

Shares in NY, Tokyo surge

TOKYO, Apr 10: Share prices on the Tokyo Stock Exchange surged Friday morning as the New York stock market's overnight gains encouraged bargain hunters. The US dollar remained lower against the Japanese yen, reports AP.

The 225-issue Nikkei Stock Average gained 834.21 points, or 5.03 per cent, ending the morning session at 17,432.36 points. The average had fallen a total of 1,961.56 points, or 10.57 per cent, during the previous three trading days, including Thursday's 577.38-point decline.

The Dow Jones Index gained 43.61 points to close at 3,224.96 Thursday after the US Federal Reserve Board cut the Federal Funds rate, the rate charged by banks that loan excess reserves to other banks, to 3.7 per cent from 4.0 per cent.

Investors were worried about the Tokyo stock market's negative influence on overseas markets, especially the New York market, said Karuyuki Suzuki, a trader with Daiwa Securities Co.

If the Dow Jones average had fallen yesterday, it could have caused a panic situation here, he said.

The market also responded to media reports that the United States requested Japan to take measures to further stimulate the sagging economy, said Shigeaki Sato, an analyst with Okeana Securities.

On the foreign exchange, the dollar was changing hands at 132.21 yen late morning. The currency opened at 132.03 yen, down 0.67 yen from Thursday's close, and ranged from 131.98 yen to 132.30 yen during morning trading.

Dealers attributed the dollar's weakness to Thursday's Federal Funds rate cut.

UK stocks shrug off polls blue, make good gains

LONDON, Apr 10: The British stock market shrugged off its election blues and staged an impressive rally on Thursday polling day, reflecting hopes that the ruling Conservatives would retain power, reports Reuters.

A late swing towards the Conservatives, seen as more pro-business than the opposition Labour Party, in Wednesday's opinion polls encouraged market-makers to push prices higher for fear of being caught short in the event of a conservative win.

"No-one will want to be short of the market if they think the Tories (Conservatives) have a chance of sneaking a victory," said John Reynolds, equity strategist at Couty Natwest.

The Financial Times-Stock Exchange Index of 100 leading shares soared 43.2 points to close at 2436.2.

The equity market has declined around 140 points since the March 10 annual government budget, on fears the Labour Party might topple the Conservatives in the most closely fought election for decades.

The market had very much discounted a Labour victory and a hung parliament (with no outright winner), said Ian Harnett, equity strategist and British economist at Societe Generale Strauss Turnbull.

Commitment clashes with practices, finds Community's annual report

EC slates US protectionism against Europe

BRUSSELS, Apr 10: Transatlantic trade continues to suffer from a range of US protectionist laws and practices, the European Community said Thursday in an annual report on problems in doing business with America, reports AP.

The EC Executive Commission said America's commitment to free trade clashes with its "reluctance to recognize that the United States has its own trade impediments."

Its eighth annual Report on US trade and investment barriers cited examples of protectionism such as high tariffs and taxes, export subsidies, and other discriminatory treatment of European companies.

EC-US trade totalled 190 billion dollar in 1991, a year in which the US trade surplus grew to 17 billion dollar. The report said the EC's 1991 exports to the United States totalled 86.5 billion dollar down 5.9 per cent from 1990, while its imports rose by 5.3 per cent to 103.2 billion dollar.

Indeed, the EC now takes almost 30 per cent of US exports, the report said. The United States... takes only 16 per cent of the EC's exports.

"Our access to the US market is no worse this year than last," Johan Richardson, the EC's head of relations with the United States, told reporters.

He said this helped explain why the current round of world trade talks within the General Agreement on Tariffs and Trade remained unresolved.

The EC report reflects fears of continued protectionism in an election year. The recession, falling living standards and rising unemployment in the United States have brought trade and investment issues to the top of the political agenda, it said.

The EC report is similar to an annual US study on foreign trade barriers.

Topping EC concerns are US trade law provisions that can force the President to retaliate against nations with unfair trade practices. The report said this is illegal under GATT rules.

Richardson said in 1991 four US trade hurdles were removed but eight new ones appeared, including taxes and classification rules on imported cars.

Among others, the EC report objected to Washington's practice to: - invoke blanket "national security" reasons to ban foreigners from military-related contracts.

- impose high tariffs on clothing, ceramic tiles, tableware, glassware, shoes, two-door cars, and other foreign imports.

- impose product norms, including strict food labeling by individual states, that impede trade and violate international rules.

- set discriminatory rules on "alleged" US patent violations.

Richardson objected in particular to indirect US trade curbs designed to mold EC trade policy for political or environmental purposes.

He cited draft US law seeking to punish countries trading with Cuba. And he complained about US law banning imports of Mexican tuna.

The way the tuna are caught results in the killing of dolphins and because the EC allows Mexican tuna imports, US law also bans EC tuna imports, Richardson said.

EC-US talks on GATT Tuesday

Reuters adds: The European Community and the United States will try again next week to reach a deal on agriculture in world trade talks, European Commission officials said in Brussels.

The talks between high-level officials would probably take place in London on Tuesday, they said.

The officials have been meeting regularly since the end of last year to try to break the impasse on agriculture which is holding up the entire Uruguay Round of General Agreement on Tariffs and Trade (GATT) talks.

Until the US and EC can solve their difficulties over winding down trade-distorting subsidies, the rest of the GATT round, already running a year and a half behind schedule, will stay on hold, trade officials believe.

European Commission President Jacques Delors and Portuguese Prime Minister Anibal Cavaco Silva will meet US President George Bush in Washington on April 22 to try to advance the process at the political level.

Asian LDCs will lead world to recovery in 1992-93: ADB

MANILA, Apr 10: World economic growth will be a sluggish 1.8 per cent in 1992 but is expected to accelerate to three per cent next year, the Asian Development Bank (ADB) said today, reports AFP.

The Manila-based ADB said in a statement that developing Asian nations will again set the pace for world growth, while industrial countries will experience "significant differences" in rates of recovery.

After last year's stagnation, the "moderate recovery" this year would be fuelled by a 4.5 per cent rise in world trade, which would go up to 6.5 per cent in 1993, according to the ADB forecast journal, Asian Development Outlook.

"A quick and forceful rebound of the world economy in not likely in 1992, but a stronger recovery in projected in 1993," it said.

Developing Asian nations will again lead the rest of the world in Gross Domestic Product (GDP) growth at 6.5 per cent in 1992, from 5.8 per cent last year, with the east Asian "dragons" and southeast Asia on the frontline at seven per cent.

The US economy's recovery from recession will be "much closer than usual" at 1.6 per cent, with gains in real income and favourable interest rates encouraging increased consumption, investment and construction, the ADB said.

The slow recovery coupled with seven per cent unemployment will keep US inflation down to less than three per cent in 1992 and 3.5 per cent next year.

The Japanese economy's growth in 1992 was placed at 2.5 per cent, improving to 3.5 per cent in 1993, but "the fragility of the financial system" is likely to restrain growth in the medium term, the ADB said.

The economic decline in eastern Europe is expected to slacken in 1992, and while negative growth remains likely from 1993 onwards, progress in economic reforms should revive manufacturing output, the ADB said.

"For the republic of the Commonwealth of Independent States, it may well take several years for the benefits of reform to spread widely throughout the economies," it said.

Latin America's growth could rise to 3.5 per cent in 1992 and 4.2 per cent in 1993 if stabilization and structural adjustment succeed and stable conditions for investment are maintained.

Africa's prospects remain poor, with GDP per capita stagnating at the same levels posted 20 years ago, and they are not expected to improve over the next two years.

Rs 73 billion Pak plan to develop highways

ISLAMABAD, Apr 10: A comprehensive five-year programme for construction and rehabilitation of national highways at a cost of rupees 73 billion has been chalked out by the National Highway Council, reports APP.

The meeting presided over by the Prime Minister Muhammad Nawaz Sharif approved a country-wide programme for maintenance and rehabilitation of the national highways to be completed with the assistance of the World Bank, the construction of other projects include the Pakistan Motorway, Indus Highway Lowari tunnel and many others.

Conservation plan okayed

Another report adds: The Federal Cabinet, chaired by Prime Minister Muhammad Nawaz Sharif, has approved the National Conservation Strategy.

This is a momentous event signifying that Pakistan cares enough about future and that of its children, to reach a consensus, about an action plan that will conserve the country's environment, its air, water, land, forests, wildlife, and other natural resources in perpetuity.

With the approval of this strategy, Pakistan becomes 23rd country in the world with an explicit national strategy for a sustainable future.

The programme will be implemented by the government by incorporating the recommendations in 8th Five Year Plan in an integral way into each development sector.

Experts doubt sustenance of US recovery

WASHINGTON, Apr 10: The US economy has gotten another boost from the Federal Reserve, but many economists say even the gift of a surprise Fed credit easing may not be enough to guarantee a sustainable economic rebound this year, reports AP.

Even as signs proliferate of stronger domestic activity, analysts are starting to worry that the recovery could be derailed by growing weakness in Europe and Japan.

"We aren't out of the woods yet. We have to be worried about financial shocks coming from abroad," said Robert Dederick, chief economist with the Northern Trust Co of Chicago.

A slowdown in Japan and further weakness in Europe, where Germany has been struggling for late, would spell danger for US exports, one of the economy's few bright spots in recent years.

WB agrees to form new group Indonesia says aid club intimidated it

JAKARTA, Apr 10: The World Bank agreed to form a new consultative aid group for Indonesia to replace a previous donor consortium of Western countries and international agencies, which Jakarta had said was using aid to intimidate the nation, an official said Friday, reports AP.

The World Bank was acting in response to Indonesia's request on March 25 for a new aid forum to replace the Inter-Governmental Group on Indonesia.

Indonesia made the request after terminating the Netherlands' chairmanship of IGGI. The group founded in 1967 includes 14 countries and several international financial agencies such as the World Bank.

Pak bond sale hits snag at home, too

KARACHI, Apr 10: The Pakistani government's Foreign Currency Bearer Certificates (FCBCs), whose sale abroad was stopped last month after objections in the United States, also face problems at home, bankers said, reports Reuters.

Leading foreign banks usually do not encourage buyers to invest in the FCBCs pending clearance from the United States, a foreign banker said.

He said his American bank was waiting the outcome of talks between Pakistani officials and the US Securities and Exchange Commission (SEC).

Pakistan started selling the FCBCs at home on March 15 and had planned their sale abroad from March 23.

The annual rates of return are 11.75 per cent for sterling, 10.25 per cent for the mark, 8.75 per cent for the dollar and 7.75 per cent for the yen bought up to April 30.

Mohammad Yaseen, another foreign banker, said, "The FCBCs are not getting a good response even in Pakistan."

He said most of the American banks operating in Pakistan would naturally follow the instructions from their head offices.

But a leading foreign currency dealer, Moutaz Khan, said the FCBCs could not get good response because of competition from the government's own foreign exchange bearer certificates which were available at a nine per cent premium, compared with eight before launching of the FCBCs.

Pakistan lifted restrictions on the movement of foreign currency within and outside the country a year ago and allowed foreigners to buy and sell stocks.

SAARC presents 8-point charter for Earth Summit

NEW DELHI, Apr 10: Environment Ministers from seven South Asian nations urged rich countries Thursday to assist in the development of their impoverished region and forge a global partnership to protect the world's deteriorating environment, reports AP.

Concluding a two-day meeting in New Delhi, the Ministers issued an eight-point charter for the UN Conference on Environment and Development, also called the Earth Summit, scheduled in Rio de Janeiro in June.

The Ministers were from India, Pakistan, Bangladesh, Sri Lanka, Nepal, Maldives and Bhutan. The countries meet every year in a forum called the South Asian Association of Regional Cooperation to discuss the economic and political fate of the region's more than one billion people or one-fifth of the world's population.

Agreeing that poverty hastened environmental degradation, the Ministers proposed increased global economic cooperation that would help poor countries effectively tackle environmental problems.

But the Minister cautioned that the strategies for environmentally sustainable development would be decided by their countries' needs and not by the richer, high energy-consuming First World "that continues to use a huge and disproportionate share of the earth's finite resources."

The problems of pollution and the discharge of hazardous and toxic wastes into the atmosphere are occurring predominantly in the developed world and it is their "prime responsibility" to initiate corrective action, the ministers said.

Changes in the world's climate had led to arise in the sea level, which was affecting the livelihoods of about 250 million people in South Asia dependent for a livelihood on coastal resources such as fish, said the Ministers at the end of the meeting.

PIT reports: The draft "Earth Charter" to be adopted at the Rio declaration at the UN Conference on Environment and Development (UNCED) has accepted the demand of India and other developing countries regarding provision of additional funds to deal with their environmental problems.

\$ 3.6b bids to buy Malaysia's state power enterprise

KUALA LUMPUR, Apr 10: Malaysian national electricity firm Tenaga Nasional BHD's privatisation attracted a record 9.33 billion Malaysian dollar (3.6 billion US) in applications, reports said Thursday, according to AFP.

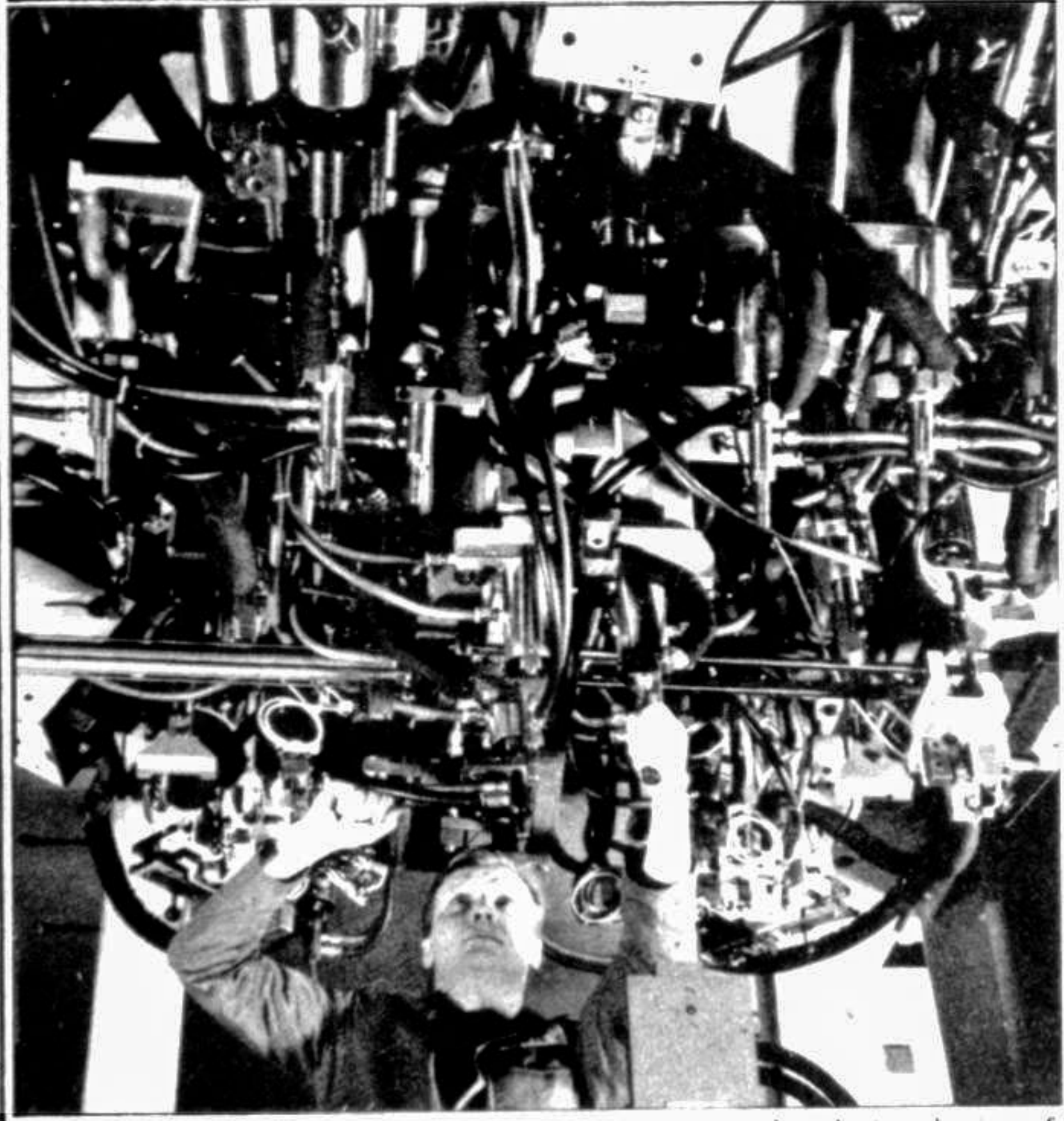
This was far in excess of the previous high of 3.11 billion dollar (1.2 billion US) attracted by Telekom Malaysia, Malaysia's national telecommunications firm, which was listed at the end of 1990, officials said.

Tenaga made a public issue of 685.047 million shares pegged at 4.50 dollar (1.7 US) per share, of which 60 million shares were tendered to Malaysian and foreigners.

The 60 million tendered shares roped in 2.76 billion dollar (1.06 billion US).

Of the remaining, 84.925 million shares were set aside for directors and staff of the firm, 300 million shares for approved indigenous Bumiputra institutions and 240.122 million shares were for public subscription.

Tenaga Chairman, Ani Arope, at the balloting of shares Wednesday for the portion allotted for indigenous Bumiputras, described the oversubscription as overwhelming, the local Business Times Daily reported.



SYSTEMS TECHNOLOGY IN THE FAST TRACK: At a time when the introduction of automation has brought mass production techniques to their full potential, Stacey Automation, a British company, has emerged as a market leader in the design and manufacture of high technology assembly systems in the United Kingdom and among the top few in the world. Stacey, developed from one of the world's leading manufacturers of safe and strongrooms, increased its sales of automatic assembly lines to £22 million last year, including contracts from Volvo, Ford and Vauxhall. Rover, Nissan, Opel and Jaguar are other regular customers. Here, an engineer is shown in a final assembly bay at Shrewsbury England, checking the detail in a dedicated multi-weld die set. — LPS photo

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Abuse of government perks-the American style

WASHINGTON, Apr 10: A congressional report says Vice President Dan Quayle has taken taxpayer-supported golf trips across the country, and a senator says taxpayers are heavily subsidizing President Bush's political trips, according to AP.

In the latest round of the battle over government perks, a study by the Congressional General Accounting Office shows Quayle used military planes four times last year for golf trips with then-Transportation Secretary Samuel Skinner.

As is required for personal or political trips, the government was reimbursed by Quayle at the cost of commercial airfare plus one dollar, a fraction of the actual cost to fly Air Force Two.

One Quayle trip was to a golf tournament in Newark, N.J. in May 1990, another to

Williamsburg, Va. in June 1990.

The others combined political fund-raising in California with two golf outings in June 1990. The Republican Party is required to pick up expenses for the political portion of a trip.

Quayle's spokesman, David Beckwith, noted that vice presidents have long travelled exclusively on military planes for security and communications reasons. He said Congressional efforts to focus on Quayle's travel constitute "a pathetic attempt by the Congress to deflect attacks away from abuses on the Hill."

The charges came as Congress and the executive branch waged political warfare over who is the worst abuser of taxpayer-financed benefits.

Bush's Budget Director, Richard Darman, conceded that some government perks have justifiably upset the American public.

But he said citizens draw a distinction between Bush, who has a right to "the dignity of the office," and lesser officials "who are trying to act like Presidents."

Darman said Bush, even when travelling for political purposes, cannot escape his duties as Commander-in-Chief and needs certain personnel and equipment nearby. He does not have the option of using commercial flights, Darman argued.

Democratic Sen Dennis DeConcini said Wednesday that it's not right for the public to pay the "dirt 25,000-an-hour cost of running Bush's modified Boeing 747, then have the re-election campaign reimburse only the cost of first-class commercial airfare.

An earlier report said: Two of President Bush's top advisers rolled up 77,000 dollar in personal and political travel on military planes in the first half of his administration, but reimbursed taxpayers less than eight per cent of that cost, Congressional auditors say.

A General Accounting Office study of 222 trips by 11 senior administration officials found that 35 were made solely for political or personal reasons by Secretary of State James A. Baker or by former White House Chief of Staff John Sununu.

The study of administration travel came in the midst of an all-out political war between the White House and Congress over the use and misuse of the perks of power. Congressional officials have moved to curb benefits not directly needed to perform their legislative jobs, and have sought to put the administration on the defensive.

GAO, the investigative arm of Congress, put the cost of the 35 non-official trips at 774,330 dollar. But the government was reimbursed just 61,585 dollar for the travel under rules calling for officials to pay the equivalent commercial coach fare for each trip.

Baker is required by presidential order to travel by military aircraft for security reasons.

The most frequent user of military planes for personal travel was Baker, who made 11 purely personal trips during the 26-month period studied. He reimbursed 17,009 dollar of the estimated 413,276 dollar of those trips.

Sununu, who resigned under fire for his use of government transport for personal reasons, accumulated 361,054 dollar in costs for 16 political and eight personal trips, and reimbursed 44,576 dollar.