# **BRIEFS**

#### Pak project to get \$92m Saudi aid

ISLAMABAD, Nov 2: The Al-Raihi Banking and Investment Corp of Saudi Arabia is to provide 92 million US dollar for a Pakistant project to generate electricity, it was announced here Sunday. The financing for the project to be built at Hub in the southwestern province of Baluchistan has been arranged by the ANZ Grindlays merchant bank in London, the announcement by the Pakistani Hub power co said, reports AFP.

#### Kenya needs \$23m for relief food

NAIROBI, Nov 2: Kenya still needs more than 23 million US dollar to provide relief food to children in its northern drought-stricken section. This was revealed by the United Nations Children's Fund (UNICEF) in the latest issue of its 'Biweekely Report' publication. The current relief food supplies will only last until the end of January next year, said the Biweekly Report, says Xinhua.

#### Special meet of ECO ISLAMABAD, Nov 2

Afghanistan and five new central Asian Muslim states will attend an extraordinary meeting of the Economic Cooperation Organisation (ECO) at the ministerial level to be held here by the end of this month. This was announced on Sunday by ECO Secretary General Shamshad Ahmed on his arrival here for a three-day official visit to Pakistan, reports Xinhua.

#### Lankan coconut output up

COLOMBO, Nov 2: Over 1.411 million nuts were produced in Sri Lanka during January-July 1992 as against 1,320 million nuts produced in the same period last year, according to the latest central bank statistics released here today. Sri Lanka exported 171 million coconuts during the first five months of this year, a 30 per cent increase over the corresponding period last year, reports Xinhua.

### Pindi revises FCBC rates

KARACHI, Nov 2: The State Bank of Pakistan said it is revising profit rates on five-year Foreign Currency Bearer Certificates (FCBCs). effective Sunday. Pakistan introduced the FCBC in the dollar, mark, pound sterling and Japanese yen domestically in March. The government withdrew plans to sell the FCBCs in the US and elsewhere after fears the offering could help launderers of drug money, reports Reuter.

#### Cuba rules out compromise with US

HAVANA, Nov 2: Cuba. vowing to defend its socialism to the death, said yesterday that tighter US trade sanctions against it ruled out for the moment any possibility of political compromise with Washington. State news media poured scorn on legislation signed by US President George Bush on Friday which sharply tightened a 30-yearold US economic embargo against communist-ruled Cuba, reports Reuter.

#### Nissan announces loss of \$178.8m

TOKYO, Nov 2: Nissan Motor Co, Japan's secondlargest car maker, announced Monday a net loss of 21.99 billion yen (178.8 million dollar) for the six months ended Sept. 30. another sign of the hard times facing Japan's auto industry. Nissan said the loss followed a net profit of 24.27 billion yen 197.3 million dollar for the parent company for the same period a year earlier. Japan's auto makers have been hurt by slumping domestic and overseas sales resulting from weak worldwide economic conditions and stronger competition from US makers. A surging yen also has cut into profits, reports AP.

#### Singapore rubber market quiet

SINGAPORE, Nov 2: The Singapore rubber market was quiet, recording small turnover and little price movements in trading that stretched over the weekend, as most dealers were away in Kuala Lumpur attending a dinner. With only a few dealers left in Singapore to do the trading only small parcels changed hands and prices hardly moved, reports AFP.

# South Asia, WB differ on how to tackle poverty

COLOMBO, Nov 2: South Asia is headed for a showdown with international lending institutions as it moves to tackle growing poverty that threatens stability in one of the world's poorest regions, experts say, reports AFP.

A top-level team appointed by the South Asian Association for Regional Cooperation (SAARC) last week rejected cuts in welfare spending prescribed by the International Monetary Fund (IMF) and the World Bank.

"If SAARC members adopt a collective strategy it is going to put pressure on the IMF and the World Bank which has so far dictated how Third World economies should run," a Sri Lankan economist said.

The 14-member Indepe-

ndent South Asian Commission on Poverty Alleviation headed by former Nepali Premier Krishna Prasad Bhattarai says it is not "confrontationist" but would like lenders to "accept the reality".

Vice Chairman Ponna Wignaraja told reporters that they recommended to SAARC nations - Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka — that they should reject demands to slash social budgets.

Wignaraja said the seven SAARC members were at varying stages of liberalising their economies and to take away the "social nets" during the transition could lead to social unrest and political instability.

"To undertake structural changes without social nets for

the 450 million poverty striken people in South Asia could lead to horrendous violence and put democracy at risk. It would be unmanageable" Wignaraja said.

"We are not being confrontational. We hope that the IMF and the World Bank will learn a lesson. They can't come and tell us to open the economy like South Korea. They cannot give us such simplistic

"We must have the other social structures like in South Korea and Japan to take care of the poor", Wignaraja said. He describes his commission members as "intellectual guerrillas in the war against poverty".

Officials said the commission was also trying to tap ex-

cess resources from other regions to pull South Asia out of the poverty trap and Japan had been targeted as a potential

Commission member and former Governor of the Sri Lanka Central Bank Warnasena Rasaputra said that while development spending could create more jobs, the poor in South Asia still needed some support from the state.

Asked whether South Asian governments were in a position to resist demands of the international leading organisations, Rasaputra said: "We will be arming our governments to better negotiate with the IMF and the World Bank".

South Asian nations have already taken away subsidies at the behest of the IMF and

the World Bank in order to re-ceive development aid, triggering sharp rises in the prices of essential comm-

Rasaputra said the World Bank has already come round to their way of thinking by accepting Sri Lanka's poverty alleviation initiative called Jana Saviya, or people's strength, as a model for several other countries.

The Jana Saviya programme seeks to jump-start backward rural economies by providing material aid and guidance to people living below the poverty line and nurse them to financial health during a two-year time limit.

The SAARC poverty alleviation campaign was initiated by President Ranasinghe Prem-

adasa, who took over the SAARC chairmanship in December last year.

"The poverty alleviation programme has really caught the imagination of all SAARC leaders. They see the votepulling potential of the entire exercise," a senior official associated with the commission

wignaraja said he was hopeful that heads of state and government would ratify the recommendations of his commission at the next summit in Dhaka in December.

The commission is also urging member nations to set economic targets such as doubling of their current GDP by 2000. The commission's final report is expected to make country-by-country recommendations.

## Egypt needs \$450m aid to repair damage from quake

CIRO, Nov 2: Egypt needs 450 million dollar in emergency aid to repair damage from last month's earthquake, Prime Minister Afef Sidki said in an interview published Sunday, reports AFP.

Sidki promised that not a single plaster (less than a cent) of foreign or Arab assistance would be spent without his or President Hosni Mubarak's approval. Aid so far totalled 200 million dollar.

The premier was responding to criticism from a majority of Egyptians and some opposition journalists and writers.

## Stocks close higher, dollar rises in Tokyo

TOKYO, Nov 2: Share prices closed higher in thin trading Monday after spending most of the day in negative territory. The dollar rose against the yen, reports AP.

The 225-issue Nikkei Stock Average closed at 16,853.36 points, up 85.96 points, or 0.51 per cent, overcoming a deficit of almost 120 points at the end of the morning session. The average fell 170.31 points, or 1.01 per cent, on

The Tokyo Stock Price Index of all issues listed on the first reaction rose 1.53 points, or 0.12 per cent, to close at 1,280.44 points. The TOPIX lost 8.22 points or 0.62 per

"Corporate results are still coming out, so investors aren't very aggressive about buying," said Terutsugu Osakbe of Universal Securities.



MAASTRICHT TREATY: Danish people demonstrating against a new referendum on the - Star TV photo treaty recently.

# US makes last-ditch effort to break GATT deadlock before election

Gulf states plan to lessen reliance

on oil, boost metal production

CHICAGO, Nov 2: Bush administration officials and European Community leaders met here Sunday night in an eleventh-hour attempt to resolve a trade dispute over farm subsidies before Tuesday's US presidential election, reports

"We are having this meeting in the hope that the EC has brought something new." Roger Runningen, spokesman for Agriculture Secretary Edward Madigan, said as Madigan met with EC Farm Commissioner Ray MacSharry.

"We are at the end of the rope," Runningen said in a statement. "Now is the time to ... end the deadlock and strike

The negotiations appeared to be a last-ditch attempt by the Bush administration to clinch a farm deal before the

ABU DHABI, Nov 2: Gulf

Arab states are expected to be-

come a major base for metal

industries as they press ahead

with plans to lessen reliance

on oil exports, their official in-

obtained Friday, says AFP.

dustrial body said in a report

The six Gulf Cooperation

Council (GCC) states produce

nearly 700,000 tonnes of alu-

minium per year, 2.3 million

tonnes of iron and steel and

15,000 tonnes of copper and

there are plans to boost output.

GCC is expected to largely

grow as there are plans to in-

crease production from exist-

ing plants and to set up new

metal projects, the Doha-based

Gulf Organisation for Industrial

Consultancy (GOIC) said in the

The plans cover two new

aluminium smelters in Qatar

study.

The metal industry in the

presidential balloting. An agreement would pave the way for a world trade agreement, giving a needed boost to the weak global economy.

The United States, backed by other farm-exporting nations, has pressed for deeper cuts in subsidies paid to Europe's nine million farmers than the EC has been willing to

The dispute between the United States and the EC has brought to the brink of collapse the Uruguay Round talks, an ambitious effort by 108 nations to revamp the world trading system. The six-yearold bargaining is sponsored by the General Agreement on Tariffs and Trade, or GATT.

tariffs world wide in agricul-

and Saudi Arabia and expan-

sion of existing plants in

Bahrain and Dubai. They will

push the region's output to

about 10 per cent of the

world's 14 million tonnes per

plan to raise iron and steel

production by 500,000 tonnes

each in project's worth hun-

output of its ball bearings from

its current production of 1.2

million tonnes as its plant has

a designed capacity of four

ahead with such plans to meet

the growing local demand and

boost exports, GOIC said. Iron

should be given a priority be-

cause per capita share of this

metal in the GCC is estimated

at 125 tonnes a year while

Gulf states should press

million.

dreds of millions of dollar.

Qatar and Saudi Arabia also

Bahrain also intends to raise

The agreement would cut ture and 14 others sectors. The talks are stalled over

European subsidies of soy beans. The United States has threatened to impose one billion dollar in punitive tariffs unless the Europeans agree to cut oilseed production nearly

The negotiations are scheduled to conclude Monday. The farm issue is only one

of about a dozen areas, including textiles, manufactured goods and financial services, under negotiation in the Uruguay Round. The talks, which opened in 1986 in the Uruguayan resort of Punta del Este, are designed to lower barriers to trade throughout the world.

ing a formal agreement in Chicago in GATT trade talks between the United States and the European Community.

consumption is 250 tonnes a

Arabia, Bahrain, Qatar, Oman,

Kuwait and the United Arab

Emirates (UAE) are spending

billions of dollar to set up light

and medium industries to di-

versify their sources of in-

come, which depends heavily

such industries include petro-

chemicals, chemicals, cement,

garments and textiles, and pa-

per. Gulf states have also

sought technology form their

main economic partners — the

European Community, Japan

exports go to those countries

while the bulk of their alu-

minium is supplied to Japan,

where high energy costs have

forced many smelters to shut

More than half of their oil

and the United States.

Apart from metal products,

The GCC states of Saudi

"I want a comprehensive and balanced GATT agreement," Agriculture Minister Jean-Pierre Soisson said on a private French radio station, adding that he would never sign "an accord agreed to at the expense of European agriculture."

"Two days before the (US presidential) elections, the Bush administration wants to boost its agricultural exports to Europe and cut imports from Europe," Soisson said.

"There are interests involved which are absolutely opposed to ours."

Soisson said US proposals AFP reports from Paris: made "in the last hours of the France Sunday ruled out sign- campaign are aimed at satisfying (US) farmers."

"I hope that MacSharry will not walk into the trap, Soisson said

and turn to external markets.

set up a plant to produce com-

pressed iron in the UAE with a

production capacity of two

million tonnes per year, most

of which could be exported to

the Far East, GOIC said in its

lish such industries as ferro-

silicon, ferro-manganese and

silico-manganese in the region

as demand for them is high.

Plans are already underway to

launch such projects in Saudi

try has steadily thrived, with

the setting up of a 150-mil-

lion-dollar plant producing

15,000 tonnes per year, the

study said. About 80 per cent

of the output is exported to

Japan and other states.

In Oman, the copper indus-

"Time is also right to estab-

study.

There is a chance now to

# China seeks foreign fund for dam project

BEIJING, Nov 2: China is seeking foreign funding for a controversial dam that would cost at least 10 billion dollar and be the world's largest hydroelectric project, an official report said Sunday, reports AP.

The People's Construction Bank, the only bank authorised to raise money for the Three Gorges Dam project, is working on a detailed fund-raising plan, said bank president Xu Xiangsheng. He was quoted in the Business Weekly, the Sunday edition of the Englishlanguage China Daily.

Xu said China hopes to obtain buyer's credits from foreign financial institutions, interest-free or low-interest government loans, commercial loans, revenue from floating bonds and overseas donations.

He did not say how much the bank hopes to raise from foreign sources, but a previous report said the government has approved borrowing six billion yuan 1.1 billion dollar in foreign capital.

The government has allocated more than 50 million dollar for initial relocation of about 1.1 million people, but must raise 10.4 billion dollar for the 18-year project. Other estimates put the cost closer to 20 billion dollar.

China's legislature approved construction of the dam in April, but nearly one-third of the members, who usually rubber-stamp Communist Party policy, opposed it or abstained. The dam is to be built at the Three Gorges on the famed Yangtze River.

### Philippines economy to grow by about 8 pc from '93 MANILA, Nov 2: The

Philippine economy will grow at an average of 6.7 to eight per cent annually starting 1993, but the foreign debt will rise as well, according to a draft six-year medium-term programme, reports AFP.

The growth target will be achieved through reforms to be carried out in trade and investments, energy, monetary and fiscal policies. The medium-term pro-

gramme, which serves as the basis for President Fidel Ramos's economic agenda over the next six years, is being prepared by the state economic planning agency, the National Economic and Development Authority.

Inflation would slow down to five to six per cent by 1998 from seven to 7.5 per cent in 1993 due to stabilization efforts and annual increases in production. The 1992 level is estimated to average at 8.5 per Investments, which will be

the main engine of growth, will grow at an average of 11.9 to 13.4 per cent annually with the private sector providing the bulk of investments. Foreign debt levels will be

maintained at an average growth rate of 5.2 to six per cent yearly from the current 29 billion dollar.

# Egypt will delay to sign accord with IMF CAIRO, Nov 2: Egypt said on

Sunday a new economic reform agreement with the IMF would be delayed from November to January because of a "technical point" about how far the government should cut its budget deficit, reports

Under a debt-forgiveness deal with foreign governments, Egypt ought to reach the agreement in November and Prime Minister Atef Sedki said last week that it would be signed on schedule. But in an interview pub-

lished on Sunday by the semiofficial newspaper Al Ahram. Sedki said it might not be singed until January. He said the main stumbling

was no longer paying large quantities of interest on its block was a discussion beforeign debts. tween Egypt and the International Monetary Fund on the size of the 1992-1993 budget

deficit. Western econ-omfsts said slow progress on privatisation was also a major The reform programme

agreed with the IMF is de-

signed to end four decades of central planning and stimulate a free-market economy. Sedki said the IMF insisted the budget deficit should be cut to four per cent of GDP

(Gross Domestic Product) but Egypt maintained it should be 6.5 per cent as previously The Prime Minister said the IMF argued the figure should be reduced from 6.5 to

4.0 per cent because Egypt

"We agreed that the rate of the deficit for this year would be about 6.5 per cent of GDP.

## WB will assist Zambia to repay foreign debt LUSAKA, Nov 2: A senior Ministry of Finance sources,

World Bank official on Friday they will also assist in the forhailed Zambia's economic permulation of Zambia's 1993 formance under the year old budget due to be presented in government of president the first week of December. Fredrick Chiluba and pledged Currently Zambia is under a the bank will assist Zambia in four year IMF and World Bank its foreign debt repayment effunded structural adjustment forts, reports AFP. economic policy.

Stethen Denning, World Bank's Director for Southern Africa, who arrived in Lusaka on Friday, disclosed before going into private talks with Chiluba that a World Bank team currently in Zambia is to help the country establish a stock exchange market as soon as possible.

embarked on economic reforms with varying degrees of success. But Zambia's programme has been very impressive", he said. He added that we are also

here to assist in the setting up of a stock market to speed up the process of privatisation. World Bank and IMF officials will be in Zambia for the a

month — and according to

"A number of countries have economic reform funds to help refugees running away from neighbouring countries. The political instability in

some of our neighbouring countries is a source of worry to us. Unless their conflicts are resolved we may soon have refugees streaming into our country, he said citing neighbouring Malawi, Angola and Mozambique.

Although committed to im-

plementing austerity mea-sures, Chiluba expressed fear

that the reform process could

be derailed due to political in-

stability in neighbouring coun-

government is worried that

soon it may divert some of its

He told Denning that his

# India to meet IMF target on fiscal deficit

grammes.

NEW DELHI, Nov 2: India has assured the International Monetary Fund it would meet the agreed target of restricting the fiscal deficit in the current year to five per cent of the gross domestic product (GDP), reports PTI.

The finance ministry told IMF officials, during the weeklong review of the monetary and fiscal policy measures that in future the country would attempt to reduce it further through more reforms and aus-Sources in the finance min-

istry described the current round of talks with the top IMF officials which ended last night as "very satisfactory." The IMF team, which in-

cluded Hubert Neiss, Director Central Asia Department, was

in the capital reviewing the success of the adjustment pro-

The sources said the present round of talks centred on the pace of reforms as stipulated in Article 4 of the IMF constitution for release of the further trances of the 2.2 billion dollar stand by loan which India had contracted.

The team is expected to submit its assessment to the IMF board which will meet in November in Washington.

While the sources said that the discussions with IMF on the terms for the proposed nine billion dollar loan under the IMF's Extended Fund Facility (EFF) would be taken up later, it is learnt that hard bargaining on EFF have already

# Asian units weaken ahead of US presidential election intervention aimed at halting

major Asia-Pacific region currencies lost ground against the dollar over the trading week, ahead of Tuesday's US presidential election, reports AFP.

The Australian dollar was off especially sharply, losing three per cent of its value against the American currency. The New Zealand dollar fell by more than one cent.

Only the South Korean won, Philippine peso and Taiwan dollar bucked the trend. Australian dollar: The

Australian dollar plunged by three per cent against the dollar to close at 69.75 US cent, from 71.93 cent seven days earlier, in a week which produced a surge in the current account deficit but the best figure on inflation for almost 29 years.

Announcement of an 0.8 per cent annual inflation rate failed to halt the Aussie unit's

Treasurer John Dawkins' insistence that there would be no further interest rate cuts did nothing to halt the slide, as dealers said the margin over US rates was insufficient to attract investors.

Japanese yen: The Japanese yen closed Friday at its weekly low of 123.35 to the dollar, down 2.15 from the previous week's finish of 121.20, as the American currency gained ground on prospects of a German interest rate cut.

The yen had its highest weekly closing on Monday, at 121.62, but dropped throughout the rest of the week except for Wednesday, when exporters' selling dollar brought the Greenback under brief profit-taking pressure, dealers

Also behind the yen's fall 112.0, up from 111.1.

Japan may cut key interest rates, the dealers said. New Zealand dollar: The

were rumours that the Bank of

New Zealand dollar was pushed downward against the US dollar by the declining Australian currency, dealers said, to close the week at 52.67 US cent, from 53.99 a week earlier. During the week the Kiwi

hit new five-year lows amid speculation that a new lower level was being established. One dealer said that both the Australian and New

Zealand dollar were likely to be soft over the next couple of weeks. Hong Kong dollar: The Hong Kong dollar closed Friday

at 7.7305-7.7315 US dollar down from the previous week's close of 7.7293-7.7303. The effective exchange rate was

Indonesian rupiah: The Indonesian currency started the week's trading down from its previous Friday close of 2,048 to the dollar and went on to continue the downward trend to close the week at

Malaysian ringgit: The Malaysian ringgit ended the week weaker against the dollar at 2.5102, compared to 2.5020 previously. Dealers said trading was

about the immediate direction of the US dollar ahead of presidential elections there. The ringgit, however, strengthened against sterling to end at a 67-month high of

subdued with players cautious

3.9262, up from 4.0849 a week earlier. Philippine peso: The Philippine peso increased over the week to close Friday at

24.629, despite central bank

its appreciation. A week earlier, it had finished at 24.65. In an effort to halt the

peso's appreciation the central bank has been on a dollar-buying spree since the start of the year, with total purchases amounting to 2.3 billion dollar as of mid-October, but slack demand for dollar has kept the peso rising, much to the consternation of exporters.

Singapore dollar: The Singapore dollar lost ground against its US counterpart, closing Friday at 1.6225, down from 1.6135 a week earlier. Despite the higher US dol-

lar, demand for the Greenback was steady throughout the week, and dealers said the coming US presidential election had no perceptible effect on the value of the US cur-

The Singapore dollar was

firmer against the British pound and the Japanese yen. South Korean won: The

South Korean won continued to gain strength against the dollar to close at 782.40 on Saturday, compared to 782.70 the previous week.

Dealers said the dollar remained rather weak amid a plentiful supply owing to brisk exports and a surge of foreign investment as the Seoul stock market perked up after a long

Taiwan dollar: The Taiwan dollar rose marginally over the week to close Friday at 25.321 to the US unit, up 0.4 Taiwan cent from the previous week.

The local currency also advanced against major European currencies, including the British pound, French franc,

Italian lire and German mark.

## supply food for Somalis WASHINGTON, Nov 2:

Somalia are pinning their hopes on a market-driven programme designed to curb chronic looting of relief supplies, reports AP. At the heart of the plan are

Somali merchants who traffic mostly in food looted from emergency relief shipments. The objective of the programme is to get the merchants to obtain their food legally instead of from looters.

"We have actually sat in the marketplaces and watched the merchants tell the looters, 'Go out and loot some more. We don't have enough food to sell'," says Andrew Natstos, special US coordinator for Somali relief.

Donors plan to Countries trying to help