

BRIEFS

G-7 fails to stop dollar decline

WASHINGTON, Aug 25: The Group of Seven is losing the battle to stop the dollar's head-long decline and will need to do more if they want to avoid that threat of a full-blown currency crisis, economists said. The US and European central banks have intervened repeatedly in currency markets in recent days to prop up the dollar. But their buying has had scant effect and the currency dropped to a new record low below 1.40 German marks on Monday. "There's no end in sight," said David Jones, chief economist for Broker Aubrey G Lanston and Co, reports Reuters.

Syria to boost oil production

NICOSIA, Aug 25: Syria plans to boost its oil production by at least 12 per cent by the end of the year, an oil journal reported Monday. Under the plan, Syria's total oil production would increase from the current 505,000 barrels per day to about 565,000 barrels per day by the end of year, the weekly Middle East Economic Survey reported. This would increase Syria's oil earnings, which stood at two dollar billion last year, reports AP.

Pak money market may pick up soon

KARACHI, Aug 25: The Pakistani money market, which is active in T-bills, is likely to pick up further in a few days, dealers said. There was good buying interest for T-bills at around 12 per cent said dealer Ali Sultan. The market is expected to pick up considerably in two to three days. He said banks squared their positions after the State (central) Bank of Pakistan received bids for T-bills on Sunday, reports Reuters.

Singapore dollar hits record

SINGAPORE, Aug 25: The Singapore dollar hit another record high of 1.6010 against the US dollar in early trading here Tuesday, despite Monetary Authority of Singapore (MAS) support for the Greenback, foreign exchange dealers said. The local unit had touched the previous record high of 1.6035 Monday, in a plunge checked by the MAS, the de facto central bank, before closing at 1.6040, reports AFP.

Lawsuit over US trade dismissed

WASHINGTON, Aug 25: A US appeals court has dismissed a lawsuit that could have set a precedent for requiring environmental impact statements for international trade agreements. Patti Goldman, a lawyer for Ralph Nader's consumer lobbying group Public Citizen, which filed the suit, said August 17 that the three-judge panel of the Federal District of Columbia announced its decision August 9. At issue are the long-stalled Uruguay Round of multilateral trade negotiations and the North American Free Trade Agreement (NAFTA), reports USIS.

Growth rate in Iran 3.3 pc

TEHRAN, Aug 25: Iranian President Hashemi Rafsanjani has said that Iran has achieved an annual average growth of 3.3 per cent in the Gross National Product during the last three years. In a televised address to the nation late last night, Rafsanjani told his countrymen that the growth rate means 0.3 per cent ahead of the five-year plan (1989-94) in the first three years. Rafsanjani defended the five-year plan saying that it is based on a "mixed economy" which is the same as "pure Islamic economy", reports Xinhua.

Meet on Northeast Asia economy opens

VLADIVOSTOK, Russia, Aug 25: An international conference on northeast Asian economic cooperation opened here today, receiving an unexpected boost from the agreement between China and South Korea to establish diplomatic ties. The three-day meeting in this far east port city, the headquarters of the former Soviet Pacific fleet, is the second of its type and follows a similar conference in the North Korean capital of Pyongyang earlier this year, reports AFP.

India opens oil, defence sectors to private entrepreneurs

NEW DELHI, 25: India's government threw open oil exploration and the defence equipment industry to small private entrepreneurs Monday and offered a package of incentives for the development of small industries, reports AFP.

Minister of State for Petroleum and Defence, S Krishna Kumar, said small industrialists could now bid for oil exploration on their own or in partnership with foreigners and manufacture defence components barring lethal weapons.

They could lease or rent government defence production facilities, Kumar said, adding the decision helped small units move into sophisticated and high-technology areas that until now have been restricted to big industries. The announcement came at

a meeting of the governments Small Scale Industries Board attended by 10 cabinet ministers.

The minister pledged to remove cumbersome pollution controls, ensure prompt government payments, ease bank credit and lower interest rates on loans in a bid to revitalise the small-scale sector.

More than a million small industrial units exist in India, often complaining they are neglected by government departments preoccupied in dealing with big business corporations.

PJ Kurien, Industry Minister said falling credit availability, high interest rates and bureaucratic controls had hampered the small sector but pledged to remove impediments in making it a national movement for self-reliance and

self-employment.

Structural change for jute industry stressed

PTI reports from Calcutta: The union textile secretary, T S Subramaniam, said that the jute industry would die if no structural changes were initiated.

Subramaniam, who heads the high-powered committee on jute that has recommended the structural changes, told a press conference here that the threat to jute as a packaging material could be countered by examining its alternative uses.

The textiles secretary, who chaired the second meeting of the committee before the press conference, stressed the need for reviving the jute sector by involving the handloom and the powerloom sector.

That would not only help massive employment saving, but would also generate additional employment, he said.

Subramaniam said that the committee would review the jute modernisation scheme to examine the reasons behind its failure and submit its report next month after meeting in Delhi for the final time on September 21.

Subramaniam said that the committee was appointed to examine the current trends in the jute sector, suggest measures to improve it and also had in its terms of reference to examine the 1985 jute modernisation scheme.

Referring to the industry, he said that an encouraging factor was that the jute fibre was gaining acceptability which would open up many new avenues for it.

India registers record growth in tourism

NEW DELHI, Aug 25: One million foreign tourists visited India in the first seven months of this year, an all time high inflow the country has ever experienced, reports Xinhua.

Minister for Civil Aviation and Tourism, Madhavrao Scindia, said that the government has finalised an integrated plan recently to further boost the tourist industry.

The plan is aimed at developing 12 model airports in the country, doubling of tourism traffic in next four years and doubling of the present capacity of 44,000 hotel rooms in three years.

The ministry also planned a five-fold increase in present annual earnings of about 760 million US dollar by the turn of the century.

Dollar falls, gold rises in New York

NEW YORK, Aug 25: The dollar fell sharply again Monday, continuing its fall through record-low territory despite attempts by central banks to boost its value, reports AP.

The US currency fell more than four cents against the British pound and about three pennings against the German mark.

The dollar's plunge helped push down stock and bond prices for the second straight trading day. But gold prices climbed. Gold is quoted in dollars, so when the Greenback falls, gold becomes cheaper when bought with other currencies and thus attracts foreign buyers.

At the New York Commodity Exchange, gold for current delivery rose 4.30 dollar a troy ounce to 341.60 dollar Republic National Bank of New York quoted bullion at 341.60 dollar at 4 pm (2000 GMT), up 4.10 dollar from Friday.

The dollar's value has dropped for much of this year amid concern about the US economy and the higher interest rates offered on investments in other countries.

Higher rates abroad mean investments denominated in dollars earn less than if investors put their money in similar securities in other countries. That has lessened the US currency's appeal to global investors.

India to import 5 m tonnes of Australian wheat

NEW DELHI, Aug 25: India is importing 500,000 tonnes of Australian wheat and 140,000 tonnes of Vietnamese rice to reinforce its food grain reserves because of a shortfall, it was reported here Tuesday, says AFP.

The deal with Australia will take India's wheat imports this year to the 1.5 million tonnes level forecast by the food and agriculture organisation. India has already bought a million tonnes from Canada.

The Australian shipment is expected to reach India by October, at a cost of 156 US dollar a tonne, the Pioneer newspaper reported, citing food secretary Tejendra Khanna.

Vietnam will send its first shipment of rice, at 178-180 US dollar a tonne, next week, the daily said.

New Delhi will pay Australia in hard cash and adjust payments to Vietnam against development funds it has lent Hanoi, the report added.

India floated global tenders for wheat in March after the United States refused to sell the commodity at subsidised rates on grounds that India was not a regular buyer. Washington was also angered by an Indian rice sale to Cuba.

Dollar lower against yen in Tokyo

TOKYO, Aug 25: Share prices on the Tokyo Stock Exchange were mixed in Tuesday morning trading after a sharp four-day advance, while the US dollar remained lower against the Japanese yen, reports AP.

The 225-issued Nikkei Stock Average gained 78.28 points, or 0.47 per cent, closing the morning session at 16,706.24. On Monday, the average rose 411.08 points, or 2.53 per cent.

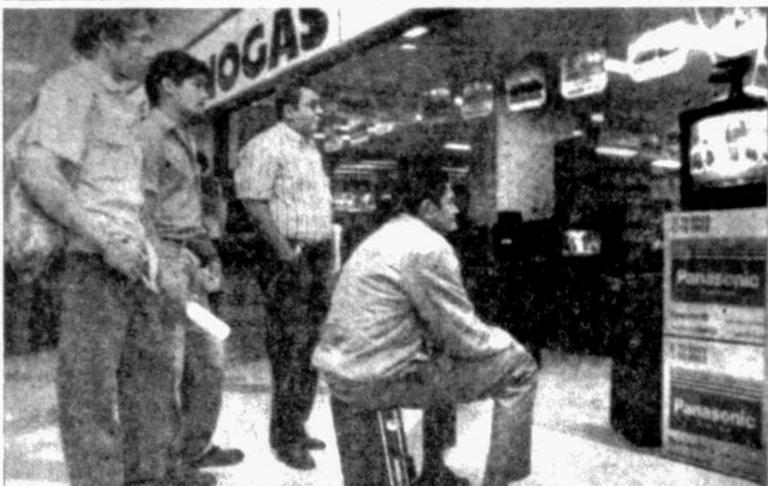
After several months of declines that pushed share prices to a six-year low, news of possible government measures for the economy has sparked a rebound in the Nikkei, sending it a total of 2,318.55 points, or 16.2 per cent, higher over the past four days.

Thai jute, kenaf output falling

BANGKOK, Aug 25: The Thai Jute Association has expressed concern over a sharp drop in the production of jute and kenaf in Thailand, reports Xinhua.

According to a survey by the association during August 16-22, the 1992-93 production crop is expected to be only 131,200 tons of jute and 13,800 tons of kenaf (a fibre similar to jute).

Thai Jute Association President Liang Srisat Aporn was quoted as saying that the plantation areas of jute a kenaf cover only 604,000 rai (96,640 hectares) and the yield per rai is projected at 235 kilograms for jute and 300 kilograms for kenaf.



Local residents of Brasilia watch a TV monitor in a downtown store Aug 24 during the live broadcast of the reading of a congressional commission's three-month investigation into charges of influence-peddling and bribe taking by close associates of President Fernando Collor de Mello. — AFP/UNB photo

Manila for more inter-ASEAN trade

BANGLIK, Aug 25: Philippine Foreign Minister Roberto Romulo said in Thailand on Monday he hoped to see trade among members of the Association of South East Asian Nations (ASEAN) grow to the level of that among European Community states, reports Reuters.

Speaking at a news conference after signing an agreement to set up a joint commission for bilateral cooperation with his Thai counterpart Arsa Sarasin, Romulo said both bilateral trade and that among ASEAN members should increase.

Romulo said Thailand and the Philippines agreed inter-ASEAN trade should be as high as 60 per cent, he said ASEAN trade currently stood at about

20 per cent. ASEAN groups Thailand and the Philippines with Singapore, Brunel, Indonesia and Malaysia.

Ramos said that under the agreement with Thailand, both countries would emphasise the importance of business sectors.

They have to move forward in terms of trade in other contexts, in term of areas of the future ASEAN free trade area, he said.

Arsa said he was confident the joint commission would play an important role in improving bilateral relations and encourage private sectors to increase bilateral trade from the current annual level of about 300 million dollar.

He said development of the

former US naval base at Subic Bay into a commercial deep-sea port was a good investment opportunity for Thai businessmen.

Romulo arrived in Thailand on Sunday and is due to leave Bangkok for Jakarta on Tuesday.

IMF sees higher growth for Manila

Another report from Manila adds: The International Monetary Fund (IMF) expects the Philippine economy to grow by 3.0 per cent this year, higher than Manila's own targets. IMF representative Christopher Browne said.

Growth looks stronger than he thought, he told reporters.

A surge in imports and bank

credits in the second quarter and stock market investments will fuel expansion well into the rest of the year, he added.

Manila has forecast the economy to grow by 2.5 per cent in 1992, lower than its original projection of 4.0 because of a chronic power shortage early in the year which has since eased.

"We already have growth, it seems to me, and it will continue in the second half of the year. Browne said. The Philippine economy was flat in 1991.

He urged the Philippines to cut the inflation rate further from the 9.2 per cent posted in the last three months to seven per cent by year-end.



BASIC NEEDS: Residents of Sarajevo wait in line to gather water in a central street of the Bosnian capital Aug 24. About 300,000 people are suffering from lack of food and water in this besieged city. — AFP/UNB photo

Italian way of life — just too taxing for many

ROME, Aug 25: Americans scan newspapers to see what's on sale today; the French, to find out what movies' playing tonight. Italians thumb through the pages to see what tax is due tomorrow, according to AP.

But the Italian way of life is getting just too taxing for many.

The latest flood of new taxes in one of Europe's most taxed countries has unleashed an appeal by a fast growing political party for a tax strike. The call may have reached Rome's ears—over the weekend the finance ministry issued a rare apology to harassed taxpayers.

The ink had barely dried this month on Senate Law No. 359, the latest package of government taxes including a "supertax" on houses, when irate homeowners swarmed assessment offices in cities up down the country.

They cursed in 39-degree (102 degree F) heat. It looked

like an insurrection. But all those people waiting line for hours wanted — some showed up at 3 am — was to learn how much tax they had to pay.

Other's aren't so dutiful. Umberto Bossi vowed at a rally of his Northern League party two days after the taxes were passed that Lombardy, the rich northern industrial region that is his power base, "won't pay a lira" to Rome's coffers.

Bossi's call at a rally in the town of Gorgonzola struck a nerve in Socialist Premier Ciriaco De Mita's two month old government, which decided to chip away at a projected 175-trillion-lira 147 billion dollar deficit with new taxes.

Finance Minister Giovanni Goria quickly reminded Bossi that inciting tax evasion was a crime. But 11 days later, chastised by Premier Amato, Goria apologized Saturday for the aggravation caused by the house tax and other hostility put to-

gether levies.

Just a few years ago Bossi might well have been shooed off as a gadfly railing at a bloated and often corrupt government shipping hard-working Northerners taxes off to a Mafia-plagued, parasitic south.

But in parliamentary elections last spring, Bossi's fledgling party stunned Rome by taking more than eight per cent of the vote.

Income taxes and other levies cost Italians more than 40 per cent of their income, estimates Victor Uckmar, a tax law professor at the University of Genoa. But he said it's actually much more when tax revenues are divided by the number who actually pay. Widespread income tax evasion by self-employed people is a bitter pill swallowed by salaried workers.

Also hard to swallow is how taxes are spent in a country where staffs at public hospitals have been known to go to the beach or watch soccer

while on duty and where the simplest tangle with bureaucracy can mean endless red tape.

"In Denmark, for example, taxes absorb 40 per cent of income but they have post-offices, transport systems and hospitals that work," Uckmar said in an interview with II Messaggero newspaper.

Shaming Goria into apology was a frantic hunt by Italians over the weekend for tax stamps to save a few lire on an increase, announced Aug 21 and taking effect Monday, on annual passport and driver's license fees. Most Italians buy the stamps, to be pasted into the documents, at smoke shops to avoid long lines at government offices. But Goria decreed that starting Monday the stamps could only be obtained at post offices. Amato on Saturday overruled him, ordering the ministry to keep supplying the stamps to tobacconists.

With taxes already on bananas, car radios, garbage and much more, Rome's new efforts seem almost laughable. The government scrambled to reward the house supertax when it appeared mausoleums were taxable — as if to die were a privilege. Enzo Biagi, a columnist for Corriere Della Sera, commented before the tomb tax was ruled out. Some taxes are inescapable. Seventy-five per cent of the cost of every liter of gasoline goes for taxes, the highest gas prices in Europe at 1,500 lire 1.40 dollar a liter (about six dollar a gallon.)

But those in a position to skip taxes often do.

An accounting check for the Finance Ministry of 1989 tax forms found that some storeowners claimed they netted less income than they paid their clerks. Furriers, for example, claimed an income of 12 million 11,000 dollar a year in a country where not to have a fur coat is many women's shame.

Malaysian GDP growth likely to fall

KUALA LAMPUR, Aug 25: Malaysia's central bank, Bank Negara, said the country was on course, "as forecast, for a real Gross Domestic Product (GDP) growth of 8.7 per cent in 1992 against 8.8 per cent in 1991, reports Reuters.

However, it said continued high growth would put pressures on available human and physical resources.

Real GDP expanded 8.9 per cent in first quarter 1992 and remained strong in April and May, Bank Negara said in a statement after the start of a four-day meeting with bankers.

Main impetus to growth is the manufacturing sector which grew 10.3 per cent in the first quarter and 13.7 per cent in April/May.

On inflation, Bank Negara said the consumer price index rose 4.5 per cent in the first six months of 1992 against 4.1 per cent in the same 1991 period.

"However, for 1992 as a whole, continued tight monetary policy in coordination with fiscal and other government policies is expected to contain inflation at the 1991 level of about 4.5 per cent, Bank Negara said. It added inflation would be lower if the effects of the appreciating ringgit were passed on to producers and consumers.

The current account deficit is expected to improve to 7.8 per cent of the Gross National Product in 1992 from 10 per cent in 1991.

Russians go bananas for foreign autos

MOSCOW, Aug 25: Russians have gone car crazy, and US European and Japanese automakers eager to break into the market are bringing their hottest models to Moscow's first international auto show this week, writes AP.

A few years ago, a new Western car was a rare sight on Moscow streets. Now, General Motors has a dealership on Tverskaya Street, a fashionable shopping area in the heart of the capital.

Imported cars have become a status symbol for the new rich, and an object of fascination for ordinary Russians, as the country tries to make the switch from communism to a free market.

Late model cars from Ford, Mercedes, Volvo, BMW, and Toyota already compete with boxy Volgas and tiny Zhigulis to survive in the pothole-filled streets.

The motor show, which starts Wednesday and runs through Sunday, will take place at a Moscow park called the Exhibition of Socialist Economic Achievements. It was built under dictator Josef Stalin to show the Soviet people how communism was outstripping the West.

One mystery is how Russians get the money to buy imported cars, which are enormously expensive compared to the average monthly wage of 5,900 rouble, or about 35 dollar at current exchange rates.

Most of the buyers appear to be either entrepreneurs who earn foreign currency or members of the underworld who steal it. In addition, Moscow has a corps of several thousand diplomats, foreign businessmen, and employees of international joint venture companies who are in the market for imports.

Kyrgyzstan will get \$10m US aid to buy grain

BISHKEK (Kyrgyzstan), Aug 25: The United States will provide 10 million dollar for the purchase of grain by Kyrgyzstan, where the death toll from a powerful earthquake last week has risen to 74, officials said Monday, reports AP.

The aid will enable the Central Asian nation to buy 30,000 metric tons (33,000 short tons) for grain from American farmers this year, US Embassy spokesman Alexander Marchenko said in Bishkek, the capital.

Marchenko said the aid was intended to help Kyrgyzstan cope with a shortfall in its harvest and was not directly related to the August 19 earthquake.

Kyrgyzstan, which borders China, is one of the poorest former Soviet republics, but has made democratic reforms more quickly than most of the other now independent former Soviet Central Asian countries.

The earthquake, which measured 7.5 on the Richter scale, killed 74 people, including 14 cattle breeders who died in a landslide, the ITAR-Tass news agency said.

Rescue teams have been searching around the clock for survivors. Kyrgyzstan officials appealed for emergency aid Monday from the United States and other Western nations, as well as from the International Red Cross. Money, equipment and personnel are needed, Kyrgyz officials said.

Marchenko said Monday the Bush administration had not yet sent any word about possible emergency assistance. Authorities in Kyrgyzstan reopened a key stretch of highway Monday from Bishkek to the southern Osh region. But parts of the road were still buried by rockslides, leaving villages reachable only by helicopter.

The worst damage occurred near the earthquake's epicenter in the isolated Susamyr Valley, about 370 kilometers (235 miles) northeast of Tashkent, the Uzbek capital. Of 12,000 houses in four villages in the Toktogol region, only 10 per cent are still habitable, ITAR-Tass said.

The grain aid will be provided through the US Department of Agriculture's "Food For Progress" programme, which allows foreign nations to buy American grain at a discount.

"There are no political criteria for the aid — it's available to any country with a grain shortage," Marchenko said, while adding that the United States was pleased with the free market policies of Kyrgyz President Askar Akayev.

Taiwan rated second best site for investment

TAIPEI, Aug 25: Taiwan is the world's second best site for foreign investment after Switzerland, according to a study by a leading US business consultant, reports Reuters.

A survey of 50 countries by the business environment risk intelligence consultancy, released to media by the economics ministry on Monday, placed Taiwan in second place with Japan and Singapore coming equal third.

The survey took into account economic health, political stability and the ability of foreign investors to remit profits back to their home countries.

A ministry official said the consultancy rated Taiwan third early this year and fourth at he end of 1991.

The latest survey predicted that after five years, Taiwan would be equal second with Japan. Switzerland would retain first place.

Taiwan has foreign currency reserves of US \$6.6 billion dollar the world's biggest, and in 1991 launched a six-year, US 300 billion dollar programme to develop its infrastructure.

Despite the strong economy, new foreign investment in Taiwan plunged 43 per cent from a year earlier to us 62 million in the first half of this

year. But investment rebounded in June, climbing 33 per cent to 200 million dollar, after the island streamlined its project approval procedures.

Analysts said investors' attention was still focused on the declining dollar in foreign exchange, where it has lately reached post-World War II lows against the German mark.

Among other things, the dollar's weakness is seen on Wall Street as a prospective deterrent to any further easing of credit conditions by the Federal Reserve.

Indeed, analysts say, if the Fed wants at some point to shore up the dollar it might have to consider raising interest rates.

Stocks post broad losses in New York

NEW YORK, Aug 25: The stock market posted a broad loss Monday, picking up where it left off in Friday's sharp decline, reports AP.

The Dow Jones average of 30 industrials, down 50.79 points on Friday, fell another 25.93 points to a 4 1/2-month low of 3,228.17.

Analysts said investors' attention was still focused on the declining dollar in foreign exchange, where it has lately reached post-World War II lows against the German mark.

Among other things, the dollar's weakness is seen on Wall Street as a prospective deterrent to any further easing of credit conditions by the Federal Reserve.

Indeed, analysts say, if the Fed wants at some point to shore up the dollar it might have to consider raising interest rates.