BRIEFS

Colombo stock turnover improves

COLOMBO, Aug 3: The Colombo Stock Market performance during the first half of this year has largely improved compared to the same period last year. Turnover up to June this year was 75.3 million US dollar as against 37.7 million US dollar in 1991. Market capitalization was 1.75 billion US dollar as against 1.27 billion US dollar between the two periods of 1992 and 1991, respectively, reports Xinhua.

Botswana imports cotton from Tanzania

DAR ES SALAAM, Aug 3. Botswana has imported 1,000 bales (about 185 tons) of cotton from Tanzania to fill in a gap created by a shortfall from its traditional supplier, Zimbabwe, which has been hit by a worst drought in living memory. An official from the Tanzania Cotton Marketing Board (TCMB) said here Monday that Botswana's textile factories had largely depended on Zimbabwe as its major supplier of cotton, but due to the drought, the cotton crop in Zimbabwe had been severely affected and there was little for export, reports Xinhua.

Stone export centre in China

JINAN, Aug 3: The North China stone export centre has been set up in Laizhou City, in East China's Shandong province, with approval from the State Building Materials Bureau. The centre will use Laizhou. the largest stone exporter in North China as the base and unite other stone enterprises in neighbouring provinces to develop an important export centre of stone products for the world market, reports Xinhua.

Ecuador's oil reserve 2.3b barrels

QUITO, Aug 3: Ecuador has proven oil reserves of some 2.3 billion barrels, enough to last until the year 2007 at the current rate of extraction of 320,000 barrels a day, the state oil company Petroecuador said Sunday. By that time the known reserves will likely have increased as a result of drilling being under taken in the Amazon region under contracts by Brazilian, US. British had French companies, reports AFP.

Japanese oil firm in Venezuela

CARACAS, Aug 3: A Japanese multinational company will operate abandoned oil fields in Western Venezuela, according to a press report here Sunday. A contract on the operation was signed here Friday between the Japanese Tetkoku Oil Company and a subsidiary the state-owned Venezuelan Oil company," re-

Pak money rate rises

ports Xinhua.

KARACHI, Aug 3: Pakistani money market rates rose slightly because of brisk activity in T-bills, dealers said. The T-bill market took an about-turn as forward rates which came down to below 10.00 per cent level traded as high as 11.50 per cent," said dealer Khalid Hussain reports Reuter.

India's industrial output falls

NEW DELHI, Aug 3: India's industrial production de clined for the first time in more than a decade in fiscal 1991-91, contrary to gov-

ernment expectations, the Pioneer Newspaper reported Saturday. Production fell by 0.1 per cent due to deep recession, with industries failing to respond to the sweeping liberalisation of the Indian economy since a new government took power in June 1991, the daily said, reports AFP.

Transport strike hits Karachi

KARACHI (Pakistan), Aug 3: Export and import cargo piled up at the Port of Karachi after transporters went on strike in protest at increases in taxes, transport leaders said. The strike will cut oil supply to the upcountry," said a police official as 40,000 vehicles of six transporters' associations went on strike, which paralysed movement of goods, reports Reuter.

Labour exports to bring China \$5b

BEIJING, Aug 3: China's labour exports, ranging from engineering teams to road work brigades, are forecast to bring in some five billion US dollar in 1992, a rise of 39 per cent over last year, a senior official said, reports Reuter.

Chen Yongcai, Director of the International Cooperation Department at the Foreign Trade Ministry, told the offi cial China Daily that the brightest market prospects for Chinese labour included Israel South Korea, and South Airica.

Chen said the labour ex parts would be one way of solving the growing problem of surplus labour in China, the

world's most populous country Chen said that the bulk of China's labour exports would continue to go to traditional markets such as Hong Kong.

the British colony on China's southern coast.

New contracts are in the offing in a number of countries, including for the first time israel, he said, although he declined to give details, saying the Israeli negotiations were still underway.

Two countries that look ready to begin importing Chinese labour have no diplomatic relations with Beijing are South Korea and South

Chen said China had already set up a number of joint-venture projects in South Africa and started labour service.

"We have established good footholds in Botswana, near South Africa," Chen was quoted as saying, indicating that China could move more operations across the border to South Africa once conditions were

cians to enter the country. Chen said he would lead a Chen said

Hong Kong remains China's best bet for labour exports. particularly once construction of the colony's new multi-billion airport project gets underway, Chen said.

Chinese workers are also heading in increasing number to the republics of the former Soviet Union.

Chen said officials from the Commonwealth of Independent States (CIS) and several eastern European countries had signed contracts worth about 780 million US dollar for Chinese labour at a recent trade fatr in the northern Chinese city of Harbin.

China's labour exports earned the country 3.6 billion US dollar in 1991, an increase 38 per cent over 1990, the China Daily said.

Philippines joins Asian capital market

MANILA, Aug 3: The Philippines has joined the ranks of emerging capital markets in Asia despite the political squabbles and natural disasters which have rocked the foundation of the local economy for years, reports

These remarks were made by Lilia C Clemente, Chief Executive officer of the USbased Clemente Capital, Inc. in her paper presented at the inaugural conference of the Philippine SEC Training institute held here last week.

She said, 'the most explosive returns are found in emerging capital markets. Aside from the Philippines, other countries in Asia which are the present targets of investors are Indonesia. Malaysia, South Korea and Thailand. Other countries outside of

Asia which are in the same category are Finland, Greece. Portugal, Turkey, Argentina, Brazil and Mexico, she added.

Clemente said during the last ten years emerging capital

markets outpaced so-called

She indicated that there is at present a global shift towards the emerging capital

tition from Latin American countries. Clemente said. The share of emerging

Chinese delegation to South

Korea this autumn to negotiate

labour exports. The Chinese

team will include officials from

the China National Constru-

ction Co, the Shandong Inter-

national Economic Cooperation

Co and the Jilin International

nics have been designated by

Beijing as the only ones al-

lowed to approach the South

Korean labour market "to pre-

vent an overabundance of

Chinese companies in the

In Indonesia, China is hop-

ing to finalise contracts for the

construction of large chemical,

mining and power projects

during the second half of

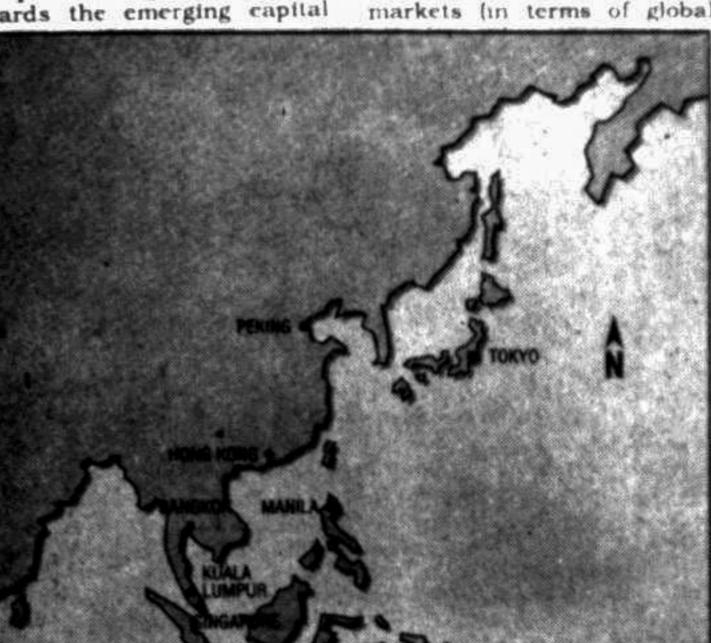
to allow more Chinese techni-

1992, while Japan is also likely

country," the China Daily said

The three Chinese compa-

Cooperation Co.



tive return on investment. The

markets because of the attrac- market capitalization) has riscn from 3.2 per cent to 5.4 Asians are now getting compe- per cent in the last ten years, she said.

As an emerging capital market, the Philippine is doing well Clemente said noting that the local equities market before the Aquino administration was less than one billion US dollar.

Five years after the assumption of President Aquino, the market capitalization leaped by 80 per cent.

Last year, the local market capitalization was estimated at 11 billion US dollars.

The upward momentum continued despite the political and economic problems in the local front. In the last quarter of 1991, the local market grew by 42 per cent. In her paper entitled, globalization of securities market, Clemente emphasized good returns in global investing.

Clemente said mature in vestors should look beyond for new investment horizons."

As worldwide demand for capital continues to rise sharply, investors should take advantage of opportunities sweeping the global village, she added.

Asian currencies close slightly weaker

HONG KONG, Aug 3: Asia-Pacific currencies closed generally weaker against the US dollar last week, but declines were slight, reports AFP.

The yen, Australian, Taiwan and New Zealand dollar. Malaysian ringgit, Indonesian rupiah and Thai Baht were weaker.

The South Korean won Stabilized its downward trend against the Greenback, while the Hong Kong and Singapore dollar appreciated slightly.

The Philippine peso continued to strengthen amid reports of healthy local markets trading and a surplus of US

Japanese yen: The yen closed at 127.30 yen to the dollar this week, down 0.40 yen from the 126.90 yen finish the previous week.

After opening at 127.63 yen, the Japanese currency plunged the week's low of 128.17 yen at Monday's close following a plunge in share

The ven fluctuated throughout the week in line with developments on the stock market before closing at its week's

South Korean won: The won stabilized during the week against the dollar, being traded at 787.20 won Saturday, against 287.40 won a week

Dealers said banks had been selling dollar they had hoarded in anticipation of a sharp weakening of the won, which did not occur.

The improvement in the current account deficit also contributed to the currencyis stabilization, analysts said.

The current account deficit during the first half of the year amounted to 4.08 billion dollar, as compared to 5.5 billion dollar a year ago.

This year the South Korean currency has lost against the Greenback at an average 4.9 won per month, rising from 760.80 won in January to 790.20 at the end of June. Analysts said it could weaken to 830 won by the end of the

Australian dollar: The Australian dollar finished in local trade at 74.44 US cent against 74.70 cent the previ-

The Australian dollar was affected marginally during the week as data showed a further reduction in inflation and a widening of the current account deficit.

The central (Reserve) bank intervened Wednesday to prevent a fall below 74.20 cent after data released showed negative inflation for the June quarter consumer price index, representing an annualised inflation figure of 1.2 per cent.

Statistics released Thursday showed an increase in the current account deficit which was-

fuelled by a surge in imports and reduced the likelihood of a further interest rate fall. Dealers said the currency was boosted slightly the same day

by a large Japanese buying or-

Singapore dollar: The Singapore dollar finished firmer against the US dollar at 1.6125 here Friday, against last week's level of 1.6155.

Dealers said the marginal drop of the Greenback here was due to the Tokyo money market where it was also

Hong Kong dollar: The Hong Kong dollar closed higher against the Greenback Friday at '7.7330-7.7340, against 7.7335 -7.7345 a week

The Hong Kong dollar has been officially pegged at around 7.80 to the US dollar

since 1983. The 'effective exchange rate index was 109.8, remaining unchanged from a week

Malaysian ringgit: The ringgit finished the week little changed at 2.5005 to the US dollar, against 2.5000 last week, in a narrow trading

The market was predicted to remain cautious in the week ahead, dealers said, as the central bank Negara would inevitably have to launch measures to absorb excess liquidity

in the cash-flush system to stem any possible decline in interest rates. However, one dealer said, a

decline in interest rates now would be detrimental to the central bank's efforts to fight rising inflation. Indonesian Rupiah: The

Indonesian currency closed Friday at 2,035 rupiah against the Greenback, one point lower than the previous week's 2,034 finish.

currency market closed Friday at a mid-rate of 25.31 baht to the US dollar, compared with last week's mid-rate of 25.30. The Greenback strengthened against the baht because

Thai baht: The Thai foreign

East, an official at the Thai Farmers Bank said. Philippine peso: The Philippine peso strengthened further this week to close at

of the tension in the Middle

24.898 to the US dollar on Friday, against 25.141 the previous week. Central bank officials said this week that they would let

the peso seek its own level, but admitted they had been intervening to keep it from appreciating to much . Bank officials attribute the

peso's surprising strength to a continuing surplus of dollar in the system and the high returns that investors can get in the local capital markets compared to those a broad.

build strong economy KUALA LUMPUR, Aug 3

Mahathir urges

Malaysians to

Malaysian Prime Minister Mahathir Mohamad called on his fellow countrymen to build a strong economy to safeguard national sovereignty, reports

In view of the changes taking place in the world, Malaysia must be cautious about the influence of the western bloc. Mahathir warned at a function here.

"We have seen how these powerful countries have acted against weak nations with no consideration for their sovereignty," he said.

Dollar, stocks fall in Tokyo

TOKYO, Aug 3 1 The US dollar moved lower against the Japanese yen in morning Monday trading, while share prices on the Tokyo Stock Exchange fell back in thin trading, reports AP.

At late morning, the dollar was changing hands at 127,09 yen, down 0.21 yen from Friday's close. It opened at 127.05 yen alter finishing Friday in New York at 127.15

Traders said the dollar's lower opening followed its downswing Friday on mixed US economic data.

The Commerce Department reported Friday that orders for US factories jumped 2.3 per cent in June, the best gain in months, while another Commerce report said Americans' personal income failed to grow in June.

Michael Jackson versus Iranian leaders

TEHRAN, Aug 3: The pop star Michael Jackson is better known to many Iranian children than the country's leaders because of a rise in consumer imports from the United States and Britain, a newspaper complained Sunday, reports AFP.

Jahan-e-Isla, close to antiwestern Islamic radicals, said the sale of such goods was 'aimed at reducing the cultural and psychological (opposition) to these countries before legitimisting economic and commercial rela-

Under the headline "American chocolate," it condemned the sale on the tranian market of US and British delicacies, drinks and T-shirts, and called for stricter controls on imports.

"Iranian children aged six or seven know Michael ackson, Maradona and



Michel Platini" better than their own religious or politi cal leaders, it said.

The import of US and, to a lesser degree British products, was almost non-existent after the 1979 Islamic revolution. But in recent months, merchants have stepped up imports of US goods via Arab states across the Persian gulf.

Emergence of trade blocs threatens India's exports

NEW DELHI, Aug 3: India could lose out on its export market due to the emergence of trade blocs across the world, Export-Import Bank of India Chairman Kalyan Banerji said, reports Xinhua.

According to a report reaching here Monday from Bombay, inaugurating the Kilachand Computer Centre in Bombay on Saturday, Banerji said that 25 per cent of the country's export trade had already been affected due to the collapse of the rupee trade agreement with the erstwhile Soviet Union.

He said that exports were likely to decline further due to the new trade group of European Community (EC) and

the North American Free Trade Areas (NAFTA).

These two trade groups accounted for about 50 per cent of India's exports and the country could lose out on these, unless immediate remedial measures were taken.

For instance the EC bloc conducted 60 per cent of its trade among its member countries and did not want to associate itself with the changing world trade, he said.

Bancrii advocated setting up of joint venture companies by Indian companies abroad to facilitate penetration of these trade blocs and India's exports, he said.

Issues on NAFTA talks still unresolved

WASHINGTON, Aug 3: The trade Ministers of Canada. Mexico and the United States pushed ahead Sunday to finalise a free trade agreement. but sources warned there were still unresolved issues in key areas, reports AFP.

Mexican trade Minister Jaime Serra Puche, Canadian International Trade Minister Michael Wilson and US Trade Representative Carla Hills worked through the day forgoing breaks and the usual photo

They planned to meet again Monday if necessary to con tinue discussions on the ac cord, a US delegation spokesman said

A spokesman for the Mexican Trade Ministry said working groups were meeting separately to fron out disputes overautomobiles, energy and other sectors.

A Canadian official said those groups had not reached any final agreements and had merely sent them on to the ministerial meetings.

The agreement would create the worlds largest free trade zone, covering some 360 million people and with a combine Gross Domestic Product of some six trillion

The three officials last met in Mexico City a week ago, and dozens of negotiators have been working in Washington since Wednesday on the accord, which has been under discussion for the past 14

The ministers said they had made progress at the Mexico talks, and sources close to the meetings said that the decision to meet again in Washington suggested they were close to a final agree-

> The three sides have intensified negotiations in recent weeks in the hope of being able to put the agreement to the US Congress for approval before the presidential election in November.

Lanka's tea export to fall by \$115m

COLOMIJO. Aug 3: Sri Lanka will lose at least five billion rupec (about 115 million US dollar) in tea earnings this year, the Sunday Times reported Monday, says Xinhua.

The financial loss is due to the drastic fall of tea exports, prices and production. The tea industry was unlikely to recover in the second half of the year except for possible improvement in prices.

Sri Lanka, top tea exporter in the world with a record 230 million kilograms in 1991, can cconomist said.

only expect to turn out 170 million kilograms this year because of the severe drought in the first four months, according to tea brokers. Analysts believe the five bil-

lion loss in tea industry this year would put more pressure on the budget and treasury. The treasury would have its own problems in finding enough money for government spending and a five-billion-rupee shortfall from the tea industry alone would be enough to cause a budget crisis, an

Malaysia records trade surplus of 363m ringgit

KUALA LUMPUR, Aug 3: Malaysia recorded a trade surplus of 363 million ringgit in May against a deficit of 593 million in April, the statistics department said, reports May's surplus, the first

since last December, was due to a sharp rise in exports while imports fell marginally. Exports was 8.553 million ringgit against imports of 8.190 million.

Total deficit for January to May fell sharply by 43 per cent to 2.382 million ringgit from 4.205 million for the same 1991 period. Cumulative exports amounted to 38.687 billion ringgit against 35.769 bil lion in the same 1991 period, while imports totalled 41.069

billion against 39.974 billion. Imports of machinery and transport equipment, which rose 10 per cent in May, held the most significant share of

imports, the department said. Exports of thermionic valves, tubes and photocells were the biggest revenue earner at 5.488 billion ringgit or 14 per cent of total exports, followed by crude petroleum at 3.935 billion.

Among its major trading partners, Malaysia has trade deficits with Japan (4.867 billion ringgit) and Taiwan (1.126 billion ringgit). Surpluses were recorded

with Singapore (2.545 billion

ringgit) and Netherlands (629

million).

Chaotic situation prevails in vital oil sector of Russia

TYUMEN, Russia, Aug 3 Leonid Zakharov, the brash, rotund chief of a small state oil company, has a half-joking threat for anybody who challenges his claim to one of Russia's richest oil fields, reports AP.

"I have a pistol!" he said to a visitor, patting his hip where a gun might have been.

kharov has become one of many company and govern ment officials competing for parts of the industry that controis Russia's most important natural resource and hard-curzency earner.

The bickering, caused by the collapse of the Soviet Union and subsequent promises of privatization, has left both the oil and the industry without a clear owner. It has worsened a host of troubles that are lowering production and slowing foreign in-

vestment. "Each company ought to be able to decide its own path," Zakharov said of his North Varyegan Oil Company, which pumped almost one per cent of all Russian crude in 1991. This is an entirely new age, an entirely new epoch.

The epoch however, may see the industry lose its position as the world's No one oil producer. Outdated technology combined with a lack of new wells and equipment are expected to drive production to less than 450 million metric tons this year, from 510 million last year.

That would drop it to nearly the same level as secondranked Saudi Arabia, which produced about 425 million metric tons in 1991. A ton of oil equals seven 42-gallon (159-liter) barrels. "There's a paradox in our oil

industry," said Vladimir Repin,

deputy director of the Nizh-

nevartovsk Oil and Gas Production Association. "Everywhere, the oil industry is profitable, but here, it's unprofitable. Repin's conglomerate controls the Samotlor basin, the

richest oil field in western Si-

Crude oil now costs more to extract than the state allows producers to charge, but President Boris Yeltşin has refused to risk social unrest by raising domestic energy prices quickly.

cent of all the crude oil in the former Soviet Union. Half of As a result, the industry

cannot afford to modernize or to tap known reserves, only half of which have been developed in Russia. Privatization might alleviate some problems, but it has been slowed by political resistance.

Outside investment is one answer, and many foreigners have visited the oil regions to explore opportunities. But the obstacles are great, including infighting among men like Zakharov and a hard-currency tariff of about 30 per cent exporters must pay on each ton of oil sent abroad.

In an attempt to increase production, Yeltsin's government has granted tariff exemptions to some foreign exporters and promises to give domestic producers credits and more of its won profits. Still, officials do not expect a turnaround for three to four

"We're very much in a monetary, not oil, crisis," said Don Joiner of White Nights, a US-Russian joint venture struggling to keep its two year-old drilling operation going in the Varyegan basin. Russia produces 90 per

that comes from western Stberia, a vast, forbidding land of forests, swamps and bleak tundra nearly one-third the size of the United States. After World War II, workers attracted by high pay moved to

Tyumen province, 1,500 miles

(2,413 kilometers) northeast

of Moscow. They survived dark, severe winters and mosquito-infested summers to drill wells, lay pipelines, and build roads and towns. After struggling with limited reforms introduced by the Soviet Union, managers and directors began challenging

government control after the August coup. 🌼 "We pump the oil therefore the wells are outs," said Vladimir Shten, a technical director at Repin's conglomerate. "The wells are sitting on land owned by the state. It's our state land, but the process of privatization is going on."

Privatization supposedly would let Zakharov, Repin, Shten or anybody with enough money or influence own the land. But the government has not fully implemented the complex plan, which requires Kremlin approval of any privatization because oil is

"strategic asset." Delays and confusion have led to something like a free-for-all in Siberia. When Zakharov and others asserts their right to make independent decisions, higher-level officials such as Repin try to block them. They try to make declara-

tions about our work, but they

have no authority with the

workers," Zakharov said, explaining his own authority with a Soviet management slogan: "The voice of the chief is the voice of the workers!" Zakharov, whose formal titles are chief geologist and head of his company's labour collective, said he must be free

Production Association. Already, Zakharov said, he has unflaterally considered and rejected a proposal from the Swiss company Marc Rich. Directors of the parent as-

to make deals and money

without the consent of the

parent Varyegan Oil and Gas

sociations persuaded Yeltsin to sign a decree June 1 reaffirming their control over the in-Critics claim the decree

contradicts the privatization law, and Zakharov called it "a step back to the old regime."

But according to Nikolai Suslik, a deputy director of the parent Varyegan association, "It will help us control the situation.

Meanwhile, privatization

goes slowly. Only a few stock companies have been formed and most deal with marketing oil or trading it on commodities exchanges, not with pro-Contracts with foreigners may be the most effective

route to cooperation within the industry, but even then. arguments can arise over everything from shares of the profit to the valuation of Soviet equipment. Gov Yuri Shafranik of Tyumen province, caught between

Kremlin officials and such mavericks as Zakharov, wants to set up commissions with foreign companies to resolvé differences that block investment. "It's very difficult now to

conclude a contract (because) enterprises ... don't want to allow anything and, until recently. Americans sincerely believed ... everything still had to be decided by the ministry," he said.

Foreign investment ac-

counts for less than one per cent of Tyumen province's oil production, Shafranik said. Alexander Dzhavadian, chief

of the state oil monopoly, said about two dozen joint ventures are operating across Russia, "with varying levels of success." Conoco Overseas Oil Co has

reached preliminary agreement to tap the Arkhangelsk fields in northwestern Russia and Mobil Russia Co is considering a joint venture east of the Samotlor region. Conoco made its deal with the Arkhangelsk region's parent association and Mobil is negotiating with one of Siberia's subsidiary companies.

A bigger obstacle is Russia's export tariff of about 6 dollar a barrel of otl.

This doesn't create a very hospitable climate for investment," said Farid Sharifullin, director of Samotlor Services, a year-old venture of Canada's Fracmaster company and the Samotler Oil Production Administration.

Unless the levy is repealed or lowered, said Joiner of White Nights, There won't be anybody here to tax."