

Indian rupee gains

BOMBAY, Feb 24 : The Reserve Bank of India (RBI) here Monday announced an upward revision of the rupee by 0.80 per cent in relation to the pound sterling, making the British unit easier by thirty six paise, reports PTI.

The new middle rate now works out to Rs 45.01 per sterling as against Rs 45.37 previously.

The new selling and buying rates for spot delivery are 2.2161 and 2.2273 sterling per Rs 100, corresponding to Rs 45.12 and Rs 44.90 per sterling respectively.

The rupee-sterling rate was last adjusted on February 21 when the rupee was devalued by 0.35 per cent.

Those who got BCCI loans

LONDON, Feb 24 : Several big international firms, foreign governments and central bank are listed as recipients of loans from the collapsed Bank of Credit and Commerce International (BCCI). Britain's Times newspaper said on Monday, reports Reuter.

The Times said it had obtained a seemingly complete copy of BCCI's loan book for March 1991. But it said some of the loans may have been fictitious in a bid by the bank to cover up bad debts. Liquidators were trying to discover which entries were genuine, the paper said.

The Times said the BCCI records listed loans to blue chip companies including British Aerospace, Toshiba, Toyota, Sony and Shell.

Regulators in many nations closed BCCI in July 1991 on evidence of a six billion dollar fraud. It has since been alleged that the bank was a nest for corruption, and laundering of drugs money.

The records also listed loans to the government of the Seychelles of 23 million dollar, to Zimbabwe of 17.1 million dollar and to Gabon of 7.8 million dollar. Nigeria's central bank was apparently lent 226 million dollar.

The newspaper said the records appeared to show that the bank lent heavily and frequently to the family of the ruler of Abu Dhabi, whose government owed 77 per cent of BCCI.

Sheikh Zayed Bin Sultan al-Nayahan is listed as owing 60.5 million dollar.

ROK's current account gap hits record

SEOUL, Feb 24 : South Korea's current account deficit hit a record 8.83 billion dollar last year, provisional Bank of Korea figures showed on Monday and economists said the shortfall would worsen this year, reports Reuter.

The 1991 deficit outstripped the previous record of 5.32 billion dollar set in 1980 and compared with a 1990 deficit of 2.18 billion dollar, the central bank said in a statement.

Economists predicted that the shortfall in the current account, which measures trade and international transactions in invisible goods and services, would widen to between nine billion dollar and 10 billion this year.

The deficit is not expected to show signs of dramatic recovery this year and over the next year as our exports face difficulties," central bank economist Park Jeong-Ryong said.

"We have to compete with China and South-East Asian countries on price while our product quality and technology seems to be far behind that of advanced nations," Park said.

India's world electronics, software exports to hit \$450m

Delhi, Moscow sign \$2.8b trade

NEW DELHI, Feb 24 : India and Russia yesterday signed the first-ever trade protocol between the countries, envisaging a two-way trade turnover of 75 billion rupee (2.8 billion dollar), reports AFP.

The protocol was signed by VA Shibaev, Deputy Chairman of Russia's State Committee of Foreign Economic Relations, and Indian Commerce Ministry Secretary AV Ganesan here, an Indian government press release said.

Some of the items identified for Indian import from Russia, were crude oil, kerosene, diesel, non-ferrous metals, polyethylene, synthetic rubber and newspaper.

India's exports would include tea, coffee, textiles, black pepper, soybean extractions, castor oil, medicines, shoe uppers, paints, cosmetics, detergents and plastic products.

Xinhua adds: Indian electronics and computer software exports are set to reach 11,500 million rupee 450 million US dollar for the current financial year which ends in March.

This figure compared with only 9,350 million rupee (366.6 million US dollar) in the previous year, the 'Indian Express' said Sunday quoting the Electronics and Computer Software Export Promotion Council.

Although exports to rupee currency areas were likely to slip to 3,000 million rupee from 4,500 million rupee, those to general currency areas would rise to 8,500 million rupee from 5,500 million rupee, it said.

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Nepalese MPs protest water pact with India

KATHMANDU, Feb 24 : Nepal Communist Party (United Marxist and Leninist) (NCP-UML) and other opposition members walked out of the House of Representatives Sunday to protest a controversial hydroelectric and irrigation project, reports AFP.

They said the government should not have concluded with India negotiations on the construction of the project at Tanakpur, 390 kilometers southwest of here, without the House's formal approval.

The legislators walked out after asking House Speaker Daman Dhungan to permit an immediate debate on the agreement with India and the government proceeded to try tabling a bill on salaries and pensions for judges.

NCP-UML leader Mana Mohan Adhikari alleged that the government was grossly neglecting the national interest while negotiating with India on Nepal's vast water resources.

They said the Tanakpur project would occupy Nepalese territory without a formal treaty and went on to demand that copies of the negotiations with New Delhi be tabled within 24 hours and that construction be halted until the House has passed the project.

Dhungan, a member of the ruling Congress party, attempted to placate the opposition members but made no ruling, triggering the walkout.

The session was adjourned until noon Monday.

First Ladies begin meeting today to better women's lot

GENEVA, Feb 24 : Seventy First Ladies will meet at a UN-sponsored summit convoked to battle increasing rural poverty among women in the Third World, reports AFP.

They will converge on the United Nations' Geneva headquarters Tuesday and Wednesday to formulate plans to help the half billion desperately poor rural women throughout the world.

Their numbers are growing by 15 million a year.

Unable to recruit sufficient support from various heads of state for the project, the International Fund for Agricultural Development (IFAD), a special UN agency based in Rome, succeeded in convincing many of their wives to attend the summit.

Queen Fabiola of Belgium will preside over the two-day summit along with UN Secretary General Boutros Boutros-Ghali.

The wives of a dozen presidents or heads of state from Latin America and another 20 from Africa will take part in the summit, but the First Ladies from the richest countries will be notably absent.

The United States has designated a delegate from its development agency USAID, while Germany, France, Italy, Britain and Canada will be represented by their Ambassadors or senior embassy officials. Japan is not participating.

For IFAD President Idriss Jazairy, poor rural women are the main key to unlocking the process of development, their crushing poverty being neither

inevitable or irreversible.

Almost one billion people live beneath the poverty level in the rural Third World, and almost 60 per cent of them are women. That proportion will increase to 70 per cent by 2000 if the trend is not reversed, Jazairy says.

Faced with a growing tide of male migration to cities, women have been forced more and more to assume the role of head of the family and major breadwinner.

Women already provide from 50 per cent to 70 per cent of the family economic production in the rural Third World, despite the fact they often do not have the right to own land and have difficulty arranging credit or finding technical or educational assistance.

A new list of development priorities and projects adapted to their needs, particularly in the fields of education and professional training, agriculture, sanitation, and small loans will go a long way in alleviating women's problems, according to Jazairy.

Those changes could only improve rural productivity, diminish hunger and strengthen the socio-economic role of rural women throughout the world.

Jazairy estimates that at least 50 dollars per woman per year should be consecrated to improving the lot of poor rural families to break the endless cycle of poverty.

That is the message he hopes the First Ladies gathered in Geneva this week will take home to their husbands.



REDS ROAR BACK : A crowd of pro-communist demonstrators Sunday trying to break through a riot police defence line in Moscow. The demonstrators wanted to go closer to the Kremlin but all protest marches are banned. —AP/ photo

US recovery hope boosts \$ in Asia

HONG KONG, Feb 24 : The US dollar gained strength in the Asia-Pacific region for a second straight week, moving up against all major currencies amid hopes of an economic upturn in the United States, reports AFP.

The Greenback gained against the Japanese yen and Australian, Singapore, Taiwan and Hong Kong dollars, and sharply against the South Korean won.

Only the Malaysian ringgit, New Zealand dollar and Philippine peso bucked the trend and rose against the dollar.

Japanese yen: The yen tumbled against the dollar in Tokyo, prompting the Bank of Japan to step in. It closed the week at 128.65 yen per dollar, down 0.7 yen from a week earlier.

The Japanese unit slid to 128.28 yen Monday, encouraging the central bank and the US Federal Reserve to sell dollars in their first joint intervention since January 17.

It recovered to the week's high of 126.60 to Tuesday after

Finance Minister Tsutomu Hata expressed support for a higher level, but prospects of a US economic recovery propped the dollar up for the rest of the week, sending the Bank of Japan back into the market Thursday.

Australian dollar: The Australian dollar finished Friday a little lower at 73.35 US cent after closing at 75.49 a week earlier.

It was boosted as investors took heart from reports that Prime Minister Paul Keating's economic statement, to be made Wednesday, will hold the fiscal line.

Hong Kong dollar: The Hong Kong dollar closed Friday at 7.7615-7.7625 to its US counterpart, a drop from its previous week's finish of 7.7545-7.7555.

The effective exchange rate index was 111.5, up from 111.2 reflecting the local unit's rise alongside the US dollar vis-a-vis European currencies and the yen.

Indonesian rupiah: The rupiah lost one unit against the dollar over the week, closing

at 2,008 to the Greenback. It began trading Monday at the previous week's close of 2,007 before the marginal decline.

Malaysian ringgit: The ringgit finished the week up a substantial 210 points at 2,5890, hitting a new four-year high against the US dollar, compared to 2,6100 the week before.

New Zealand dollar: The New Zealand dollar ended the week at 54.25 US cent, up from 54.13 cent a week earlier.

Philippine peso: The Philippine peso strengthened to 26.101 per dollar on Friday, up from 26.15 pesos the previous week. Economists have warned, however, that continuing strengthening of the peso may adversely affect exports this year.

Singapore dollar: The Singapore dollar weakened against the US dollar to 1.6445 here Friday against last week's closing level of 1.6365.

Dealers said reports of heavy selling of the Greenback in Tokyo created some buying interest in Singapore, with currency speculators anticipat-

ing the US dollar to be firmer in the next few weeks.

South Korean won: The won weakened sharply from 764.80 to the dollar a week earlier to close at 767.40 on Saturday. Dealers attributed the decline to expectations of another large South Korean trade deficit in February.

Taiwan dollar: The Taiwan dollar lost ground over the week to close Friday at 25.0605 to the US currency, down 7.05 Taiwan cent from the previous week's finish of 24.99.

Thai baht: The Thai baht declined slightly against the US dollar over the week, closing at a mid-rate of 25.49 baht a dollar compared with 25.45 baht seven days earlier.

A Bangkok Bank official said the baht fell following signs of economic recovery in the United States, as there was no domestic factor behind the drop.

The official said it was expected that the baht would continue to fall slightly against the dollar in Bangkok over the next week.

China loses \$154 m to lazy guys

BEIJING, Feb 24 : Slack officials cost China a record 830 million yuan (153.7 million US) in direct economic losses in 1991, with many civil servants too lazy to check state purchasing and credit agreements, the official China Daily said Monday, reports Reuter.

It said the Supreme Procuratorate investigated 3,189 cases of dereliction of duty in 1991, an increase of five per cent over the previous year.

"Many were found to have provided credit by violating financial regulations or accepting too readily claims by some manufacturers who were then found to be unable to pay back the money," the newspaper said.

Saying dereliction of duty "cannot simply be treated as an error of judgement," the Procuratorate is working out a series of penalties for lazy officials who end up costing the state money, the newspaper said.

Beijing backs OPEC output cut plan

JAKARTA, Feb 24 : Chinese Oil Minister Wang Tao said Monday that his country supports efforts by the Organization of Petroleum Exporting Countries to stabilize oil prices, reports AP.

Wang told reporters after a meeting with President Suharto that he agreed with OPEC the only way to strengthen the oil market is by reducing supply to the international market.

China exports 460,000 barrels of its total production of 2.8 million barrels a day. China also imports about 200,000 barrels of oil a day, including 50,000 barrels from Indonesia, he said.

Egypt embarks on privatisation

CAIRO, Feb 24 : The minister in charge of reforming Egypt's vast, inefficient public sector has defended the government against charges of delay and says a list of 25 companies to privatise has just been agreed with the World Bank.

Atef Obeid, Minister for Cabinet Affairs and Administrative Development told Reuters a series of pilot privatisations had begun and public assets worth 1.5 billion pound (455 million dollar) would be sold by June.

The biggest of the pilot privatisations was in Egypt's booming tourism business.

Two hotels have been auctioned and three will be formed into a single company

and floated on the stock market for about one billion pound (300 million dollar).

The state share in three joint venture industrial firms, one involving Kuwaiti partners and another involving Kuwaitis and Germans, will be sold off. Reports on the value of the state shares had been received this week and negotiations could now begin on their sale Obeid said.

Land reclaimed by state agricultural projects is also being sold and the projects wound up to gain experience of liquidating public sector operations.

Obeid said the pilot series would be followed by privatisa-

tion of a first batch of 25 public sector firms some state-owned and some joint ventures with the private sector.

He said the list had been agreed with a World Bank mission which left Cairo on Sunday and he hoped the companies would be valued and ready for sale by June they included firms in manufacturing, trade construction and building materials.

The World Bank urged Egypt last month to hasten its efforts to create a free market economy, including reform of the public sector while the economy was performing better than expected.

Calo Loch Weser, the Bank's

Middle East and North Africa Vice-President said Egypt could have more quickly identified the initial list of public sector businesses to be sold.

Egypt has agreed its economic reform plans with the World Bank and International Monetary Fund (IMF), winning agreement in principle from rich countries to forgive 10 billion dollar of its 40-billion dollar foreign debt.

Obeid defended the pace of the government's reforms by saying you cannot throw into the market all your companies, all your investment portfolio and say this has to be sold within the next year or two. This is as they call it, extreme stupidity.

ECO: Start of a journey to a distant destination

TEHRAN, Feb 24 : Iran, Pakistan and Turkey have brought five former Soviet republics into a long-dormant economic club, linking 250 million Muslims from Istanbul to Kyrgyzstan in what could become an Islamic common market, reports Reuter.

Speakers at a Tehran summit of the expanded Economic Cooperation Organisation (ECO) echoed each other's hopes that the group could become "an important weight in the global economy," as Iranian President Akbar Hashem Rafsanjani put it.

Rafsanjani led heads of state present in prayers during one session, stressing the group was part of a bigger Muslim family.

But Iranian officials said they were not out to export Islamic revolution to former Soviet republics. Any such effort would be anathema to a cleric, a close US ally.

Fundamentalist Iran and secular Turkey offer sharply different ideological models as they cultivate influence with the newly-independent Muslim countries, but deny an open battle.

Rafsanjani said Tehran and Ankara, despite their differences, could work together within the ECO, whose purposes were economic, cultural and social, not political or military.

Admitting Azerbaijan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan into ECO has generated more attention for the organisation than at most other times in its quiet

27-year existence.

Despite the summit fanfare, Iran, Pakistan and Turkey have severe economic problems of their own and can offer little immediate assistance to poverty-stricken ex-Soviet republics trying to shake off the legacy of 70 years of communist rule.

Turkish President Turgut Ozal noted the republics' economies were still tied firmly to those of Russia and Ukraine by roads, railways, gas pipelines and telecommunications links.

"Economically, these countries are really in trouble," Ozal told reporters after the summit ended on Monday.

"They want to feel more freedom, and for them ECO can be an alternative — not a complete one, but partial."

Ozal said the Soviet Union formerly paid Turkmenistan a fraction of the world market price for its natural gas exports.

He said some gas could now reach markets — at world prices — in or through ECO countries.

Iran is considering buying oil from producers in the former Soviet Union, refining it and selling product on their behalf. But such a scheme would require considerable investment.

Between them, the ECO founders produce many of the consumer goods in short supply in

the former Soviet republics, but their new partners lack hard currency to pay for them. Initially, ECO trade may depend on bartering finished goods for raw materials.

ECO members cut tariffs on some goods by 10 per cent at the Tehran summit, their first practical step to promote trade.

At Turkey's insistence, ECO heads of state pledged to work to scrap all tariff and non-tariff barriers, including export subsidies, across the board as soon as possible.

Despite Iranian rhetoric, the prospect of ECO becoming an Islamic economic powerhouse manipulated by Tehran seems remote.

Another Reuter report from Turkmenistan adds: Some western analysts say Turkmenistan is most open to Iranian influence — even though most Iranians are Shiite Muslims while Turkmen belong to the rival Sunni sect — because it shares a border with Iran.

With the United States preoccupied with Russia and Ukraine, Turkmenistan and other Muslim republics have turned east to look for investments.

"We can't sit and wait for the West to wake up and decide we are worthy of their investments," Valery Otcherstov, Turkmenistan's Trade Minister, says in a hostile tone.

"We need new markets, and we can't get a penny from Europe. Our economic situation

forces us to look to countries that are interested in our economy."

Turkmenistan has turned to Iran, its neighbour 25 km (15 miles) to the south of Ashkhabad, for economic salvation.

Iranian Foreign Minister Ali Akbar Velayati has made an official visit to Ashkhabad. Turkmen President Niyazov led a delegation to Tehran in October.

The flurry of diplomatic activity has already produced results. Two weeks ago, border posts were opened in the towns of Gidrolom and Gaudan along the divide between the countries.

Turkmenistan was part of Persia before the territory was absorbed into the Russian empire in the 19th century.

Iran has chosen to export goods rather than its brand of Islam to Turkmenistan. It too needs new markets.

Tehran has yet to recover from its devastating war with Iraq. Its oil revenues of 15 billion dollar a year fall short of consumption by 10 billion dollar.

For Turkmenistan's government, deepening ties with Iran is a convenient marriage that poses no real threat.

"There is no chance this state will ever become fundamentalist," says Otcherstov. "We have also signed trade agreements with China, but that doesn't mean Turkmenistan is going to convert to Buddhism."

Business briefs

Pilots battle for meal allowances: Several international flight operated by Royal Nepal Airlines Corp (RNAC) have come to a halt due to a dispute with pilots over meal allowances, reports AFP from Kathmandu.

The pilots, members of the Nepal Airlines Pilots' Association (NAPA), have since February 11 been refusing to fly domestic flights that require an overnight stopover.

Cairo moves to save crude reserves: Egypt plans to cut energy consumption and boost exploration to save its crude reserves its Oil Minister says, reports AFP from Abu Dhabi.

Egypt, which is not a member of the Organisation of Petroleum Exporting Countries, produces around 800,000 barrels per day of oil but most of the output is consumed at home.

Russia, Kuwait sign investment deal: Russia and Kuwait signed an agreement here Saturday evening on Protecting investments in each other's country, Itar-Tass news agency reported on Sunday, says AFP from Moscow.

The accord was signed by the Chairman of the Russian Foreign Economic Relations Committee Pyotr Aven, and Kuwait Finance Minister Nasser Abdalla Ar-Rodan, the agency said. The agreement will let businessmen from each country invest in the other country's oil sector.

Colombo's bid to buy airbuses opposed: Sri Lanka's main opposition party was planning a no-confidence motion against the government over a decision by the national carrier to purchase six Airbus aircraft, press reports said today, reports AFP from Colombo.

The Sri Lanka Freedom Party (SLFP) opposed the already debt ridden national airline, Air Lanka, raising 700 million dollar commercially for the purchase of the new aircraft from the French-led Airbus Industries reports said.

Israeli request to US: Israeli Cabinet ministers urged the United States on Sunday to stop linking immigration aid to the construction of Jewish settlements in the occupied territories, reports AP from Jerusalem.

Sensitivities were heightened by news reports from Washington suggesting that the Bush administration will withhold the aid until after Israel's June 23 election, hoping voters will choose a more pliant government.