

BRIEFS

Inflation rate in India down

NEW DELHI, Aug 18: The annual inflation rate in India has fallen to the lowest level in a year and ten months...

Russia seeks more foreign investment

MOSCOW, Aug 18: Russia is seeking more foreign investment for its troubled energy sector and plans to reverse production declines...

Ford to export right-hand cars

TOKYO, Aug 18: Ford Motor Co. will start to produce three types of right-hand drive cars in the United States and Europe...

Four jailed for gold robbery

LONDON, Aug 18: A judge on Monday sentenced three men and a woman to jail terms ranging from five to 10 years for their part in laundering millions of pounds in stolen gold...

Oil prices increase in London

LONDON, Aug 18: World oil prices rose here after a US press report that Washington had decided to try to provoke a fight with Iraq...

Arab fund to lend Morocco \$5m

ABU DHABI, Aug 18: An Arab fund set up two years ago to boost flagging trade among regional states will lend Morocco five million dollars to finance a trade deal with Saudi Arabia...

Canada halts wheat sale to Russia

WINNIPEG, CANADA, Aug 18: Citing overdue debts, the Canadian wheat board said Monday it had halted all sales to Russia...

World economy heading for major crisis

BRUSSELS, Aug 18: The world economy, led by the United States, could be heading for a crisis of the size of the 1930s...

Leuschel said the risk of a crash similar to that of 1929 had never been as high as today. "The longer the fall is postponed, the harder it will be."

Leuschel attributed the high level of the US stock markets to the Fed's monetary policy of lower short-term rates, which pushed investors to the stock market.

But he said the fact the market scarcely reacted when the Fed cut its discount rate to three per cent from 3.5 per cent in early July showed investors were growing cautious.

He added that the development of US money supply was worse than in 1987, when he said the discrepancy between M1 and M3 figures led to a stock market crash

development and stock market prices," Leuschel said. In September 1991 the Dow Jones average price/earnings (p/e) level was above 20 because analysts were taking a 35 to 40 per cent increase in company earnings into account...

He said that by the end of 1991, property prices in the UK were at 60 per cent their 1981 levels, while US property prices had fallen 20 per cent in the same period.

Indian Tea Association calls to boost value-added export

CALCUTTA, Aug 18: Indian Tea Association has called for devising an effective strategy to boost value-added exports of the beverage from the country...

The disintegration of the Soviet Union, which accounted for 55 per cent of India's total tea exports had now made the situation uncertain and it has become imperative for Indian tea exporters to explore fresh markets and transform themselves into exporters of value-added products.

The value-added exports, the sources said, could be stepped up in the form of packet tea, tea bags, instant tea and other diversified forms to suit the taste of particular

groups of consumers in the export countries.

15,000 jute mill workers lose jobs

PTI adds: Over 15,000 workers in 50 jute mills in West Bengal have been retrenched after the March 17 tripartite agreement in the industry, while eight mills have declared lock-out in recent times...

tempts were being made to "frustrate" the agreement which had provided "some relief" to the mill workers.

Expressing concern at the reported move by the public sector National Jute Manufacturers Corporation (NJMC) to privatise six of its mills in the state, Ghosh alleged that since March 17, 2,300 workers had been retrenched from these mills. Besides, a sum of two crore rupees had not been deposited in the employees' provident fund account in the six NJMC mills, he said.

Thai businesses urged to expand with caution

BANGKOK, Aug 18: Foreign Minister Arsa Sarasi on Monday urged Thai businesses to expand into neighbouring Laos, Vietnam and Cambodia, but said they must act responsibly and not pursue quick, short-term gains...

"I urge that you act responsibly to gain their trust and confidence," Arsa said. "We must not pursue quick, short-term gains. We must always bear in mind the long-term cooperation and relationship. Such cooperation means that we must impart technology, give them the know-how and train their labour force."

"The government cannot succeed unless it succeeds in putting behind the past and creating an atmosphere of trust and understanding," he said. "With Laos, Vietnam and Cambodia, given contemporary history, it certainly requires a great deal of time and patience."

Arsa said the interim government of Prime Minister Anand Panyarachun is keenly aware of the restraints of time. Elections are scheduled for September 13.

"We nevertheless are determined to move forward with sincerity and purposefulness," he said.



BUSHES FOR BUSH: Two of the US President George Bush's children, Doro Bush Koch (L) and George Bush Jr (R) sit in the Astrodome and listen to the speakers at the 1992 Republican National Convention on August 17. The convention, which will renominate the Bush-Quayle ticket, runs from August 17-20.

Bush planning programme on tax cut

WASHINGTON, Aug 18: With his political fate on the line, President George Bush is considering proposing a dramatic new economic programme centred around a tax cut, at this week's republican national convention, reports AFP.

The plan being studied by Bush is an effort to regain the confidence of the conservative wing of the party, and according to plan's proponents, would help reduce the huge federal budget deficit.

Bush, who is scheduled to make his acceptance speech Thursday for his party's nomination at the convention in Houston, would try to show that the goals of cutting taxes and reducing the deficit can be achieved with the same programme.

US to review benefits of trade in 8 states

WASHINGTON, Aug 18: The US trade representative's office said Tuesday it will review worker rights and intellectual property rights practice in eight countries, putting trade benefits to those nations in jeopardy, reports Reuter.

The 225-issue Nikkei Stock Average lost 160.38 points, or 1.07 per cent, to end morning trading at 14,769.17. On Monday, the average gained 109.30 points.

The US general system of preferences law allows developing countries to ship some goods to the United States duty-free if they protect worker rights and foreign patents and copyrights and allow foreign imports.

It will investigate alleged intellectual property rights violations in the Dominican Republic and Honduras and continue investigations in Guatemala and Malta. It said the reviews, including public hearings, would last eight months.

Southern African nations agree on new economic community

WINDHOEK, Aug 18: Leaders from 10 southern African nations, excluding South Africa, signed a treaty here Monday establishing an economic community for the region, reports AFP.

Signatories to the new vehicle for economic and political integration are Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe.

Opening the conference Namibian President Sam Nujoma said the treaty would be a test of the region's "political maturity," and he said countries were being called upon to put regional interests above national considerations.

The SADC was formed in 1980 with the aim of reducing the members' dependence on apartheid South Africa.

Representatives from the African National Congress (ANC) are attending the conference as observers and it is widely expected that when South Africa becomes a non-racial democracy, the country will be admitted as the 11th member.

Taiwanese trade team to visit China soon

TAIPEI, Aug 18: Senior Taiwan entrepreneur is to lead business delegation to China next month to seek to set up business opportunities and joint ventures aimed at penetrating world markets, it was learned here Monday, reports AFP.

Chen, 79, heads the business Yakult group and is chairman of state-run Taiwan Television Enterprise.

Some 35 business executives, led by chairman Chen Chung-Kuang of the Institute of International Affairs (IIA), are to leave for the mainland on September 4 for a one-week trip, an official said.

As well as seeking trade and investment opportunities, some delegates will explore the prospects for forming large-scale joint enterprises using funds and expertise from Taiwan and natural resources from China to expand the overseas markets of both countries, the official said.

Hong Kong plugs into dynamic Chinese hinterland

Patriarch Deng Xiaoping's foray into South China during this year's Lunar New Year was clearly intended to kick start the stalled economic reform process. In a remarkable outpouring of pro-reform sentiment, even some of China's arch conservatives have lined up behind the ageing patriarch.

are marvellously reassuring. Linked culturally and geographically to Guangdong, China's richest and most dynamic province, Hong Kong finds itself today playing a catalytic role in China's headlong rush to economic modernisation. It is believed that Hong Kong bankrolled enterprises provide a living for over ten million people in Guangdong, roughly one-in-six of the population, and directly employ over three million workers in that province.

that of Hong Kong's, and this despite the fact that Hong Kong has a population of just under six million against Guangdong's 65 million and China's 1.1 billion.

Gerald A Delikhan in Hong Kong

In June 1989 following Tiananmen, the territory's future looked bleak. Today, with significant increments of wealth in South China, and acceleration of economic reforms on the mainland, even the skeptics are turning bullish about Hong Kong's post-1997 future.

The injection of Hong Kong enterprise and money is best symbolised by the current relationship with Guangdong. This province accounted for 15 per cent of China's total foreign trade of US 136 billion dollar in 1991. Significantly, some 75 per cent of Guangdong's foreign trade is transhipped through Hong Kong.

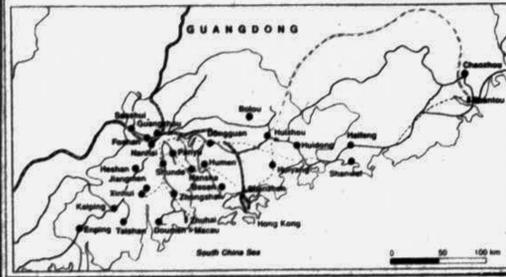
Each day, over 14,000 trucks cross the Hong Kong-Shenzhen border — an endless flow of merchandise and produce. There are over 16,000 Hong Kong owned factories located in Guangdong, and reportedly nearly 20 per cent of Hong Kong's currency circulation is north of the border.

Japanese investors as the largest foreign investors in the Hong Kong Property.

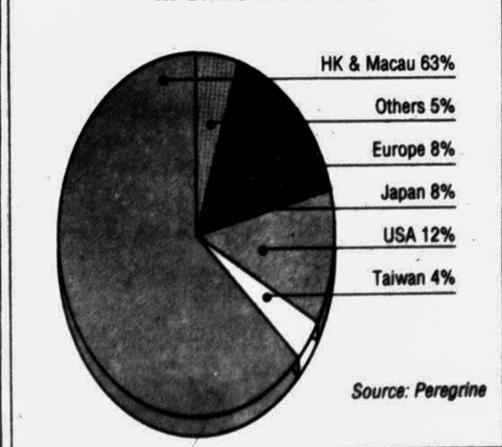
The Chinese presence in Hong Kong's property market is of great significance. In Hong Kong where fortunes are made daily on property development, ownership and a not inconsiderable amount of speculation, the involvement of Chinese private enterprise offers a peculiar kind of insurance against even the most distant fear of nationalisation.

Between 1979 and 1990, of the accumulated foreign investment in all of China of US 37.5 billion dollar, nearly 60 per cent has come from Hong Kong. And those numbers are multiplying.

Hong Kong and Guangdong



Accumulated Foreign Investment in China 1979-1990



Over the entire spectrum of economic endeavour, the interlocking of commercial interests between Hong Kong and China is what will keep Hong Kong competitive and growing beyond 1997.

Paul Chow, Chief Executive of the Hong Kong Stock Exchange notes: "Clearly the PRC firms now have as much at stake as anyone in Hong Kong's continued success as a capitalist centre. They will be a strong lobby for the status quo, leading up to, and after 1997."