

IMF projects revived economic growth in '92

WASHINGTON, Oct 21: Experts at the International Monetary Fund (IMF) project a marked resurgence of economic growth in 1992 as well as an easing of inflation, informed sources said here, reports AFP.

The forecasts are contained in a report on the world economy that the IMF published when the IMF and the World Bank held their annual meetings in Bangkok.

According to the IMF, the world economy will grow 2.9 per cent next year, compared to a feeble 0.9 per cent in 1991.

In the industrialised countries, the Gross Domestic Product should grow by 2.9 per cent in 1992, against 1.3 per cent this year, while developing countries, should also see growth of 2.9 per cent compared to minus 0.4 per cent in 1991.

The IMF projects a 10 per cent drop in economic activity this year in the countries of Eastern Europe, excluding the Soviet Union, as they move toward market economies, according to the sources.

The economies rebound will be led by the United States, which was expected to post 3.0 per cent growth next year, compared to minus 0.2 per cent this year.

Likewise, the other major industrialised countries that experienced recession this year should see their performance in 1992 with rates of growth of 2.3 per cent in Britain against minus 1.7 per cent this year, and 3.7 per cent in Canada, against minus 1.1 per cent this year.

But Japan and Germany whose economies performed solidly this year, should see their rates of growth fall, according to the experts. Japan's GDP should increase 3.8 per cent in 1992 against 4.2 per cent this year, while Germany was expected to show only 2.0 per cent growth next year, down from 3.0 per cent this year.

Indian Rupee devalued again

BOMBAY, Oct 21: The Reserve Bank of India (RBI) here today announced a downward revision of the Rupee by 0.09 per cent in relation to the Pound Sterling, making the British unit costlier by four Paise, reports PTI.

The new middle rate now works out to Rupees 44.58 per Sterling as against Rupees 44.54 previously.

The new selling and buying rates for spot delivery are 2.2376 and 2.2488 Sterling per Rupee 100, corresponding to Rupees 44.69 and Rupees 44.47 per Sterling respectively.

The Rupee-Sterling rates was last adjusted on October 18, when the Rupee was depreciated by 0.56 per cent.

UAE invested \$14b to develop oil industry

ABU DHABI, Oct 21: The United Arab Emirates (UAE) invested 51 billion Dirhams (14 billion Dollars) between 1975 and 1985 to develop its oil industry, according to a local government report, says AFP.

This shows importance of the oil sector in the country's economy, said the report, released this week by the Finance and Industry Ministry and published in local dailies on Saturday.

Oil provides more than 90 per cent of the UAE's income, which soared by nearly 50 per cent to 15.8 billion Dollars in 1990 after the Gulf war pushed crude prices above 40 Dollars.

In 1986, revenues reached their lowest level of 4.2 billion Dollars in more than a decade after oil prices fell to below 10 Dollars due to overproduction by major crude exporters.

The report, prepared jointly with the Gulf Organisation for Industrial Consultancy, did not mention investment after 1985 but the UAE has plans to boost its oil output and refining capacity at a cost of around four billion Dollars.

BCCI inquiry team's member held in UK

LONDON, Oct 21: Police have arrested an accountant working on the British inquiry into the closed BCCI and charged him with conspiring to pervert the course of justice, official sources said on Sunday, reports Reuter.

He was working on secondment to Britain's Serious Fraud Office in its inquiry into the Bank of Credit and Commerce International (BCCI). Another accountant was also held.

BCCI was shut in Britain and several other countries on July 5 in a swoop by regulators who say they may be dealing with the biggest fraud in the history of global finance.

The two detained men will face magistrate on Monday. The Serious Fraud Office

said they will answer allegations that they did commit an offence namely by removing, destroying or defacing documentary evidence relating to fraud trials resulting from the collapse of the Bank of Credit and Commerce International.

One of the men, Mark Bracey, 24, is an accountant with the London firm of Coopers and Lybrand who was seconded to the Serious Fraud Office inquiry.

The other is self-employed accountant Bernard Lynch, 28.

The Serious Fraud Office, set up in 1988, investigates and prosecutes cases of complex fraud.

It was more than 100 permanent staff, mainly lawyers and accountants.



PARIS: Christian Lacroix showed this pink/red and black striped lycra swimsuit adorned with black-spot 'puff-effect' sleeves and a matching large, ruffled collar as part of 1992 spring/summer ready to wear collection.

'Kuwait's wells to be capped soon'

RAWDATEIN (Kuwait), Oct 21: Firefighters battling an inferno in Kuwait's oilfields say their mission is almost over, reports Reuter.

Only about 70 of the 732 wells set afloat or damaged by retreating Iraqi forces remain to be capped.

'We'll be home in a few weeks there are so many people working and doing the job faster than anybody imagined, said David Barnett of the Texas-based Neal Adams firefighters.

He expects the wells to be capped by early November. Others said mid-November was the most likely date.

The firefighters are capping between five and six wells a day, compared to one every four days in March when they began tackling the world's worst oilfields disaster.

Up to 28 teams are recapping the wells left in flames or gushing by the Iraqis in February at the end of their seven month occupation of Kuwait.

The most difficult wells to be tackled are in the northern Kuwaiti fields of Rawdatein, Sabirah and Bahra, where Canadian, American, French, British and Kuwaiti teams are now working.

Singapore Air Express Centre opens

Star Economic Report

Singapore Minister for Communication Mah Bon Tan inaugurated the Singapore Air Express Centre (AEC) on September 17 ceremonially. The centre was constructed at an estimated cost of US 8 million dollars.

The inaugural ceremony was attended, among others, by the founder of DHL Lar Ry Hillblom.

In his speech, Mah called upon the companies in the transport industry to emulate DHL's example of investing in information technology and its commitment to service quality and staff development. 'Investment in this new facility testifies DHL's commitment to excellence as a leader in the international air express industry,' Mah said.

In his opening address, Hillblom recalled how Singapore was among the first countries to recognise the importance of the air express industry and had taken concrete steps to aid its development.

In a prepared message, Pat Lupo, the Brussels-based worldwide DHL CEO, stated. The AEC represents more than an investment to us; it represents the realisation of our vision to create a hub and sort centre in Singapore, as one of the major air transport gateways in the world. This will enable us to provide a next day delivery and distribution service throughout South East Asia. The AEC is just one of four buildings around the world which DHL owns.

The opening was a homecoming for long-serving staff member, Alec Ang, Area Manager for South Asia including Bangladesh and Indochina. His grandfather, Ang Tai Seng, raised rubber and sugar on the land the Centre was built on at the turn of the century. The street in front of the AEC, Tai Seng Drive, is named in his honour.

Planning for the 120,000 square foot AEC started several years back. It was designed to meet DHL's projected capacity needs over a ten year period. Operational efficiency was also a paramount concern. Delivery vans pull in directly to a conveyor sorting system. A roller bed for heavy parcels and aircraft shipping containers runs adjacent to the conveyor.

The fourth floor contains a greatly expanded customer service and management information departments. The fifth floor houses DHL Singapore and the Regional Office. On the sixth floor, is a staff canteen and recreational facilities for use by DHL staff and their families. The third floor is being held in reserve, so that DHL is positioned to address future customer needs.

No pressure to cut defence spending: Pak Minister

ISLAMABAD, Oct 21: Finance Minister Sartaj Aziz said here yesterday that Pakistan was under no pressure from the World Bank and the International Monetary Fund (IMF) to reduce its defence expenditure, reports AFP.

Speaking to reporters on his return from the annual IMF-World Bank meeting in Bangkok, Aziz said no one had seriously raised the issue of defence budget cuts at his meetings with foreign counterparts.

Pakistan had met most of the conditions of the two bodies regarding deregulation and

privatisation of the economy, thus qualifying for soft loans, he added.

About assistance from Bonn and Tokyo, the Minister said Germany had reduced the flow of aid to certain countries including Pakistan, while Japan had not indicated any cuts.

The IMF is due to send a mission to Pakistan in November for negotiating two loans worth 150 million Dollars and 68 million Dollars, Aziz said, adding that a further two loans worth between 300 million Dollars and 400 million Dollars would be negotiated between November and June.

The Minister said the World Bank was to provide a 200 mil-

lion Dollar loan and Japan 150-200 million Dollars for Pakistan's social sector.

Pakistan, he said, had asked the World Bank to raise the ceiling of its lending above 750 million Dollars, taking into account the country's sound economic performance.

Aziz also said an agreement signed last month would be approved by the IMF board within four weeks, releasing a 140 million Dollar final tranche of a Structural Adjustment Facility (SAF), and 250 million Dollars from a Contingency Compensatory Financing Facility (CCFF), as a Gulf war-affected country.

GATT negotiators given deadline

GENEVA, Oct 21: Negotiators at the GATT talks on liberalising world trade are again being asked to succeed by the end of the year or face dire economic consequences, reports Reuter.

Everybody says it will be disaster if they don't finish and everyone optimistically says all participants realise this and will therefore agree.

The question is whether this time it is any different from last year when they faced the same dilemma.

'If you compare this year it's last year, we're further ahead, but we're still not there,' said a negotiator from a major South American agricultural exporting country.

The 108-nation Uruguay Round of negotiations began in 1986 under the auspices of the General Agreement on Tariffs and Trade (GATT) and should have finished in Brussels last year but instead fell apart in a dispute over farm subsidies.

Most participants realise how easy it would be to fall again if they held firm in their positions and refused to compromise. But too much compromise might not sell back home, so negotiators have limited scope for movement.

US President George Bush for instance has often said no agreement is better than a bad agreement, and France would clearly prefer no agreement to one which dictates the deep farm subsidies

others are demanding.

GATT Director-General Arthur Dunkel has told the negotiator they must come up with a package of draft agreements on everything from tariffs to banking by the beginning of November to be presented to governments.

He warns that a failure of the Round will rob a chance for commerce to grow at a shaky time for the world economy and jeopardise liberalisation programmes from Poland to Brazil.

Publicly at least he is optimistic that things have changed. At the meeting in Bangkok last week of the International Monetary Fund, where the world's financial leaders stressed the importance of a successful Round, he said he was encouraged by signs that governments might be edging towards a breakthrough.

He took heart at Germany's apparent government decision to break with the French and Irish blocking of big farm subsidy cuts, and at a European Community (EC) ministerial decision on October 12 to give their GATT negotiators more flexibility.

'All these points bring me to conclude that something is happening,' he said.

A German defection from the French and Irish ranks would be the most significant development in the talks in

month or years.

'This is a bold step by one of the major players in the EC take it as a good sign there would be a breakthrough,' US Agriculture Secretary Edward Madigan said on Thursday.

The United States has been pushing for a 90 per cent cut in agriculture export subsidies and a 75 per cent cut in other farm aid. The EC suggested a 30 per cent reduction, which was rejected as inadequate by the United States and other nations.

Any sign of renewed activity on agriculture supports is welcome news for the Bush administration which has been under pressure from farm-state lawmakers to get more aggressive about competing with the EC in world markets.

But diplomats say neither the German move nor the EC ministerial decision in the Hague translated into any new positions over the past week of intense negotiations in Geneva.

'It has been presented by the D-G (Dunkel) as if all the differences were over. That's probably overdoing it a little bit,' one EC official confided.

He said no fundamental changes were made at the Hague meeting 'but there was very good agreement in what spirit the (European) Commission is now allowed to take part in these negotiations, that spirit was one of flexibility,' he added.

Indian exporters' feelings mixed on Soviet market

COONOOR (India), Oct 21: Indian planters and exporters see both pitfalls and profits being presented by the collapse of Kremlin power over the Soviet Union, the biggest buyer of their tea, coffee and spices, reports Reuter.

The Soviet situation poses a serious threat, said leading planter Krishna Kumar, as India waited for a Soviet delegation to arrive to renew an annual pact to import 125 million kg of tea and 40,000 tons of coffee.

But, reflecting planters'

mixed feelings about the prospects of decentralised buying, Kumar added. It also offers tremendous opportunities.

Commerce Minister P Chidambaram told a convention organised in this southern hill resort by the United Planters Association of Southern India (UPASI) that India hopes to sign the pact soon.

Commerce Ministry officials in New Delhi said they expected the Soviet delegation to arrive by mid-September.

'Congress should approve US growth package'

WASHINGTON, Oct 21: White House budget chief Richard Darman said on Saturday Congress should approve an economic growth package this year, including a capital gains tax cut, to stimulate the sluggish US economy, reports Reuter.

Appearing on CNN's Evans and Novak Programme, Darman said White House advisers would give President George Bush suggestions for an economic initiative sometime next week.

The recovery is going to be much slower than we would like it to be unless Congress takes action, Darman said.

In order to get the kind of growth that we should have, additional action is necessary. I think it's desirable to have action this year absolutely desir-

able, Darman said.

Bush has been meeting with lawmakers, business leaders and economic advisers in recent weeks to map out a strategy for revitalising the stagnant economy, which is becoming an increasing political worry as the 1992 election season begins.

Darman would not predict what might be in any initiative. He ran down a list of previous administration proposals including a capital gains tax cut, family savings accounts and research and development tax breaks that Congress should approve.

'I think that the economy did turn in May. In the last several weeks, couple of months, it has been somewhat softer - a little flatter, Darman said.

Subsidies crush China's economy

BEIJING, Oct 21: Despite improvements in China's economic performance, the government's financial situation remains troubled, crushed under the weight of subsidies and loss-making state enterprises, a senior official said, reports Reuter.

'The national economy has regained normal growth,' Zhang Zhongji, spokesman for the State Statistical Bureau, told a news conference.

'Nevertheless, some problems and unstable factors remain in the performance of the national economy. First and foremost is the difficult situation of government finance.'

After the collapse of communist rule in Eastern Europe and the Soviet Union and the coincident devastating economic problems there, Beijing's hardline communist leaders have staked their legitimacy on the results of continued economic reform, diplomats said. Store shelves are stocked with food and vegetables and private stalls offer a wide variety of goods.

Beijing may be mortgaging its future, however, with huge subsidies to keep prices stable and loss-making state industries afloat. Last week finance minister spokesman Wang Wingyi told state media: 'Our

state finances are facing extremely serious problems and the whole financial situation is quite grim.'

Zhang said 36 per cent of state enterprises, the cornerstone of the socialist economy, were running with losses in the first three quarters totalling 20 billion Yuan.

But there had been some improvement recently, with third quarter losses on average 5.8 per cent below the first two quarters.

Total stockpiles of unwanted, unsold goods now are worth more than 500 billion Yuan, with over 200 billion in the plants' warehouses.



Mah Bow Tan, Minister for Communication of Singapore inaugurating the US eight million Dollar Singapore DHL Air Express Centre in Singapore recently. Roger Bowie, regional Managing Director, DHL South East Asia & South Pacific and the founder of DHL, Larry Hillblom are also seen in the picture.

20 pc pharmacies selling fake drug in Vietnam

HANOI, Oct 21: Some 20 per cent of pharmacies in Vietnam are selling fake medicines to customers who are increasingly falling victim to the manufacturers of counterfeit goods, the official Nhan Dan Daily said, reports AFP.

'Fake goods have increasingly appeared in the market place recently, the newspaper said, demanding tough measures against the manufacturers of the products.

The manufacturers are not only producing faked foods but also drugs, fertilisers, insecticides and cement, the paper said.

Authorities controlling 5,000 pharmacies in different areas found that 20 per cent of them were selling fake medicines, the Nhan Dan said, without giving details of the value of the sales.

One business in Ho Chi Minh city made nearly five billion Dong (450,000 Dollars) by selling fake Soviet Sopa, the report said.

The paper warned that if the authorities did not find a way of controlling the sales, the problem would create a generation of morally degraded people, used to swindles and a life of dishonesty to reach a higher standard of living than honest workers.

Iraqi harvest to meet 10 pc of food needs

BAGHDAD, Oct 21: Iraq hard hit by UN sanctions and Gulf war bombing that devastated its agriculture said next year's harvest would satisfy only 10 per cent of its basic food needs, reports Reuter.

Agriculture Minister Abdul Wahab Mahmoud al-Sabbagh said the March-April harvest would be about 30 per cent of normal or about a 10th of what Iraq needed in staples in an average year.

Sanctions even interfere with the way we breathe it is really very unfair, he told Reuter in an interview.

Not more than two per cent of our food needs is being bought, and that is by traders and by smuggling, he said.

The Minister foresees food shortages and hardship for the nation of 18 million people.

He said Iraq had four billion Dollars of assets overseas but these had been frozen as part of the UN embargo imposed as punishment for its invasion of Kuwait.

'We don't have money to import food, he said.

China to double bamboo output

BEIJING, Oct 21: China plans to double production and export of bamboo in the next decade to meet increasing demand for the ancient and versatile crop, the China Daily reported Monday, says AFP.

Annual bamboo output will rise from the current eight million tons to 16 million tons in the year 2000, the official newspaper said, while foreign exchange earnings from bamboo were also expected to double to 300 million Dollars.

Forestry Minister Gao Dezhuan made the announcement Saturday at a national meeting on the crop in Hangzhou, an eastern city whose lakes and swaying bamboo are the frequent subject of Chinese painting.

Gao was quoted as saying that the output of fresh bamboo shoots, a popular Chinese delicacy, would rise from 1.25 million tons this year to three million tons per year at the end of the decade.

Besides its use as a food, bamboo also goes into particle board and paper and for construction, handicrafts and packaging. China has grown the crop for 5,000 years and has 3.5 million hectares (8.75 million acres) of bamboo forests.

Japan's High Definition TV system expensive

tion of television, and offers cinema-like images and compact disc quality sound.

Sets at present cost four to five million Yen (29,100 to 36,400 dollars) each, and with only one hour of HDTV broadcasting now available, the sets are sold mainly for demonstration purposes.

But it is regarded as a volume business, and when enough sets are produced economies of scale will bring prices down.

'One million Yen (7,200 dollars) is probably the critical point where individuals can start buying,' said Boris Petersik, technology analyst at Barclays de Zoete Wedd (BZW).

The most expensive regular TVs now cost around half a million Yen (3,649 dollars) for a 38-inch set (97 cm) or a projection TV.

'Japanese manufacturers want prices to come down to this level for the 1996 Atlanta Olympics, and event they hope will spur sales. Next year's Barcelona Games should already see many public HDTV displays.

Another problem with the sets is their size. To appreciate the enhanced picture quality, a large screen, more than 32 inches (81 cm) is needed. This implies a correspondingly large cathode ray tube, longer for an HDTV because longer

electron gun is needed to make a sharper picture.

The solution will probably come in projection TVs, which project light beams on to a screen like in a movie theatre.

Some analysts doubt HDTV's ultimate popularity.

They say that unlike the advent of colour TV, when consumers were prepared to pay a hefty premium over the cost of black and white set, HDTV offers just in improved version of what is available now. But industry representatives remain confident.

'Once people have seen HDTV they can't go back to old TV,' Norio Kumabe, NIKK's Executive Producer of HDTV

programmes, said.

He said the industry expects 10 per cent of households to have HDTV by the year 2000, with optimists saying up to 45 per cent.

Firms are trying to cut the eventual price by improving decoders for use, Japan's standard HDTV transmission signal.

With roughly twice as many lines, and a widescreen than a conventional TV, HDTV signals have to carry four or five times the amount of information of conventional TV signals.

This is compressed into a signal with the same bandwidth as conventional TV, and must then be decoded instantly, a complex operation

which requires present decoder chips contain about 60 integrated circuits.

Companies hope they can cut costs by reducing the number of integrated circuits in each set.

In July Sanyo and LSI Logic Corp agreed to develop jointly a low-cost compact decoder, and in the latest such deal, Texas Instruments INC formally announced on Friday that it would team up with electronics giants Sony Corp, Hitachi Ltd and Fujitsu Ltd to produce a decoder chipset with at most 30 integrated circuits.

Somesay electronics companies are using such transparent links to share the burden

of risk in an uncertain business.

'The significance of this is the fact that it's very expensive to produce something as complicated as this, and companies want to share the risk and expense of development,' said Roger Mathus, spokesman for the U.S Semiconductor Industry Association (SIA) in Tokyo.

Noone can develop this kind of leading edge technology by themselves, said a spokesman for Texas Instruments, Japan.

But the truth is more likely to be a combination of wanting to speed development, and trade considerations.

'The point is to speed up the development process, and it is strong in applications - specific memory technology, said a Sony spokesman. We're looking at a product by Spring of next year.

As well as competitive pressures, Japanese firms are also under pressure to allow U.S semiconductor manufacturers a part of the Japanese market. Getting them in at the design stage in a new area with potential for growth is one way of doing this, and shows the Japanese to be good trading partners.

'I don't think they need U.S companies to design chips, said Steve Myers, senior analyst at Jardine Fleming securities in Tokyo. The real issue is trade, and the U.S perception that HDTV has a large market.