BRIEFS

Minister asks Tokyo to open rice market

TOKYO, Dec 13: The time is at hand for Japan to bow to international pressure and lift its import ban on foreign rice, Foreign Minister Michio Watanabe said. "We still need to protect our rice sector but there'll be problems if we don't start thinking about letting in some imports," Watanabe said in a debate on public television, reports Reuter.

Saudi bank sees no asset freeze

MANAMA, Dec 13: Saudi Arabia's National Commercial Bank (NCB) said that according to its information no restraining orders had been issued anywhere freezing its assets. Touches Ross, liquidators of the collapsed Bank of Credit and Commerce International (BCCI), said yesterday it had issued writs seeking 10.5 billion dollar of damages from NCB and a former manager at the bank, Sheikh Khalid bin Mahfouz, it was confirming a report in the Washington Post, reports Reuter.

More US destitutes go unhelped

WASHINGTON, Dec 13: A growing number of hungry and homeless Americans — including many children — had to be turned away by public agencies and private groups this year, the nation's mayors said Friday. In releasing its annual report on hunger and homelessness, the US Conference of Mayors said unemployment and its accompanying problems were to blame for the increased requests at a time of limited resources. It said the solution lay in creating jobs with salaries that keep pace with the cost of living, reports AP.

US automakers for further co-op

DETROIT, Dec 13: The US Big Three automakers say they will study whether to share research that could speed development of a commercially viable electric car. The agreement announced Friday, which so far calls only for discussions, capped a week during which the industry buzzed with rumours that General Motors Corp. might scrap its heavily publicized electric car programme, reports AP.

'Oil embargo violated via Macedonia'

PETRICH, Bulgaria, Dec 13: Macedonia is importing nearly twice its daily oil needs from Bulgaria and Greece, and western diplomats and Bulgarian customs officers say the real customers for much of the oil is neighbouring Serbia. In Athens, Greece told the ambassadors of its European Community partners that it was not breaking UN sanctions against Serbia, reports Reuter.

German violence alarms investors

BERLIN, Dec 13: Foreign investors, particularly Americans, are alarmed at the reports of rightwing violence in East Germany, although none so far has scrapped any project in the region, the head of the Treuhand agency said Friday. "They ask a lot of questions and need a lot of explanations," Birgit Breuel, head of the privatisation agency, said at a press conference, reports AFP.

Kuwait to review investments

KUWAIT, Dec 13: Kuwait said on Wednesday it was setting up two committees to review its domestic and overseas investments, the focus of heated debate in the Emirate since the collapse of its Spanish investment Arm Group Torrassa (GTO, cn). The committees will be made up of governments accounting officials, Kuwait's Kuna news agency reported, says Reuter.

Business in Europe drops

ATLANTA, Dec 13: Confidence about the outlook for European business has dropped sharply from first quarter levels, according to a new survey of nearly 1,500 European corporation executives. The survey, conducted for Atlanta-based (United Parcel Service) by the Louis Harris polling group, found only 38 per cent of executives believe their company's economic position will be better off in 12 months versus 55 per cent who expressed such optimism in a survey last February and March, reports Reuter.

EC leaders put union back on track

EDINBURGH, Dec 13: European Community leaders have set their troubled union back on track with landmark agreements to increase the EC budget and grant Denmark exemptions from the Maastricht Treaty, reports Reuter.

The two-day Edinburgh summit ended late on Saturday night with a string of accords to advance political, economic and monetary union, boost the sluggish European economy and settle the vexed issue of seats and sites of the European parliament.

The 12 also agreed to open entry negotiations from January 1 with Austria, Sweden and Finland, with Norway to follow later next year.

The success earned British Prime Minister John Major, the summit Chairman, rare plaudits from leaders who had bitterly criticised Britain when it crashed out of the European currency grid and postponed its ratification of Maastricht.

"I am very pleased to announce a breakthrough on a number of fronts," Major told a final news conference.

"The decisions we have taken in Edinburgh today will enable the community to go forward as 12," he said.

Several leaders said the decision would end a crisis of confidence in Europe which began when Danish voters rejected the Maastricht Treaty in June and deepened with currency turmoil and a water-thin French approval of the treaty in September.

French President Francois Mitterrand, a frequent critic of Britain, said Major's presidency had not always been smooth but "The Edinburgh summit corrected the aim and sorted things out."

German Chancellor Helmut Kohl, the biggest EC paymaster, acknowledged what officials described as a blazing row with Spanish Prime Minister Felipe Gonzalez, who held the summit up for hours to squeeze extra funds for the "poor four".

The Chancellor said he had made a "substantial verbal contribution" in the debate with Gonzalez.

"Along with (Maastricht), this was the most complex, most difficult summit I have seen," said the Spanish leader, who has attended every community summit since 1982.

Officials said at one stage, Gonzalez stood up from the conference table and headed for the door after spurning a budget after with a dismissive gesture. He was persuaded to sit down.

Danish Prime Minister Poul Schlueter was delighted with the decision under which Denmark will not participate in a single European currency or a common defence. It return, the Danes pledged not to hold the others up on their road to closer union.

"Our 11 partners accept that Denmark gets a special deal. All the Danish requests have been satisfied," he said. "This is a great day for Denmark."

Foreign Minister Uffe Ellemann-Jensen said the minority government hoped to call a second referendum in April or May and was confident it would overturn last June's vote.

Denmark's powerful parliamentary opposition was to meet on Sunday to give its verdict on the deal.

Partly responding to Danish concerns, the summit also agreed to make the community less intrusive into national affairs and more open in its decision-taking— "subsidiarity" and "transparency" in the EC's numbing jargon.

Major said the summit had agreed a package of measures that could unleash investment of up to 24 billion pound (37.3 billion US dollar) largely on communications and transport projects to revive the EC economy and fight rising unemployment.

The leaders ended a dispute dating back to 1965 by agreeing to keep all existing EC institutions in their current sites.

This means the European parliament will remain indefinitely a travelling circus with plenary session in Strasbourg, committee meetings and special sessions in Brussels and a secretariat in Luxembourg.

The summit agreed to give Germany an extra 18 members of the assembly following unification. Most other countries received a smaller increase.

And despite the preoccupation with internal problems, the leaders issued declarations piling pressure on Serbs for the fighting in Bosnia and backing the reform programme of Russia's embattled President, Boris Yeltsin.

Key decisions of summit

EDINBURGH, Dec 13: Following are the key decisions of the Edinburgh European Community summit which ended on Saturday night, reports Reuter.

DENMARK— Agreement to exempt Denmark from key aims of the Maastricht Treaty on political and monetary union— a single currency and a common defence— clearing the way for second Danish referendum next year to revers rejection of treaty.

BUDGET— A seven-year budget deal freezing the ceiling on EC resources at the present 1.2 per cent of GDP for two years, with phased increases to 1,27 per cent by 1999. A fund for the four poorest EC states— Spain, Portugal, Ireland and Greece— will be worth 15.15 billion ECUs (18.8 billion US dollar) over seven years. Total spending on those four will double.

ENLARGEMENT— Negotiations on EC membership to open from January 1 with Austria, Sweden and Finland. Talks with Norway to start later next year.

ECONOMIC GROWTH— An initiative to stimulate growth through funding infrastructure development worth up to 37 billion dollar via a new lending facility at the European investment bank and a new European investment fund.

SUBSIDIARITY— New procedures to apply the principle of subsidiarity, under which the EC acts only when members states cannot achieve the goal as well themselves. The European Commission suggested withdrawing or cutting down some laws.

TRANSPARENCY— Some ministerial meetings will be made clearer and simpler.

SITES OF INSTITUTION— The sites of existing institutions were confirmed. Coun-tries which do not already have an institution will have priority for new ones whose locations are yet to be decided.

Minister predicts new era in Japan-US relations

TOKYO, Dec 13: Tokyo's new trade minister today predicted a new era in US-Japan relations under the Clinton administration and played down concerns about trade friction, reports Reuter.

Yosiro Mori, sworn in on Saturday, said in a televised debate that Tokyo and Washington were ready to move to a new relationship as friendly opponents after Bill Clinton takes over as US president.

"Until now, the US leadership has come from a generation that remembered Japan as a country defeated (in World War Two) but Clinton's generation doesn't remember that war," said Mori.

"I think bilateral relations are going to become more like those of business competitors ... friendly but competitive," said Mori, who at 55 is regarded as a new-generation politician in an arena dominated by oldmen.

One of his main tasks will be to deal with US demands that Japan import more of its high technology and open its rice sector to American grain.

He will also be expected to soothe anger over Japan's chronic trade surplus with the United States, which rose to 43.44 billion dollar in calendar 1991 from 41.87 billion dollar in 1990. Economists say it is likely to hit 45 billion dollar this year.

Japanese officials have voiced concern about increased trade friction once Clinton's team takes over with the aim of pumping new life into the sagging US economy.

They worry that Clinton would allow passage of "Super 301" trade legislation permitting Washington to impose tariffs of up to 100 per cent on exports from a country that refuses to open its markets to US goods.

In July the U S House of Representatives passed a bill which would renew for five years the retaliatory " Super 301" authority, which expired two years ago. The legislation is currently before the senate.

"Clinton regards Japan as an important country, just the way Japan does the United States," Mori said in a debate with other members of Miyazawa's new cabinet team.

"I don't think bilateral relations will disintegrate." Yohei Kono, the new chief cabinet secretary, said in the same debate that Clinton was well aware the United States was largely responsibility for its own trade deficit.

Kono added that Japan should do its party by boosting domestic consumption to increase imports, one of the features of an economic pump-priming package unveiled by the government.

ADB approves aid to Marshall Islands' finance ministry

MANILA: The Asian Development Bank recently approved a $350,000 technical assistance grant to the Republic of the Marshall Islands to improve the overall operations and procedures of the Ministry of Finance (MOF) to monitor and manage aid flows more effectively, according to a ADB news release.

The objective of the technical assistance is to improve the management capabilities of the government to deal effectively with external assistance from the Bank and other sources which currently accounts for over 80 per cent of GDP. It also aims at strengthening the absorptive capacity of the economy and alleviating implementation bottlenecks by improving efficiency in the mobilization and use of financial resources.

Beijing takes assistance of more than 200,000 foreign experts

BEIJING, Dec 13: Since 1979, more than 200,000 foreign experts in various fields have worked or are now working in China. The number of this year is over 40,000, reports Xinhua.

The figures were released by the Bureau of Foreign Experts Affairs.

Since 1986, the bureau has sent abroad 15,000 people for training who came from governmental departments for decision-making, and management or technology application level in enterprises.

Now China has scored noticeable achievements in absorbing foreign intellectual resources, and personnel exchanges and cooperation.

Covering 30 provinces, autonomous regions and municipalities directly under the central government, the work has helped to raise industrial and agricultural production, management and technical levels.

For instance, a Japanese expert succeeded in passing on a technique of rice planting in Heilong Jiang, which was later widely expanded to most areas in China. The advanced technique has brought about a total increase of 25 billion kilograms of rice.

The invitation of foreign experts to work in China has also improved the country's comprehensive education and medical work.

In the past two years, foreign experts have fostered over 10,000 Chinese graduates and trained more than 20,000 Chinese young teachers.

With the help of foreign experts, China has accomplished 1,000 scientific and technological projects and established 100 new disciplines and specialities.

Today when China is moving toward a market economy, it is of greater importance to send personnel abroad to learn advanced management skills and techniques.

Some people, who had been to Japan to learn management of security market, have put forward good suggestions on the running of securities market.

MOSCOW: Russian President Boris Yeltsin (C) is seen with Yegor Gaider (L), who is known as the Architect of Russian Reforms and his chief adviser Gennady Burbulis (R). Yeltsin is currently facing resistance from the Deputies against his reform programmes and he fired Burbulis Saturday in an apparent concession to the hard-line parliament. — Star TV photo

King of rock becomes king of post

WASHINGTON, Dec 13: Elvis Presley is already a star for the US Postal Service, even though his stamp won't be issued for another few weeks, reports AP.

Mail and telephone orders have been flooding in for the stamps and other collectible items related to the late king of rock 'n' roll.

The first printing of the stamp will total 300 million, double the usual first run for a commemorative stamp, said postal spokesman Bill Brown. And officials are considering a second printing.

About 800,000 brochures were mailed out promoting the Elvis stamp, and orders totalling 1.6 million were received within a couple of days after the mailing, officials said.

'Iraq may face Soviet like situation'

BAGHDAD, Dec 13: An Iraqi newspaper warned yesterday that Iraq could share the fate of the Soviet Union as prices soared after government austerity measures banning some imported goods from shops, reports Reuter.

In a column headlined "Trade and confusion", the babil warned against the creation of "frustration among the citizens and even the leadership when they see their institutions are not doing their job well.

"This will create a situation similar to that of Gorbachev," said the paper published by President Saddam Hussein's eldest son Uday, recalling the former Soviet President's fall from power in a dispute over the pace of reforms.

The Soviet Union broke up amid political and economic confusion after the fall of Gorbachev into its component states loosely associated in the commonwealth of independent states.

Prices for Iraqi goods have risen sharply since the imposition of a ban on 146 imported consumer items, including clothing, electrical goods, furniture, beer and cigarettes which were removed from shop shelves on Thursday night.

Local summer cigarettes shot upto 12 dinars a packet on Saturday, compared with nine dinars on Friday just after the ban, four or five dinars on Thursday, and half a dinar before the Gulf War.

The black market dollar rate showed little reaction to the move, which was also aimed at supporting the dinar. Iraqis said the dollar was trading at around 31 dinars, compared with 30 before the start of the ban.

Officially, the dinar is worth 3.10 dollar.

The babil also called for an end to favouritism and for more competitive free trade.

"In each ministry there is a group of beneficiaries with whom the director generals deal with no concern for free competition. It is important that planners and commercial or industrial decision-makers should not be beneficiaries," it said.

Grim outlook for German economy forecasted

BONN, Dec 13: Germany will suffer higher unemployment and zero industrial growth in 1993, the head of its Federation of Industry (BDI) predicted, adding that rightwing extremism had already affected the country's trade, reports AFP.

In an interview with the weekly Bild am Sonntag, due to appear Sunday, BDI President Hans-Peter Stihl, said he expected a "flat period" next year, with further lay-offs and short-time working.

"The decline will bottom out in the second half of 1993," Stihl said. After that unemployment will stabilise and begin to fall in 1994.

For economic recovery, he said an agreement in the General Agreement on Tariffs and Trade talks was "essential."

Further, the Bundesbank must "stand firm and maintain the parity of the mark, with interest rates as high as necessary."

However, he recommended that value added tax be reduced in former East Germany to stimulate its economy.

US economy in good shape and will improve further: Business leaders

NEW YORK, Dec 13: Nearly half of US business leaders think the American economy in good shape and six in 10 expect it to improve further, up sharply from earlier this year, according to a New York Times/ CBX news opinion poll released on Saturday, reports Reuter.

But the number of executives who plan to add workers has remained static.

In an opinion poll last February, just 27 per cent rated the economy good and about half thought it was getting better.

The latest poll, conducted early this month, showed 54 per cent of executives from small and large businesses alike were guardedly optimistic about the incoming administration of President-elect Bill Clinton. One-fifth of the executives said they had voted for Clinton.

Of those surveyed 40 per cent believed Clinton was more likely to speed up what appears to be an emerging recovery in the US economy rather than slow it down. But 47 per cent said having Clinton as President would make no difference.

Various recent reports have suggested the economy may be picking up steam. On Friday the government said retail sales rose 0.4 per cent last month, the fifth straight increase, while consumer prices rose a modest 0.2 per cent.

Economists said the reports were another sign the economy was gathering momentum but inflation was under control.

Nearly three-fourths of the executives polled expect the economy will have improved markedly by the end of next year. But only 37 per cent, compared to 38 per cent in February, said they planned to boost their total number of employees.

But they also saw potential negatives, with 74 per cent saying they thought inflation would increase during the Clinton administration.

Communal riots hit Bombay stock market

BOMBAY, Dec 13: Hindu-Muslim violence sparked by the razing of an ancient mosque in Northern India hurt prices on the Bombay Stock Exchange (BSE) this week, just when they had been looking up after a long slum, reports AFP.

The BSE sensex of 30 blue chip equities lost 160 points or 5.9 per cent to 2,536.87 in the two days of trading possible during the shortened week. The national index slumped 55 points of 4.5 per cent to 1,170.81 at Friday's finish.

A wave of violence stemming from Sunday's razing of the Babri Mosque in Ayodhya by Hindu zealots claimed more than 1000 lives in Bombay, India's commercial capital, forcing a closure of the market Monday to Wednesday.

When the market opened here, the sensex tumbled 146 points as investor confidence slumped amid speculation the government's economic reform programme may be derailed as its attention turns to containing the violent fallout.

Market sources said they feared a fall in foreign investment flows and a downgrading of India's credit rating as communal tension persists over the mosque's razing, which has taken a toll of more than 1,100 lives across the country.

The fall came when market analysts had been hopeful of a recover from a prolonged slump fuelled by poor irst-haf corporate results and a recession and rising industrial cost. The sensex had gained 210 points the previous week.

The Associated Cement co's stock lost 225 rupees and finished the week on 2,350, textile firm Bombay Dyeing shed 25 rupees to 375 and Century Textiles dropped 325 rupees to 5,900.

Glaxo India scrip was down 27.5 rupees to 262.50, textile and petro-chemical giant reliance industries fell 22.5 rupees to 237.5, while truckmaker Tata Engineering lost 30 rupees to 247.5 and Tata Steel fell 11.25 rupees to 223.75.

Uncertainty of Russian politics depresses world commodity market

LONDON, Dec 13 : Worldwide commodity prices were hit this week by the uncertainty of the political situation in Russia, after the Congress of People's Deputies rejected economic reformist Yegor Gaidar as candidate for the post of prime minister, reports AFP.

Commodities quoted in sterling were also affected at the start of the week by a sudden but short-lived rise in the value of sterling which made buying the London markets less attractive.

The prices most affected by Russian demand, notably cocoa, coffee, tea and sugar, dropped because of the country's pressing economic problems and the fall in domestic demand caused by a hike in domestic consumer prices.

However, events in the former Soviet Union helped precious metals, of which Russia is a large producer.

On the London metal Exchange, the prices of copper and lead were depressed by the rise of sterling, while nickel rose despite a heavy profit-taking fall and aluminium climbed because of a slight reduction in some stocks.

Gold : Slightly lower. The price of gold was almost steady, dropping only slightly against last week, affected by rumour of central bank sales linked to the strengthening of the dollar.

The instability and political uncertainty in Russia, the third largest producer of the metal after South Africa and the United States, and the heightened tension in South Africa, kept a check on the fall.

Platinum : Lower. Platinum fell back, suffering from profit-taking after recent gains following the violence in South Africa and a leap in the price of palladium.

Palladium, a metal from the platinum group, is used in the dental, electrical and car industries and last week reached its highest level for 27 months.

Silver : Weak. The price dropped in line with other precious metals, with dealers uncertain over the situation in the former Soviet Union and unhappy about the high level of world stocks.

Signs of an economic recovery in the United States and Japan Limited the losses.

Copper : Slightly higher. The price of copper rose very slightly in trading on the London Metal Exchange (LME), falling as the pound strengthened early on the foreign exchanges, but then recovering as the pound fell back.

Lead : Quiet. The lead market was quiet this week with the price dropping slightly on the same currency factors that his copper before recovering to trade at a similar level to the week before.

LME lead stocks rose 4,050 tonnes to 205,700 tonnes.

Zinc : Lower. Zinc came under pressure after failing to hold the psychologically important 1,100 dollar per tonne level and fell steadily through the week.

Prices rallied briefly on news that Australian producer Mount Isa mines was reducing lead and zinc output but dropped back after figures showed stocks of the metal rising on the LME.

Aluminium : Higher. The price of aluminium moved higher through the week with good news on production cutbacks suggesting a slight easing of the heavy stockpile of aluminium around the world, dealers said.

Nickel : Higher despite fall. The price of nickel emerged from the week higher than it had been the week before despite a precipitate 250 dollar per tonne fall on Wednesday.

Tin : Higher. The price of tin rose over the week in generally quiet trading, dealers said. On the LME, stocks of tin rose 245 tonnes to 14,680 trading, dealers said. On the LME, stock of tin rose 245 tonnes to 14,680 tonnes.

Coffee : Uneven. The market rose to its highest level for a year on fears of a major tightening of supply.

According to Brokers E D and F Man, the market will continue to rise in the first quarter of 1993, boosted by the slowdown in exports from Brazil and Colombia, the world's two leading producers.

Sugar : Lower. The price of sugar dropped over the week, hit by the announcement from Russia that it would cut sugar imports by half. Private importers are thought likely to try to make up the difference between official imports and the market's needs.

Vegetable oils : Weak. The price of vegetable oils dropped in line with coconut oil, which fell to lowest level since September 1991 after heavy deliveries from the Philippines and Indonesia.

The price of soya oil remained steady despite the upward revision of the US Department of Agriculture's estimate of its soya bean exports in 1992-93.

Oil : Recovery after weak start. After falling below 18 dollar/barrel, its lowest point for nine months, the price of oil started a weak recovery, strengthened by uncertainty in Russia and rumours of a reduction in Iranian output.

However, the unexpected announcement by Iraq that it would co-operate with the United Nations investigation into its nuclear capabilities depressed the market, which saw the lifting of UN sanctions against Iraq as more likely.

Rubber : Quiet. The price of natural rubber was strengthened by heavy rains in Asia, which affected harvests, and by strong demand from tyre manufacturers.

The short-lived rise in the value of sterling at the start of the week limited gains on the market, which was expected to quiet down ahead of the Christmas holiday season.

Grains : Recovery after weak start. Having fallen at the start of the week following International Wheat Council (IWC) prediction the 1993/94 harvest and events in Russia, the prices of wheat and barley made a technical recovery.