

Sartaj Aziz leaves for Paris aid club meet today

Pindi to seek \$2.365b in aid

KARACHI, Apr 20: Pakistan Finance Minister Sartaj Aziz is scheduled to fly to Paris on Tuesday to seek 2.365 billion dollar in soft loans from the aid-to-Pakistan consortium...

International finance agencies, to disburse 1.775 billion dollar in the next fiscal year.

The request includes 1.953 billion dollar in project aid and 410 million dollar in commodity assistance for the fiscal year beginning in July...

A separate request will be made for 150 million dollar for the more than three million Afghan refugees living in Pakistan.

Pakistani officials said they expected the consortium, comprising Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Britain and the United States...

million dollar in non-project assistance, plus two million dollar in food aid.

Disbursements against those commitments in this fiscal year have totalled 1.649 billion dollar.

Officials said that apart from 2.365 billion dollar in aid from the consortium, Pakistan was expecting some 410 million dollar from non-consortium nations such as Australia, Austria, China and the oil-rich Gulf states.

The World Bank provides about 700-800 million dollar annually to Pakistan in project-based lending for improving the country's infrastructure and various policies in the social, agriculture, energy, industry, finance and transport sector.

Cumulative lending by the World Bank through its two

agencies — the International Bank for Reconstruction and the International Development Agency — has so far been estimated at more than eight billion dollar in more than 150 projects.

Foreign aid constitutes some 80 per cent of the country's annual development plan and equals 25 per cent of government revenue.

Aziz says Pakistan's debt burden is now about 36 billion dollar, nearly half of which is in foreign loans.

The annual cost of debt servicing budgeted in the current fiscal year was estimated at 3.228 billion dollar for both foreign and domestic loans.

The sum exceeded expenditures on defence (2.838 billion dollar) and development (2.906 billion dollar).



Bangladesh registered its consecutive presence at the international consumer products fair for individual home and lifestyles - AMBIENTE 1992 held in Frankfurt. Its exhibits at the event included basket-work, ceramics, stoneware, porcelain, brassware and other items.

GATT finds largest trade growth in six Asian countries

TAIPEI, Apr 20: Six East Asian nations have been rated by the General Agreement on Tariffs and Trade (GATT) as having the world's largest growth in two-way trade last year, press reports said here Sunday, reports AFP.

Taiwan, Hong Kong, Singapore and South Korea, commonly known as the 'Four Asian Dragons' for their outstanding economic performance, and China as well as Malaysia are the six regions with the biggest growth in trade, the United Daily News, quoting a GATT annual report, said.

The six areas can be seen as a newly rising economic force after the Organisation for Economic Cooperation and Development (OECD) countries, the paper said, adding that the region had an average export growth rate of 15 per cent and an average import growth rate of 18.4 per cent.

The export growth rate was much higher than among advanced industrialised countries in Europe and North America, enabling the six countries to move into the ranks of the world's top 25 economic powers, the newspaper quoted the GATT report as saying.

China now has 1.16 billion population

BEIJING, Apr 20: China's population hit 1.16 billion by the end of 1991 as the growth rate in the world's most populous nation fell for the first time in six years, according to an official report Monday, reports AP.

The slight drop was not expected to help China curb its growth.

The total number of babies born last year was 1.25 million fewer than in 1990, the China Daily quoted the State Statistical Bureau as saying. It did not give the total figure.

\$14.5 b planned for environment

Another report by AFP adds: China, a major producer of global warming gases, will invest more than 80 billion yuan (14.5 billion dollar) in environmental protection over the next three years, reports in Beijing said Monday.

It has become a top priority to equip industry with modern pollution control technology, Song Jian, head of the cabinet's Environmental Protection Commission told the opening of a national meeting Sunday.

This demands much faster growth of many parts of the environmental sector including research, development and production of population control devices, Song was quoted by the China Daily as saying.

On top of the 80 billion yuan investment, an additional 120 billion yuan (21.8 billion dollar) is necessary before the end of the century to adequately protect the environment, the newspaper said.

Gasoline price jumps 400 pc in Moscow

MOSCOW, Apr 20: Gasoline prices rose 400 per cent in Moscow on Monday, putting a further strain on consumers already suffering from soaring prices for everything from clothes to cabbages, ITAR-Tass reported, says AP.

Regular fuel jumped to six rubles a liter from 1.20 rubles, the news agency reported. That's only five cents at the current exchange rate, but a significant increase for Russians who earn an average of 1,000 rubles 8.30 dollar a month.

Frantic call for GATT success

BRUSSELS, Apr 20: Japanese, European and American business leaders issued a joint statement here on Monday urging their governments to show 'political will-power' to make GATT multilateral trade talks a success, reports AFP.

They said that if the current deadlock in the long-running negotiations under the auspices of the General Agreement on Tariffs and Trade continues, 'it will threaten the very existence of GATT's multilateral contractual system of trade,' said the European employers' organization UNICE, several American employers' association, and Japan's Keidanren.

The trade talks, known as the Uruguay Round, have long been blocked by disagreements, the most important of which relates to government aid to agriculture.

The statement issued here says that GATT is the 'best defence against increasing protectionism worldwide' and 'a preliminary condition for economic growth and prosperity in the world, and hence for employment.'

Successful conclusion of the Uruguay Round would restore business confidence, support developing and formerly communist countries, and encourage economic cooperation, it says.

Carlos opens Expo-92

SEVILLE (Spain), Apr 20: Bells pealed, fireworks exploded and workers were still hammering away on exhibits as Expo '92 opened Monday, reports AP.

The Universal Exposition is meant to convey to its visitors the richness and variety of cultures that man has created as well as his capacity for innovation and the ideas of tolerance, respect for pluralism and international solidarity, King Juan Carlos said as he opened the largest universal exposition

in history.

After 16 years of planning and billions of dollars of expenditures, 20,000 workers were still hammering away as the gates opened at 9 am (0700 GMT).

Bells in dozens of Seville's churches and convents pealed as fireworks exploded among hundreds of colored balloons released into the cloudless sky.

Trade surplus to stir Japan-bashing

TOKYO, Apr 20: Rightly or wrongly, Japan's huge trade surplus is seen by many as proof that its markets are closed, its business practices unfair, reports AP.

That's why Japanese officials are a bit edgy these days that weakening Japanese demand for imports and reviving export markets could widen the politically sensitive trade gap.

The bureaucrats are certainly worried, said Gregory Clark, a professor who advises the government on economic matters, 'they see a rekindling of anti-Japanese sentiment (and) trade pressure on Japan.'

With trade friction already a source of Japan-bashing in the United States and trade policy an issue in the US presidential race, he said, 'this couldn't have happened at a worse time.'

Clark said Japanese plant capacity planned in the easy-credit years of the late 1980s is coming into production just as domestic markets start to dry up. He feels it is inevitable that manufacturers will try to export their way out of the slowdown, which is already biting into corporate profits.

For the fiscal year ended March 31, Japan's global surplus rose 63 per cent to 88.35 billion dollar the second largest ever, according to government statistics. Imports fell 4.2 per cent and exports rose 8.1 per cent, with the European Community accounting for much of the growth.

The surplus with the United States rose only one per cent in that fiscal year, but still was a whopping 38.46 billion dollar by Japanese government reckoning. US statistics typically show a slightly greater gap.

An official at Keidanren, Japan's business lobby, said exports will inevitably expand once the United States climbs out of recession.

Trade and business officials say Japanese companies won't rely on exports to ride out the domestic downturn, largely because of growing sensitivity to international criticism.

Just to be sure, the powerful Ministry of International Trade and Industry, known as MITI, is quietly telling companies to be cautious about expanding sales to the United States, said Munenori Yamada, deputy director of the ministry's Export Division.

Earlier this year, the ministry reduced the 'voluntary' ceilings on car exports to the

United States. That may mean little, since the new level is only 5 per cent below the actual number of cars shipped in the last fiscal year.

Perhaps more troubling for trade officials is the potential for a further drop in imports. 'Japan's buying power is becoming a little weak,' Yamada said.

Sometime this month, Japan's trade minister will ask big business to increase imports, said Keisuke Takahashi, director of the ministry's Foreign Exchange and Trade Finance Section.

'What else can we do?' he asked. 'Americans keep telling MITI that Japan must buy American products.'

In a report released by the US government last month on unfair trade barriers, Japan was the country with the most barriers cited. Its purported restrictions filled 19 pages of the 267-page report.

Allegations of unfair trade include contentions that exclusive arrangements among Japanese companies are a barrier to foreign entry and prohibitive standards make it difficult to sell imported cars.

Ultimately, Clark said, the dollar will have to drop in value if the stubborn trade gap is to shrink substantially. He suggested an appropriate exchange rate would be about 100 yen to the dollar rather than the current level of more than 130.

The US dollar has never gone that low and no one expects the trade gap to disappear anytime soon.

Even in the United States, some economists argue that the importance of a bilateral trade gap, as opposed to a nation's overall trade balance, is overblown.

They note that the deficit does not include service industries such as tourism, law and finance, in which the Japanese are net buyers from the United States.

Also, they say there are far more important gauges of the American economy and point out that the deficit is less than one per cent the value of all US goods and services produced annually.

'Many economists would say it is nonsense statistically to talk about the trade surplus' Japan runs with the United States, Takahashi said, and added:

'There is nothing evil about a surplus, many would say. Only politicians and journalists say it is evil.'

ADB lending soared 25 pc to hit \$ 5.01b last year

MANILA, Apr 20: The Asian Development Bank (ADB) approved a total of 5.01 billion dollar in loans and investments last year, a 25 per cent annual increase, the Bank said Monday, reports AFP.

The 1991 ADB annual report said the figures brought total ending to 37.552 billion dollar since the bank's founding in Manila in 1966.

The Bank's net income for the year amounted to 518 million dollar, an increase of 1.8 per cent from the 1990 level.

Three new members joined the Bank in 1991 — Mongolia, Turkey and Nauru — raising the Bank's membership to 52, including 36 from the Asian region and 16 outside.

In 1991, loans from the ADB's ordinary capital resources accounted for 73 per cent or 3.637 billion dollar of the total lending volume, while those from the concessional lending window, the Asian Development Fund, accounted for 27 per cent of 1.347 billion dollar.

Tokyo stocks plunge again

TOKYO, Apr 20: Tokyo share prices plunged in thin trading Monday, continuing a new decline after a short recovery, while the US dollar gained against the Japanese yen, reports AP.

The 225-issue Nikkei Stock Average closed at 17,071.36, down 509.33 points, or 2.90 per cent, after dipping below 17,000 just before the close of trading.

On April 9, the average closed at 16,598.15, a 5 1/2-year low, but it then recovered to levels above 17,000.

On Friday, the average fell 379.07 points, or 2.11 per cent.

The Tokyo Stock Price Index of all issues listed on the first section, which shed 15.96 points, or 1.19 per cent, Friday, fell another 28.27 points, or 2.17 per cent, to 1,292.69.

Dollar on bull run

A report from London adds: The dollar was slightly higher in Middle and Far East trading Monday, on continued bullishness following last's weeks news of a sharp narrowing of the US trade deficit.

Foreign exchange and gold markets were closed in Europe Monday for a bank holiday following Easter Sunday.

India okays 310 foreign projects

NEW DELHI, Apr 20: India approved 310 foreign projects worth 440 million dollar in line with its new free market policies during a seven-month period beginning last July, officials said Sunday, reports AFP.

It represented a remarkable increase of 1,243 per cent in foreign investment since New Delhi sharply devalued its currency, the rupee, against the dollar, and liberalised its industrial policies.

The number of approved foreign projects increased by 240 per cent from the previous year, the officials said, adding that there were 893 foreign technology agreements in the same period, an increase of 169 per cent over the comparable period a year earlier.

The government of Prime Minister PV Narasimha Rao has ordered sweeping fiscal reforms, liberalised trade and

Tea export income falls

PTI from Calcutta reports: India's export earnings from tea in 1991 declined as compared to that of the previous year even as Sri Lanka emerged as the world's top exporter of tea for the second successive year.

According to sources, between January and December 1991 the value of Indian tea exports amounted to Rs 1099.69 crore as against an earning of Rs 1113.35 crore in 1990.

Although at Rs 54.02 per kg unit price realisation was higher in 1991, the value of export dropped as India exported lesser amount of tea in 1991 as compared to the previous year.

partial convertibility of the rupee in order to attract foreign investors and reduce the foreign exchange outflow.

Industry sources said that exporting 219.03 million kg of tea in 1991 for the second consecutive year, Sri Lanka displaced arch rival India by a margin of over 18 million kg.

Statistics available here reveal that in 1991-a year when Sri Lanka was able to push increased amounts of tea in the international market, India exports declined from the 1990 level.

Although the statistics for India did not include instant tea, it was seen that since the beginning of the eighties, Indian exports of tea has steadily declined even as countries like Sri Lanka, China, Indonesia and Kenya have consolidated their positions in the international arena.

IMF rules out global recession

WASHINGTON, Apr 20: A senior International Monetary Fund (IMF) official has brushed aside worries about a world recession and forecast faster global growth next year, reports Reuter.

'Even if we see downward risk here and there, our expectation is for a global recovery,' he said at a briefing ahead of the IMF's semi-annual meeting here later this month.

The official, who requested anonymity, spoke to reporters on Friday but his remarks were embargoed until Sunday. He forecast global growth next year of 3-1/4 per cent after a meagre 1-3/4 per cent rise in 1992.

Some private economists are not so sanguine. They argue that Japan's stock market collapse, Germany's slumping growth and America's doubtful recovery have increased the odds of a global downturn.

'Given the financial fragilities around the world, we could easily be tipped into a world recession,' said Fred Bergsten, a former US official who is now Director of the Institute for International Economics think tank here.

That is a worry shared by the Bush administration, which is afraid that weak growth overseas will sabotage the hesitant US recovery and hurt the President's chances for re-election in November.

'The nations of the world must ensure that their policies lay the groundwork for a growing world economy,' US Treasury Secretary Nicholas Brady said earlier this month.

Washington is expected to press its rich allies for action to do just that at a meeting of the powerful Group of Seven here next weekend. The G-7 is

comprised of the United States, Japan, Germany, France, Britain, Canada and Italy.

Much of the recent concern about the world economy has focused on Japan, where the huge drop in the stock market has devastated banks' investment portfolios and undermined their ability to lend money to finance continued expansion.

Growth in Japan has slowed to a standstill but the IMF official voiced confidence that recent Japanese interest rate cuts and accelerated government spending would spur a recovery in corporate investment there at the end of this year.

'We know there are a few worrying developments,' he said. 'But we believe that the prospects are for recovery.'

IMF asks CIS to improve coordination

WASHINGTON, Apr 20: The former Soviet republics should improve coordination of their economic policies if they want to ease the transition to a market economy, the International Monetary Fund (IMF) said here, reports AFP.

'Improved cooperation between the former republics of the USSR will help to improve the prospects for successful reform programmes in each of the republics,' according to a report drawn up by experts studying plans to admit the former Soviet states to the IMF which was released at the weekend.

cial does expected Japanese economic growth to slow to about 2-1/4 per cent in the current fiscal year that ends on March 31, well below the Japanese government's forecast of a 3.5 per cent expansion. Growth next year should pick up to around four per cent.

But Japan is not the only source of concern about the world economy. High interest rates in Germany have increased the odds of a recession there and hurt the economies of the rest of Europe.

'We cannot fully exclude the possibility... (of a German) slump or a recession, but we do not consider it probable,' Professor Hans-Juergensmahl of Hamburg's Hwua Economic Research Institute said this month.

The IMF officials said he does not expect a European recession next year but acknowledged that growth there will remain subdued. He blamed that on the reluctance of European governments to open up their economies further and cited, among other things, their failure to cut big state subsidies, particularly for agriculture.

Bergsten, of the Institute for International Economics, said it will be up to Europe and Japan to pump up their economies and avert a global downturn because the United States has little room to act due to its budget deficit.

'We primarily have to look to Europe and Japan to ensure the locomotives for avoiding a recession,' he said.

But given the state of their economies, some economists fear that may be too much to ask.

Business briefs

Riyal interbank rates steady: Saudi riyal interbank deposit rates remained steady in quiet Sunday trade, dealers said, reports Reuter from Nicosia.

Spot-neal and one-week funds were put at 4-1/8, 3-7/8 per cent while one and three-months maturities were quoted at 4-3/16, 1/16 per cent.

Western firms keen to buy Panama's telecom: Six European and US companies have expressed interest in buying Panama's state-owned telecommunications company, which the government is planning to privatise, official said Sunday, reports AFP from Panama City.

Bell Atlantic, South Western Bell and GTE of the United States had expressed an interest in Instituto Nacional de Telecomunicaciones (INTEL), along with British concern Cable and Wireless, France Telecom of France and Marconi of Portugal, an official statement said.

Foreign capital in Venezuela dips: Direct foreign investment in Venezuela fell by nearly 90 per cent in March, the month after the army nearly to plead President Carlos Andres Perez, according to a private study released, reports AFP from Caracas.

Most Asian currencies lose to American dollar

HONG KONG, Apr 20: Most Asian currencies weakened against the dollar in a holiday-shortened week for much of the region, reports AFP.

Bucking the trend were the Australian and Taiwan dollars and the South Korean won, but the Malaysian ringgit dropped back after its 53-month high of the previous week.

Other marginal fallers were the New Zealand and Hong Kong dollars, Philippine peso and Thai baht. Also down were the Indonesian rupiah and Singapore dollar, with the yen taking a more substantial drop.

Japanese yen: The yen fell last week to close Friday at 133.90 to the dollar, down from 132.19 a week earlier.

Monday, after opened lower at 133.00 yen it momentarily recovered to record its week's high of 132.80 yen before starting its fall.

133.95 Friday as the dollar found itself bolstered by an improvement in the US trade deficit, dealers said. But generally the market was claim ahead of the easier weekend abroad, they added.

Australian dollar: The Australian dollar firmed during a holiday-shortened trading week to finish at 76.55 US cents Thursday ahead of the Easter break, up from its 76.35 US cents showing the previous Friday.

Dealers said the gain came despite continued speculation that the government would ease monetary policy and cut interest rates by the end of the month.

One the reserve (central) bank's trade weighted index, which measures the Australian dollar against a basket of major currencies.

The unit finished at 58.4, against 57.7 the previous week.

exchange rate ended at 113.0, up from 112.2 the previous Friday.

The Hong Kong currency has been pegged to the Greenback at around 7.80, since October 1983.

Indonesian rupiah: The Indonesian currency ended a holiday-shortened week Thursday at 2,020 to the dollar, down on its 2,017 at the end of last week and Monday opening of 2,018.

Malaysian ringgit: The ringgit eased to close at 2.5542 against the dollar, down on its 53-month high of 2.5475 the previous week.

Dealers said order for the local currency were reduced by the Greenback's sudden surge overseas, but there was still support from foreign investors attracted by high local interest rates.

Market sources said Bank Negara, the central bank bought 50 million dollar mid-week to stop the ringgit to rising too fast against the US unit.

New Zealand dollar: In a holiday shortened week of light trading, the New Zealand dollar closed Thursday worth

of the week in line with other Asian market markets.

The OCB's trade weighted index for the Singapore dollar stood at 136.58, marginally up against last Friday's 136.56. The index is calculated against the currencies of Singapore's top 12 trade partners.

South Korean won: The won strengthened over the week to close at 777.60 to the dollar Saturday, a rise of 1.80 won from its showing seven days previously.

Taiwan dollar: The Taiwan currency closed Friday at 25.2945 to the US dollar, up 0.45 Taiwan cents from the previous week's finish.

After starting Monday at 25.3, the local unit fluctuated in a tight range between 25.25 and 25.32 amid massive intervention by the central bank of China, market dealers said.

Philippine peso: The peso closed the week Wednesday at 25.591 to the dollar, down slightly on its 25.383 pesos the previous Friday. There was no trading Thursday and Friday.

Singapore dollar: The Singapore dollar ended the week Thursday at 1.6595 to its US namesake, weaker compared with previous Friday's 1.6490.

Dealers said the Greenback held steady for the major part