China prepares to launch 2nd foreign telecom satellite

BEIJING, Mar 23: China's fledgling launch industry prepared Sunday to send its second foreign satellite into space, a US made Australian telecommunications satellite, reports AP.

The launch was to be broadcast live on national television Sunday evening, reflecting China's pride in its ability to compete with the West in a high-technology

China's official newspapers also carried numerous reports on the impending launch, including a front-page article in Sunday's People's Daily (Renmin Ribao). The paper said pre-launch tests went normally.

The rocket is highly reliable and I'm confident that today's launch will be successful," the state-run Xinhua News Agency quoted the rocket's designer, Wang Dechen, as say-

The satellite was to be launched from the Xichang Launch Centre in southwest China's Sichuan province, a remote facility surrounded by traditional villages and rice paddies.

The satellite is owned by Optus Communications, a private Sydney-based company that recently purchased the telecommunications carrier Aussat from the Australian government.

It will bring television, voice and data services into Australian homes, replacing another satellite that is coming to the end of its life, said Optus spokesman Leighton Farrell.

China has launched 31 satellites since sending its first rocket into space in 1964. It entered the international launch business in April 1990, sending the Asiasat telecommunications satellite into space for a Hong Kong-based consortium.

A second successful launch could help lure business from more experienced but also more expensive Western competitors such as the US Space Shuttle Program and Europe's Ariane. Western launch companies have accused China of setting prices below cost, which China denies.

Stocks lose early gains while dollar inches up in Tokyo

TOKYO, MAR 23: Stock prices narrowed early gains but still ended higher Monday while the dollar inched up against the yen, reports AP.

The 225-issue Nikkei Stock Average rose 54.51 points, or 0.27 per cent, to close at 20,239.60 after being up as much as 200 points. On Thursday, the average rose 420.78 points, or 2.13 per

Japan's financial markets were closed Friday for Spring Equinox Day, a national holi-

The Tokyo Stock Price index of all issues listed on the first section rose 8.74 points, or 0.60 per cent, to 1,459.88. The TOPIX gained 43.36 points Thursday. The dollar closed at 134.20

yen, up 1.65 yen from Thursday's close. It opened at 134.10 yen and ranged between 133.95 yen and 134.35

The benchmark No 129 10year Japanese government bonds stood at 105.91 points at 3 pm (0600GMT), up from Thursday's 105.88-point finish. Their yield was lower at 5.340 per cent from 5.345 per cent,

Stock traders said profittaking in the afternoon narrowed morning gains on shortcovering and growing expectations that the Bank of Japan may cut its official discount rate this week.

US jobless rate unlikely to fall before election

WASHINGTON, Mar 23: The White House sees clear signs of economic recovery. but economists say the signs are too faint to assure US jobless rates will fall before November's presidential election, reports Reuter.

"It means a very close race" for incumbent George Bush, said Philip Braverman, chief economist for DKB Securities.

Most economists believe economic growth will be mod est at best and not enough to improve the employment out look before voters go to the polls in November.

The unemployment rate, which stood at 7.3 per cent in February could rise to 7.5 or eight per cent by year's end, said Braverman.

President George Bush's chief economic adviser Michael Boskin said the recent data show "the economy's clearly improving" and looks like a recovery is on the

But at the same time, he said, the US economy was not doing as well as the administration would like and that he wanted to wait a while longer before jumping to any con-

The White House aide has reason to be cautious. His posi-

tive statements about eco nomic recovery last year turned out to be wrong. After a brief spurt of growth, the recovery fizzled and consumer and business confidence

White House budget Director Richard Darman said the US economy was on the mend and predicted on Sunday that economic growth would pick up as the year proceeded

"We in the administration are assuming each quarter throughout this year will be slightly better than the one before, perhaps substantially better." Darman said on ABC Natworks weekly news programme, "This Week with David Brinkly

The budget chief thinks the economy can grow three per cent by the third or fourth quarter of the year.

Then we could have the good fortune of unemployment coming down," added Darman. He said that growth of more than two per cent was needed to achieve a drop in the jobless

Bush's economic record is expected to be a top issue for his Democratic challenger. Democratic front-runner Arka-

nsas Governor Bill Clinton accuses Bush of having the worst record of any President since the great depression.

Bush is fighting back by ac cusing the Democratic-controlled congress of failing to pass his seven-point growth plan that, among other things, calls for lower taxes of gains from sales of stock and other

On Friday, he vetoed a 77.5 billion dollar, five-year tax plan passed by Congress. It gave tax credits to middle-income and poor families and pays for it by raising the taxes paid by the richest Americans. The top tax rate would have risen to 36 per cent from 31.

Not all economists are as pessimistic as Braverman about the data, but even the optimists don't believe the unemployment picture will improve in time to help Bush.

Another report says President George Bush on Sunday all but gave up on get ting Congress to pass his version of an economic growth plan this year, saying he would rather "do nothing at all" than accept a package he felt might hurt the US economy.

"The best thing would be (to) do something that would stimulate investment, but if

that can't happen, then the next choice would be (to) do nothing," Bush told a White House news conference with German Chancellor Helmut

Bush's top adviser, White House Chief of Staff Samuel Skinner, said earlier there would be no compromise on Bush's tax cut package aimed at pulling the US economy out of recession.

Bush vetoed a Democratic economic stimulus package on Friday after it passed the opposition-controlled legislative branch. The Democratic bill would have raised taxes on the rich to pay for a middle class tax cut.

When asked by a reporter how he hoped to get a package if he was unwilling to compromise, Bush replied: 'far better than doing something bad to this economy is doing nothing at all."

In an interview on CBS's

face the nation earlier Sunday, Skinner ruled out a compromise to resolve the impasse between the White House and Congress over a growth plan. We can't compromise on raising taxes because that won't do the economy any good," Skinner said.

Industrial output falls in Russia

MOSCOW, Mar 23: Indus trial output in Russia fell by 13.5 per cent during the first two months of the year compared with the figure during the same period of last year, the State Statistical Committee (Goskomstat) has reported, reports AFP.

in agricultural, the output of meat fell by 24 per cent, of cereals by 35 per cent and of dairy produce by 45 percent the Interfax news agency reported on Monday, quoting the Goskomstat figures and de spite the launch of a programme to privatise the economy, 96 per cent of enter prises in Russia continued to be controlled by the state.

This figure did not include companies being rented to individuals but which remained in state ownership. State oper ations accounted for 96 per cent of all output in Russia.

In agriculture the number of private farms had increased by 150 per cent in a year to 26,500. During 1992 1.1 mil lion hectares (about 2.7 million acres) of land would be trans ferred to private farmers who would each have an average of 41 hectares (101 acres).

accounted for one per cent of all agricultural product in

Japan to cut limit on auto export to US

TOKYO, Mar 23 : Japan will cut its self-imposed limit on car exports to the United States to 1.65 million in the year from April 1 but the move is likely to attract criticism in both countries, the trade minister said on Thursday. reports Reuter.

This issue has been my biggest headache for some time, and the decision is the result of much pondering." Minister of International Trade and industry (MITI) Kozo Watanabe told a news conference.

Ford Motor Co President Allan Gilmour said in Detroit this month he would like to see the quota slashed to 1.3

had considered four choices abolishing the quota altogether, keeping it at the current level of 2.3 million per year, setting it at around actual 1991/92 exports, or cutting to below the 1991/92 level. "We knew that whichever

Watanabe said the ministry

option we chose, there would have been complaints from one or the other of the parties involved," Watanabe said. Japan has limited its car

exports to the American Last year private farmers | market to 2.3 million year since 1985/86.

Due to ebbing demand in the United States and

increasing local production by Japanese carmakers, actual exports have declined for several years and are now well

below the limit MITI expects Japanese car exports to America to total about 1.73 million in 1991/92. But it decided a tighter

limit was necessary because US car demand is expected to recover in 1992. "Japan has to set a lower quota for car exports to make

sure that the downtrend (in car exports) continues." Watanabe said MITI judged that 1.65

million cars for 1992/93 would be a reasonable quota, as that would mean about a five per cent decrease from yearago actual export levels.

Car industry analysts said the cut in the quota came as no surprise, adding that leaving the quota at 2.3 million would have sparked anger.

Japan's carmakers may be dissatisfied with the cut in of short-term consequences but they are bound to benefit from the decreased quota in the long run, MITT's Watanabe said.

"Japan's largest overseas car market is the US so protectionist backlashes taken by the US would be what Japanese carmakers dread the most," he said.

Cairo dedicates five-year plan to free enterprise

CAIRO, Mar 23: Egypt says its new five-year plan, that standby of socialists and central planners, is just what is needed to complete its transition to enterprise capitalism, reports AFP. While the mere mention of a

1992-97 third five-year plan might give business people the shivers, policymakers say it reflects Cairo's new commitment to free market economies.

They say the name, which evokes the socialist policy of nationalisation and state control Egypt pursued for decades, is just a coincidence and that the plan will continue Egypt towards privatisation, balanced budgets

and the free market. Diplomats from western coun-

tries that promised to forgive Egypt 10 billion dollar of debt in return for economic reforms say there has been real progress since the deal was struck last may, if slower than they had hoped for.

But they are sceptical that all the Egyptian officials who spent years preaching strong state involvement in the economy and now mouth the merits of the market have been converted.

Development naturally needs mobilisation and a concerting of efforts, especially in the public sector which is responsible for productivity,

TAIPEI: Wu Pei-jiun (c), a 19 year-old high school student beats 23 other beauties to capture

the first place in the 1992 Miss Republic of China beauty contest in Taiwan on Mar 23. She is

flanked by 1st runner up Liu Yu-hsing (L), 24, a junior college student and 2nd runner up

of the central task of economic

development", Premier Li

Peng said during the opening

of the annual session of par-

liament. About three quarters

of his speech was dedicated to

deepen reform, developed the

economy and improve living

standards can sqe lay a solid

foundation for long-term

stability," Li told the National

People's Congress.

"Only if we continue to

China's economic direction.

goods and services," Minister for Planning Kamal Ganzouri wrote in the preface to parliament.

He referred more guardedly to "the increased positive role" of the private sector. "There has to be planning. No

country in the world goes without economic planning," said Tawfiq Ismail Abdo, head of the Parliamentary Committee debating the plan. "It is a question of indicating rather than ordering." He said it would leave the private sector free but show "sound directions" for investment.

Abdo said many parliamentarians were disappointed that the plan only predicted 4.9

per cent annual growth in Gross National Product. "It's an extremely modest plan. We could have got seven or eight per cent," he said.

Some western economists said Egypt was keen to appear on track with reforms before the second state of a three-year package was negotiated with the International Monetary Fund and World Bank in June. The plan, like Egypt's annual budgets, would need close scrutiny to see if it added up. There are always two budgets in Egypt," said one economist. "There's always a secret budget because they know how far they can really go."

Fuel leaks in Atlantis discovered

FLORIDA, Mar 23: Mysterious fuel leaks were discovered abroad the space shuttle Atlantis early today, forcing officials to postpone its atmospheric research mission indefinitely, reports Reuter.

Engineers halted the launch countdown at 2:40 am (0740 GMT), less than eight hours before Atlantis was to have lifted off with a crew of seven including the first Belgian astronaut.

It was the first time fuel leaks had been encountered since the summer of 1990 when mysterious leaks grounded two shuttles for most of the year.

place in China's social eco-

we have emerged victorious

from trials imposed from in-

side and outside the country."

he said, an apparent reference

to the 1989 pro-democracy

challenge which resulted in

Soviet Union collapsed because

it was in an economic mess.

The official Chinese media

bloodletting.

Thanks to reform and the emphasised that the former

That's the main reason why

nomic development", Li said.

tender for lm ton wheat NEW DELHI, Mar 23: India

India floats

international

has floated global tenders for one million tonnes of wheat af ter the United States refused to sell it the commodity at a subsidised price, press reports said here, according to AFP. The tenders floated Friday

cover major wheat-producers such as the European Community, Canada, Argentina and the United States, the Press Trust of India (PTI) quoted official sources as say-Open market prices of

wheat in these countries range between 130 and 168 dollar a tonne.

Washington turned down an Indian request to supply the commodity at a subsidised rate on grounds that New Delhi was not a traditional wheat buyer. The United States had also been angered by India's selling rice to Cuba.

Bush, Kohl agree to break GATT deadlock WASHINGTON, Mar 23 "We agreed that as Russia

President Bush and German Chancellor Helmut Kohl wrapped up a weekend of informal talks Sunday by reiterating their resolve to break the deadlock on global trade talks, reports AP. Kohl said a new General

Agreement on Tariffa and Trade is 'of paramount importance for the world economy." But alluding to the US-European dispute over agricultural subsidies. Kohl said. "Obviously, when we talk about compromise, it means both sides have to move."

Kohl said he hoped the new global trading rules can be completed 'at the very latest by the end of April." The two leaders, in a two-

day retreat at Camp David in the Catoctin Mountains of Maryland, also reviewed the troubles inside the former Soviet Union.

and other new democracies adopt reform programs, we and the rest of the G-7 (Group of Seven) countries should take the lead in expanding financial support through the international financial institutions," Bush said. Kohl said they discussed a

coordinated Western approach to providing "self-help" to the former communist states of Central and Eastern Europe. Noting relief packages that both the United States and Germany have extended to the former Soviet states, Kohl said, "Obviously we cannot go on doing this kind of thing indefinitely."

Kohl said Russia and Ukraine must end their dispute over control of nuclear weapons. This subject will indeed play a role when we discuss aid to these former Soviet republics," he said.

The poorest country of the world is Nigeria

LAGOS, MAR 23: Per capita income in Nigeria has been put at 1,065 naira (about 59 US dollar), which makes the country the poorest in the

The weekly Sunday Concord published here yesterday said that the 59-dollar per capita income was based on the country's 1991 Gross Domestic Product (GDP) of 94.3 billion naira and a recently announced population figure of 88.5 mil-

With Nigeria's external debt estimated at 35 billion dollar each Nigerian would have to pay 7,118 naira or almost 400 US dollar to turn this country into a debt-free nation.

Analysts was quoted as saying that the per capita income of 59 dollar has made Nigeria the poorest of the poor, far below Mozambique which, with per capita income at 80 dollar, has the world's lowest per capita income level since

Taiwan threatens to ban Thai labour TAIPEI, Mar 23: Taiwan he had already paid a fivehas threatened to ban the im-

portation of That workers in a bid to press Bangkok to retract demands that Taipei considers unreasonable, officials said Sunday, reports AFP. "We may stop the employ-

ment of Thai workers if (our) investigation into the matter shows that Bangkok had actually interfered with our labour policy by making unreasonable claims," said Tsai Shiann-Liow, Vice Chairman of the Council of Labour Affairs. He was referring to com-

plaints by local firms that the That government was forcing them to pay deposits in order to hire Thai workers, and had set a minimum monthly salary of 11,500 Taiwan dollar (460

The Council has agreed to allow Thailand, Malaysia, Indonesia and the Philippines to shortage here.

provide workers for Taiwan firms to alleviate the labour But Bangkok has reportedly set requirements to protect the benefits for its nationals.

Chiang Wen-Lin, local fac-

tory owner, told reporters that

month deposit for each Thai worker he wanted to employ when the Thai government suddenly set the minimum wage of 460 dollar. Now, he said, "I must pay

an extra 120 US dollar to each worker... and also I must pay 14 per cent of the income taxes for the worker to our government." Taiwan requires foreign

workers to pay 20 per cent of their salaries as income taxes, while local residents pay only six per cent. Local press reports said a

Thai worker earns between 200 and 240 dollars in the city, and between 80 and 120 dollar in the country.

Thai workers in Hong Kong and Singapore make between 300 and 340 dollar a month. But Thai trade officials sta-

tioned in Taiwan argued that That workers deserved higher wages to match the living standard here.

Meanwhile, Thailand has upgraded its office in Taiwan from a former airline office to an economic and trade office that also issues visas.

Most Asian currencies stand firm against the Greenback Business briefs

China's journey to socialism via capitalism

HONG KONG, Mar 23: Most Asian currencies firmed against the Greenback this past week, with gains registered by most except the South Korean won, Taiwan dollar, Malaysian ringgit and New Zealand dollar, reports AFP. Indonesia's rupiah re-

mained unchanged. Japanese yen: The Japanese yen bounced back against a surging dollar to close at 132.55 to the dollar, up one yen from 133.55 a week ear-

After opening at 133.96, the yen dipped as low as 134.38 on Monday amid dollar-buying bolstered by confidence in a US economic recovery and rumours of a rate cut in Japan.

But on Tuesday, the Japanese unit recovered as the dollar was sold amid profittaking and position adjustments, brokers said.

The mood remained upbeat for the remainder of the week - peaking at 132.27 at one

point Thursday - on prospects that the Japanese government would take pump-priming measures to help the economy. Friday was a holiday in Japan.

Shih Hsiu-chieh, 24, a college student.

BEIJING, Mar 23: Drawing

lessors from last year's col-

lapse of the economically weak

Soviet Union, China's com-

munist leaders made clear

Friday they would borrow from

capitalism to stay in power,

capital and stock markets

would forge "socialism with

Chinese characteristics," they

Private enterprise, foreign

"We should never lose sight

reports AFP.

said.

Australian dollar : The Australian dollar ended the week up more than half a cent at 76.00 US cents and at a threemonth-high on its currency index of major trading part ners, following indications economic recovery has begun.

Traders said this was reflected in the solid rise in March's Westpac/Melbourne Institute Consumer Sentiment index on Friday, which also helped push the currency

Lack of selling from Tokyo owing to a public holiday there Friday helped the Aussie unit to rise to the recent high on the trade-weighted index. closing at 58.2 points from 57.8 a week earlier.

Dealers said the rise was supported by US dollar gains overnight against the major cross rates, which also pushed the Australian dollar higher. The currency closed firmer at 101.60-67 yen from 100.62-73 on Thursday.

However, traders said the local unit may run into some selling pressure when the Japanese market reopens

Hong Kong dollar: The Hong Kong dollar closed on the week marginally higher against the Greenback, at 7.7440-7.7450 to the US unit, after closing at 7.7455-7.7465 a week earlier.

The currency's effective exchange rate on Saturday stood at 112.9. Indonesian rupiah: The In-

donesia rupiah started and ended the week at exactly the same level at which it had closed the previous Friday - at 2.016 to the dollar. Malaysian ringgit: The Malaysian ringgit weakened by 132 points to close at 2.5900

against the dollar compared to

2.5768 the previous week,

after falling from a high of

The local unit, which has been hitting record lows in recent weeks, came under pressure from profit takers in the first three days of trading, dealers said, adding that central bank Negara bought between 500 million and 700 million US dollars Thursday to

-AFP photo

reforms

The government more than

ever considers economic

growth-forecast to grow six

per cent this year-as the best

to enjoy further the fruits of

launched in the late 1970s.

which allowed people to pur-

opening policy, in the past 13

years great changes have taken

The regime wants Chinese

glue to hold China together.

the economic

sue their own gain.

prop up the local unit. Dealers anticipate the ringgit will continue its downward momentum, testing the 2.5600 level again next week.

New Zealand dollar: The New Zealand dollar briefly rose above 55 US cent but fell to a close Friday of 54.93 cent, still slightly up from the previous week's 54.78 cent. The Kiwi has been trending

upwards for several weeks but

has several times met resis-*tance at the 55-cent US level, dealers said. Philippine peso: The Philippine peso gained against the dollar to close Friday at 25.637 to the Greenback, from

25.816 seven days earlier.

Dealers generally attribute the peso's rise to depressed imports coupled with a surplus in the country's balance of payments position, which are combining to lessen pressure on the exchange rate. Singapore dollar: The Sin-

gapore dollar strengthened against the US dollar to a rate of 1.6685 Friday against last week's finish of 1.6710. Dealers said buying of the Greenback abated on news that

demand for the currency in Tokyo was sluggish. The local dollar was also stronger against its Hong Kong counterpart, at an exchange rate of 21.54 compared to last week's 21.57.

The OCBC Bank's trade weighted index for the Singapore dollar stood at 136.65, up from last week's 136.38. The index is calculated against the currencies of Singapore's top 12 trading partners.

South Korean won: The South Korean won continued tion's political situation ahead its slide against the US dollar of Sunday's general election.

during the week, trading at 773.30 won per US unit on Saturday, a sharp fall of 2.60 won in a week. The won's continued de-

cline is due largely to large

trade deficits, foreign exchange experts said. Taiwan dollar: The Taiwan currency continued its downswing to close Friday at 25.49 to the US dollar, down 12.41

Taiwan cent from the previous week's finish of 25.3659. After opening Monday at 25.439, the local unit steadily lost steam on increased trading and moved between 25.4525 and 25.49, currency dealers said.

Thai baht: The Thai baht steadied against the US dollar, closing at 25.65 bath per dollar, compared to 25.67 baht last Friday.

One financial official at tributed the improvement to investor confidence in the na-

Saudi Riyal's Interbank rate firm: Saudi Riyal Interbank deposit rates displayed a firmer tone in typically quiet Sunday, trade dealers said, reports Reuter from Nicosia.

Spot-next and one-week funds were unchanged at 4-1/4. 1/8 per cent. One-month deposits rose 1/16 point to 4-1/4, 1/8 per cent while three and six months funds were steady at 4-5/16, 3/16 per cent and 4-9/16, 7/16 per cent respec-

Taiwan for GATT membership with China: Taiwan is willing to put aside its long-standing hostility towards China and join the General Agreement on Tariffs and Trade (GATT) along with its rival, officials here said Sunday. reports AFP from Taipei. It does not bother us if the mainland would join the

GATT at the same time we are admitted," a Foreign Ministry spokesman said. Global wine production may fall:

A UN agency on Sunday predicted a fall in this season's global wine production compared to last year's, reports AP from Wine output for the 1991-92 season is expected to be 294 million hectolitres (7.6 billion gallons), a 20 per cent decrease from last year, the Rome-based Food and Agriculture

Organisation said. The report attributed the slump to bad weather, including frosts, that hurt grape crops in some of Europe's major wine-

producing countries.