BRIEFS

Pak stocks' capitalisation falls

KARACHI, Aug 10: Pakistani stocks' capitalisation fell sharply to 197.74 billion rupees (7.85 billion US dollar) in July from 218.35 billion, 8.67 billion US dollar in June but still up on 89.94 billion in July 1991, State (central) Bank of Pakistan figures show. The bank gave no reason for the fall. But broker Mohammad Siddiq blamed political uncertainty in the southern province of Sind after a strong ethnic party left the ruling coalition to protest against an army-led crime crackdown, reports Reuter.

Azerbaijan to float own currency

MOSCOW, Aug 10: The former Soviet republic of Azerbaijan will introduce its own currency, the manat, on Saturday, the Azerbaijan, Prime Minister announced. Vakhid Ahmedov said the new currency which will replace the rouble was being printed in France. At a later date Azerbaijani manats will issue bills and coins, the Interfax news agency said. The Finance Ministry announced in June that the exchange rate would be one manat for 10 roubles.

Pak PM announces relief for Sind

ISLAMABAD, Aug 10: Pakistan Prime Minister Nawaz Sharif Saturday announced a relief aid of 55 million rupee (about 2.2 million dollar) to the rain affected areas of Sind province. The Prime Minister who toured different parts of the rain affected province Saturday, expressed his hope that the sum of money and the 45 million rupee (about 1.8 million US dollar) granted earlier by the provincial government would greatly help in the rehabilitation of the flood victims, according to Xinhua.

Japan's academics to help Mongolia

TOKYO, Aug 10: Japan will send academics to Mongolia next month to help it write laws to form and regulate a market economy, a Foreign Ministry officials said today. The delegation of legal and education experts will leave for Ulan Bator on September 11, the officials said. They will also look at practical ways to help Mongolians teach their own script, which the then-communist government in the 1920's replaced with the Cyrillic script used for Russian, reports Reuter.

Insurance college opened in Kenya

NAIROBI, Aug 10: Kenya's first college of insurance was opened here on Friday to train qualified personnel for the local insurance industry, the local press reported today. Speaking at the opening ceremony of the college, Kenyan Vice President George Saitoti urged the college to train insurance actuaries and examiners to stop the reliance on external actuarial and examination service, reports Xinhua.

Another arrested in bond scam

NEW DELHI, Aug 10: R Ganesh, Vice President of the controversial Fairgrowth Financial Services Limited (FFSL) was on Sunday arrested in Bangalore by the Central Bureau of Investigation in connection with the case of forgery and other charges. A CBI spokesman here said Ganesh, who was on transit remand, would be taken to Bombay and produced before a special court there.

Hanoi produces 3m tons of crude oil

HANOI, Aug 10: Vietnam has in the first seven months of this year produced three million tons of crude oil, meeting 55 per cent of the annual production target, local news reports said. The subordinate units of the national petroleum and natural gas company are using various measures to try to exceed the annual target of producing 5.38 million tons of crude oil. That means a fifty per cent increase over the previous year, the reports said. Vietnam can now produce 15,000 tons of crude oil a day as a result of improved techniques and the adoption of new processes, reports Xinhua.

Major Iraqi oil port operational

NICOSIA, Aug 10: Repairs of Gulf War damage at Iraq's off-shore Al-Bakr oil exporting terminal has been completed and the port is fully operational, the official Iraqi News Agency reported Sunday, reports AP.

Myanmar — tale of a rich nation that never was

MANDALAY (Myanmar) Aug 10: Along the 440 miles (708 km) of railroad, from Yangon there are no billboards, no shops, no factories. The only buildings of substance are crumbling stonehulks abandoned by the British colonialists 50 years ago, writes AP.

The old diesel train sways and bucks along at 30 mph (48 kph) on warped tracks, past peasants driving teams of oxen through shimmering rice paddies.

At dusk, the peasants retire to straw-thatched huts propped on stilts. The nights are pitch-black, for there are few power plants.

Welcome to the commercial and industrial heartland of Myanmar, the rich nation that never was.

This is the yield of 30 years of "the Myanmar way to socialism," a policy of isolationism and state economic control badly mismanaged by the military.

The democracy movement that brought fame to Aung San Suu Kyi, winner of the 1991 Nobel Peace Prize, and scorn to the military government began in 1988 as an expression of economic misery.

But just how grim is the situation in Myanmar? Something equally evident on the 14-hour train ride seems not to fit the description "least developed country," the UN category to which Myanmar had sunk by 1987: Plenty of delicious food was available at prices the average Myanmar people could afford.

Peasants scrambled aboard at each stop to sell chicken barbecued or curried, bamboo leaves filled with savory meat and rice, and an astounding variety of fresh fruit: pineapples, bananas, mangoes, papayas.

Philippines, said Rolf Carriere, outgoing head of the UN Children's Fund in Myanmar. One reason is the lack of a private food-distribution system.

Some degree of change may be in the making for Myanmar's 42 million people. The regime is taking half-steps toward a market economy, permitting foreign joint ventures and some private trading outside the anemic state enterprises.

There is no mechanisation because there is no contact with the outside. There is no distribution system because there is no economic incentive to move goods around the country.

In Mandalay, the second-largest city after Yangon people pan for gold in the Irrawaddy River. The hilly outskirts are studded with jade, emeralds, rubies and sapphires. The forests are rich in teak.

Nonetheless, what should be a vibrant economy barely breathes. There is no mechanisation because there is no contact with the outside. There is no distribution system because there is no economic incentive to move goods around the country.

Despite abundant food resources, the rate of severe malnutrition is dramatically higher than in India or the and China.

"They don't know what they're doing," said Vittorio Bonavita, an Italian businessman with long experience in buying Myanmar teak. "In two or three years, this economy's going to be finished.

"Now the water is up to here," he said, making an imaginary line under his nose with one finger.

Abel indicated no plan to cure one of the most acute economic ills: A huge, widening gap between the black-market and official rates for Myanmar's currency, the kyat.

Few foreign companies have tried joint ventures, since they must pay the government for many expenses at six kyats to the dollar, compared to the unofficial rate of about 110.

Because of that difference, a night watchman for one of the few foreign companies — such as Pepsi, which has a bottling plant outside Yangon effectively gets a higher salary with his dollar-denominated chits than Myanmar's president.

Another result is an economy that virtually demands corruption because the average monthly salary of 1,200 kyats does not go very far.

Economists say many Myanmar people get along on untaxed, black-market dollar, which enter the country through smuggling or overseas sales of natural resources.

"We have reversed the entire system," declared David Abel, an Anglo-Myanmar brigadier general. Abel acts as minister and finance and trade, but by most accounts is not an expert at either.

Foreigners who do business in Myanmar say the main problem is that the bureaucracy is run by an officer corps with little knowledge of or efficiency in any thing but war and repression.

The response to rising rice prices, for example, has been threats to put wholesalers on trial. Business savvy is so limited that most profits from sales of teak and jewels abroad go to middlemen in Thailand

Stocks lower, dollar up in Tokyo

TOKYO, Aug 10: The Tokyo Stock Exchange's key indicator plunged below the 15,000-point level Monday morning as pessimistic players dumped issues ahead of their summer vacations, reports AP.

The stock decline helped the US dollar narrow its overnight losses against the Japanese yen.

The 225-issue Nikkei Stock Average fell 526.90 points, or 3.40 per cent to close the morning session at 14,991.37. The average lost 408.17 points or 2.56 per cent last Friday.

The average's last close below 15,000 was on March 25, 1986, when it finished at 14,826.87.

The Tokyo Stock Price index of all issues listed on the market's first section was down 31.79 points, or 2.69 per cent, to 1,149.44. The TOPIX fell 26.09 points or 2.15 per cent Friday.

Stock traders said the continued tumble in the price of Nippon Telegraph and Telephone shares and expectations that many Japanese companies will revise earnings forecasts downward caused Monday's heavy selling.

Pessimism about the market drove down futures prices, prompting index-linked arbitrable selling throughout the morning.

China to integrate state sector into market economy

BEIJING, Aug 10: Prime Minister Li Peng has reaffirmed that China's state-run enterprises will be integrated into a market economy, official media reports said here, according to AFP.

"In the future China will further employ market regulation to promote economic development," the Xinhua news agency quoted Li as saying Friday at a national conference on transforming the state sector held in Beijing last week.

Li said state-run enterprises, two-thirds of which are operating at a loss, must become part of the market to improve their results, adding that reshaping these businesses was an important goal of China's economic reforms.

His remarks came the day after the English-language China Daily newspaper quoted top government economist Wu Jinglian as saying that the Chinese Communist Party would formally embrace the market economy at its 14th Congress, due to be held this autumn.

Xinhua said Li called on leaders at all levels to do their best to apply directives published last month on transforming the management of state enterprises.

The directives are aimed at giving complete autonomy to businesses whose "total volume of losses is still increasing," Li said.

One of the biggest and most symbolic of these firms is Beijing's Capital Iron and Steel Corp, which has 200,000 employees and has just been granted nearly rule autonomy.

China has around 10,000 large and medium-sized state-run firms, which account for about half of industrial output, Li said.

These ailing firms' stocks continued piling up in the first half of the year, the People's Daily newspaper reporting Friday that the total value of their inventories rose to 21.6 billion yuan (4.8 million dollar).

Rapid growth of technology imports

A Xinhua report adds: Stroked by a booming national economy, China is seeing a rapid growth in technology imports for the 1991-95 period that outstrips that of previous five-year period, "China Daily" reported here Sunday.

The average annual growth rate of the current period is about 10 per cent, 1.4 per cent more than that of the seventh five-year plan period (1986-90), the newspaper said.

This year's imports will exceed the 1991 total by a huge margin, according to Zo Zhang Xuming, Director General of the Technology Import and Export Department of the Ministry of Foreign Economic Relations and Trade.

Advanced foreign technologies and equipment for the petrochemical, energy, transportation, chemical, telecommunications and important raw-material sectors will continue to be top priorities for imports.

The value of technology imports in the first half of this year hit an alltime high of 4.45 billion US dollar, up 120 per cent over the same period last year.

The figure made up about 13 per cent of the country's total imports of 33 billion US dollar for the first half of this year, statistics from the general administration of customs show.

In July alone, nearly one billion US dollar worth of contracts were signed for technology imports. A number of large deals are now under negotiation, Zhang said.

Zhang pointed out that China is using more of its foreign exchange and overseas commercial credits, including export credits, to facilitate imports.

This is in contrast to the past, when most imports were facilitated by foreign government loans which provided preferential terms.

Further, many more large- and medium-sized enterprises have now got a finger in the direct technology trade business, creating diversified niches to absorb foreign supplies.

Nepal to raise oil prices by 12 to 16 pc

KATHMANDU, Aug 10: The state-run Nepal Oil Corp (NOC) announced Sunday it was increasing the price of oil products by between 12 and 16 per cent, state radio reported, says AFP.

The corporation said petrol was being increased by 12 per cent, diesel fuel by 12.25 per cent, and kerosine by 16 per cent.

The NOC's General Manager, Amrit Raj Nakarmi, said the devaluation of the rupee by more than 20 per cent against the dollar in March 1991 had resulted in the corporation losing 550 million rupees (12.85 million dollar) during the 1991-1992 fiscal year, which ended in July.

Educating women fastest route to growth

BANGKOK, Aug 10: One of the fastest routes to economic growth is through educating women, says report of the United Nations informations service here, according to Xinhua.

The report, prepared for the fourth Asian and Pacific population conference scheduled to be held in Bali, Indonesia August 19-27, says that countries which have failed to achieve very high levels of female education are seriously damaging their prospects for economic and social development.

While a stream of healthier and better educated women and youth enter the labour market, governments can begin to foster structural economic changes and increase domestic productivity.

The report says human resources development is the key to economic dynamism of the Asia-Pacific region, adding, lower infant mortality rates, higher quality child-rearing, more rapid fertility decline and increases in women's financial contributions to their families through work outside the home, all constitute immediate benefits derived from educating women.

'Indian Pacific saved at last'

ADELAIDE, Australia, Aug 10: One of the world's great passenger trains the "Indian Pacific" has been saved from closure following an Australian Government promise to refit the again railroad, reports AP.

Named after the two oceans it links the train runs across the Australian continent from east to west and back again between the largest city Sydney and western Australia's state capital — Perth.

A 4,352-kilometre one-way trip takes 65 hours and is second only to the 9,438-kilometre (5,864-mile) Trans-Siberian Railway.

Although a favorite ride among international train enthusiasts, its operator Australian National (AN) Railways recently threatened to shut it down because it was losing 7.4 million dollar a year.

A fall in passenger numbers exacerbated by an airfare discount war was blamed on the condition of the train's carriages. Which have not been refurbished since service began in 1970.

Australian Prime Minister Paul Keating said Sunday the Federal Government, which owns AN will spend 8.8 dollar million on a refit.

Delhi, Pindi can respond to incentives for export

WASHINGTON, Aug 10: The large industrial sectors of India and Pakistan can respond strongly to incentives for exports, as Pakistan's did in the sixties and India's has done more recently, the World Bank has said, reports PTI.

India has won major contracts in the Middle East for turnkey plants, construction and consultancy services, the bank said in a publication titled "Poverty and Human Development."

However, the Bank said that no country in South Asia has fully exploited its potential for manufactured exports. On the whole, while about half the region's people live in absolute poverty, accounting for half of the world's poor. The bank was of the view that "the relative abundance of highly educated people in South Asia (especially India) and the improved outlook for economic growth should allow the larger countries in the region to tackle the challenging tasks of :

(a) increasing the share of spending on primary education and expanding enrollment, especially among girls and the poor.

(b) improving the efficiency of the educational system — better quality and fewer dropouts, and

(c) expanding the network of primary health centers. India, the bank said, is already devoting renewed attention to this.

Kabul needs world community's help to escape famine

KABUL, Aug 10: Mohammed Akbar gestured to a building filled with dusty vegetable oil cans from his office in Kabul's wholesale market. Business was good, he said, but he would still be leaving for Pakistan as soon as his stock was sold, reports AFP.

Like many private traders, the weak glue holding together the fragments of Afghanistan's economy, he will only return when the new Mujahideen government had ended the sectarian clashes that have devastated parts of Kabul and terrorised the population, he said.

The departure of up to half the city's traders is threatening the food supply, 40 per cent of which was once provided by the Soviet Union, but which now must be met on the open market or through aid.

Donors, however, are staying away, with many countries not having reopened their embassies or established bilateral aid programmes because of the security situation, a UN official said.

Rocket attacks have killed dozens, while there have been widespread reports of looting by Mujahideen guerillas and other troops who lounge around the city, their weapons always prominently displayed.

Although security in the capital has deteriorated, roads to Kabul are open and prices of goods imported from Pakistan are down.

But as Abdul Hakim, a trader in sugar imported from Uzbekistan, told AFP how prices were down, he was drowned out by an old man complaining that no one could afford enough food and that living conditions were getting worse.

Food Minister Suleiman Yari said Afghanistan could not even produce 60 per cent of its food because of the destruction of farming during 14 years of war, the mines that litter the country and the flood of 10,000 refugees returning each day from Pakistan and Iran.

"The world community should assist us otherwise we will have a famine-like situation," Yari said, warning of grim times ahead in the harsh winter.

Afghanistan's 14 million people have slipped in the world's priorities, with the former Yugoslavian republics, Cambodia and now Somalia drawing most of the aid distributed through the United Nations.

An appeal by Secretary General Boutros Boutros-Ghali for 180 million dollar in June has netted only 40 million dollar so far, the UN official said.

"They'll have to get their house in order before they receive any aid," a diplomat said of the new government, which has won a few pledges from Pakistan, Iran and Saudi Arabia.

An official close to interim president Burhanuddin Rabbani admitted the government was concerned that traders were leaving and said the government was trying to get the security situation under control and clear the city of most armed men.

"No one can put their money into a place if they don't trust the situation," he said. "But if we get what we have been promised in aid it won't be too bad this winter."

According to Commerce Minister Shabaz Ahmed Zai, some 500,000 people rely on state food coupons and the government was hoping foreign countries would provide flour to meet this demand.

Zai said there was enough vegetable oil and tea in stock for the government workers, whose average monthly salary is only three times the prices of a can cooking oil.

However, an official in one ministry said workers there had not received their allocations for the past five months.

S Korean GDP to grow by 7.4 pc between 1996-2000

SEOUL, Aug 10: South Korea's Gross Domestic Product (GDP) will grow an average 7.4 per cent a year between 1996 and 2000 as its industry becomes increasingly technology-intensive, a press report said Sunday, says AFP.

The GDP increased 10.1 per cent a year in 1986-1990 and is projected to increased 7.6 per cent in 1991-1995 and 7.4 per cent in 1996-2000, the Korea Herald quoted the state-financed Korea Development Institute (KDI) as saying Saturday.

Output from manufacturing and service industries will increase to 33.8 per cent and 58.7 per cent of GDP in 2000 from 31.8 per cent and 54.1 per cent, respectively, the KDI said.

Agriculture, fisheries and forestry production, meanwhile, will account for only 7.5 per cent of GDP, a sharp drop from 14.1 per cent in 1985.

High value-added products such as machinery and electronics goods will increasingly replace textiles, garments, wooden and rubber products in the manufacturing sector in the latter half of this decades.

Exports will increase an average of 8.9 per cent in 1991-1995 and 8.3 per cent in 1996-2000 compared with an annual average growth of 10.5 per cent in 1986-1990.

Most Asia-Pacific currencies soften against the Greenback

HONG KONG, Aug 10: The Singapore and Hong Kong dollar bucked the trend as most Asian currencies softened over the week against the US dollar, reports AFP.

The Singapore dollar firmed against the Greenback aid rumours of dollar-selling by the Bank of Japan while the Hong Kong dollar remained unchanged after an announcement the currency would remain pegged to the Greenback.

Currencies in Japan, South Korea, Australia, Taiwan, New Zealand, Malaysia, Indonesia, Thailand and the Philippines were slightly lower.

Japanese yen closed the week at 127.95 yen to the dollar, weaker than the previous week's finish of 127.30 yen.

After opening the week at 127.17 yen, the Japanese currency rose to the week's high of 127.25 yen, on Monday.

But the yen continued to decline in the absence of fresh incentive and amid persistent economic concerns to end the week at its lowest.

South Korean won: The won weakened moderately against the dollar to be traded at 788.80 won on Saturday, against 787.20 won a week earlier.

Dealers said the won-dollar exchange rate was expected to stabilise in the weeks ahead as demands for imports payments were not too high in August.

Australian dollar: The Australian dollar closed more than half a US cent lower than a week ago at 73.82 US cent down from 74.47 at the end of last week, and after touching its lowest level in seven months.

Dealers said the central Reserve Bank was believed to have intervened Thursday as the dollar sank to 73.65 cent, its lowest since January. Most dealers expect the central bank to support the currency above a floor of 73.50 cent.

The dollar was expected to come under more pressure next week ahead of the government's annual budget statement August 18.

On the Reserve Bank's trade-weighted index, which measures the dollar against a basket of currencies, the currency was unchanged at 54.4 points.

Singapore dollar: The Singapore dollar finished firmer against the US dollar at an exchange rate of 1.6110 here, Friday, compared to last week's 1.6125.

Dealers said the marginal drop of the Greenback here was due to speculation that the Bank of Japan had sold the US currency to push it down.

Taiwan dollar: The Taiwan currency slumped to close Friday at 25.119 to the US dollar, down 15.9 Taiwan cent from the previous week's finish of 24.96.

After opening Monday at 24.90, the local unit steadily lost ground and moved between 24.97 and 25.15 as a result of a declining trade surplus, currency traders said.

They said the currency was expected to continue its sliding trend and hit the 25.15 mark in the week ahead.

New Zealand dollar: The slow downward trend in the New Zealand dollar continued through the week with the currency closing at 54.36 US cent, against last week's 54.44 cent.

The current value of the New Zealand dollar coincides with the lowest inflation rate in the OECD group, at one per cent annually to the end of June, and booming export figures.

Dealers said they do not expect any significant change in the month ahead.

Hong Kong dollar: The Hong Kong dollar closed unchanged Friday against the US dollar, at 7.7320-30, after Finance Secretary Hamish Macleod's announcement that the peg between the two currencies would be maintained.

The Hong Kong unit has been officially pegged at about 7.80 to the Greenback since 1983.

The effective exchange rate index was 110.0, up from last week's 109.8

Malaysian ringgit: the ringgit ended the week at 2.5012 to the dollar, against 2.5005 a week ago, in a tight range of trading with dealers still watching out for possible central bank intervention to soak up excess liquidity.

Dealers said the financial system was still too liquid, adding they had not discounted the possibility of the central bank raising financial institutions statutory reserve requirements further to soak up the seccess funds.

Indonesian rupiah: the Indonesian currency opened the week's trading unchanged at 2,034 rupiah, but was slightly weaker at the end of trading on Friday at 2,035 rupiah.

Thai baht: The Thai foreign currency market closed Friday at a mid-rate of 25.32 baht to the dollar, compared to last week's mid-rate of 25.31.

The slight rise in the dollar followed the US Treasury Department's announcement of larger quarterly refunds than expected and speculation that employment figures for July would show improvement, local banks said.

Philippine peso: The Philippine peso closed at 24.990 to the dollar Friday, compared to 24.898 a week ago.