

Vietnam to create 3.6 m new jobs this year

HANOI, Mar 15: The Vietnamese government will create 3.6 million new jobs, including 1.4 million most needed jobs in its cities, reports Xinhua.

The newspaper Nhan Dan here reported that a decision to this effect was made at a meeting of the Labour, War Invalids and Social Affairs Ministry which ended on Friday.

Official statistics show that in the coming four years, Vietnam's labour force will increase by 2.6 per cent annually and there will be a total of 7.5 million new job seekers before 1995.

The meeting decided to tap land and other natural resources to the fullest possible extent so as to expand employment. Local government funds and international aid will be collected to help alleviate the unemployment pressure.

At the meeting, it was also decided to reform the country's wage system by stages to be fundamentally completed in 1993.

Uzbekistan strikes big oil deposit

MOSCOW, Mar 15: Workers drilling in Uzbekistan have struck a large oil deposit and are unable to control the oil gushing out of the earth, Russian Television reported Saturday, says AP.

The oil discovered several days ago in the Mimbulakskii oil field in the Fergana Valley, one of Uzbekistan's most fertile and populous areas, the television said.

About 5,000 cubic meters of high-quality crude have been flowing out of the bore-hole each day, the television reported.

"Specialists say that such a fountain of oil has been observed only at the 10 largest deposits in the world," the television said. "Today, it is too early to estimate the deposit's total resources but one thing is clear — 'big oil' has been found in Uzbekistan," the TV added.

It said thousands of oil workers and experts, including special para-military teams for fountain control, have gathered at the field, but have been unable to control the flow.

Share prices continue to rise in HK

HONG KONG, Mar 14: Share prices at the Hong Kong Stock Exchange Friday continued to rise from Thursday's record high with the Hang Seng index, the key indicator of local blue chips, rising by 28 points to close at 5,071, reports Xinhua.

Yesterday was an active trading date with the daily turnover amounting to 3,561 million HK dollars (457 million US dollar).

Friday's market, Citicorp Vickers said that led by the finance sector and the Cheung Kong group, the market continued to perform strongly in the morning session. However, profit-taking began to take tolls above the 5,100 level. The Hang Seng index eventually settled for a 28 point gain, it added.

Germany expects slow recovery

BONN, Mar 15: The West German economy is expected to recover from the current stagnation slowly in 1992, with growth accelerating in the second half, economists said, reports Reuters.

The Federal Statistics Office earlier revised down to 3.1 per cent from 3.2 per cent West German Gross National Products (GNP) growth in 1991. West German GNP rose 4.5 per cent in 1990.

Economists now predict 1992 growth of 1.5 to two per cent, with a gentle expansion in the first half to gather steam after the July 1 expiry of a 7.5 per cent surcharge on income tax payments.

They agreed Germany was not now in a recession, as some top economists and UK Prime Minister John Major have recently declared. And hopes for an early easing in German monetary policy were fading fast.

One ought to avoid the word stagnation, but it probably de-

scribes the second half of 1991 most appropriately," said, Commerzbank economist Werner Verbockett.

Early signs of growth in the first half of 1992, and growth rates of around 3.5 to four per cent in the second half.

Verbockett is forecasting West German GNP growth of 1.5 per cent in the full 1992 year. He said private consumption had already picked up slightly in the fourth quarter, and was expected to strengthen considerably once the income tax surcharge expired.

Paul Temperton, London-based economist for Merrill Lynch, is forecasting GNP growth of 1.8 per cent, but said he was considering revising this figure down to 1.5 per cent.

"What we saw in 1991 was a slowing from very strong growth after unification," he said. But Germany is not in a recession. The German economy is still running at a very

high level of capacity utilisation and a low unemployment level.

The statistics office Sunday said West German GNP fell a real, seasonal and calendar-adjusted 0.5 per cent in the fourth quarter from the third quarter, to stand a real 0.6 per cent above the fourth quarter 1990.

It would have been the third quarterly decline in GNP, but for a revision in the second quarter data to show flat GNP from a decline of 0.5 per cent reported earlier.

Temperton said Saturday news that US retail sales rose a sharp 1.3 per cent in February could be the harbinger of a long-awaited recovery in the economy, a US recovery would help boost German exports again, further buying growth here.

Richard Reid at UBS Phillips and Drew in Frankfurt, comes in at the upper end of the scale, forecasting GNP growth of around two per cent in

1992. He said private consumption was expected to rise, and the negative effect of trade on GNP would fall away as the economies of key trading partners began to recover.

Reid predicted first quarter GNP would rise 1.5 per cent from the fourth quarter, buoyed by a jump in construction output.

Building output soared 17 per cent in the first quarter of 1991. Verbockett said building output was expected to rise a seasonally-adjusted six per cent in the period, not least due to exceptionally good wealth conditions.

One thing was certain, they agreed, hopes for an early decline in high German interest rates were dimming in line with the optimistic growth forecasts. "We were expecting a slight easing in the third and fourth quarters, Temperton said.

"But now I'm not sure we'll see any easing at all."

ROK ranks ninth in automobile production

SEOUL, Mar 15: South Korea has overtaken Britain to become the world's ninth-ranking carmaker after producing 1.498 million vehicles last year, the Korea Automobile Industry Association said Saturday, reports AFP.

The figure represents 1.156 million passenger cars and 340,000 commercial vehicles, the association said.

Japan still tops the industry, with a 1991 production total of 13.245 million, followed by the United States with 8.8 million, Germany with five million and France with 3.6 million.

Spain, Italy, Canada and the Commonwealth of Independent States outstrip South Korea with production figures ranging from 1.932 million and 1.5 million, the group said. Britain rounded off the top with an output of 1.457 million.

Dollar closes higher amid fears of new hostility with Iraq

NEW YORK, Mar 15: The dollar closed mostly higher after getting a boost late in the day from news that the US aircraft carrier America had been moved into the Mideast Gulf to signal Iraq it must destroy weapons, reports Reuters.

"People tend to go into dollar in time of international tension," said Jeff Link at Harris Trust and Savings Bank. The brief flurry of activity capped an otherwise quiet day which saw the dollar weaken in early trade after news that US producer prices in February rose 0.2 per cent.

The dollar closed at 1.6692/02 marks and 133.63/70 yen, up from the opening at 1.6678/85 and 133.35/45.

The rise in producer prices was less than the consensus forecast of a 0.3 per cent rise. While some traders said the smaller rise that was reported left the fed room to ease, most said the focus was still on U.S. rates staying steady or even firming after several pieces of positive U.S. economic news

Thailand aims to become World's gem trading centre

BEIJING, Mar 15: Thailand is geared to become the world's gems and jewellery trading centre with a target of 100 billion baht (four billion dollar) in earnings in the next four years, reports Xinhua.

According to a Thai news agency report monitored here today, Thai Director-General of the Department of Export Promotion Oranuj Osatanonda said that promotion of gem and jewellery industry would be conducted continuously with the target of four billion dollar in export earning to be achieved by 1996. Oranuj pointed out that the trend had been encouraging with first year's export figure as high as 37.8 billion baht (about 2.6 billion dollar), or five per cent of the country's total export.

Last week, Spain stopped a Honduran ship said to be transporting Polish weapons to Yemen, and earlier this year the German navy seized a freighter carrying Czechoslovak tanks for Syria.

Beijing plans to become leading toy exporter

BEIJING, Mar 15: China with a firm foothold in the world's toy market, will upgrade the quality of its exports in order to earn more foreign exchange, "China's Daily" said today, reports Xinhua.

The ministry of light industry expects to assign increased funds for the renovation of toy-manufacturing technology. It plans to invest hundreds of millions of dollars in the 1991-93 period for renovation of technology in several manufacturing sectors.

Yu Zhen, Vice-Minister for Light Industry, earlier this year set a toy export target of 800 million U.S. dollar by 1993.

By then, Chinese made toys are expected to reach the level set by the world's leading toy makers in the late 1980, Yu

said. In fact, toy exports, since 1985 a major source of foreign exchange earnings, already hit 811 million U.S. dollar last year, according to customs statistics.

In 1990, China exported 575 million U.S. dollar worth of toys, compared with 510 million U.S. dollar in 1989 and 96 million U.S. dollar in 1985.

China will also develop more electronic toys, plush-covered animals, adult playthings and what the industry calls 'make-you-clever' gadgets.

With upgraded technology, the industry expects to increase exports by a wide margin. China now has more than 1,700 toy factories, including some Sino-foreign joint ventures.

Lanka announces sweeping foreign exchange reforms

COLOMBO, Mar 15: Sri Lanka Friday announced sweeping foreign exchange reforms and said it was moving towards a total liberalisation of controls "within a few months," reports AFP.

Central bank governor Neville Karunatilake told reporters that for the first time Sri Lankans could remit money abroad to purchase health insurance and would be allowed unlimited amounts of money to finance studies overseas.

"We have now practically reached our destination of taking away all controls. The existing restrictions will be done away within a few months, in any case by the end of the year," Karunatilake said.

The new measures would come in to effect immediately, he said, adding that the gov-

ernment would shortly take away the two-tier structure allowing a lesser amount of foreign exchange for travel to countries in South Asia.

Sri Lankans travelling to the Indian Sub-Continent are allowed to take out 400 dollar annually while to other destinations they are permitted 5,000 dollar.

Karunatilake conceded that some South Asian destinations such as the Maldives were more expensive than some western countries and said he would lift all exchange limits.

He said the government decision was influenced by what he called the very comfortable reserve position. He said current reserves were equivalent to five months' imports compared to three months' a year ago.

Maruti to capture Euro auto market

NEW DELHI, Mar 15: The Maruti Udyog Limited, an Indo-Japanese joint venture, is to take over the European market for the 800 cc model from 1993, the Press Trust of India (PTI) reported, according to Xinhua.

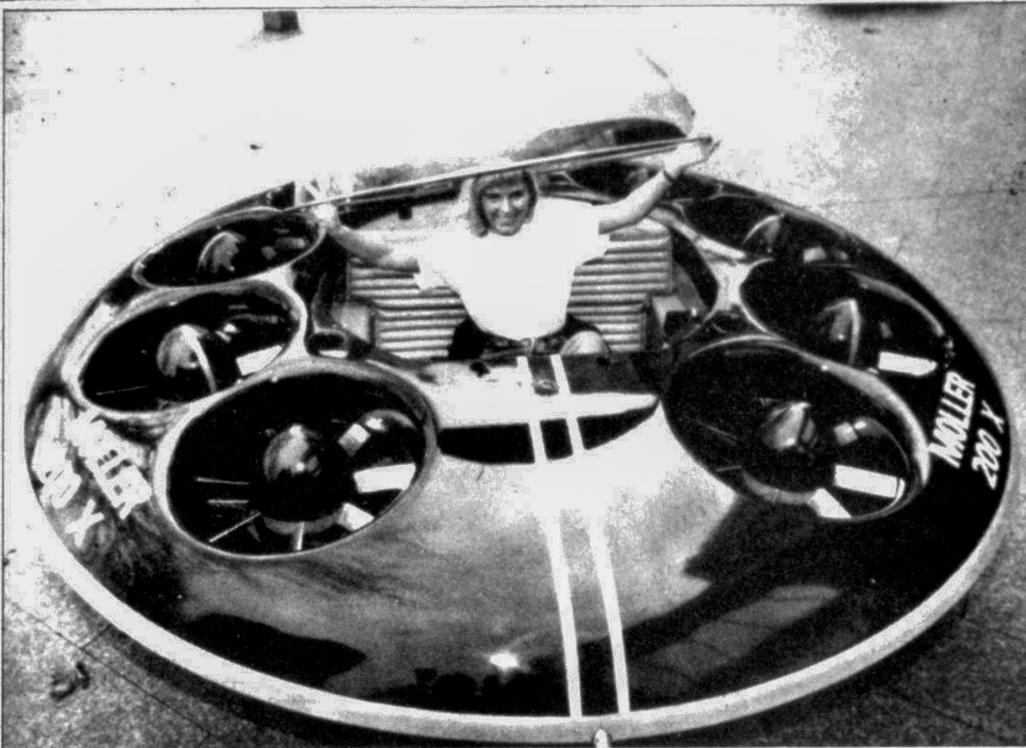
The decision follows the parent company Suzuki's decision to dismantle its 800 cc car plant in Japan and set up an additional facility in India for the manufacture of the improved 800 cc Indian version.

Suzuki will be stopping the production of 800 cc cars in Japan after 1992 and the Maruti company will be the only seller of the 800 cc model

cars in Europe, official sources were quoted in the PTI report as saying.

The sources said the export potential to Europe is estimated to be 40,000 to 50,000 cars annually and Suzuki will help the Maruti company in marketing them.

The Maruti Udyog Company, established in February 1981, produces more than 120,000 motor vehicles annually and exports about 5,000 cars to dozens of countries in Europe, West Africa and Asia. The 800 cc model has achieved 94 per cent indigenisation.



INTEGRATED TRANSPORT 2000 'This flying automobile' was described as a future means of transport at the Essen Motor Show. The vertical take-off car has computer assisted steering and the test vehicle is to be driven by rotary piston engines. Priority objective of the vehicle is to cope with the anticipated marked growth in traffic in a manner which is environment-friendly.

Weapons worth billions of dollar flood volatile Middle East

NICOSIA, Mar 15: The Gulf war and the collapse of the former Soviet Union have fuelled the arms race in the Middle East threatening to destabilise the region even more despite efforts to secure peace, reports AFP.

Most experts agree the region is now sitting on a powder-keg worth billions of dollar in sophisticated weapons although major powers last year pledged to reduce the flow of arms to the Middle East.

The private American Arms Control Association reported

last month that Washington had exported about six billion dollar worth of arms to the Middle East since May, US President George Bush urged regional states to curb their weapons purchases.

It would be tragic if the nations of the Middle East and the Persian Gulf were now, in the wake of war, to embark on a new arms race, Bush had said.

According to an Egyptian expert in strategy, Sami Mansour, the sale of weapons to regional states — which account for nine of the world's

10 biggest spenders on arms — has increased dramatically since the Gulf war.

The collapse of the Soviet Union, another major source for Middle East weapons, has opened the way for the newly-independent but cash-strapped, republics to sell part of their arsenal.

Regional states are also searching for alternative suppliers such as North Korea and China.

Iran was thus said recently to have purchased an undetermined number of Mig-29 Russian fighter bombers and

the United States has accused both Tehran and Damascus of buying Scud-C ballistic missiles from North Korea.

Syria and North Korea have denied the charge while Iran's state-run Tehran radio accused the United States of wanting to monopolise the arms trade for themselves and their allies in the west.

Last week, Spain stopped a Honduran ship said to be transporting Polish weapons to Yemen, and earlier this year the German navy seized a freighter carrying Czechoslovak tanks for Syria.

Bullish sentiment boosts coffee while base metals continue to lose ground

LONDON, Mar 15: Coffee prices were given a boost by hopes that Brazil may be persuaded to accept a move from its longstanding opposition to export quotas, following positive statements by the Brazilian Foreign Minister and a producers association, reports AFP.

Traders hope that the next International Coffee Organisation meeting in April will result in a more positive attitude by Brazil towards reintroducing the price-support system which expired in July 1989.

Base metals continued their weak trend, on lack of buying interest and rise in LME stocks. Precious metals weakened further, with gold traders liquidating their positions, and platinum and silver overshadowed by political uncertainty in South Africa.

The chief executive of the world's biggest mining group, RTZ announcing a 36 per cent fall in profit for 1991 on Thursday, said deteriorating prices and static demand were the main problem for metals last year. RTZ's Chairman said the prospects for metals in 1992 were overshadowed by the continuing recession in western countries and the rise in exports from the CIS.

Sugar firmed only lower forecasts for world production this year. Grain prices began

to rise, as traders felt the markets had touched bottom, and expected improved demand from Russia, Iraq, Morocco and India.

Gold: Weak. Weak trend continued, as traders liquidating their positions.

Platinum: Weaker. Prices fell slightly Monday, with a short-lived recovery mid-week. They then continued the downward drift.

Silver: Irregular. Prices fluctuate in a narrow range, rising at the beginning of the week, then falling from mid-week onwards, after the release of high complex stock figures.

Copper: Erratic. Prices ended the week higher after a sharp fall at the beginning of the week due to some Far East selling. Prices were also weakened by expectations of 50-70,000 tonnes of Russian metal due to arrive in Europe.

Aluminium: Waker. Prices fell at the beginning of the week, but recovered some

ground by Thursday afternoon on short-covering by US buyers, attracted by lower levels.

LME: LME prices were not affected by a 40,000-tonne rise in the international Primary Aluminium Institute stocks in February, as the figures included Iranian stocks for the first time, preventing a month-on-month comparison.

Zinc: Weaker. Prices fell steadily over the week losing most of the last two weeks gains, on lack of buying interest, but rallied by Thursday evening on technicals.

Nickel: Weaker. Prices fell steadily over the week, with little buying interest at lower levels.

Lead: Erratic. Prices dropped at the beginning of the week, but recovered from mid-week onwards, boosted by a stronger dollar which rose on bullish US retail sales figures.

Coffee: Stronger. Prices took off. Boosted by hopes that Brazil may agree to support the market after a surprise change of mind by the powerful Brazilian exporters Association, FEBEC.

The market was thin, as buyers liquidated their positions early in the week. LME stocks rose by 1,620 tonnes to 24,276 tonnes, adding further pressure to the market.

Sugar: Firm. Sugar prices showed a net rise after the United Nations Food and Agriculture Organisation (FAO) lowered its forecasts for world sugar production by 0.7 million tonnes to 112.8 million tonnes for 1991/92. The FAO forecast world consumption for 1992 at 110.9 million tonnes, which would create a surplus of production of 1.9 million tonnes.

Trading house Czarnikow forecast a surplus in output of 770,000 tonnes for 1992. The market was also boosted by hopes of significant Russian buying, and fears of a cyclone in Australia, which could damage crops.

Vegetable oils: Firmer. Soy oil prices at first benefited from the strength of the Chicago market, which was supported by analysts expecting low acreage to be planted in the US this year, and speculation over the United States Department of Agriculture (USDA) figures.

Prices then lost some of their gains after USDA forecasts for production and stocks were unchanged.

Palm oil: Prices were supported by the signing of a purchasing agreement between China, the world's biggest consumer country, and Malaysia which produces over 50 per cent of world supplies.

Petroleum: Firmed slightly. Brent crude on the International Petroleum Exchange (IPE) rose slightly until mid-week, then turned down, as buying interest in gasoline faded and the winter heating oil season approached its end, but finished the week firmer.

Rubber: Firm. Prices in London rose steadily over the week, boosted by a weaker pound.

Some US tyre manufacturer buying of Indonesian rubber and threats of a Japanese port strike pushed up the Asian forward markets with little effect on physical prices on the Malaysian market.

Cotton: Weak. Prices fluctuated within a narrow margin, depressed by reports from the US embassy in China, the world's second largest producer, that China's cotton production for 1991-92 would rise to 5.7 million tonnes.

The market remained depressed by world surplus and weak demand due to the decline in the textile industry.

output further. Prices had temporary fall on Thursday afternoon, after Iraq stated its willingness to continue talks with the United Nations on resuming its oil sales.

The American Petroleum Institute (API) showed a further rise of 7.03 million barrels to 353 million barrels in crude stocks, but this was balanced by falls in product stocks. US stocks were expected to increase sharply from now on.

Grains: Firmer. Wheat and barley prices were supported by fears of frost in the US Midwest, and on expectations

of new US credit guarantees for the Commonwealth of Independent States (CIS).

Operators also felt the market had bottomed, and expected an improvement in demand from the CIS, Iraq, Morocco and India.

The market ignored the FAO's 2.5 per cent upward revision of its forecast for world production of wheat to 565 million tonnes.

Tea: Unchanged. Demand was good on the weekly London auction, where average prices remained unchanged at 155 pence/kilo for superior grades and 92 pence for average grades but rose to 80 pence against 78 pence for inferior grades. Prices should firm in 1992, traders said, supported by the prospect of a lower world harvest, due to droughts in several producer countries.

Wool: Weak. Prices fluctuated within a narrow margin, depressed by reports from the US embassy in China, the world's second largest producer, that China's wool production for 1991-92 would rise to 5.7 million tonnes.

The market remained depressed by world surplus and weak demand due to the decline in the textile industry.

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