

Soviet free market plan nearly ready

MOSCOW, Sept 12: The Chairman of the new Soviet Economic Commission said Thursday a draft plan for converting the country to a free market system should be ready by the end of the month, reports AP.

"We intend to present to the council of state led by President (Mikhail) Gorbachev our draft cooperation plan with the West — to implement the market reforms," said Ivan Silayev.

Silayev mentioned the timetable just before he met with US Secretary of States James A Baker.

Baker has repeatedly conditioned Western economic assistance on the Soviets coming up with what he called economic reform programme worked out with international economic organisations.

Separating the broad economic aid is the question of humanitarian assistance to help the Soviets get through the coming winter.

Silayev said it was the job of economic commission to "receive the humanitarian assistance and distribute it to the poorest segments of the population."

Silayev, who also is Prime Minister of the Russian Federation, said the Soviets have asked several countries for credits "to pay for food supplies."

He said some of the credits already extended to the Soviet Union "unfortunately will have to be used to service or debt."

GATT meet begins to break deadlock

BRUSSELS, Sept 12: The main powers involved in the so-called Uruguay Round of GATT tariff-cutting negotiations are to meet in France today in an attempt to break the deadlock over trade in farm produce and in services, reports AP.

At the economic G-7 summit of seven leading industrialised nations in London in July, heads of government

made a personal commitment to press for the success of the talks.

The meeting on Thursday to give the way for a resumption of negotiations was to be attended by Japan, the European Community (EC), the United States and Canada.

"A breakthrough should not be expected at the end of this meeting," an expert at the EC Commission warned. "Angers represents merely an informal meeting between four of the GATT contracting parties whose aim is a successful Uruguay Round in their long-term interests."

The seven negotiating groups created within the GATT are to resume their work from Monday, he said, stressing that the participants had expressed the political will to reach an agreement before the end of the year.

The long-running negotiations involving 107 countries failed at the last ministerial hurdle in Brussels in December, essentially because the EC refused to bow to pressure from other exporters of agricultural products about subsidies for agricultural support.

Japan - Taiwan jt-venture on computer chips

TOKYO, Sept 12: Japan's NKK Corp said here Wednesday that it had agreed with Taiwan's Macronix International Co. to jointly develop computer chips, reports AP.

The accord calls for development of one, two and four-megabit flash Electrically Erasable Programmable Read Only Memory (EEPROM) chips used in hard disk drives and memory cards, NKK said.

Sample shipments of chips produced through joint development with the Taiwan electronic firm will start next year.



KIEV (Ukraine) : Special Ukrainian anti-riot police arrest a man in Kiev 10 Sep, following an extortion attempt against a private market. Mafia-style protection rackets are on the increase throughout the Ukraine as well as most other republics and special forces have been created to deal with the problem. —Photo: AFP/UNB

Business confidence in Gulf returns to pre-war level

ABU DHABI, Sept 12: Business prospects in the oil-rich Gulf have brightened after the war with Iraq but investment opportunities remain limited, regional economists have said, reports AP.

"Confidence is restored and business and investment activities have almost returned to their pre-war levels," said Zuhair Kaswani, a prominent United Arab Emirates (UAE) economist and stockbroker.

"I would say they are better now but I don't agree with expectations about a boom," he told AP.

Bankers expect a better performance in 1991, as the seven-month-old Gulf crisis had little impact on their business.

Most of them made slightly higher profits in 1990 although earlier forecasts were that the profits would increase sharply after the halt of the 1990-1988 Iran-Iraq conflict and the end of their bad debt

problems, which caused losses to many of them.

"Business has so far been very good this year. This makes me optimistic that 1991 would be better for banks and companies," said Mohamed Abu Qalbin, another UAE expert.

A study published this week in a specialised UAE economy and finance magazine showed a growth in profits an assets of the biggest 50 banks in the six-nation Gulf Cooperation Council (GCC).

It said the profits rose by 11 per cent to 1.18 billion Dollars in 1990 from 1.06 billion Dollars in 1989 and assets to 79 billion Dollars from 75.3 billion Dollars.

Shareholders' equities increased by 8.6 per cent to 8.3 billion Dollars from 7.6 billion Dollars in 1989 and the UAE, standing at two billion Dollars and one billion Dollars respectively.

UK's trade deficit down

LONDON, Sept 12: Britain's current account balance of payments deficit fell to 762 million Pounds in the second quarter from 2.6 billion in the first three months of the year, according to provisional, seasonally adjusted official figures released Wednesday, reports AP.

The deficit is the smallest of any three months since the first quarter, 1987 surplus and indicates a clear downward trend, a Treasury spokesman said.

The shortfall is smaller than the 960 million indicated by the April, May and June monthly figures thanks to an upward revision in the invisible surplus (earnings from insurance, banking and tourism) to 1.34 billion Pounds against 1.2 billion in the initial estimates and 416 million in the January to March period.

The flow of invisible earnings was inflated notably by contributions from abroad to the British war effort in the initial estimates and 416 million in the January to March period.

The visible trade deficit was reduced to 2.1 billion Pounds from 3.02 billion in the first.

The central statistical office simultaneously published its "pink book" on the 1990 balance of payments performance. This indicated the total annual current account deficit was 14.4 billion Pounds last year against a previous estimate of 13.8 billion and 20.4 billion in 1989.

After a downward revision in the value of exports, the deficit invisible trade reached 18.7 billion Pounds in 1990, against a previous estimate of 17.9 billion and 24.6 billion the previous year.

Soviets need \$ 2 b food aid

STRASBOURG (France), Sept 12: EC Commission President Jacques Delors said Wednesday the Soviet Union needs at least 2 billion Dollars in aid and countries besides the European Community need to contribute, reports AP.

"We cannot just tackle this alone while others do nothing and benefit from it," Delors said in a speech to the European Parliament, the legislative body of the 12-nation trade group.

The amount concerned cannot be less than 2 billion Dollars," he added, without saying precisely what the aid should consist of.

Piet Dankert, the Dutch secretary of state for foreign affairs, told the parliament the United States and Japan should contribute to any aid package.

"There is a need for broader international cooperation in order to get a more balanced burden-sharing," said Dankert, whose country holds the EC's

rotating presidency.

The European Community has already agreed to give the Soviet Union about one billion European currency units (1.2 billion Dollars) in aid, including direct food aid, credits for food purchases and technical assistance.

In Moscow, Soviet President Mikhail Gorbachev appealed for more Western aid Tuesday at the opening session of a human rights conference attended by European and North American foreign ministers.

His new foreign minister, Boris Pankin, told reporter Wednesday that it was now "up to the West" to move on economic assistance to the Kremlin.

There is growing concern in the West about how the Soviet Union, its economy in chaos, will get through the upcoming winter.

Delors said food and medicine were the Soviet

Union's most urgent needs. But he said completion of a trans-European energy accord was the country's "great hope."

The EC and Moscow have been negotiating since the Netherlands proposed last year that Europe set up a continental energy scheme to draw on the Soviet Union's massive energy reserves and Western Europe's technology.

"This should be put into practice as soon as possible," Delors said.

He advocated involving East European countries in future "triangular" food aid arrangements. In such a scheme, the EC would purchase food in Eastern Europe for delivery to the Soviet Union.

By doing that, the community would encourage East European agricultural exports while not flooding already well-supplied West European markets with cheaper East European products.

Two Soviet banks will deal with West

FRANKFURT, Sept 12: Moscow has assured Germany's largest commercial bank that two major Soviet financial institutions — the Foreign Trade Bank and the Central Bank — will remain as the West's negotiating partners, a Deutsche Bank spokesman said on Wednesday, reports Reuter.

The spokesman said a Soviet delegation led by Alexander Yakovlev, an aide to Soviet leader Mikhail Gorbachev, had met Deutsche Bank's chief executive Hilmar Kopper on Tuesday.

Kopper was given the assurance that both institutions (the Bank for Foreign Trade and the State Bank) would remain as centralised negotiating partners for the West," he added.

The western banking community, and particularly heavily exposed German banks, has worried that any collapse of the two centralised financial institutions would create problems with repayment of the Soviet Union's debt.

German banking stocks fell sharply on Monday on speculation that no centralised authority would remain responsible for the country's outstanding debt as from next year.

Yakovlev, who met German Chancellor Helmut Kohl on Wednesday morning, had also visited Dresdner Bank, Germany's second largest bank on Tuesday. Dresdner and Deutsche jointly lead management of German bank loans to the Soviet Union.

Kopper last week suggested that Western governments should step in with a bridging credit of up to five billion dollars to help the Soviet Union meet the immediate financial problems of the accelerated transition to democracy.

Zambia faces aid freeze

LUSAKA (Zambia), Sept 12: The government said Wednesday it cannot meet a key debt repayment deadline even though tens of millions of Dollars in upcoming loans and aid will be frozen as a result, reports AP.

Finance Minister Rabbison Chongo confirmed his nation will default on arrears of 20 million US Dollars payable in hard currency to the US-based World Bank by Sept 13.

"Our non-payment is due to the fact that there are competing demands on our foreign exchange, which is very scarce," Chongo told The Associated Press in an interview in Lusaka.

He said the government allocated hard currency earned mainly from copper exports for top priority imports for agriculture and industry.

On Tuesday, the World Bank said it will suspend at least 80 million US Dollars in aid on Friday because the government's arrears will then exceed a 46-day limit on repayment.

The International Monetary Fund and Western Donors said they too will freeze up to 200 US Dollars million in loans and aid because the government also failed to meet conditions of an economic reform programme.

Chongo on Wednesday denied his government was abandoning the reform programme.

But the Finance Minister admitted Zambia failed to reach "significant benchmarks" in the structural adjustment programme, including ending subsidies on the staple food, corn meal.

Estonia sets 3-year timetable for market economy

TALLINN (Estonia), Sept 12: Estonia has set itself a three-year timetable for the introduction of a market economy qualifying it for eventual membership of the European Community (EC), a senior economic official said on Wednesday, reports AP.

Reform would include the introduction of a new currency backed by gold reserves, the official Ants Kirikal, Vice Director of the Foreign Economic Relations Department, said.

"We have a long way to go and many economic problems to settle — the main question is to get rid of the previous system."

Under a plan entitled "three times three," which was presented at the beginning of the month, Prime Minister Edgar Savisaar had laid down three phases of reconstruction.

World tea output rises

CALCUTTA, Sept 12: With two of the main producers — India and Sri Lanka — gaining moderate increases, world production of tea was up marginally by 8.6 million kg in the first seven months of the current year, reports PTI.

According to statistics available here, total production between January and July 1991 stood at 667.5 million kg as against 658.9 million kg in the same period in 1990.

India and Sri Lanka were the only two countries to show an increase in production while Kenya, Malawi and Bangladesh all witnessed a decline in their tea output in the period under review.

The figures showed that while the Indian tea output increased by 8.6 million kg be-

tween January and July, 1991 touching 353.9 million kg Sri Lanka's output went up by 6.1 per cent in the same period to a level of 148.6 million kg.

A categorywise analysis showed that the share of CTC tea in the total production fell in almost all the countries for whom statistics were available.

Sri Lanka turned out to be the only country whose CTC tea output as well as Orthodox tea output was on the rise.

World auction prices of tea on an average in Indian Rupees showed a somewhat irregular trend going up in centres like Mombasa and declining between January and July this year elsewhere in London and Colombo.

Prices in July, 1991 ruled at Rs 39.56 per kg in London,

Rs 31.77 per kg in Colombo and Rs 38.69 per kg in Mombasa.

Meanwhile, at the auction held here this week there was good demand for Darjeeling tea and Orthodox tea and only fair demand for the other two categories — and dust.

In the CTC tea category, all varieties were easier by Rs 2 to Rs 3 with the plainer sorts getting discounted even further. The USSR buyers did not operate this week. There was interest for the cheaper varieties from Poland and for the brighter varieties from UK.

In the Darjeeling tea category, all whole leaf grades generally sold at fully firm rates with the Iran shippers continuing to operate with strength.

AIDS victims get reduced sentence on drug charges

MELBOURNE (Australia), Sept 12: Two Brazilians convicted of smuggling cocaine were given substantially reduced prison sentences here Wednesday after a court was told they are AIDS victims with limited life expectancy, reports AP.

A judge in the country court said he would show compassion and make a substantial allowance in sentences for the two, Antonio Tabiano Vieira-Leal and Vincent Paulo Valerio Bittendour.

Along with a third man, Portuguese national Hilario Filipe Goncalves Macedo, they were convicted of smuggling 1.5 million Dollar (1.2 million US) worth of cocaine into Australia.

Vieira-Leal, 36, and Bittendour, 36, who were described as couriers, were each sentenced to six years jail with a non-parole minimum of two years.

But after serving more than a year in custody already they are expected to be released within month, court officials said.

Macedo, 25, who was described as a more senior member of the drug organisation's hierarchy, was sentenced 70 eight year's jail with a parole minimum of four years.

UAE begins questioning 20 BCCI executives

ABU DHABI, Sept 12: Financial officials of the Abu Dhabi government have started questioning more than 20 senior executives of the collapsed BCCI bank who are being detained at a police club, bank sources disclosed today, reports AP.

They said the investigation was part of an inquiry started by the government, the major shareholder in the Bank of Credit and Commerce International.

The move appeared not to be linked to an enquiry being conducted by Britain's serious fraud office into charges that led to BCCI's global closure of July 9.

At least 10 BCCI employees were released 24 hours after being detained on Sunday. But more than 20 of the bank's top officials, including former chief executive officer Swaleh Naqvi, remain in custody.

Naqvi, a British citizen of Pakistani origin, has been indicted in the United States along with five other BCCI employees on drug-related money laundering charges.

Diplomats said the UAE does not have extradition pacts with the United States or Britain.

None of the executives has been formally charged or arrested so far, the bank sources said.

First American Bank funnelled money stolen by Noriega

NEW YORK, Sept 11: First American Bankshares Inc, a US Bank secretly owned by fraud-ridden BCCI, was a funnel for stolen Panamanian funds used as spending money in the United States by former dictator General Manuel Noriega, Panama's government charges, reports Reuter.

According to court documents filed by Panama in Federal Court in Miami, the money came from Noriega-controlled accounts with the Bank of Credit and Commerce International in London and was sent to BCCI accounts at First American.

BCCI then used the money in its accounts at First American to provide cash, but

the government.

The suit alleges BCCI used a network of branches and accounts in Panama, Washington, London and New York to siphon 23 million Dollars in state funds out of Panama for Noriega and his family. Panama is seeking to recover that money.

Panama has also charged that the transfers to First American violated US law because BCCI concealed the beneficiary on mandatory cash reporting forms.

The bank records were contained in a civil suit filed this summer in Miami by Panama, charging First American with racketeering for helping distribute funds Noriega allegedly stole from

the government.

The suit alleges BCCI used a network of branches and accounts in Panama, Washington, London and New York to siphon 23 million Dollars in state funds out of Panama for Noriega and his family. Panama is seeking to recover that money.

Panama has also charged that the transfers to First American violated US law because BCCI concealed the beneficiary on mandatory cash reporting forms.

The bank records were contained in a civil suit filed this summer in Miami by Panama, charging First American with racketeering for helping distribute funds Noriega allegedly stole from

ulators on July 5 in many countries amid charges of massive fraud.

Noriega first requested a confidential account in his own name at BCCI in 1982 for the placement of secret funds of the National Guard, according to one court document, the request was made on stationery of Panama's Intelligence Agency.

He then allegedly took money from the accounts in London and relied on BCCI to channel the funds to the United States for his use during trips there.

Court documents alleged that Noriega was provided with at least 110,000 Dollars of

Forest depletion in Caribbean worst: FAO

ROME, Sept 12: The rate of forest depletion is getting worse every year, according to figures released by the United Nations Food and Agriculture Organization (FAO), reports Xinhua.

Seventeen million hectares of forest are felled every year in the world, an annual increase of 80 per cent over the last decade, FAO said.

Forest depletion in the Caribbean is the worst in the world, FAO said.

About 400 years ago, 90 per cent of Haiti was covered by forests, but only 5.3 per cent is left now.

Jamaica will become a "bald" country if logging conditions are not improved.

Conditions in Asia are also grave. 4.7 million hectares of forest have been destroyed annually over the last ten years. The conditions are most serious in India, Indonesia, the Philippines, Thailand and Vietnam.

On the other hand, some other Asian countries such as China, Korea, Sri Lanka, and Malaysia have paid much attention to the planting of trees, FAO said.

China has already planted 31 million hectares of trees and India has planted 16 million hectares, according to FAO.

Africa has the most abundant forest resources in spite of much felling. It has an area of 13 million square kilometres of forest. But conditions have been getting worse in recent years.

EC countries possess an area of 55 million hectares of forest with France occupying first place with 14 million hectares.

3,000 experts will hold a meeting on September 16 in Paris to discuss ways of protecting forests.

Dollar declines, share prices up

TOKYO, Sept 12: The US Dollar declined in active Tokyo trading Thursday, while share prices edged higher, reports AP.

The Dollar closed at 134.45 Yen, down 0.32 Yen from Wednesday's close and also below its overnight finish at 134.85 Yen in New York.

After opening at 134.38 Yen, the US currency ranged between 134.25 Yen and 134.58 Yen.

On the stock market, the 225-issue Nikkei Stock Average gained 25.41 points, or 0.11 per cent, closing at 22,530.20. On Wednesday, the index rose 93.21 points, or 0.42 per cent.

The Tokyo Stock Price Index (TOPIX) of all issues listed in the market's first section closed at 1,748.58 points, up 0.22 points.

Volume on the first section was estimated at 430 million shares, up from Wednesday's 377 million shares. Advancing issues slightly outnumbered decliners 494 to 470, with 176 unchanged.

The Nikkei average was up 187.11 points at the close of the morning session, supported by higher bond prices and the Yen's strength against the Dollar.

But the index trimmed its early gains in the afternoon on arbitrage selling prior to Friday's special quotations for September Nikkei futures, traders said.

Sanskrit in computer

NEW DELHI, Sept 12: The Prime Minister, PV Narasimha Rao has described the computer as a great tool, good friend and guide of man, reports PTI.

He was speaking after a demonstration of application of computers in processing Indian Languages, particularly Sanskrit before members of parliament, scholars and officials of the Department of Electronics and the Ministry of Human Resource Development here yesterday.

Complimenting the scientists for the work done regarding use of computers in the processing of Sanskrit and other languages, the Prime Minister said a good beginning has been made. He said possibilities in this regard are immense and suited to a country like India. He emphasised the need for proper presentation of the utility of the computer so that there is no misconception among the people.

The Technology Development for Indian Languages (TDIL), a scheme of Department of Electronics was launched in April 1991 for use of computers for the development of Indian languages. An amount of Rs 77.16 lakhs has been sanctioned for projects relating to Sanskrit under the scheme. A large number of applications of computers for Indian languages were demonstrated before the gathering.