

BRIEFS

Yeltsin visits local market

MOSCOW, Oct 19: Russian President Boris Yeltsin visited a local market Sunday to get a first-hand look at the latest prices for basic food products and the chat with shoppers about their living conditions. Itar-Tass reported.

Yeltsin spoke at length with women and old-age pensioners at the market who discussed with him matters ranging from social security and the general standard of living to their personal, day-to-day difficulties, the report stated, says AFP.

Ukraine, India agree on barter deal

KIEV, Oct 19: Ukraine and India have agreed a new defence contract on barter terms, ending a row in which India refused to pay for supplies in dollar. Ukrainian officials said. A senior defence official, who asked not to be identified, said Ukraine would supply weapons and spareparts to India in exchange for Indian goods including medicine and cloth for army uniforms. India would also pay some currency, he said. Ukraine had earlier insisted on dollar payments, reports Reuter.

Russia, Yakutia signs diamond deal

MOSCOW, Oct 19: Russia and the breakaway gem-producing region of Yakutia signed an agreement on joint control over eastern Russia's vast diamond wealth, ending months of wrangling. Itar-Tass news agency said acting Prime Minister Yegor Gaidar and Yakutia's leader Mikhail Nikolayev signed a protocol during a visit by Gaidar to the region. Russia's parliament has approved the new structure, reports Reuter.

India's petroleum consumption to double

BOMBAY, Oct 19: India's consumption of petroleum products will almost double by the turn of the century, with a domestic oil production struggling to meet half the country's needs, delegates at an energy conference said. India's domestic oil and gas output could surge by 60 per cent in the next three years over the current year's level of 28.5 million tonnes, S Krishna Kumar, Minister of State for Petroleum and Defence told an energy conference, reports Reuter.

Malaysia to buy radar for airport

KUALA LUMPUR, Oct 19: Transport Minister Ling Liong Sik said Sunday Malaysia was willing to buy radar equipment immediately from anyone to help restore normal flight operations at the fire-damaged Kuala Lumpur International Airport. Ling told reporters the government was prepared to make the purchase within 10 to 12 days. He said it would take about three months to obtain a replacement for the French-made radar equipment destroyed in a fire last Thursday in the control tower. The French equipment had been installed earlier this year by France's Thomson CSF group, reports AP.

Japanese telecom firm outbids Daewoo

KARACHI, Oct 19: Japan's Sumitomo Corp has outbid South Korea's Daewoo for a Pakistan Telecommunication Corp (PTC) contract for 100,000 telephone lines, sources here said Saturday. Daewoo, which has already won a 24 billion rupee (nearly one billion US dollar) contract to build a motorway in Pakistan, has challenged PTC's decision claiming it was against an earlier understanding, reports AFP.

Seoul's chopstick firms go bankrupt

SEOUL, Oct 19: Dozens of makers of disposable wooden chopsticks have gone bankrupt because of a campaign to reduce garbage to protect the environment, industry officials said Monday. About 150 wooden chopstick companies, mostly small firms, have gone bankrupt this year as restaurants switched to steel chopsticks, said Kwak Chang-ki, whose Keukdong Co also makes wooden chopsticks. Kwak said his company has cut chopstick production almost in half since around April because of sharply reduced demand, reports AP.

Taiwan hopes to promote 'Asian Economic Community'

TAIPEI, Oct 19: Taiwan's government hopes to promote economic integration among Asian nations by forming an "Asian Economic Community" after it dropped a similar proposal to set up a China-based economic community, press reports said Sunday, according to AFP.

Due to the difficulty in predicting policies in China, the authorities have given up the proposed formation of the "great China economic community," the influential United Daily News ousted Cheng Ming-Chang of the cabinet-

level mainland affairs council as saying at a seminar held over the weekend.

The government now hopes to establish an "Asian Economic Community" so that Taiwan would not rely too heavily on China, said Cheng, who is director of the council's economics department.

Chen said under the proposed Great China Community, in which Hong Kong, Macau and Taiwan would be involved, the mainland would be the hinterland for Taiwan's industries and investments.

In a seminar held in Hong

Kong last year, participants from the four areas discussed establishing such a community.

After consideration, the Taiwan authorities decided against the proposal and thought it would be better if Taiwan diversified its investments in different Asian nations as this could help minimise investment risks, Chen said.

Chen said an Asian economic community could be made possible through the expansion of the existing Asian Pacific Economic Cooperation Forum, adding that its estab-

lishment would help Asia resist possible protectionism in Europe and North America.

Japan for blocs within GATT provisions

An earlier Reuter report from Ontario adds: Japan wants regional trading blocs, such as the North American Free Trade Agreement, to work within multilateral trade pacts such as the General Agreement on Tariffs and Trade, a senior Japanese official said.

Dollar stable, shares fall in Tokyo

TOKYO, Oct 19: The US dollar stayed in a narrow range against the Japanese yen in morning trading Monday after opening lower, while share prices fell in thin trading, reports AP.

At late morning, the dollar was changing hands at 119.81 yen, down 0.72 yen from Friday's finish. It opened at 119.79 yen, higher than Friday's New York trading at 119.50 yen.

Currency traders said the dollar was trading narrowly in Tokyo as it often does after relatively significant movements in overseas markets.

In New York, the dollar was sold against the yen on Friday because of worries about the US economy but bought against most major currencies after the Bank of England cut key lending rates.

Lower interest rates generally make a nation's currency less attractive to investors.

Asuya Watanabe, a dealer with Fuji Bank, said the dollar found support in large-lot buying when it tested the mid-119-yen level, but was kept from rising by the yen's strength against European currencies.

On the stock exchange, the 225-issue Nikkei Stock Average fell 187.46 points, or 1.08 per cent, closing the morning session at 17,182.35. The average shed 258.68 points, or 1.47 points, on Friday.

The Tokyo Stock Price Index of all issues listed on the first section fell 7.18 points, or 0.55 per cent, to 1,306.09.

Breakthrough in US-EC trade dispute likely

CAMBRIDGE, Oct 19: Trade ministers from leading industrial nations said Sunday that a breakthrough was expected soon on the bitter trade dispute between the United States and the European Community, reports AP.

"I am looking for a breakthrough on those issues that have blocked progress in a matter of days," US Trade Representative Carla Hills at a news conference.

Representatives of the United States, Canada, Japan and the European Community met over the weekend at a secluded country estate as part of their twice-yearly consultations on trade and economic issues. Those four partners account for about two-thirds of the world's trade.

The two-day talks focused on the trade dispute between the United States and the 12-national European Community over agriculture subsidies, services and access to markets.

That dispute is blocking resumption of the worldwide trade negotiations in Geneva known as the Uruguay Round of the General Agreement on Tariffs and Trade.

"We expect that sufficient progress will be made on agriculture in the days ahead between the United States and the European Community so that an early date the negotiation can be brought back to Geneva," said Michael Wilson, Canada's minister for international trade.

Mrs Hills and Frans Andriessen, the EC Vice President for external relations, used the weekend session for bilateral meetings on the dispute. "On the agricultural side issues have been narrowed," said Mrs Hills. She added that on non-agricultural issues — those dealing with market access, services and procurement — there were no major differences between the United States and the European Community on how to move forward.

China's stock exchanges need more than words from Deng

HONG KONG, Oct 19: China's share markets couldn't have asked for a better week: The Communist Party chipped free market reforms in tablets of stone, the threat of a trade war with the United States evaporated and several companies announced excellent interim results, reports Reuter.

Yet in a sign that the two stock exchanges need much more than encouraging words from paramount leader Deng Xiaoping, the Shanghai share market actually fell slightly last week. It is now wallowing at 59 per cent below last May's frenzied high.

Analysts are cautiously optimistic the southern Shenzhen market, where most listed companies are run by bright young managers who learnt their skills from nearby Hong Kong, will eventually respond to all last week's good news.

But in Shanghai, home to giant state enterprises where profits have long taken second place to output, the picture looks bleaker as prices sag and turnover wither.

"I'm pretty optimistic about Shenzhen," said one analyst in Hong Kong, which channels most foreign investment on to

the China market. "But there's a lot of self-doubt about whether Shanghai will succeed", he added, requesting anonymity.

All markets need a good political environment. China's which in the past few months have suffered stampedes, riots and plunging prices, need it more than most.

Last week Beijing struck a last-minute deal with Washington over a trade dispute. The United States had threatened to slap tariffs on a wide range of Chinese goods, crippling enterprises particularly in Shenzhen which ex-

port most of their output.

Then the Communist Party congress committed China to a "socialist market economy", dispelling any lingering fears of a clamp down on the stock market experiment following riots in Shenzhen during a bugle share issue last August.

Added to that are expectations China will soon form a western-styled securities regulatory body, similar to the US Securities and Exchange Commission. Foreign investors are optimistic it will make the erratic regulation meted out at present by the People's Bank of China a thing of the past.

Photo feature: Beirut back to business



Once a thriving Central Square, now in a shambles. The picture may not be the same in near future.



Even in the turmoil, people does not forget to apply their right to vote

BEIRUT: Once known as the Paris of Middle East, this beautiful city has been bruised and battered by the 15-year-old civil war which ended only recently. Beirut was also recognised as the Gateway to Asia for its excellent location on the eastern Mediterranean. It also had a flourishing tourism trade, an efficient banking service and an American University as a

premier seat of learning in the Middle East. The country plunged into devastating civil war in 1977. A part of the country is still under the forceful occupation of Israel in the south called by the Israeli, as 'Security Zone.' The Al-Fatah guerrillas, Iran-backed Hijabullah fighters, the Maronite Christian army and the presence of Syrian troops have made the confusion fur-

ther confounded. But life goes on. The Lebanese electorate even went to polls, despite a call by the Maronite Christians for a boycott. Turnout in Muslim majority areas were heavy but in Christian areas it was very thin.

Even in such a catastrophe-stricken backdrop the rich and affluent having a ball by virtue of their money and posi-

tion. Beirut's famous waterfront is always full of life and leisure.

Despite this dismal picture a band of enterprising millionaires has come up with a billion-dollar plan to restore Beirut to its former glory and importance. Architectural designs have been drawn and bulldozers are buzzing around removing the rubble and debris from a city which is in a shambles.

If the plan goes through, Beirut will once again be humming with life, its trade and commerce will flourish and the Lebanese people will once again find themselves in the midst of hectic economic activities.

— Star TV: Text and photographs by TA Khan.



Scarcity of water drove people to take their bath from roadside taps among the ruins of the city.



The famous waterfront remains indifferent to happiness around it as bathers enjoy their time.

Indian trade team will visit Taiwan after 43yrs

TAIPEI, Oct 19: India will send its first official delegation in 43 years to Taiwan to discuss how the two sides can increase their trade and economic links, trade officials said Sunday, reports AFP.

The 15-member delegation, composed of five government officials and led by N R Krishnan, Assistant Deputy Industrial Minister, will arrive in Taipei Monday, the officials said.

The group will hold a seminar on Wednesday to introduce local investors to the investment climate in India.

This will be India's first official delegation to Taiwan after New Delhi broke official links with Taiwan in 1949.

Trade officials said it was only last year that India

dropped its hostile stance towards Taiwan.

The new Indian cabinet which was formed last May has decided to increase trade and economic relations with the cash-rich island, which has accumulated a foreign exchange reserve of more than 89 billion US dollar.

The officials said Taiwan hopes that New Delhi would support Taiwan's bid to become an official member of the General Agreement on Tariffs and Trade (GATT) after substantive relations between the two sides are improved.

Taiwan, who applied late September to join GATT, will become an observer to attend GATT meetings from the beginning of November.

Recent floods to widen Pak budget gap

ISLAMABAD, Oct 19: Pakistan's budgetary deficit in the 1992-1993 fiscal year is expected to rise by 840 million dollar because of the recent floods, Finance Minister Sartaj Aziz said in an interview published Sunday, reports AFP.

The deficit will increase from 2.6 billion dollar to 3.44 billion dollar in the year to the end of June as a result of additional expenditure caused by the floods, the minister told The News newspaper.

The August floods left an estimated 2,000 people dead and millions homeless, as well as damaging crops, roads and

bridges in northwestern central and southern parts of the country.

Aziz said the budgetary deficit represented 6.5 per cent of Pakistan's Gross Domestic Product (GDP), adding that the flood losses would lower the targeted 6.5 per cent growth rate by one per cent.

He said Pakistan expected to receive a total of about 200 million dollar in foreign assistance for flood-related damage, including grants by different countries and soft loans from multilateral agencies.

Predictions of US interest rate cuts boost Asian units

HONG KONG, Oct 19: The US dollar weakened on Asian currency markets last week, after strong gains in the previous week's trading, amid persistent predictions of an imminent cut in US interest rates, reports AFP.

The only currency to fall against the Greenback was the Taiwan dollar. Dealers also attributed the Greenback's weakness to the poor performance of the US economy.

Japanese yen: The Japanese yen gained ground against the US dollar to end the week at 120.53 yen to the Greenback, up 1.02 yen from the previous week's close of 121.55.

The Japanese unit started the week firm at 121.20 yen, but fell back mid-week to the week's low of 121.60 as it was sold along with the German mark amid speculation of a cut in German interest rates. Interest rates overcame the market, pushing the yen to the week's high of 120.20 yen on Thursday.

Australian dollar: The Australian dollar strengthened against the Greenback, closing at 72.34 US cent, up from 71.70 a week earlier.

The Central Reserve Bank's trade-weighted index, which measures the dollar against a basket of major currencies, finished at 53.0 points, up from 52.8 last week.

Hong Kong dollar: The Hong Kong dollar strengthened against the US dollar, closing 7.7305-7.7325 Friday, compared with the previous week's close of 7.7318-7.7328.

The effective exchange rate was 110.6, unchanged from the previous week.

The Hong Kong dollar is pegged at around 7.80 to the Greenback.

Indonesian rupiah: The Indonesia rupiah closed the week Friday at 2,044 to the US dollar, or two points higher than the previous week's finish of 2,046.

Malaysian ringgit: The Malaysian ringgit closed higher against the US dollar to finish at 2.5010 this week, from 2.5067 previously.

Against the German mark, the ringgit fell to 1.7105 from 1.6972, but strengthened against the British pound at 4.2020 from 4.2461 previously.

closed Friday worth 54.21 US cent, fractionally up on its close last Friday of 54.13.

The Kiwi was following a steady trend that has developed during the past several weeks, not much affected by statistics during the last seven days which have showed inflations till at an annual one per cent and slightly improved gross domestic product figures.

Philippine peso: The Philippine peso continued to appreciate against the Greenback, ending the week Friday at 24.624 peso to the dollar, against the previous week's close of 24.885.

Singapore dollar: The Singapore dollar was firmer against the Greenback at an exchange rate of 1.6020 here Friday. Last week the local currency stood at 1.6080.

The local currency was also firmer against the British pound at 2.7010 compared to 2.7256 last Friday. Dealers said news of a cut in interest rates in London did not have any effect here as it was announced after the close of business.

The Singapore dollar was weaker against

the yen at an exchange rate of 1.3306, against 1.3240 last Friday.

South Korean won: The South Korean won strengthened during the week against the US dollar, ending the week at 783.00 won per dollar Saturday, compared to 784.70 won a week earlier.

Dealers reported that the strength of the local currency was a response to the nation's brisk exports, it hit a low of 790 won per dollar in August because of a trade deficit.

Taiwan dollar: The Taiwan dollar slid to close Friday at 25,270 to the US dollar, down 0.3 Taiwan cent from the previous week's finish of 25,267.

The local unit also declined against major European currencies, finishing at 42.79 to the British pound against 42.74 the previous week, at 5.09 to the French franc against 5.01, and at 17.26 to German mark against 16.98.

Thai baht: The Thai baht closed Friday at a mid-rate of 25.20 baht to the US dollar, up from last week's close of 25.26 baht to the dollar.

Tehran, Jakarta to increase non-oil trade

NICOSIA, Oct 19: Iran and Indonesia have agreed to raise their non-oil trade to one billion US dollar a year from around 200 million US dollar now, the Iranian news agency IRNA said, reports Reuter.

Under a protocol signed in Tehran on Friday, "Iran will export copper, fruit and non-oil products to Indonesia and import goods such as aluminium and aeronautics industry products," it quoted Post and Telecommunications Minister Mohammad Gharazi as saying. Textiles and petrochemicals were areas of potential cooperation, he added.

Indonesia's Trade Minister Arifin Sirega, who signed the deal with Gharazi, said it also envisaged joint investments.