

BRIEFS

India devalues its currency
NEW DELHI, Dec 5: India's central bank devalued the Rupee by 1.18 per cent against the US dollar Friday, adjusting the exchange rate for the first time since tying the local currency to the Greenback in March. A Reserve Bank of India spokesman said in Bombay the "small change" in the Rupee's value had been made to "maintain India's export competitiveness," the Press Trust of India (PTI) reported, according to AFP.

200 to be invited to Clinton's summit
LITTLE ROCK (Arkansas), Dec 5: President-elect Bill Clinton will invite about 200 people to take part in his economic summit this month, his staff said Friday. But less than 10 days from the start of the summit December 13, Clinton communications director George Stephanopoulos declined to say who had been invited. He said only the names of those who accept the invitation would be disclosed, reports AFP.

Taipei terms US accusation 'unfair'
TAIPEI, Dec 5: Taiwan central bank governor Samuel Shieh dismissed as "unfair" US accusations that his bank is manipulating the local currency market, officials said. Shieh, attending a seminar in Hong Kong, said the Central Bank of China (CBC) has made much progress in easing foreign exchange restrictions and the US charges were unfair, the CBC officials said, reports AFP.

OPEC's output unchanged in Nov
PARIS, Dec 5: Oil output by the Organisation of Petroleum Exporting Countries (OPEC) was unchanged in November compared with the figure in October, at 25.2 million barrels per day, the International Energy Agency said in its monthly report on Friday. Output by Iran fell by 3.5 million barrels per day from 3.7 million in October, while output by Saudi Arabia, including production from the neutral zone was unchanged at 8.5 million barrels per day, reports AFP.

Shanghai bourse lists new stock
BEIJING, Dec 5: The Shanghai stock market listed its last new stock of 1992, the official Xinhua news agency reported Saturday, closing out a year that saw China gripped by stock fever. The Shanghai Rubber Tire Group issued 1.6 million shares on Friday, each with a face value of 10 yuan (1.75 dollar). The closing price was 216 yuan (37.76 dollar), reports AP.

PIA earns \$44m profit
KARACHI, Dec 5: Pakistan International Airlines (PIA) earned 1.1 billion rupees (44 million dollar) profit during the 1991-92 financial year, an airline official said here Friday. The airline's annual revenue was 20 billion rupees (800 million US dollar), the airline management reviewed the PIA annual accounts in a meeting in Islamabad on Thursday, posting an operating profit of 1.58 billion rupees (63.2 million dollar), he said reports AFP.

China sends 128,000 workers abroad
BEIJING, Dec 5: China sent 128,000 workers abroad in the first 10 months of this year, 40 per cent more than over the same period in 1991, the China Daily said Friday, some 7,000 labour contracts worth 975 million dollar were signed between January and October, according to figures released by the Ministry of Foreign Economic Relations and Trade (MOFERT) cited by the newspaper, reports AFP.

Most factories in Russia bankrupt
MOSCOW, Dec 5: Seventy per cent of state-owned factories are near bankruptcy and up to several hundred could fold next year under provisions of Russia's first bankruptcy law, Trud newspaper reported Friday. The actual number will depend on whether the government continues to bail out unprofitable businesses with loans and subsidies or lets them fail, Trud said, quoting the government official in charge of such assistance, reports AP.

SAPTA to help boost trade, hope leaders

KATHMANDU: South Asian leaders are hoping that the proposal for the SAARC Preferential Trading Arrangement (SAPTA) would go a long way in helping boost trade and development in the region.
President Ranasinghe Premadasa of Sri Lanka, who made the proposal, has visited South Asian capitals to drum up support for the proposal.
SAARC is acronym of the South Asian Association for Regional Cooperation that includes Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. The organisation was launched in December 1985.
In an apparent bid to take the SAPTA on the next stage, Sri Lanka has announced it would be taking some unilateral steps to make the SAPTA process move ahead. For example, Colombo would import products that other SAARC member states have but which are not produced in Sri Lanka.
The SAPTA proposal, which is now being finalised by senior SAARC officials, is designed to dismantle existing regional trade and transit barriers and pave the way for the creation of a common market in the region which houses a fifth of world population.
The proposal would be considered at the SAARC annual summit meeting scheduled in Dhaka from December 12-13. The Summit is expected to be dominated by the issues of economic cooperation and development.
Under the SAPTA arrangement, it is being proposed that SAARC members accord each other the most favoured nation (MFN) status and non-discriminatory treatment.
Sri Lanka hopes to see the proposal bear

fruit by 1997 even though some countries are reluctant to support the proposal within the SAARC framework. "We are committed to a South Asian Preferential Trading Arrangement by 1997 if not earlier," says President Premadasa, who heads the regional organisation. The annual leadership will pass on to Prime Minister Khaleda Zia of Bangladesh this December.
President Premadasa's visit to South Asian capitals is politically very significant as many of these Asian countries share Colombo's fear about India which is the largest country in the region. They share the common apprehension that India has been trying to dominate the

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region.
It has also been suggested that Premadasa's visit is being used in an effort to form an alliance to counter India's dominating role. Although the smaller countries are unhappy about India's role, there are no signs that these countries are actually ganging up against the region's perceived bully.
"SAARC provides a useful forum for smaller countries such as Nepal to have their say in regional matters," says an official of the Ministry of Foreign Affairs in Kathmandu.
During his visit to Kathmandu, Premadasa discussed with Prime Minister Girija Prasad Koirala the SAPTA proposal. The two leaders agreed that it would provide for adequate

transit and transport facilities to member countries.
"Over the period of time, we should be working towards lowering of tariff and non-tariff barriers to work to liberalise trade towards eventually having a common market in South Asia," Premadasa told a press conference here.
He said a degree of progress towards liberalisation of trade within South Asia has been achieved, adding: "We have been able to focus attention the core areas of regional cooperation."
A press statement at the end of Premadasa's visit here said Sri Lanka and Nepal

madasa then blamed India for influencing the two countries' decision.
Premadasa, who also stayed away from the signing ceremony of the Indo-Sri Lankan accord in 1987, visited New Delhi October 1-3. But, as expected, there were no dramatic breakthroughs in the bilateral ties between the two countries.
The SAPTA accords, which has been envisaged as a foundation for the creation of a South Asian Common Market, is crucial to regional development. A lot of ground has been covered since SAPTA was proposed at the SAARC foreign minister's meeting in 1991. An Inter-Governmental Group has worked out the details of the proposal.
If SAPTA materialises, it would bring dramatic results in the region whose economies, for historical reasons, are separately oriented towards the industrialised West.
If it does not happen, this would mean that the present structural rigidity would continue and thus constrain, if not prevent, economic cooperation in South Asia, particularly in matters of trade and commerce.
In any case, most South Asian countries are vying and competing with each other in either selling their raw materials and primary products to the West or sending their labour to oil-rich Middle East countries.
But the success in getting all members agree to SAPTA would make a major difference at a time when SAARC is getting the reputation of yet another forum for the leaders to deliver speeches and decide where and when to meet next without producing concrete results.
— Depthnews Asia



BONN: French President Francois Mitterrand went to Bonn to discuss with German leaders the future of proposed union among 12 European states. He is seen in the picture attending a meeting Friday.

Losing billions of dollar annually
India for more transparent global banking system

NEW DELHI, Dec 5: India, losing billions of dollar annually through illegal money transfers to foreign banks, has called for a more transparent global banking system, India's federal police chief said yesterday.
"At the heart of the issue is the secrecy norms in global banking which we want to be relaxed," S K Datta, Director of India's Central Bureau of Investigation (CBI) told Reuters.

Some official estimates place India's losses through illegal transfers at between dollar 5.5 billion and dollar 7.5 billion annually.
Datta is heading the inquiry into India's dollar 1.2 billion financial scandal.
"The funds or money which are siphoned off are mostly, derived out of crime (such as) bribery, evasion of taxes, over-invoicing and under-invoicing," Datta said.
He said most of the money leaving India through illegal channels was either deposited in "foreign banks which thrive on secrecy or in several tax

havens across the world."
Datta told an Interpol meeting in Senegal last month that the malaise had seriously harmed economic development in Africa.
"Basically, the economic growth is affected by siphoning off funds to jurisdictions which act as magnets for such flows of money," Datta told the Interpol meeting on world economic crimes.
Datta said money raised through tax evasion was as tainted as profits from drug trafficking.
"The gross profit out of drug trafficking is mostly earned by the consuming countries. The transit countries (such as India) are affected to a much lesser extent. Even then my country... realised that this is a crime against humanity."

"The same seriousness should be exhibited in respect of economic crimes, which too generate a lot of secret money, the flows of which are elsewhere," he said.
He quoted an Interpol expert committee report as saying

ing funds from unaccounted money often found their way into political crime.
The report, prepared in 1976, said: "The secret accumulation of funds which are the proceeds of (economic crimes) are used for criminal purposes such as trafficking narcotics, smuggling of firearms and political assassinations."
Suggesting that banking countries could waive secrecy for certain crimes, Datta said this had worked well in the 1973 US-Swiss treaty on mutual assistance on criminal matters.
He said in some areas such as organised crime in the United States, it was agreed that the Swiss would provide assistance even though the crime may not be common to both the countries.
"The involved countries in this treaty arrangement have made use of the provisions, which enable the requesting country to pierce the veil of bank secrecy in criminal cases that do not involve crime in the requested country," he said.

'ECO's expansion will open new markets for Pakistan'

KARACHI, Dec 5: Pakistan's banking and export sectors stand to gain from the inclusion of seven new members in the regional Economic Cooperation Organisation (ECO), a leading foreign bank chief said Friday, reports AFP.
Younas Khan, who heads the Pakistani operations of Deutch Bank said the formal induction of the seven new members — Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan — would open new markets for Pakistan.
Khan, who is president of the Overseas Chambers of Commerce and Industry (OCCI), said the new members of ECO, which became independent after the collapse of the Soviet Union, were now undergoing a transition to a market economy.
The founder members of ECO, which came into being in 1985, are Iran, Turkey and Pakistan.
The new members joined the regional organisation Saturday at the ECO foreign minister's conference in Islamabad.
These nations, will benefit as Pakistani banks will facilitate the development of their banking skills and techniques, he said, adding that Pakistan's banking sector was well advanced and in a position to play such a role.
Pakistan would also be a conduit for the exports and imports of the landlocked Central Asian states by providing them port and shipping facilities, Khan said.

At the same time Pakistan's ports and transportation system would generate substantial earnings through the increased transit trade.
Khan said he appreciated the top priority accorded by the Pakistan government to building highways and modernising the country's telecommunication system.
The government was also going the "right way" in implementing market oriented policies and encouraging foreign investment in the country," he said.
He said a delegation of his

chamber would meet Prime Minister Nawaz Sharif shortly to discuss certain "minor irritants" such as a lack of "consistency in government policies."
He was referring to the recent withdrawal of tax credits for foreign banks in the country, with the holding of imported inputs and delays in the refund of export rebates for foreign companies.
"We shall discuss such matters with the Prime Minister, who has been very encouraging towards foreign investment," he added.

China adopts regulations for market practice

BEIJING, Dec 5: China has adopted two regulations requiring more transparency in financial and accounting records of enterprises in an attempt to push them toward market practice, Finance Minister Liu Zhongli said here yesterday, reports AFP.
He told a press conference the regulations on the financial situation and accounting systems of enterprises, notably of often money-losing state-owned concerns, are to come into effect July 1.
The goal of the two new regulations is to ensure fairer competition between enterprises, while giving them as much autonomy as possible and bringing their accounting practices into line with internationally accepted standards, Liu said.

China adopts regulations for market practice

"Enterprises should compete in the market and fight for their survival," said Liu, who became Finance Minister in September.
One third of state-owned firms are in the red and another third in critical financial circumstances, the government has said.
Liu said the new regulations would constitute a significant step toward a socialist market economy, although he acknowledged that the current system of managing enterprises leaves managers with too little leeway.
The regulations should mean the cost of capital and the responsibility for profits and losses will henceforth be clearly listed. More open accounting methods should also distinguish management and production costs.

The report did not say when the government was likely to rule on the proposals.
Except for a few tiny charter operations, all China's airlines are state-owned and run. They have experienced dramatic growth over the past few years, purchasing dozens of new planes. New domestic air routes have been announced almost every week.
Air China, the international carrier, also has expanded its foreign routes. The China Daily said direct flights were expected to open up next year to Israel and South Korea, and negotiations were taking place to allow Ukraine, Sri Lanka and Madagascar planes to fly into Chinese airports.

Sub-Saharan Africa to get \$32m US food

WASHINGTON, Dec 5: The United States will provide 32 million US dollar in food to help ease severe shortages in Sub-Saharan Africa, according to a speech, Secretary of Agriculture Edward Madigan is scheduled to deliver on Monday, reports Reuters.
A copy of the prepared remarks that Madigan will deliver at an international conference on nutrition in Rome was released in Washington on Friday.
Madigan's speech said the US Department of Agriculture will donate 93,000 metric tonnes of government owned stocks of corn through the World Food Programme, a Rome-based UN agency.

Jakarta may be invited to next G7 summit

JAKARTA, Dec 5: France's Industry Minister said here Friday the Group of Seven leading industrialised nations (G7) was considering inviting Indonesia to its next summit in its capacity as Non-Aligned Movement (NAM) president, reports AFP.
Dominique Strauss-Kahn told a press conference at the end of his two-day visit here the idea of inviting Indonesia to the summit had been raised and it was now up to the members to decide.
The seven main industrialised nation — Britain, Canada, France, Germany, Italy, Japan and the United States — are due to meet in Tokyo between

July 7 and 9.
The Jakarta Post on Thursday quoted an unnamed Japanese foreign ministry official as saying Tokyo would be happy to invite Indonesian President Suharto to the summit if he wanted to come.
It added that Suharto, who took over as NAM president in September during the movement's summit in Jakarta, had asked Japanese Prime Minister Kiichi Miyazawa for an invitation when the two met in Tokyo in September.
This would be the first time the NAM has been asked to the summit in the context of North-South talks.

Help stop dumping of dangerous rubbish

PIRIAPOLIS, Uruguay, Dec 5: An international conference on toxic waste ended on Friday with a call to the industrialised world to stop dumping its dangerous rubbish in developing countries, reports Reuters.
Mostafa Tolba, Executive Director of the United Nations Environment Programme (UNEP), said it was essential that Japan, the United States and 11 European Community countries ratify the 1989 Basel convention to control the movements and disposal of hazardous waste.
"Without their ratifications and active participation in implementing the treaty... (it) will get nowhere," said Tolba. France is the only member of the 12 nation EC which has ratified the treaty, which came into force on May 5.
Industrialised countries generate more than 95 per cent of the world's hazardous waste, estimated to be between 300 million and 400 million tonnes a year, according to UNEP.

China's aviation for foreign fund to run airlines

BEIJING, Dec 5: China's aviation administration is seeking permission for foreign companies to run some domestic airports and invest in the state-run airlines, the China Daily newspaper reported Saturday, says AP.
The newspaper said both innovations were part of a plan drawn up by Jiang Zhuping, director general of the Civil Aviation Administration of China, to use more foreign funds and technology.
The report did not say when the government was likely to rule on the proposals.

Output falls, unemployment up in West Germany

WIESBADEN, Germany, Dec 5: Economic output and industrial activity in former West Germany have fallen and he unemployment rate has risen, official figures showed yesterday, reports AFP.
Referring to overall output in the west, Economy Minister Juergen Moedemann said the figures were a "signal" — to be taken seriously — that the economic situation was weakening further.
Economic output fell by 1.5 per cent in the third quarter of 1992 from the figure for real gross national product (GNP) in the second quarter on a seasonally-adjusted basis, the federal statistical office said.
Meanwhile in Bonn the economy ministry said that in the west of the country industrial output had fallen by two per cent in October.

Gaidar — architect of Russian free market economy

MOSCOW, Dec 5: Since he drew up the plans more than a year ago to move Russia to a free-market economy, Yegor T. Gaidar has become the symbol of those reforms in the West, according to AP.
But the plump, 36-year-old acting prime minister also has become the target of the harshest attacks by legislative hard-liners, industrial managers and collective farm directors who oppose President Boris Yeltsin.
Along the way, Gaidar has matured from an academic whiz kid with no political experience into a shrewd Kremlin insider.
At the last session of the Congress of People's Deputies in April, Gaidar gave lucid explanation of his reform programme. And he worked behind the scenes like a seasoned politician to win a compromise.
With his rapid-fire speaking style, he again delivered a strong defense of his unpopu-

lar and painful policies on Wednesday at the current Congress, keeping his cool in the face of jeering critics.
Congress speaker Ruslan Khasbulatov, a former Marxist economics professor, attacked Gaidar's reforms on Tuesday and said even "common shepherds" knew the government had failed to support farming.
Gaidar, who holds a doctorate in economics, drew laughter from the deputies Wednesday when he countered with agricultural statistics that he said "apparently were not known by every professor."
Even Gaidar's opponents concede his economic expertise.
"I admit he's competent. I just don't trust him," said Mikhail Astafyev, one of the leaders of the hard-line Russian Unity faction, which is trying to force Gaidar's resignation.
If his opponents don't trust him, the West does.
He met regularly this year

with former US Ambassador Bob Strauss, who reportedly coached him on how to deal with Washington.
In April, Gaidar lobbied successfully to get the world's seven richest democracies to

vincing person."
A child of Russia's intelligentsia, Gaidar's grandfather was a famous author of children's literature and his father was a correspondent for Pravda. He speaks English, Spanish and Serbo-Croatian.
He worked as a researcher at the Soviet Academy of Sciences under Stanislav Shatalin, who was a co-author of the "500-Day" economic shock therapy plan that was ultimately rejected by Mikhail S. Gorbachev.
In November 1991, Yeltsin appointed Gaidar deputy prime minister in charge of economic policy, selecting his reform programme as the road to lead Russia to the free market.
The plan, which incorporated recommendations of the International Monetary Fund, was implemented in January 1992. It ended decades of central economic planning, freeing prices while tightening fiscal policy.

After Gaidar served as finance and economics minister, Yeltsin appointed him acting prime minister "because Gaidar is leader of the reforms."
Gaidar has admitted to mistakes in his economic reform policies — mostly due to concessions granted to Russia's powerful industrial sector, which was granted billions of rubles in subsidies to failing factories.
He also has been forced to print more money and raise wages moves that have edged Russia closer to hyperinflation.
As living standards and industrial production have plummeted, Yeltsin's foes have focused their attacks on Gaidar.
"The opposition attaches cardinal importance to the removal of Gaidar from his post," said Ilya Konstantinov, the leader of the hard-line National Salvation Front. "I will accept anyone — as long as Gaidar is not elected."

GATT pressure to make Seoul farmers violent

GENEVA, Dec 5: South Korean farmers will protest "far more violently" than their French counterparts, if the Seoul government bends to GATT pressures and opens its market to foreign rice, the head of the South Korean agricultural union, Ho-Sun Han warned here Friday, report AFP.
Chairman Ho-Sun Han was speaking in Geneva, where negotiations to complete the Uruguay Round of measures to reduce barriers to world trade are held under the aegis of the General Agreement on Tariffs and Trade (GATT).
He was speaking after having participated on Tuesday in a big demonstration in Strasbourg, France, organised by French farmers in protest against proposed liberalisation of the trade in agricultural produce.
"I am really prepared to

lead bigger and stronger demonstrations than the French farmers," if Korea were to open its door to foreign rice, he told AFP.
He said he was confident that the Seoul government would resist any attempt to do so, recalling that the main contenders in the December 18 elections had promised to protect rice growers against foreign competition.
Some senior western GATT negotiators here have expressed strong doubts about whether Japan and Korea would be able to resist pressures to liberalise their import policy on rice.
The talks have entered their final stage and the 108 countries participating in the GATT round are trying to agree a political package before the end of this year, in order to reach a formal agreement by February-March 1993.



Yegor Gaidar