

### Gold falls in India

NEW DELHI, Mar 4: The prices of gold slumped below 4,600 rupee (180 dollar) per 10 grams throughout India on Monday, reports Xinhua.

According to local press reports Tuesday, gold standard slumped to under 4,600 rupee mark in Delhi and later in the day, there were some offers at 4,550 rupee (178.5 dollar) per 10 grams against the 4,830 rupee (189 dollar) eight days ago.

### India requests resumption of Bofors probe

STOCKHOLM, Mar 4: India asked Swedish prosecutors to reopen an investigation into alleged arms sale bribes now that a government company wholly owns weapons-maker Bofors, it was reported Tuesday, says AP.

Allegations that Bofors paid bribes to secure a 1986 sale of howitzers to India, has been partly blamed for the downfall of former Indian Prime Minister Rajiv Gandhi.

The Swedish national news agency, TT, reported that an ombudsman for India's Central Bureau of Investigation had written to the Swedish prosecutor-general's office asking for the investigation to be reopened.

The letter said the earlier probe had been hampered by Bofors Industries, whose shares in Bofors have just been bought by a state-owned company.

The letter from the ombudsman for India, Gunnar Berg, said the Swedish state now has access to information which could clarify the case.

Bofors is suspected of having paid millions of dollars in kickbacks to win the 1.3 million dollar contract, but denies it paid bribes.

# Delhi plans to waive foreign exchange control

NEW DELHI, Mar 4: India plans to make the rupee fully convertible, progressively dismantle foreign exchange controls and open its doors wider to foreign capital as it pursues a path of radical economic reform. Finance Minister Manmohan Singh said here Tuesday, reports AP.

Singh also used a luncheon hosted by the foreign correspondents' association to scotch speculation about opposition within the cabinet to the process of reform, and to declare that the Indian economy was finally out of the woods.

The 59-year-old minister said the budget he unveiled Saturday — to applause from the industry and brickbats from the political opposition — was an extension of the liberalisation drive he launched last year.

"I propose to carry the process forward, he said, adding that the government's main priority was fiscal consolidation as it steered India further on the road towards a free market economy.

The Cambridge-educated minister said the government planned to make the rupee fully convertible as soon as it gained "mastery over the fiscal system," calling it the next big step on the agenda.

India also would open its capital markets to foreign investors, perhaps this year itself, in a bid to ensure their integration with the world and would gradually dismantle tight foreign exchange controls, the minister said.

Singh's remarks came as leftist legislators streamed into the capital to protest his open economy budget.

The Finance Minister said he expected the rate of inflation to come down from the

current 12 per cent as a result of prudent economic management including deficit cuts. Inflation, he admitted, was a cause of worry for the cabinet, underlining the need for India's monsoon-dependent agriculture to have a good year to ensure prices stayed under control.

But the process of reform was firmly in place, he said and warned, "unless we integrate we will miss the bus."

Foreign exchange dealers and bankers said the dollar rose 10 per cent against the

Reserve Bank of India's (RBI) middle rate of 3.87 dollar per 100 rupee in very thin trading. Exporters can trade 60 per cent of their earnings.

Exporters must still convert 40 per cent of their earnings with the central bank at the official rate.

The RBI, which fixes its rupee rates against a weighted basket of currencies, made the dollar its main currency for determining the official rate, effective Tuesday.

The pound sterling had been its intervention currency since India won independence from Britain in 1947.

Fedai, authorised to fix an "indicative" quote each noon, said the dollar opened at 3.25 per 100 rupees and rose to

3.55 before stabilising at 3.40/45. The market was unsettled, very nervous," said Pest Bilmoria of ANZ Grindlays. "It'll take at least a week to settle down."

Bilmoria estimated volume at 30 million to 40 million dollar. There was limited corporate demand, trading was basically inter-bank," he said.

Normal volume under the old system had been 200 million to 300 million, 75 per cent of it in Bombay.

Jamal Meclat, of Meclat and Meclat Foreign Exchange Brokers, said, "people didn't want to jump in and make risky commitments. Importers have booked all

their requirements, they can afford to wait." Meclat said exporters would get tax benefits if they sold dollar before March 31. There will be a lot of supply. The dollar should stabilise at 3.30," he said.

For war dollar premiums fell across the board — one-month to five cents from 15 and six-months to 25 cents from 40.

**Bid to improve public firms**  
Xinhua adds: India has provided more money for financing Golden Handshake with workers in loss making sick public sector as a means to

improve public sector management. The budget for 1992-93 has provided 1487.5 million rupee (58.7 million dollar) for financing Golden Handshake with workers in 19 loss making public sector units. The entire amount will come from National Renewal Fund (NRF), which was set up to take care of the workers who lose their jobs on account of modernisation and restructuring of the industry.

This is a sharp increase from the revised estimate of 897.5 million rupee (35.4 million dollar) in 1991-92.

Golden Handshake, otherwise known as Voluntary Retirement Scheme, has been in operation for public sector units since 1988.

Profit-making units finance this scheme from their own resources. Loss making units have been financed by the government.

The performance of the Indian public sector deteriorated in 1990-91 when the net profit (after tax) of all central public sector enterprises declined to 23.68 billion rupees (934 million dollar) from the level of 37.89 billion rupee (1.5 billion dollar) reached in 1989-90, according to the official economic survey 1991-92.

To enable the public sector to work efficiently, Indian government has suggested the public sector units be given the greatest autonomy in their operation. A system of full responsibility and complete accountability will have to be enforced on public sector managements. Sick public sector units can be closed as the case may be.

The CPI (M), the most powerful of Indian leftist parties, said the budget was an "enormous step along the road chartered for the Indian economy by IMF and World Bank."

It said the proposals would "promote de-industrialisation, accelerate inflation and increase further (India's) vulnerability to the caprices of international creditors, causing further erosion of our economic sovereignty."

Some 50 MPs and more than 200 provincial lawmakers

### Door will be opened to wider foreign capital

## India out of debt danger: Singh

NEW DELHI, Mar 4: Finance Minister Manmohan Singh said India was out of danger on its foreign debt and would be able to honour all repayment without seeking rescheduling, reports Reuter.

We are out of the woods, Singh told foreign correspondents. Officials estimated current total foreign debt at just under 75 billion dollar.

Singh said seven per cent of it was short term, he said the total might rise modestly in 1992/93 (April/March) but did not say if such loans would be commercial or from international agencies.

Singh has been easing open India's state dominated economy, and slashing government spending to meet International Monetary Fund (IMF) and World Bank terms.

The agencies loaned a total of 4.5 billion dollar in calendar 1991 to help India's ever de-

fault on short-term debt and to back the reforms.

Singh said India's foreign exchange reserves had risen to 4.4 billion dollar now from 1.3 billion when he took office last June. He told the World Bank in November that one month's import cover was 2.3 to 2.5 billion dollar and that he aimed to build reserves eventually to two to three months cover.

Singh said the next round of reforms would allow foreign pension funds to invest in Indian stock markets and Indian companies to invest overseas.

Foreign exchange dealers in Bombay fears the rupee might nosedive did not materialise and it traded firm around 29 to the dollar. They estimated importers had bought at least one billion dollar in anticipation of the partial conversion announcement reducing demands.

It's a relief sector finance

ministry official Montke Singh Ahluwalia said. We expect the market to be stable.

Ahluwalia said enhanced supply should keep the premium lower than the 25 to 35 per cent attracted by exit scrips, an interim measure where exporters were given tradeable paper for only 30 per cent of their earnings.

Singh said the more comfortable foreign exchange reserves and budget tariff cuts for importers, should ensure that partial convertibility would not fuel inflation, currently running at 12 per cent, he aims to cut the inflation rate to an average nine per cent 1992/93.

AFP adds: Leftist legislators were streaming into the Indian capital to protest the country's open economy budget for fiscal 1992/93, widely hailed by private industry, reports AP.

Some 50 MPs and more than 200 provincial lawmakers

### Japanese budget likely to be delayed

TOKYO, Mar 4: Parliament is not expected to approve Japan's 72.2 trillion yen (555 billion dollar) budget until mid-April, parliamentary officials said, reports Reuter.

The government would need to operate on a stop-gap budget for at least the first 10 days of the new fiscal year starting on April 1, they said.

Lower house approval of the budget is expected about March 13, followed by upper house approval near April 11, after which the budget will become law.

The lower house budget committee resumed debate on the 1992/93 budget on Monday after a two-week delay caused by an opposition boycott over political scandals.

Japan's constitution stipulates that the budget will take effect 30 days after approval by the lower house even if the opposition-controlled upper house rejects it.

The Ministry of Finance was expected to send to parliament a stop-gap budget for 1992/93 in late March, parliamentary officials said.

Under a temporary budget the government cannot start new public works projects, part of its plan to boost economic confidence in the next fiscal year.

### Kuwait resumes oil production in neutral zone

KUWAIT CITY, Mar 4: Oil production from on-shore wells in the neutral zone between Saudi Arabia and Kuwait resumed Tuesday for the first time since the Gulf crisis, said James Kinross, head of the US oil company Texaco, reports AP.

Production is estimated at 40,000 barrels per day (BPD) and shared equally by two states said the executive.



TOKYO: A money dealer calling a price during a morning session of Tokyo Foreign Exchange market Wednesday. The US dollar plunged at 130.93 yen from the previous day's close at 129.94 yen. The Bank of Japan intervened the market at 130.90 yen to prevent falling of yen. — AFP photo

## US economy begins to recover

WASHINGTON, Mar 4: Reports of a big jump in the government's main economic barometer and a surge in new home sales suggested on Tuesday the economy has begun to perk up, reports AP.

President Bush, under attack from presidential candidates from both parties for his handling of the economy, welcomed the reports, saying, "It's nice to have some encouraging news."

But analysts agreed that any recovery would be anemic, unlike the robust revivals that followed most other post-World War II recessions. And Federal Reserve Chairman Alan Greenspan cautioned that "extraordinary forces" still make the future uncertain.

"It looks like the economic recovery is under way," said economist Sung Won Sohn of the Norwest Corp in Minn-

neapolis. But he added, "it will be a very modest, gradual one."

The Commerce Department said its Index of Leading Economic Indicators jumped 0.9 per cent in January after two straight declines. Seven of the 11 forward-looking statistics posted gains, led by soaring stock prices.

The index is designed to forecast economic activity six to nine months in advance. Three consecutive declines are viewed as a fairly reliable — although not infallible — signal of an approaching recession.

The report also showed the November and December drops were not as sharp as previously thought. They were revised upward to 0.2 per cent for each month from the 0.3 per cent declines originally estimated a month ago.

"This tells us that (the economy) is not likely in fact

to fall back into another recession ... or a double-dip," said Mark Obrinsky, an economist with the Federal National Mortgage Corp.

Gordon Richards, an economist with the National Association of Manufacturers, said the report is "consistent with other evidence pointing to a gradual recovery in the second quarter."

For the year, the Bush administration and many economists are forecasting growth of just 1.5 per cent compared with an average of 6 per cent during the first year of recovery from other post-World War II recessions.

In a second report, the departments of Commerce and Housing and Urban Development said sales of new homes shot up 12.9 per cent in January, the steepest advance in a year. It was the third

### Russia hires US firm to locate illegal money abroad

MOSCOW, Mar 4: The Russian government has hired American investigators to help locate money illegally transferred abroad by the Communist Party and others, a Russian Cabinet Minister said Tuesday, reports AP.

Most of the party's assets were seized by governments of the former Soviet republics following the failed August coup against Mikhail Gorbachev.

The whereabouts of its foreign currency remain a mystery. Moscow newspapers have reported that party officials transferred up to 12 billion dollar to secret foreign accounts just before or during the three-day coup.

Billions more were reportedly sent abroad by corrupt officials in recent years.

### Oil prices soar as more cuts in output feared

NEW YORK, Mar 4: Oil prices rallied Tuesday on news that OPEC may soon meet to discuss more production cuts and rumors of a coup attempt in Venezuela, reports AP.

Light sweet crude oil for delivery in April settled at 18.64 dollar per 42-gallon barrel, up 30 cent, at the New York Mercantile Exchange. Lower-grade sour crude for delivery in May settled at 16.00 dollar per barrel, up 25 cent.

Oil opened lower, then saw-sawed early in the session before rising sharply in the afternoon.

Traders said the rally came partly on news that Algeria's oil minister had predicted the Organization of Petroleum Exporting Countries might meet before the cartel's next scheduled session in late April.

OPEC tried to shore up sagging prices by cutting output about two weeks ago. But traders say the cartel did not do enough, and prices have generally been falling since.

Oil was also given a lift by word that the Venezuelan military had been put on high alert.

Venezuela, the scene of a failed coup attempt on Feb. 4, is a leading oil producer and OPEC member, so indications of political troubles there could be expected to push oil prices higher.

Refined petroleum products futures also fell in early trading and rallied later in the day.

Home heating oil for delivery in April settled at 50.92 cent a gallon, up 72 cent. Unleaded gasoline for delivery in April settled at 59.06 cent a gallon, up 31 cent. One gallon equals 3.8 liters.

In London, North Sea Brent Blend crude oil for delivery in April settled at 17.43 dollar per barrel, up 21 cent, at the International Petroleum Exchange.

## OPEC has to spend \$120b to cope with world demand

MONAMA (Bahrain), Mar 4: OPEC states must spend 120 billion dollar during the 1990s to boost output and refining capacity enough to meet world demand, OPEC Secretary General Subroto said in remarks published Tuesday, reports Reuter.

The Saudi newspaper Ashraq al-Awsat quoted Subroto as saying the 13-nation Organisation of Petroleum Exporting Countries (OPEC) needed 60 billion dollar to boost production by six or seven million barrels per day (BPD) by the year 2000.

Another 60 billion dollar was needed to increase their refining capacity, he told the London-based newspaper.

OPEC and other producing states should invest a total of 250 billion dollar in the industry between now and the year 2000 to satisfy growing de-

mand, Subroto said. Help from consumer states, oil companies and banks was needed to meet the target.

"Undoubtedly, the biggest problem facing most of oil producers is the availability of sufficient money from their own resources," Subroto said.

It's a huge amount which oil producing states cannot afford. It requires the cooperation of producer and consumers, big oil companies and financial institutions, he said.

Subroto predicted that demand for OPEC's oil would increase to 28 million BPD in the second half of the 1990s from 23 million BPD in the first half. At the same time, crude output from non-OPEC states would decline.

Unless OPEC's production capacity rose, the world might face a serious oil shortage in the second half of the 1990s, he said.

## EC prepares tariff, export lists for GATT

BRUSSELS, Mar 4: The European Community (EC) will submit some 400 pages of statistical tariff and export lists to world trade negotiators in Geneva despite deep Franco-German divisions over the extent of farm trade concessions, reports Reuter.

EC officials said that the European Commission, which negotiates on behalf of the 12-nation EC in the Uruguay Round of world trade talks, could present the schedules in Geneva.

The schedules set out the tariff lists for scores of products including farm goods as well as the statistics on past EC agricultural export volumes.

These will be used as the basis for further negotiation in the Uruguay Round.

France, the community's biggest farm exporter, has objected to including in the statistical lists the volume OPEC cereals exports as this might signal the EC is ready to offer volume limits on cereals exported with the aid of subsidies.

Germany insists the schedule includes export volumes to show EC flexibility in the Uruguay Round. German Economics Minister Jürgen Moellmann said on Monday that limits on the volume of subsidised farm exports were inevitable as part of a deal.

## 'Michelangelo' set to destroy millions of computers!

SAN JOSE (Calif), Mar 4: A potentially disastrous virus dubbed Michelangelo is set to trigger millions of computer crashes this week, but experts say that safe computing can protect machines' memories, reports AP.

The virus has infected an estimated 5 million IBM-compatible personal computers worldwide and is poised to erase hard disks on Friday — Michelangelo's birth date.

"This is one of the most widespread viruses," said John McAfee, president of McAfee Associates, an anti-virus computer consulting firm in Santa Clara. "It's out there in a large way and could cause lots of damage if it isn't stopped."

Dataquest Inc, a market research company in San Jose, said its survey of 300 major businesses showed the Michelangelo infection rate rose from 5.5 per cent at the end of 1991 to 18.2 per cent at the end of January.

Companies like McAfee's, which make software programmes that can detect and rid a computer of viruses, are having trouble keeping up with requests to eliminate the Michelangelo strain, which first showed up early last year in Scandinavia. The virus sits dormant until triggered, in this case by a date.

"The phone has been ringing off the hook," said Sally Winship, a spokeswoman for Microcom of Norwood, Mass, which makes anti-viral programmes. "People are really getting nervous, and for good reason."

Like biological viruses, the Michelangelo virus is spread through contact — when a computer uses an infected floppy disk to "boot," or start up. Some previous viruses have spread through modems or networks. Once in the machine, the virus can spread to every disk used.

But unlike biological viruses such as HIV for AIDS, an infected computer can be "cured" if caught in time to thwart symptoms.

Experts offer four key tips to avoid viruses like Michelangelo:

—Install a virus prevention programme that loads into computers and prevents infected floppy disks from spreading their programmes.

—Don't run software sent unsolicited.

The more risky diskettes your computer comes in contact with, the higher the likelihood that it'll be infected," McAfee said. "It is very much like safe sex."

Martin Tibor of Synapse Data Recovery in San Rafael, knows of thousands of PCs infected at small and large companies and government installations.

"Ninety-nine per cent of the people who get affected by a virus keep quiet because they think it looks like their procedures are loose, or maybe like they pirated some software," Tibor explained. "But it's widespread."

An AIDS research lab in the San Francisco Bay area had some infected PCs, Tibor said, and the San Jose Mercury News found 10 infected machines. The New Jersey Institute of Technology also had 2,400 infected PCs, he added.

Leading Edge Products Inc of Westborough, Mass, shipped several hundred Michelangelo-infected PC clones in January.

Meanwhile, the US Department of Energy's Sandia Labs nuclear facility in Albuquerque, N.M., discovered two or three Michelangelo-infected PCs, which were detected by an anti-vi-

ral programme, the federal agency said.

"It wasn't a big deal because we caught the problem in time," said lab spokeswoman Julie Clausen. "We routinely check computers for viruses."

Experts say only 15 per cent of PCs are routinely checked for viruses. But previous large virus strains — Columbus Day, Jerusalem, Friday the 13th and Stoned viruses — haven't been as widespread or as destructive.

Most viruses are written by computer "hackers," or programmers who want attention, the experts say. Most are relatively harmless, and even amusing, said Karen Garrison of Central Point Software in Beaverton, Ore.

One virus, for example, makes the letters in words suddenly drop off the screen. Another causes a tiny ambulance — lights flashing and sirens — walking to drive across the bottom of computer screens, she said.

"We know of more than 1,000 viruses out there," Garrison said. "And there are more and more written everyday. Some people are just trying to be clever. But most of it's just simple vandalism."

## Business briefs

**India to sell 30,000 tons rubber this yr:** India is to export about 30,000 tons of natural rubber in the current financial year ending March 31, 1992, according to the Rubber Board chairman, Mrs Lalithambika, reports Xinhua from Delhi.

Inaugurating a seminar on the development of the rubber industry in Jajpur, capital of the western state of Rajasthan, she said the State Trading Corporation had been permitted to export about 17,000 tons, while private parties were given permission to export 14,000 tons.

**Unemployment in Vietnam high:** More than 12.5 million people or about 18 per cent of Vietnam's population lack full-time employment and the government has adopted 10 programmes to create jobs for some of them by 1995, the Quan Doi Nhan Dan reported, reports AP.

The programmes, designed to help demobilise a military, the young, peasants, sacked public sector workers and workers repatriated from Eastern Europe, will try and employ some 7.5 million people, the army newspaper said.

**Russian food output falls 31 pc:** Food production in Russia fell 31 per cent in January from a year earlier, according to latest figures published by the official statistics institute, Goskomstat, reports AP from Moscow.

In its report carried Tuesday by the independent news agency Interfax Goskomstat said the international community provided Russia with 1,740 tonnes of food aid during the same month.