

BRIEFS

UK welcomes German interest rate cut

LONDON, Sept 14: Britain welcomed the German central bank's announced intention Sunday to cut its interest rates and, in the face of a European currency realignment, said the pound was not devalued. Britain has been able to maintain the value of the pound without resorting to higher interest rates as the government held to a strategy intended to keep inflation in line.

India's GDP may recover from 2 pc

NEW DELHI, Sept 14: The Gross Domestic Product (GDP) growth in India is expected to recover from low level of two per cent in 1991 despite its tight fiscal policies and Balance of Payments (BOP) constraints. The United Nations Conference on Trade and Development (UNCTAD) in its trade and development report, 1992, however, forecasts that India's tight fiscal policies and BOP constraints are likely to continue until new financial flows resume substantially and barriers to foreign investments are lowered, reports PTI.

Rubber market ends quiet

SINGAPORE, Sept 14: Monday's trading on the Singapore rubber market finished on a quiet note, with prices edged fractionally lower in thin trading. Dealers said the market was quiet. Investors from the European markets were sidelined because unfavourable currency factors put their sides out of line, reports AFP.

UK rates to remain unchanged

LONDON, Sept 14: British base lending rates will remain unchanged for the immediate future even though Germany's mighty Bundesbank will this morning announce a cut in its interest rates, economists said on Monday, reports Reuters.

Meet to defend lira held

ROME, Sept 14: Italian Prime Minister Giuliano Amato was meeting here Sunday evening with Treasury Minister Piero Barucci and Budget Minister Franco Reviglio, apparently seeking ways to defend the lira. Officials at the Prime Ministerial Chigi Palace confirmed the meeting had started around 5:00 pm (1500 GMT) and was continuing after 8:00 pm, reports AFP.

Yeltsin interested in ROK investment

MOSCOW, Sept 14: Russian President Boris Yeltsin will travel to South Korea in November for a visit expected to focus on measures to encourage South Korean investment in Russia, officials said today. Russian State Secretary Gennady Burbulis, speaking on television late Sunday, announced that the visit would take place November 12 and 13 and a spokesman for Burbulis confirmed those dates today, reports AFP.

US economists trim '92 projection growth

WASHINGTON, Sept 14: Many of the nation's top economic forecasters have trimmed already weak growth projections for 1992 following the economy's summer slump, according to a survey released Monday. The National Association of Business Economists said the median forecast of the 49 professional forecasters surveyed in late August projects the gross domestic product will expand by just 1.8 per cent this year. The new projection was down from a two per cent GDP growth forecast in a survey last May. The GDP is the total output of goods and services produced in the United States and the broadest measure of the nation's economic health, reports AP.

Inflation rate stood at 25.54 pc

RIO DE JANEIRO, Sept 14: The prospect of Brazilian President Fernando Collor de Mello's impeachment on corruption charges has revived the two demons that usually bedevil Brazil's economy: inflation and capital flight. August's inflation was officially pegged at 25.54 per cent, up four per cent points from July and threatening to spiral out of control despite efforts by monetary authorities. Brazilian capital abroad meanwhile soared in that period to between 60 and 100 billion dollars, hitting "unprecedented levels" former finance minister Mailson da Nobrega said Wednesday, reports AFP.

Third World debt rose only slightly: OECD

PARIS, Sept 14: Ten years into the Third World debt crisis, developing countries' total debt showed only a small rise last year while debt service fell for the third year in a row, the Organization for Economic Co-operation and Development (OECD) says, according to AFP.

Overall, Third World debt rose by 2.5 per cent to an estimated 1,478 billion dollar, up from 1,442 billion in 1990 and twice the end-1981 total of 739 billion, the OECD said in its annual survey of Third World financing and external debt, published Monday.

Asia overtook Latin America as the most indebted region in 1991, partly as a result of steady debt expansion by China, India and Indonesia and a sharp jump in short-term trade credits to the area, it said.

In its cautiously upbeat report, the OECD stressed that net capital flows to the developing world remained at record levels in 1991, at some 137.5 billion dollar against 127.2 billion in 1990 and 122 billion in 1989.

Latin American debt declined in absolute terms following the major 1990/91 debt and debt service reduction deals for Mexico and some other key debtors, now increasingly able to return to financial markets and attract foreign investors.

Despite progress by many others now pursuing reforms and better economic policies, and "new openings" in the debt strategy, including easier terms offered by the Paris Club of official creditors, the OECD said the global debt problem "has certainly not been resolved nor has it at all gone away."

Many of the poorest and least developed countries, mostly in Africa, were still "a long way from being able to put their debt burden on a sustainable basis," it said.

Many debtors were in a "critical" situation, with debt overhang and associated foreign exchange shortages seriously constraining development.

The OECD set Asia's total debt at 480 billion dollar last year, up from 386 billion in 1987, with a growing short term debt of about 116 billion, while Latin America's total of 449 billion dollar, including short term debt at 81 billion, reflected a steady decline from a 1987 peak of 470 billion.

The OECD said total debt service payments fell by 8.0 billion dollar to 151 billion, down 14 billion from the 1988

peak of 165 billion, largely because of improved debt profiles resulting from restructuring and a shift towards official and concessional debt.

The OECD welcomed the fact that total 1991 capital flows to the Third World — including official development aid, export credits, commercial lending and foreign investment — remained so high despite a sluggish world economy and political uncertainties in the wake of the Gulf crisis and the breakup of the Soviet Union, the report said.

Official development finance, still the "backbone" of these inflows, at 79 billion dollar accounted for 57 per cent of last year's total.

With the current focus on private flows, "this fact is too easily overlooked," the OECD said, stressing that Arab aid was sharply down while aid

from the ex-Soviet Union and eastern Europe had virtually ceased.

Private funding, topping 55 billion dollar, continued the steady upward trend of the past five years, but commercial bank lending plummeted to seven billion last year from 15 billion in 1990, largely because of reduced lending to the Gulf area.

While bond issues, mostly in Asia and Latin America, jumped to nine billion, foreign direct investment, mainly benefiting these areas, rose further to just over half of total private flows.

Poorer countries largely remain dependent on official, including multilateral financing, with sub-Saharan Africa still unable to attract private funds, the OECD said.

It said recent developments on the debt front "permit cau-

tious optimism about the prospects for greater access to market finance" for developing countries as a whole, although the outlook remains dimmer for the poorest.

But the OECD warned that in the years ahead "there will be growing demands on and greater competition for resources" debtors and others will have to sharpen their focus on reforms and "sound" use of aid, it said.

To a much greater extent than in the past decade, official aid money and private funds were "likely to go to those countries making progress on the economic and political fronts."

Progress would be needed in areas "which influence official and private decisions on where to grant, lend or invest," the OECD said.

UN sanctions against Serbia biting hard

HATFIELD (England), Sept 14: UN sanctions against Serbia are biting hard, with very little oil getting in, unemployment set to double by the end of the year and inflation at 7,200 per cent, a British official said, reports Reuters.

The official, briefing reporters as EC foreign ministers began two days of informal talks, said they would discuss ways to tighten existing sanctions and possibly impose new ones.

Citing official Serbian figures, he said overall trade had decreased by between 50 and 75 per cent since the UN sanctions were imposed at the end of May and oil imports had dropped by 80 per cent.

The manufacturing industry was "grinding to a halt" and unemployment, 750,000 before the sanctions, had already increased by 300,000 and was expected to double by the end of the year, he said.

Inflation had soared to 7,200 per cent, he said, "and the government is running very short of money."

Manila to invest \$20b for infrastructure projects

MANILA, Sept 14: The Philippine government plans to invest at least 500 billion peso (20 billion US dollar) for infrastructure projects in the next six years, reports Xinhua. In 1993, according to the National Economic and Development Authority, the investment requirements amount to 62.7 billion peso (2.5 billion dollar), or about 4.3 per cent of the Gross National Product.

Of the six-year amount, an estimated 185.4 billion peso (7.4 billion dollar) will go to energy, one of the severest infrastructure bottlenecks in the economy.

Economic planners say the energy investment will be translated into an additional 3,235 megawatts and 1.7 million additional households that will get electricity by 1998.

The transport sector will get the second largest allocation, or 155 billion peso (6.2 billion US dollar), of which more than half will be spent for road construction.

OPEC will face pressure to curb output, boost price

GENEVA, Sept 14: OPEC ministers, their governments burdened by financial worries, will be under pressure at a meeting this week to agree to curb rising oil output and boost the price of the barrel, reports Reuters.

But sceptical western petroleum industry executives say differences among the 13 exporters, particularly between Saudi Arabia and Iran, may impede a consensus on supply quotas at the Geneva meeting starting on Wednesday.

A dispute between Iran and the Gulf Arabs over control of Abu Musa, an island in the Gulf, could cloud deliberations at OPEC, the organisation of petroleum exporting countries. "Logic says that they all need money so they will reach an agreement," said a European-based crude oil buyer.

But he said that the fractious exporters had needed money during the ruinous gulf of the mid-1980s. "And they still quarrelled."

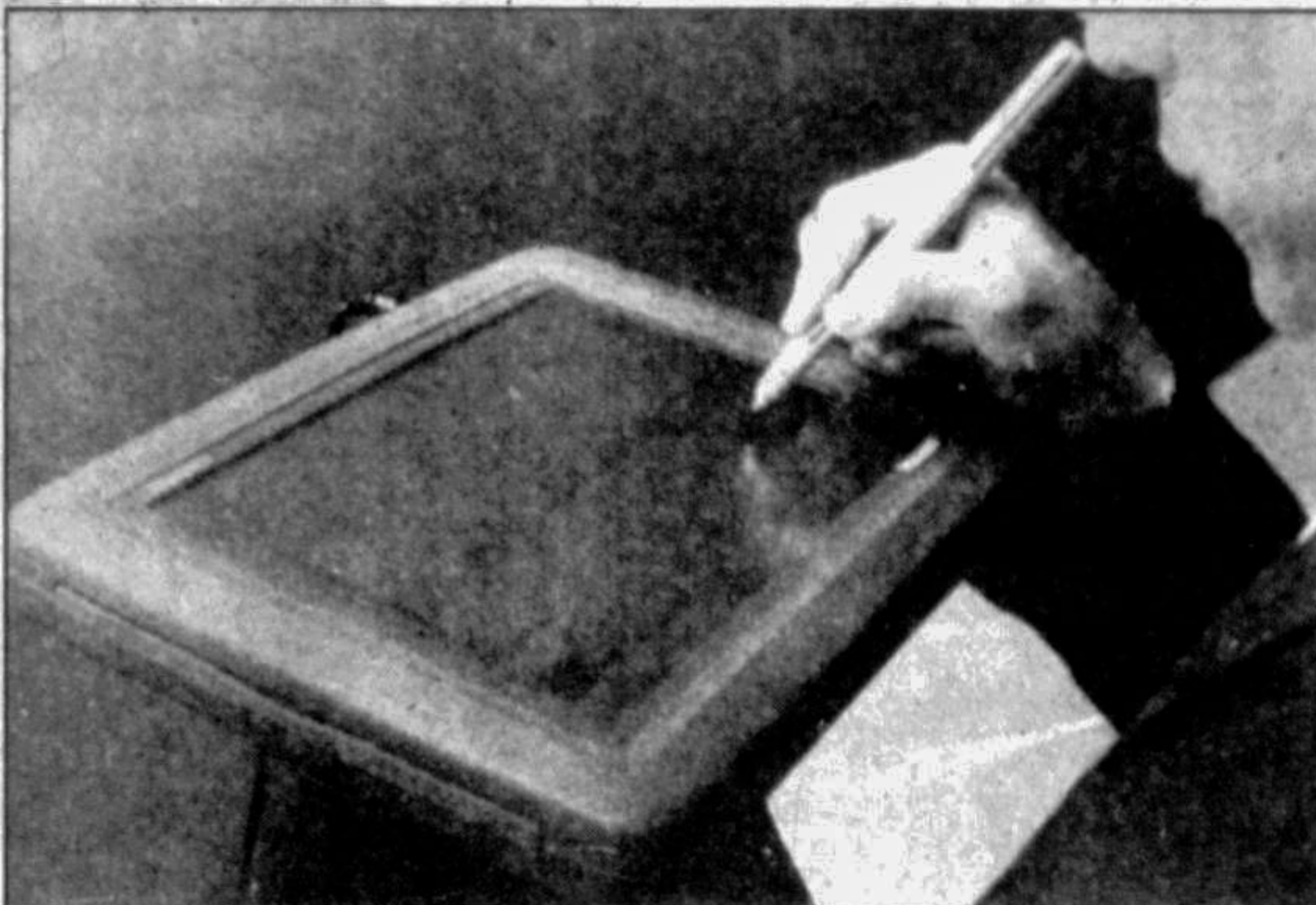
Current average prices are around dollar 19 per barrel (42 US gallons), dollar two below an OPEC target. Earnings have been eroded by the weakness of the dollar, the currency in which oil is priced. Most OPEC countries have deficits and major debt.

China keen on India's reform plans

NEW DELHI, Sept 14: A senior Chinese official, visiting New Delhi to study India's transition from a moribund socialist economy to a free-market system, said Beijing was eager to learn from the changes and was watching with particular interest India's plans to privatise its burgeoning public sector industries along with steps to revitalise its stock markets, reports Reuters.

"There is a lot happening in India's economic development that we can learn from," Shanghai's Communist Party chief Wu Bangguo told Reuters.

He said both areas formed the core of Beijing's own reforms. China was expected to chalk out a new strategy to boost its 1978 economic reforms at a party congress in December, Wu said.



WRITING COMPUTER: Tos-hiba Electric Co. introduces a new type of personal computer September 11 which enables users to operate through a pen writing instead of an ordinary keyboard. The pen-point personal computer will be on the market in Tokyo this December at 49,800,000 yen (4,016 US dollar).

LDCs growth rate to stand double of rich states

WASHINGTON, Sept 14: Industrialised countries economies will grow nearly 3.0 per cent in 1993 while those of the less-developed countries will expand at twice that rate, senior officials of the International Monetary Fund say, reports AFP.

The IMF officials, speaking on condition of anonymity, said there had been slow global recovery in 1992, but predicted a progressive pick-up in 1993. They cited four reasons for progressively accelerating growth: Low inflation in most industrialised countries; The lowest short-term interest rates in 30 years; The liquidity crisis in the United States is headed toward resolution; And strong prospects for growth among the developing countries.

For developing countries, the IMF anticipates growth

rates of 6.0 per cent in 1993, up from 5.0 per cent in 1992.

Two elements temper the optimism of the senior IMF officials — the high long-term interest rates and the crisis of confidence that persists in the industrialised countries.

On the subject of the United States, one official said, "We agree with what the Fed (Federal Reserve) has done," but that the IMF recommended "Prudence" in any additional lowering of interest rates.

"We don't see what good a further decrease could do while we see the risks it could entail for the stability of the market," the official said.

Concerning the budget deficit, these officials argued that the United States had missed an opportunity when it failed to deal with the problem at the end of the 1980s at a

time of strong US economic growth.

"An important adjustment, no less than four points of GNP, has to be done rapidly," one official said, recommending that the United States not only cut spending but also raise more revenues.

On Germany, which an IMF team has just visited, the officials said "a major fiscal effort to alleviate the burden of monetary policy" was needed, including tax increases.

Moreover, Germany had to efficiently address the problem of costly subsidies to outdated industries, the officials said.

They said Italy was headed for trouble if it did not get its public sector deficit in line.

The European Community as a whole they said, should make a "major effort to introduce more flexibility in the labour market."

US-China talks to narrow rift over access open

BEIJING, Sept 14: With a threatened trade war exactly four weeks away, US and Chinese officials opened talks here Monday aimed at narrowing a major rift over access to the Chinese market, reports AFP.

The top US negotiator said ahead the talks that China still had a "very, very long way to go" before meeting US demands on removing market barriers.

If agreement is not reached by an October 10 deadline, Washington will be forced to retaliate and could impose tariffs on up to 3.9 billion dollar worth of Chinese exports. Tariffs could be as high as 100 per cent.

Beijing is also preparing a hit list of punitive trade sanctions against some four billion dollars worth of US imports in case of a deadlock.

Deputy US Assistant Trade Representative Michael Moscow and Chief negotiator Ira Wolf, the Assistant US trade representative in charge of China and Japan, began talks with Chinese officials, the US embassy said.

Moscow and his delegation, which arrived Sunday, would meet Chinese Foreign Trade Minister Li Lang and other officials during the four-day visit.

Details of the penultimate round of talks were not immediately available.

But US President George Bush's politically charged decision this month approving the sale of 150 F-16 jet fighters to Beijing's rival Taiwan has cast a long shadow over the talks.

Dollar gains, stocks edge up in Tokyo

TOKYO, Sept 14: The US dollar gained ground against the Japanese yen and German mark in Monday morning trading, buoyed by an upcoming cut in German interest rates. Share prices on the Tokyo Stock Exchange moved moderately higher, reports AP. At late morning, the dollar was changing hands at 124.95 yen, up 0.87 yen from last Friday's close. It opened at 125.07 yen after finishing Friday New York trading at 124.25 yen.

The dollar was trading at 1.4912 mark, higher than 1.4485 mark late Friday in New York. The dollar ended at 1.4357 mark in Tokyo Friday.

Traders said the dollar's strength followed Sunday's decision by the German central bank to cut its interest rates.

Katsunori Suzuki, a dealer with Citibank, said the dollar rallied against all major currencies from the morning in anticipation of — the Bundesbank's rate cut

South Korea willing to offer aid to North

SEOUL, Sept 14: South Korea is willing to offer limited economic help to rival North Korea if the two sides make progress at this week's prime ministerial talks, a report said Monday.

The policy would be a switch from South Korea's position that the two nations must agree on inter-Korean nuclear inspections before economic cooperation can start.

The government decided to promote economic exchanges even in a limited form because it believes such moves can be a positive method of solving the nuclear problem," said a high-ranking official, according to the national news agency Yonhap.

South Korean Prime Minister Chung Won-shik goes to North Korea Tuesday for the eighth round of high level talks Wednesday and Thursday with his northern counterpart, Yon Ilyong Muk.

The official was quoted as saying that the Seoul government was willing to give limited economic assistance if the two sides agree to implement accords on exchanges and co-

operation that would allow visits by divided families and some mail and telephone contact.

Korean news reports have said that an agreement on the exchanges was possible. The official did not specify what kind of assistance Seoul might give.

The government's basic position that there can be no substantial progress in inter-Korean relations without mutual nuclear inspections has not changed, the official reportedly said.

The longtime rival nations adopted historic peace pacts earlier this year. Talks to implement the pacts have been deadlocked over how to carry out inter-Korean nuclear inspections mandated by a nuclear ban treaty.

The Korean peninsula was divided into the Communist North and capitalist South in 1945 and the border between them remains tightly sealed. International powers have expressed concern that isolated North Korea may be developing a nuclear weapons arsenal.

Bill Cosby tops list of richest entertainers

NEW YORK, Sept 14: Bill Cosby gave up his reign as TV's superdaddy this year, but came back as the world's highest-paid entertainer, knocking teen-bop sensation New York Kids on the block off the block, says AP.

Worth more than 300 million dollar, Cosby is expected to earn about 98 million dollar in 1991 and 1992 combined, Forbes magazine said in its Sept 28 issue that goes on sale Monday.

In compiling the list, the magazine considers two years worth of income to smooth out big earning swings.

In second place is Oprah Winfrey, whose TV talk show is broadcast in most US cities and 55 countries. She will earn about 88 million dollar in 1991 and 1992. Kevin Costner, director and leading actor of box office hit "Dances with Wolves" jumps from sixth place to third, with about 71 million dollar in 1991 and 1992.

Here is a list of Forbes magazine's 20 highest-paid entertainers, with individuals' ages followed by the magazine's estimate of total gross earnings for two years, 1991 and 1992:

1. Bill Cosby, TV personality, 55, 98 million dollar.
2. Oprah Winfrey, talk-show host, 38, 88 million dollar.
3. Kevin Costner, actor, 37, 71 million dollar.
4. New York Kids on the Block, pop group, 62 million dollar.
5. Steven Spielberg, movie producer-director, 44, 57 million dollar.
6. Michael Jackson, pop singer, 34, 51 million dollar.
7. Charles M Schulz, cartoonist, 69, 49 million dollar.
8. Madonna, pop singer, 34, 48 million dollar.
9. Julio Iglesias, singer, 48, 48 million dollar.
10. Guns N' Roses, rock group, 47 million dollar.
11. Johnny Carson, TV personality, 65, 45 million dollar.
12. Prince, pop singer, 34, 45 million dollar.
13. Garth Brooks, country singer, 30, 44 million dollar.
14. Arnold Schwarzenegger, actor, 45, 43 million dollar.
15. Eddie Murphy, actor, 31, 40 million dollar.
16. U2, rock group, 36 million dollar.
17. David Copperfield, magician, 35, 35 million dollar.
18. Tom Gibson, actor, 30, 33 million dollar.
19. Mel Gibson, actor, 36, 32 million dollar.
20. The Grateful Dead, rock group, 31 million dollar.

Polish market reforms depend on battle with trade unions

WARSAW, Sept 14: Poland's new government has ridden out a wave of strikes but is preparing for a battle with trade unions this winter that could decide the fate of vital market reforms, reports Reuters.

Three years after the Solidarity Trade Union Movement ended communist rule, many industrial workers are feeling the pinch under shock changes intended to jerk the economy into life.

Although miners have just ended two months of strikes

without winning pay rises, Prime Minister Hanna Suchocka and her coalition government face a stiff challenge.

"We fear there may be a new wave of strikes at the start of next year," said a source in President Lech Walesa's office.

"Although the ruling coalition seems well under Suchocka's control, we have to take into consideration the possibility that the government will be overthrown."

In a sign of their concern, Suchocka and Walesa met solidarity leader Marian Krzak-

lewski to discuss ways to tackle the unrest and keep economic reforms on track.

Walesa proposed a pact to protect the reforms but it is not clear if close cooperation will be possible with solidarity which, as a trade union, does not want to appear too close to the government, formed two months ago.

"Strikes alone will bring nothing because there is nowhere to get anything from unless we start printing more money."

Dollar's resurgence weakens most Asian currencies

HONG KONG, Sept 14: As the US dollar continued to bounce back worldwide, most currencies in the Asia-Pacific region lost strength against the Greenback over the week, reports AFP.

Only the Japanese yen, the South Korean won and the dollar's Australian, New Zealand and Singapore counterparts bucked the trend.

Japanese yen: The yen fell back against the dollar after a strong start in Tokyo early in the week, but still closed up slightly at 124.08 yen against the Greenback on Friday, compared with 124.15 a week earlier.

The yen opened Monday up 0.97 at 123.18 and steadily gained ground to reach a high of 122.60 yen Wednesday as the dollar dipped on reports of worse-than-expected US economic data.

But the Japanese currency turned down Thursday, falling along with the German mark against the dollar after US Federal Reserve Board Governor Wayne Angell said the US unit had been undervalued. The yen touched its weekly low of 124.42 on Friday.

Australian dollar: The Australian dollar continued to track the bullish US currency over the week, even bettering it slightly to close Friday one 10th of a US cent firmer at 72.32

US cent compared with 72.22 the previous week.

The Australian unit dropped and gained half a cent over the period, firming late in the week along with the Greenback against European currencies.

On the Reserve Bank's trade-weighted index, which measures the Australian dollar against a basket of major trading currencies, the Aussie finished the week at 52.2 compared with 52.3 seven days earlier.

Pessimism surrounding the Aussie's short-term future just a fortnight ago has lifted, with dealers now expecting the currency to trade at up to 72.50 US or 72.60 in the short term.

South Korean won: The won continued to strengthen against the US dollar to be traded at 784.50 won on Wednesday, against 785.10 won at the end of the previous week, in reaction to the US dollar's fall against the German mark. South Korea went into a long moon festival holiday beginning Thursday.

Hong Kong dollar: The Hong Kong dollar closed the week at 7.7295-7: 7305 against its US counterpart, down marginally from the previous week's close of 7.7292-7.7302, but the effective exchange rate index was 109.5, up from 109.1.

The local currency is pegged at 7.80 against

the Greenback.

Taiwan dollar: The Taiwan dollar slipped against the US currency over the week, closing Thursday at 25.2475, down 10.15 Taiwan cent from the previous week's finish of 25.1460.

After opening Monday at 25.1275, the local unit moved in the 25.15-25.2475 range in moderate trading during the holiday-shortened week. The currency market was closed Friday for the moon festival.

Indonesian rupiah: The Indonesian rupiah started Monday at 2,034 to the dollar, up one rupiah from its closing the previous Friday, but weakened in the following days to close the week at 2,036.

New Zealand dollar: The New Zealand dollar closed Friday at 54.38 US cent, slightly up on its close a week earlier of 54.03 cent.

Brokers here expect the kiwi to rise slightly in value over the next few weeks, possibly above 55 US cents.

Philippine peso: The Philippine peso fell sharply from 23.734 peso to the US dollar a week earlier to close at 25.461 Friday, a spokesman for the Bankers' Association of the Philippines said here.

The peso had been appreciating since last month, prompting some exporters to threaten

massive shutdowns unless the government took action.

Central bank Governor Jose Cuisia said here Friday that the government would not intervene to stop the local currency's climb, but told exporters that other measures would be taken to alleviate its effects on exports.

Thai baht: The Thai baht closed Friday at a mid-rate of 25.20 baht to the dollar down marginally from a week earlier when the mid-rate was 25.16. A Thai Farmers' Bank official described the Greenback's rise as a technical rebound.

Singapore dollar: The US dollar slipped again against its Singapore counterpart, which closed Friday at 1.5975 to the Greenback, against 1.6005 a week earlier.

In the last two weeks the American currency has hit all-time lows against the Singapore dollar several times, falling Thursday as far as 1.5935, but dealers said it was relatively steady over the past week compared with the previous fortnight.

The Singapore currency was firmer against the British pound but weaker against the Japanese yen.

Malaysian ringgit: The ringgit closed weaker against the US dollar Friday at 2.4975, against 2.4948 seven days earlier.