

BRIEFS

Sino-European co to sign accord on oil

BEIJING, Oct 13: Oil industry representatives from China and European countries plan to increase cooperation and have signed agreements worth about 300 million dollar, an official report said Monday. Wang Tao, Manager of the China National Petroleum Corp, said the agreements were signed during a Chinese oil delegation's recent 18-day trip to Britain, the Netherlands, Italy and Germany, the state-run Xinhua News Agency reported. It did not give details of the agreements or say which European companies were involved, reports AP.

Sudan Keen on trade with Malaysia

KUALA LUMPUR, Oct 13: Osman Abdel Wahab, Sudan's Minister of Energy and Mining, invited Malaysian businessmen on Monday to enter into joint-venture projects in his nation. Wahab made the call in talks with Malaysian Energy, Telecommunications and Posts Minister Sanglimuthu Samy Vellu. Samy Vellu told reporters later that he would visit Sudan soon with officials and businessmen to study in detail the energy, telecommunications and postal fields in which Malaysia could participate, reports AP.

Jakarta fishermen seek compensation

JAKARTA, Oct 13: Indonesian fishermen seek 2.4 billion dollar compensation for income lost after oil spilled into the Straits of Malacca from an oil tanker's crash, an official said Monday. Meanwhile, a Cabinet Minister said the nations bordering the straits — Indonesia, Malaysia and Singapore — should take serious steps to prevent future pollution and stamp out piracy in the busy waterway. Sukardi, spokesman of the Directorate General for Sea Communication, said some 12,000 North Sumatran fishermen had written his office with the compensation demand, reports AP.

Lucas cutting 5,500 jobs

LONDON, Oct 13: Lucas Industries PLC, the British aerospace and automobile components manufacturer, said Monday it is cutting 5,500 jobs worldwide as it streamlines operations to counter a slump in profits. A total 2,800 of the cuts will be at British plants, the company said in a statement. It blamed worldwide recession dollar for a cut in pre-tax profits to 22.5 million pound (\$38.2 million dollar) for the year to July 31, 1992, from 82.8 million pound (140.7 million dollar) the previous year, reports AP.

OPEC output reaches 24.93m BPD

NICOSIA, Cyprus, Oct 13: OPEC's oil production reached 24.93 million barrels a day in September, 1.5 million barrels above the cartel's self-imposed third-quarter ceiling, the Middle East Economic Survey reported Monday. The oil industry Newsletter, published in Nicosia, said last month's output marked an increase of 200,000 barrels a day over production in August, reports AP.

Dollar rises in Tokyo

TOKYO, Oct 13: The US dollar rose against the Japanese yen Tuesday, while prices on the Tokyo Stock Exchange edged up. The dollar closed at 121.60 yen, its high for the day and up 0.58 yen from Monday's close. After an overnight close in New York of 120.85 yen, the dollar opened in Tokyo at 120.72 yen and dipped no lower than 120.70 yen. Spot trading totaled 6.324 billion dollar, down from 6.215 billion dollar on Monday, reports AP.

Japan to fight counterfeit goods

TOKYO, Oct 13: The Japanese government will strengthen measures to prevent imports of counterfeit brand name products, Finance Minister officials said Monday. The number of customs officials in the country will be increased from 58 to 120 and the brand names of fake items will be made public every three months, the officials said. A list of counterfeits of top-brand items, released by the Finance Ministry Monday, included copies of Louis Vuitton and Chanel Bags, Levi's Jeans, Old Parr Whiskey and Mickey Mouse Wristwatches, reports AP.

China plans to maintain high growth

BEIJING, Oct 13: China's already booming economy will maintain an annual growth rate of eight to nine per cent throughout the 1990s as it shifts to a market system, Communist Party leader Jiang Zemin said Monday, reports AP.

"We can achieve a growth rate of eight or nine per cent, and we should strive to do so," Jiang said at the opening of the party's 14th congress.

The State Council, or cabinet, should start readjusting its plans in line with the higher growth target, which had earlier been set at a more modest six per cent, the party General Secretary said.

After senior leader Deng Xiaoping called for faster growth in January, China's economy was forecasted to expand by more than 10 per cent this year, but economists have warned that such rapid growth would be unsustainable.

China will strive to become an export-oriented economy, expanding export intensive industries already booming in coastal areas to inland areas, Jiang said.

More areas will be opened up to foreign investment and efforts made to diversify China's trading partners.

Reaffirming earlier decisions, Jiang said that inefficient state-owned enterprises, two thirds of which are in financial difficulty, were to be closed down as a market economy takes hold. All state enterprises were also to be given more autonomy and made responsible for their profits and losses.

Neither the central or local governments would be allowed to exercise powers that have been assigned to state enterprises, he added.

Steps would be accelerated to form "an integrated national market system open to all," that would include securities, commodity, labour, technology and real estate markets, he said.

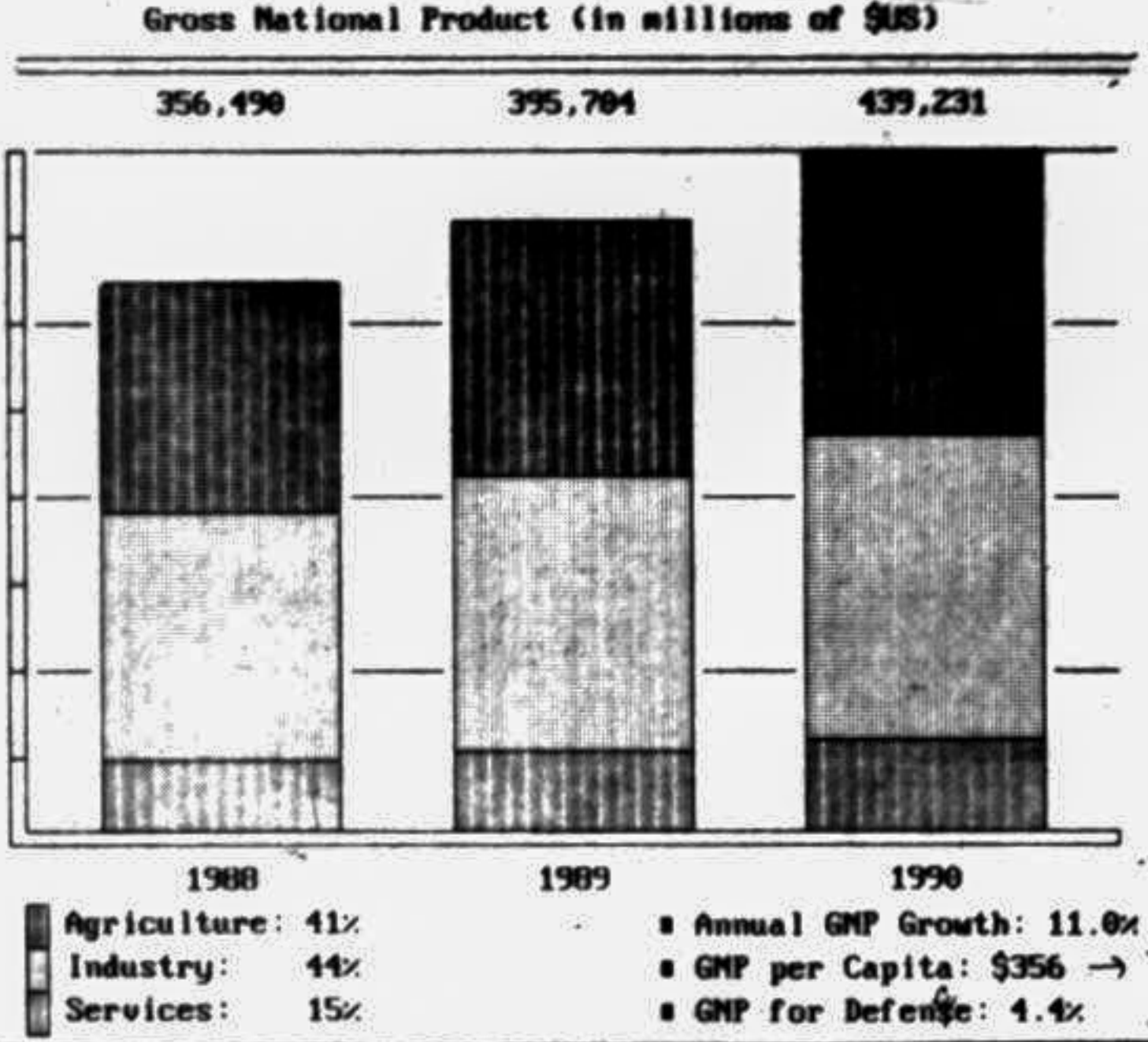
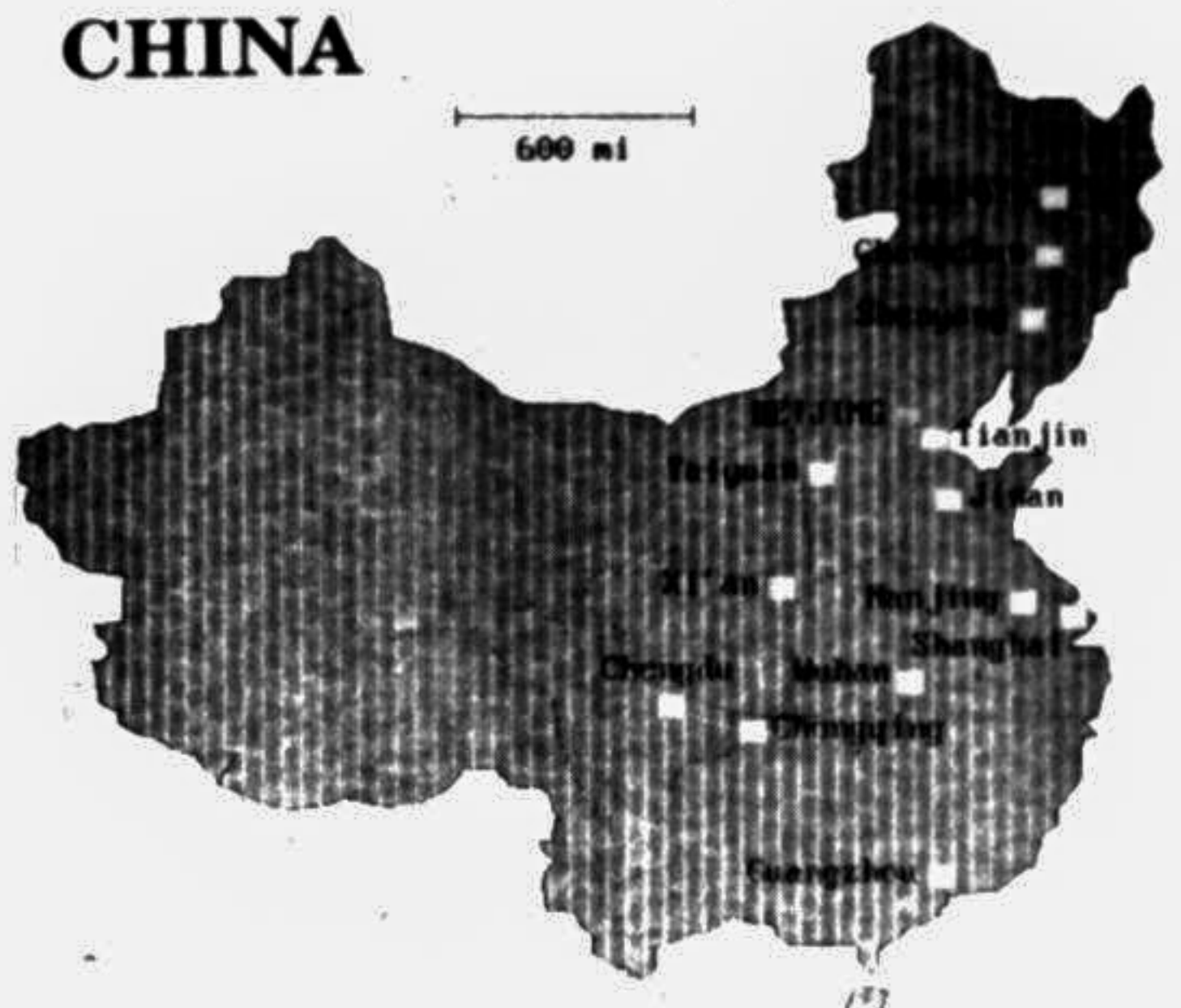
"It is, therefore, necessary to proceed more rapidly with (price) reform," Jiang said, since it was key to ending four decades of a planned economy.

For the rest of the decade, emphasis will be placed on investing in infrastructure and basic industries, including machine-building, electronics, petrochemical, automotive and construction sectors.

The proportion of the service industry in the economy was also to be greatly increased, the party leader said.

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UN needs \$ 400 m to meet expenses

UNITED NATIONS, Oct 13: Secretary General Boutros Boutros-Ghali warned in a report Monday that the United Nations needs 400 million dollars by the end of the year to meet ordinary expenses and fund peacekeeping operations, reports AP.

In an interim report on UN finances, Boutros-Ghali estimated current available funds at 500 million dollars as of late September.

But the cost of a dozen UN peacekeeping operations around the world for the rest of the year will reach 575 million dollars and regular expenses 325 million dollars.

Boutros-Ghali said 400 million dollars was urgently required to supplement existing UN resources.

As of December 31, he said, member states would owe the United Nations some 200 million dollars.

Only 66 of 179 member na-

tions had as of late September essentially paid up their dues to the United Nations, he said, setting their total at 1.47 billion dollars.

South Africa and the United States were among leading offenders.

Moreover, 24 member countries have yet to pay any dues this year, including, Vietnam, Albania, Cameroon, Ivory Coast, Angola, Brazil, Cambodia, Lebanon, Uganda, the Central African republic, North Korea, Senegal and Somalia.

A UN spokesman said Washington had recently made two payments Friday worth 229 million dollars, although it still owed 400 million dollars. It has already paid 40.6 million dollars this year.

It also paid 29 million dollars toward peacekeeping operations in October out of 129 million dollar's it owed, the spokesman said.

Taiwan lifts 43-yr-old ban on export to China

TAIPEI, Oct 13: Taiwan has lifted a 43-year-old ban to allow state-run enterprises to export their products indirectly to China, a Board of Foreign Trade (BOFT) official, said today, reports AP.

The economic ministry has notified government enterprises that they could sell their products to the mainland via third countries, BOFT section Chief Chuang Chen-Yuan said.

China Steel Corp, Taiwan Fertilizer Co Ltd and the Taiwan Tobacco and Wine Monopoly Bureau are among the state firms expressing high interest in penetrating the Chinese market, Chuang said.

"How can we give up the potential mainland market in view of the islands economic slowdown and overseas competition," he said, adding that the liberalization was a re-

sponse to calls from government-run companies.

Chung said that high technology products were still excluded in the liberalization to protect related local industries.

Flourishing trade between Taiwan and China, mainly transshipped through Hong Kong, amounted to a record 5.79 billion dollar in 1991 and is expected to surpass seven billion dollar this year.

The nationalist government here, driven off the mainland by the communists in 1949, claims to be the only legitimate ruler of all China and has banned direct contacts across the Taiwan strait.

Taiwan worries that closer economic ties with China would give its rival government in Beijing chances to gain an economic strangle hold on the island.

India's capital market registers impressive growth despite the scam

NEW DELHI, Oct 13: India's capital market is growing impressively despite a massive 1.3 billion dollar securities scam which left many investors badly bruised, the chief of a watchdog panel said here Monday, reports AP.

G V Ramakrishna, Chairman of the Securities Exchange Board of India (SEBI), told a conference on investors' protection that the market had garnered a record 44 billion rupee (1.46 billion dollar) in April, May and June.

That was the time when the scandal was raging at its "highest," Ramakrishna said. "A big explosion in our primary and secondary markets had resulted, with all kinds of companies entering the fray" with public issues, he said, citing it as proof of India's spreading equity culture.

Bankers and brokers allegedly colluded to siphon off 1.3 billion dollar in bank funds in illegal securities transactions to make money in stocks in the scam which broke in

April. Share prices tumbled as a result of the fraud, hurting many investors amid suspicion that the stock market boom had been artificially shored up by funds pumped in by the banker-broker nexus.

Ramakrishna said the SEBI would organise a meeting soon in Bombay between industry representatives, investors and other stock market players to discuss ways of protecting investors.

First public enterprise to enter market
Another report adds: A high-profile petrochemical firm announced plans Monday to become India's first state-owned enterprise to go public offering shares worth 3.2 billion rupee (106 million dollar) to investors.

Indian Petrochemicals Corp Ltd (IPCL) will offer 20 million equity shares next month with a face value of 10 rupee (33 US cent) and a premium of 150 rupee (five dollar) each, IPCL Chairman Hasmukh Shah

said here. "This will be the first of a series of public issues by PCL in India and abroad, Shah told reporters. It is expected to generate tremendous response.

Shah said the issue, to be called Giltstock, would partly finance and ambitious one billion dollar petrochemicals project IPCL is building in the western Indian state of Gujarat.

The blue chip IPCL will be the first firm in India's huge public sector to offer shares directly to investors after disinvesting 20 per cent of government holdings to mutual funds last year.

The government's stake in the company, which is also planning to float a Euro issue for 100 million dollar in January 1993 will come down to about 73 per cent after its first domestic public issue.

Export oriented auto unit in West Bengal
PTI reports from Calcutta: The country's first export ori-

ented car manufacturing unit is going to be set up in West Bengal at the Falta Export Processing Zone (FEPZ) according to sources.

The sources said that the Rs 200 crore project, the largest of its kind in the zone, would be implemented by a non-resident Indian, Mihir Sarkar who is settled in West Germany.

The project, expected to have manufacturing capacity of 400 cars, would bear the brand name of Honda. The engines would be those of Volkswagen while the bodies would be of Indian make.

Computer chip workers risk miscarriage

NEW YORK, Oct 13: A study commissioned by IBM has found a high incidence of miscarriage among women who manufacture computer chips reports AP.

Researchers at Johns Hopkins University in Baltimore found a 33.3 per cent miscarriage rate among 30 women who worked with two chemicals widely used in making the chips.

Although the small sample involved only 10 miscarriages, researchers believe the rate is significant. The New York Times reported Monday.

The suspect chemicals are diethylene glycol dimethyl ether and ethylene glycol monomethyl ether acetate, solvents that help etch away material deposited on a silicon wafer.

Some chip makers are offering other jobs to workers exposed to the solvents.

The study looked at workers at IBM plants in East Fishkill, N Y, and Burlington, Vt., from 1980 to 1989.

Iraq facing hard currency crunch

AMMAN, Oct 13: Iraq, squeezed by two years of trade sanctions and a shrinking dinar, is showing signs of a hard-currency crunch, dealers and traders said here, reports Reuter.

They said Baghdad appeared to be increasingly drawing on gold reserves for basic food supplies and trying to entice reluctant merchants to accept payment in the volatile dinar instead of traditional dollar.

Exchange dealers in Jordan, Iraq's main link with the outside world since it invaded Kuwait in August 1990, said Baghdad had been using gold since the beginning of the year for smaller food purchases as well as large deals declared to the U.N sanctions committee.

Even the smaller transactions were drying up, probably because Baghdad wanted to

conserve its remaining gold stocks.

"We are feeling the shortage because traders have begun bringing in dinar instead of the dollar and the gold has almost disappeared," said one dealer.

He estimated that between 25 to 30 tonnes of Iraqi gold, most of it government reserves, had passed through Jordan since trade sanctions imposed after the conquest of Kuwait stopped oil sales by one of the world's biggest producers.

The gold sales do not contravene United Nations when used for approved purchases.

Australia said in August that Iraq had bought 900,000 tonnes of wheat, using 10 tonnes of gold bullion worth about 150 million dollar to pay for most of it.

It's better than dying, one Iraqi official said privately when asked why Baghdad was dipping into its gold vaults for food.

Traders in Jordan, Baghdad's supply line since the 1980-1988 Iran-Iraq war have largely stopped doing business with Iraq since President Saddam Hussein ordered the execution of 42 merchants in July as part of a drive against profiteering.

Baghdad has tried to coax Amman-based Jordanian and Iraqi traders back into the market. But few are biting because of the government's new 10 per cent profit ceiling on deals and its offer of dinar on

delivery. By the time we take the dinar and change them to dollar, the dinar has usually dropped five points, said one merchant.

The Iraqi currency, vulnerable to virtually every rumour sweeping plunging to a record low of 47 at the universally-used black market rate. It was about 18 to the dollar in July.

Iraq's Finance Minister said last month that Baghdad stood by its official value which makes every dinar worth 3.2 dollars.

In a move to further conserve hard currency and increase self-reliance after the July executions, Iraq excluded more than 100 luxury items including shampoo and olive oil from permitted imports.

Ramos approves issuance of Brady bonds

MANILA, Oct 13: Philippine President Fidel Ramos has approved the issuance of 3.8 billion dollar in so-called "Brady bonds" as part of a debt restructuring package, central bank governor Jose Cuisia said here Monday, reports AP.

Manila's foreign creditor banks have subscribed to about 97 per cent of the bonds, which fall under three categories, Cuisia told reporters.

This would convert the country's remaining 3.8 billion dollar in medium and long-term public sector debt to foreign banks into bonds which carry longer maturities and lower interest rates.

The deal followed guidelines on debt reduction initiated by US Treasury Secretary Nicholas Brady, with the collateral financed by the International Monetary Fund (IMF), the World Bank and the Export Import Bank of Japan.

Chinese goods available in Moscow markets

MOSCOW: For many small-time Chinese businessmen, the modern Silk Road is a path trodden by fake tennis shoes and synthetic clothing — most of which can be found at the kiosks and flea markets of Moscow, according to IPS.

It is a chance for fast money even if it means paying bribes for trans-Siberian train tickets to uncooperative customs officers, or problems of theft and extortion.

They go all out to obtain visas for their trips. Some claim to be students or tourists while others are "in transit" on their way to visit relatives in a third country.

The vast majority operate independently of the Chinese government, bringing a wide range of wanted goods for resale at double or triple the original price. A leather jacket wholesaling for under US 20 dollar in China retails for US 40 dollar in Moscow.

Its the sort of thing that can give China a bad name, laments a middle-aged engineer from Tianjin. "Many of them are illiterate prostitutes and thieves who'll give China a bad reputation. Perhaps the Beijing city government is letting go of these lower-class businessmen to reduce social pressure."

But a Russian woman, who watches the door at one of the inexpensive hotels where the Chinese congregate, disagrees. "They're not criminals. They're small-time business people trying to build up capital. Some of them spit on the floor, but they never get drunk."

Brand-name fakes are popular items. Fashionable these days are the red, blue and green track suits that bear the Adidas insignia. They are anything but genuine. "Everyone knows they're fake," said Aziz, a salesman stationed by the Olympic Stadium. "I always say so."

Aziz, who has travelled to Turkey, India, Singapore and Yugoslavia to purchase goods claimed: "Nowhere can you buy things cheaper than in China."

But Chinese traders do have some overheads. For example, one businessman from Fujian province complains that Moscow ticket sellers frequently demand bribes between US 30 dollar and US 50 dollar.

And while some traders take the risk of sending the goods, others who are more careful travel with the merchandise to make sure there are no mishaps along the way. A barter deal between an

Estonian banker and a Shanghai businessman turned sour when one such mishap occurred, although the Chi-

estonian company to provide tiles to the Chinese trader in exchange for jeans and children's clothing. Somewhere

ceiving the tiles prior to shipping the clothing. Business is also complicated by having to smuggle the hard



nese trader was careful enough to make sure he suffered no losses. The trade-off was for an

along the route, the railway cars with tiles disappeared. The Chinese businessman had, with foresight, insisted on re-

currency earnings across the border, since it is illegal to repatriate money made in this way. The Russian customs offi-

Moscow may seek debt repayment deferral for two months

MOSCOW, Oct 13: Russia will probably ask foreign creditors for a two-month deferral of foreign debt repayments, Interfax news agency said here Monday, reports Reuter.

"At the end of October, Russia is likely to ask the creditor countries for a two-month

deferral on the payment of its foreign debt, it quoted Foreign Economic Relations Minister Iyot Aven as saying.

Russia has already been granted a series of three-month rollovers on foreign debt principal repayments, the latest starting this month, but it has had trouble meeting interest obligations and is seeking a long-term rescheduling deal.

Aven headed a Russian delegation at recent talks with the Paris club of creditor nations.

He told Interfax that Russia had agreed on its balance of payments outlook for 1993 and the International Monetary Fund (IMF) had presented it to the creditors.

"In 1993, Russia's trade deficit would be at least four to five billion dollar the agency said.

Russia's foreign debt, mostly inherited from the Soviet Union, totals about 70 billion dollar.

Moscow has offered to pay the share of the debt of Turkmenistan, Armenia and Kyrgyzstan, but other republics are still negotiating a deal on sharing the debt and are linking it to division of former Soviet assets.

Aven suggested the Paris club should hold talks with Ukraine, whose debt share has been calculated at about 16 per cent.

He said Moscow had proposed that Kiev pay part of its debt not to the West, but to Russia so that Moscow could act as negotiator for all former Soviet republics.