

BRIEFS

Russia to replace old reactors

MOSCOW, June 29: Russia unveiled plans to modernise its atomic energy sector...

Japan's auto export declines by 3.5 pc

TOKYO, June 29: Japan's motor vehicle exports in May totalled 403,925, down 3.5 per cent from a year earlier...

US firm to search gold in Algeria

ALGIERS, June 29: Algeria and the US firm Black Hole Technologies have signed a protocol agreement...

Beijing resumes Hanoi flights

BEIJING, June 29: China resumed commercial flights Sunday from Beijing to Hanoi after a 13-year break...

Malayan police nab foreign imposters

KUALA LUMPUR, June 29: Police have smashed an international syndicate that specialised in cheating banks in Singapore...

US executives body found

NEWARK (N.J.), June 29: A body found in a rugged forest preserve in southern New Jersey was identified Sunday as that of Sidney J. Reso...

China's budget shows record gap

BEIJING, June 28: China's budget deficit hit a record 20.26 billion yuan 3.7 billion dollar in 1991...

SAARC meet on trade agreement

COLOMBO, June 29: Officials from seven South Asian nations began a two-day meeting to work towards establishing a preferential trade agreement...

Foreign direct investment and the least developed countries of the ESCAP region

In recent years, the least developed countries have been looking to foreign direct investment (FDI) as an important means of facilitating their economic development...

and Vanuatu. Inflow to Bangladesh, the largest of the region's least developed economies, has tended to decline in recent years...

Table with columns for Countries (1984-1990) and rows for various nations including Afghanistan, Bangladesh, Bhutan, etc.

ceived substantial inflow in relation to the size of its economy, which reflected the country's efforts to develop a financial centre on its shore...

Asian units gain against dollar

HONG KONG, June 29: Most Asian currencies gained during the week or halted their slides against the greenback following the release of US data indicating a poor economic performance...

The yen opened the week lower at 127.21 yen and hit a low of 127.55 yen Monday. It steadily recovered ground for the rest of the week...

The Taiwan and Singapore dollar reached record highs while the Japanese yen broke the 125-yen level for the first time in four months...

The Australian unit was the only Asian currency to lose ground against the US dollar and was expected to remain weak in the short term...

The Japanese yen overcame a weak start and soared against the US dollar in tandem with other key currencies to close the week at 126.92 yen a week earlier...

It was the first time in four and a half months that it reached the 125 yen level, while the US unit was sold amid growing prospects of US monetary authorities lowering interest rates to pump up the economy...

After opening Monday at 24.7425, the local unit steadily picked up steam in strong trading, boosted by high interest rates, dealers said.

The Singapore dollar hit a new high against the US dollar at an exchange rate of 1.6180 Friday, up from 1.6230 a week earlier.

Most dealers expected the local unit to drift lower in the next few weeks as US economic data indicated sluggish performance.

The OCBC trade-weighted index for the Singapore dollar stood at 135.66, down from last Friday's 135.98. The index is calculated against the currencies of Singapore's top 12 trade partners.

The New Zealand dollar ended the week worth 54.51 US cent, a slight gain on the previous week's close of 54.42 cents.

The dollar seemed likely to continue trading in the range where it has remained for some time, from 54.30 cent to 54.80 cent.

The Hong Kong dollar closed weaker Friday against most major currencies, except the US and Australian dollar.

Shares fall, dollar weaken in Tokyo

TOKYO, June 29: Share prices on the Tokyo Stock Exchange continued to fall moderately Monday morning, while the US dollar moved lower from its opening level...

The 225-issue Nikkei Stock Average lost 90.93 points, or 0.57 per cent, closing the morning session at 15,721.80. On Friday, the Nikkei lost 330.99 points, or 2.05 per cent.

The Tokyo Stock Price Index of all issues listed on the first section shed 8.25 points, or 0.67 per cent, to 1,223.20. The TOPIX declined 17.05 points, or 1.36 per cent on Friday.

C. American states move to forge larger trading unit

GUATEMALA CITY, June 28: Central America is moving toward creating an economic bloc of its own to compete with the world's other trade groups and profit from regional peace, reports AP.

"We must form a bloc or we are going to be dead economically," said Sonia Maria Gonzalez, who works for the Guatemalan government to attract investment. "You can't have Asian countries together, and European countries together, and then have this tiny country of Guatemala with only nine million people."

Central American nations hope a large trading unit will give them clout with big ones like the European Community and the proposed North American Free Trade Association of the United States, Canada and Mexico.

Another advantage would be to ease internal distribution of such local wares as Costa Rican dairy products, Salvadoran plastics and Guatemalan rubber, pharmaceuticals, glass and electrical appliances.

Chinese workers hurt by reform, go on rampage

BEIJING, June 29: A man laid off for repeated absence from the job hacked his boss in the face with an axe. A security guard dismissed from a bank set fire to his boss's house.

These and other incidents reported in the state-run media illustrate one of the traumatic results of the Communist government's attempt to break the "iron rice bowl", as the tradition of lifetime employment is known, writes AP.

For businessmen and ideal officials, the reform campaign begun earlier this year by senior leader Deng Xiaoping offers new opportunities for economic development.

They hope to match the rapid growth of the mid-1980s by shutting down state companies that bleed the treasury and by making the remaining enterprises more efficient.

But reform has a dark side for China's 140 million factory workers.

With government approval, factories require employees to sign contracts linking pay to job performance, and threaten to fire or reduce the pay of those who do poor work.

Most factories have more workers than they need, and some are considering layoffs. Debt-ridden companies that are not close are being merged with successful ones.

Chen Jinhua, director of the State Commission for Restructuring the Economy, said three million people may lose their jobs this year.

In determine where transnational corporations make their investments. These conditions have not been generally conducive to investment in the least developed countries.

Owing to their small population (except Bangladesh and Myanmar) coupled with low income levels, the domestic markets of the least developed countries of the ESCAP region are often too small to attract an inflow of private investment. Moreover, the physical infrastructure including power supply, telecommunications and transport, which are vitally important factors in transnational corporations' decision to invest, are often inadequate in the least developed countries.

Many of the parts for the jetliners will be manufactured in China, including nose sections, McDonnell Douglas said. Assembly will be done by Shanghai Aviation Industrial Corp with participation from other aircraft factories in China.

China approves \$1b jet-venture project to build jetliners

LONG BEACH (Calif), June 29: The Chinese government has given final approval to a one billion dollar contract for McDonnell Douglas and a China corporation to co-produce 40 commercial jetliners...

The new contract is the largest co-production agreement between a US corporation and China and continues the working relationship between China and the US aerospace giant.

McDonnell Douglas and China National Aero-Technology Import and Export Corp will produce 20 147-seat MD-80 and 20 158-seat MD-90 twin jets for use by Chinese commercial airlines.

Many of the parts for the jetliners will be manufactured in China, including nose sections, McDonnell Douglas said. Assembly will be done by Shanghai Aviation Industrial Corp with participation from other aircraft factories in China.

Douglas Aircraft Co, based in Long Beach, Calif, will handle certification and quality assurance. "We worked hard to win this contest against very tough competition," Douglas Aircraft Co President Robert H Hood said.

UAE banks urged to attain efficiency

ABU DHABI, June 29: United Arab Emirates (UAE) banks have been urged to cut loans, upgrade services and increase capital to face growing world competition, reports AFP.

Outlining the central bank's future policy, new board chairman Mohammad Eid al-Meraikhi also said UAE financial authorities would work for greater coordination with other Gulf Cooperation Council (GCC) states.

"Banking and monetary integration among GCC countries have become imperative to face the new changes and concepts that have entered the world financial markets," he said in his first statement since he was named early this year.

The statement, telexed to AFP on Saturday, made no reference to plans to allow off-shore banks to operate in the UAE.

But a central bank official said the project, which was approved in 1991, was still under study and could materialise next year. "We do not want to rush in such a decision because as you know the UAE is already overbanked," he said, declining to be named.

Philippine peso strengthened to close at 25.84 peso to the US dollar Friday, up from 25.90 peso the previous week, due to continuing poor demand for dollar.

Contraceptive use cuts fertility rates

GENEVA, June 29: A UN report published on Wednesday shows a sharp drop in Third World fertility rates in the last 20 years due to a significant increase in the use of contraceptives, reports Reuter.

The World Health Organisation report shows that whereas 20 years ago women in the developing world had an average of 6.1 children, they now have just 3.9.

To point out how rapidly changes have occurred, the report says that while the fertility rate in the United States took 58 years to fall from 6.5 to 3.5, the same drop took 15 years in Colombia, eight years in Thailand and only seven years in China.

But it says the decline in fertility rates has not been even, with the steepest fall occurring in East Asia, including China, and the smallest in Africa.

Judging by the number of births, at least 100 million couples worldwide are reckoned to have intercourse each day. This leads to almost a million conceptions and 150,000 subsequent abortions.

"I think it might be an under-estimate... it is not the outcome of a survey we have carried worldwide to find out how much fun is going on in the world," Dr Mahmud Fathalla, Director of the WHO's Reproductive Health Programme, told a news conference.

According to the report, entitled "Reproductive Health: A Key to a Brighter Future", an average of 910,000 women conceive each day.

It says 150,000 abortions are induced daily, some in unsafe conditions. Five hundred women die because of them. Complications of pregnancy and childbirth cause the deaths of 500,000 women a year.

The 180-page study is being billed by the UN body as "the most comprehensive report ever compiled on global reproductive health."

Generally the message is a positive one -- with increased contraceptive use seen encouraging overall reproductive health.

The number of married women of reproductive age in the developing world using contraception has risen tenfold in the past 25 years to 380 million.

"We consider fertility regulation is a basic component of reproductive health," Fathalla said. The report says the most common method of contraception is female sterilisation, followed by the intrauterine device or coil, the pill, condoms and male sterilisation.

US for liberalisation of S Korean market

SEOUL, June 29: US officials are demanding South Korea promptly liberalise its financial markets to ensure a better business partnership, but Seoul deregulation should be gradual to avoid destabilising the economy, reports AFP.

David Roderick, head of the US delegation at an annual Korea-US business conference in Seoul last week, argued that South Korea has achieved political democracy but not "economic democracy."

He argued that too many major economic decisions are still made by the central government, including allocation of capital, setting interest rates and resisting outside financing.

"All this must change if South Korea is to remain a world-class export-driven economy," he said in a presentation.

Shortage of capital is a serious problem and will likely reach crisis proportions in the near future, he said. He warned that the lack of capital and tight credit would likely prompt some foreign companies to leave South Korea and would make it difficult for South Korea to attract new foreign businesses.

Arco Chemical Co., which set up a 90 billion won (115 million dollar) joint venture with Seoul's Yukong Oil, is pulling out of South Korea because of a bad financial climate including restrictions, inability to refinance maturing debt and high interest rates, according to US Ambassador to South Korea Donald Gregg.

Gregg said it was imperative the two countries begin talking about the need for less regulation and more openness. In August, South Korea's Finance Ministry announced a four-stage interest rate deregulation plan, Seoul officials recalled.

The first stage of the plan now under way focuses on short-term loans and deposits, while the second stage, to be implemented by the end of next year, will deregulate deposits of over two years and loans of banking and non-banking financial institutions.

By the time the third stage is completed in 1996, about 90 per cent of interest rates will have been completely liberalised, officials said.

The ministry announced in March a three-stage blueprint of a financial liberalisation programme following a series of talks with US treasury officials who were later known to have complained the programme was "too slow."

Watermelon museum!

BEIJING, June 29: China has opened a museum in praise of one of its favourite summer fruits -- the watermelon, reports Reuter.

The museum, which opened on Sunday in Daxing county near Beijing, is dedicated to the history of the watermelon and the customs and traditions surrounding it from ancient times.

The institution has also collected all the odes to the melon from ancient poets and a 41-kg (90-pound) monster example, the Beijing Daily said Monday.

Daxing is one of the main wholesale markets for the melon, Beijingers' favourite summer fruit.

Malaysia ranks fourth among NICs

KUALA LUMPUR, June 29: Malaysia has moved up to fourth place among Newly Industrialised Countries (NICs) in terms of competitiveness, trade officials quoted a world competitiveness report as saying, reports AFP.

Malaysia, which moved up from fifth place, ranks behind Singapore, Taiwan and Hong Kong, but ahead of South Korea, Thailand, Mexico and Indonesia, according to a Trade Ministry statement issued here late Saturday.

On "prospects in the foreseeable future," Malaysia ranks third behind Singapore and Hong Kong, the ministry said.

These rankings by the world competitiveness report, prepared by the Geneva-based Institute for International Management Development and the World Economic Forum, reflected international confidence in Malaysia's economic management, the ministry said.

The report analysed the impact of 34 industrialised and newly industrialised countries on the world economy.

Several factors such as government, domestic economic strength, infrastructure, management and human resources were used to evaluate each country's competitiveness, it said.

The second, at Diagama, some 24 kilometers from Colombo, began in 1986.

India to liberalise its trade with us apart from signing reformed trade and transit treaties," the Prime Minister said.

He appealed to India to allow Nepal to boost its exports and improve its trade balance, adding that he hoped the issues could be settled during a visit by Prime Minister PV Narasimha Rao in October.

Koirala also said his government planned to make the Nepali rupee fully convertible soon to boost exports.

In his speech to the conference, the FNCCI president urged the government to reform the banking system to help businessmen.

He also called for the reduction of tariffs to lower inflation and the cost of raw materials.

Nepal announces plans to boost foreign investment

KATHMANDU, June 29: Nepali Prime Minister Girija Prasad Koirala Sunday announced plans for economic reform to aid foreign investment and called for new trade agreements with neighbouring India, reports AFP.

Speaking at the 26th annual meeting of the Federation of Nepal Chambers of Commerce and Industry (FNCCI), Koirala said new laws would "guarantee against the nationalisation of any industries set up in the country and would encourage foreign entrepreneurs to invest in the industrial sector."

Koirala said he supported a call by FNCCI president Manesh Lal Pradhan for India to liberalise trade with Nepal. "I fully endorse the sentiment expressed by the FNCCI president about the need for

India to liberalise its trade with us apart from signing reformed trade and transit treaties," the Prime Minister said.

He appealed to India to allow Nepal to boost its exports and improve its trade balance, adding that he hoped the issues could be settled during a visit by Prime Minister PV Narasimha Rao in October.

Koirala also said his government planned to make the Nepali rupee fully convertible soon to boost exports.