 Dollars) a kilogram but bad quality levels have earned farmers only around 4,500 Rupiah (2.3 Dollars) or less, he said.

Siregar said an eight-month-old clove trading arrangement which gave an agency the sole right to buy up the commodity from village cooperatives (KUDS) has also not yet been able to raise prices for farmers.