Delors satisfied with agreement

PARIS, Dec 14: European Commission President Jacues Delors said Sunday he was satisfied with the agreements wrung out of the two-day summit at Edinburgh which ended late Saturday. EC leaders had shown they were capable of overcoming "The stagnation of the economy. monetary incidents, the Danish no (in a referendum on European union) and open disputes among member states." Delors said in an interview on French radio, reports AFP.

Taiwan, Saudi Arabia discuss jt-venture

TAIPEI, Dec 14: Taiwan and Saudi Arabia will discuss building a joint-venture oil refinery with a capacity of 150,000 barrels per day at economic talks this month, the semi-official central news agency said. Taiwan would benefit from the project by securing a stable supply of oil products. Chen Kuo-Yung, president of Taiwan's stateowned Chinese Petroleum Corp. told the agency on Saturday, reports Reuter.

OAS seeks UN help for Haiti-embargo

WASHINGTON, Dec 14: The Organisation of American States voted Sunday to seek United Nations help in enforcing a thus-far ineffective Western Hemisphere oil and arms embargo against Haiti's military-backed government. In its final form, the resoluauthorised OAS Secretary General Joao Clemente Bena Soares to "explore the possibility and advisability of submitting the Haitian situation to the attention of the UN Security Council... to achieve a universal application of the embargo" the OAS imposed 14 months ago, reports AP.

Singapore expects more tourists

SINGAPORE, Dec 14: Singapore expects tourism to have grown by seven to nine per cent this year, the senior minister of state for trade and industry said. Sluggish economies have affected some of the main tourist markets but the number of visitors from Asia and new markets such as South Africa has risen, Lim Boon Heng said in the text of a speech, reports Reuter.

Visnews named Reuters Television

LONDON, Dec 14: Reuters has said it was changing the name of Visnews, its television subsidiary, to Reuters Television following its recent purchase of 100 per cent of Visnews shares. Reuters Editor-in-Chief Mark Wood said the name change, to be phased in by the end of the year, reflected the rapid integration of Visnews into the Reuters organisation. Visnews is the world's leading television news agency and services some 650 television networks and broad casters in 80 countries, reports BSS.

Ramos to unveil plan for economy

MANILA, Dec 14: Philippine President Fidel Ramos will submit to Congress next week a sixyear plan intended to ensure that economic growth hits 10 per cent by 1998. **Economic Planning Secretary** Cielito Habito said here Saturday. Habito told a conference of Congressmen that the plan was formed in consultation with all sectors and that the government hoped to formally adopt it by early 1993, says AFP.

Japan's GNP to grow at 3.4 pc in '93

TOKYO, Dec 14: Japan's gross national production (GNP) for the next fiscal year starting in April will be officially projected to grow at a rate of 3.3 or 3.4 per cent in real terms, a daily said Sunday. The projection reflects Japan's weakening economy, the Sankei Shimbun said, noting that real GNP in the July-September quarter shrank 0.4 per cent from the preceding three months, writes AFP.

China cuts foreign reserve estimate

BEIJING, Dec 14: China has adopted a new method for calculating foreign exchange reserves, slashing the official tally to 23.2 billion dollar from over 40 billion dollar by calculating foreign exchange reserves. The new method does not include holdings in the Bank of China, Beijing's stateoperated bank for foreign exchange business, because these "cannot be used at will by the state," the Financial News said, reports Reuter.

'Europe without frontier' becomes reality on Jan 1

BRUSSELS, Dec 14: In less than three weeks the European Community will reach one of the most important dates in its history -January 1, 1993, the day that is supposed to user in a "Europe without frontier," writes Reuter.

But when European citizens wake up on new year's day, how much of a difference will they notice? How much of the seven-year effort to create a huge single market were people, goods services and capital can move freely will actually be in pace?

The definite answer is not vet clear because the Community is still working feverishly to complete its programme in the short time remaining, hoping to agree mea sures ranging from an EC trademark regulation to the removal of formalities on cross-border farm trade.

The executive European commission estimates that by the end of the year EC ministers will have agreed more than 95 per cent of the 282 measures outlined in a 1985 blueprint for creating a single market.

These range from initiatives to allow professionals to work throughout the EC and move its passport checks be-

consumers to buy insurance across borders, to technical rules designed to remove national barriers to trade in ev-

erything from toys to trucks. They have collectively made "1992" a household word throughout the world, even if the effort has been overshadowed by the unrelated conflict within the EC over the Maastricht Treaty on closer European union.

Many of the 1992 measures will not make an immediate difference to the lives of average citizens on January 1 Some will take years to implement fully, especially since EC states often take their time about turning them into na-

The real impact will be felt in the long run, if they make European businesses more competitive or give consumers a wider choice or lead to more professional mobility.

However, the stroke of midnight on December 31 will bring some noticeable changes. The community will not be-

come a free-travel zone at that moment as originally planned - perhaps the biggest disappointment of the single market effort.

Britain says it will not re-

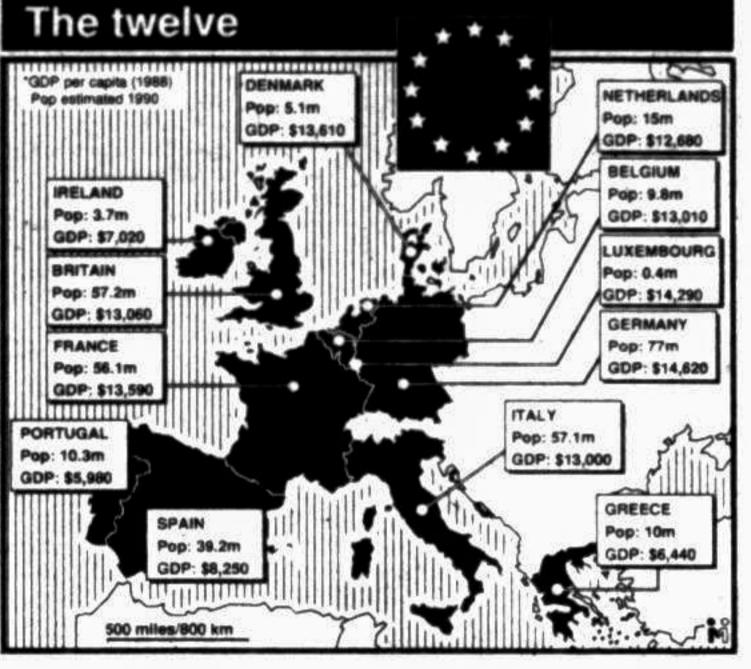
cause of concerns about immigration and crime. And the countries which have pledged to end all internal controls on people - all but Britain, Ireland and Denmark - are unable to reorganise their airports until end 1993.

However, travellers will still find a bit of a new world on

January 1. Customs checks on

baggage or goods carried between EC states will end. Shoppers will be able to buy as much cheap cigarettes, alcohol, jewellery or perfume as they want without having to declare it when they cross a border.

Business will also notice that things have changed. They



will no longer have to fill out millions of customs documents on products shipped to other EC countries. Truck drivers will be liberated from having to wait in long queues at borders for customs checks.

That doesn't mean that all paperwork on intra-EC trade

EC countries were not will to go as far as to give up their right to collect value-added taxes on goods that were purchased across borders, so companies will have to file tax returns to ensure the appropriate payments are made.

Some uncertainty remains. however, about the lifting of border controls on goods. Several key measures designed to ensure that EC states can do so safely have not yet been agreed - covering controls on explosives, for examples, and on "dual use" goods used for both military and civilian pur-

The commission's position is that member states must end their controls on goods on January 1, whether or not the back-up legislation is in effect. It plans to establish a committee of national representatives next week, partly to help resolve problems that might

If any governments baulk, they could face a legal battle with the commission, which has pledged to uphold the 1986 single European act in which EC states agreed to uphold the 1986 single European act in which EC states agreed to create an "area

without internal frontiers" but December 31, 1992. The executive has already threatened to take Britain to the EC's European court of justice if it cannot negotiate a satisfactory solution to the conflict over passport checks.

But even if all goes well, the EC's work will not be over on January 1. Ministers and officials have started looking how to enforce the hundreds o measures that are already in place, using mechanisms such as EC-wide computer net works and public education about how citizens can defend their rights.

In fact, the courts could become a potent weapon for Europeans who don't think the single market is working properly. The court of justice ruled last year that under the right circumstances they could demand compensation from not implemented EC laws.

Liechtenstein votes to join free trade zone

VADUZ, (Liechtenstein) Dec 14: In a radical break with its powerful Swiss neighbour. the tiny principality o Liechtenstein on Sunday voted to join a huge European free

trade pact, reports AP. Authorities said 55.8 per cent of the electorate, or 6,720 people, voted in favour of joining the so-called European Economic Area, a free trade zone stretching from the Arctic to the

Mediterranean. About 44.2 per cent, or 5,321 people, were against joining the pact, Voter turnout was 87 per cent of the 14,000strong electorate.

The result came one week after a slight majority of the Swiss rejected the free trade pact. It means that the customs and monetary union that has bound the economies of Switzerland and Liechtenstein for the past 70 years will either have to be renegotiated or

Worried by signs that the Swiss might reject the pact and that the Liechtensteiners would follow suit, Hans-Adam in October demanded that the government hold the referennational governments who had dum ahead of that in Switzerland.

China seeks global role for its banks

BEIJING, Dec 14: China plans to open its banking and insurance markets further to foreign competition, while encouraging its own banks to expand aggressively overseas, one of the country's top bankers said, report Reuter.

"Our fast economic growth requires us to build up a closer relationship with our foreign (banking) counterparts," Chen Yuan, the Vice-Governor of the People's Bank of China, the country's central bank, told the China Daily.

The Industrial and Commercial Bank of China established a representative office in Singapore this year and Yuan said the Agricultural Bank and Communications

Australia to

face acute

unemployment

problem

Australia will probably face a

tough situation of high unem-

ployment for the next 20 years

as a study showed the jobless

rate is expected to be upto 13

per cent well into the 21st

The bleak projections were

made by the National Institute

of Economic and Industry

Researc' in Melbourne in a

study covering expected eco-

jobless rate will remain above

ten per cent until the middle

of the 1990s, dip until 2000

and then return to double dig-

its, local press on Monday

Australia has registered an

WASHINGTON, Dec 14: A that just cut into people's

Last week economists were sumer society, spending by

November .

consumer

willingness to spend because

they were losing the capacity

to do so," said David Jones, an

economist with Aubrey G

Americans fuels two-thirds of

Michigan said its consumer

confidence index rose to 91.4

per cent in mid-December

from 85.3 per cent in

quarter gross domestic prod-

uct forecast upward form 1.5

per cent to three per cent,

based on surprisingly strong

ing, "Economist Ed Yardeni of

spende

"We're revising our fourth-

national economic activity.

In the world's biggest con-

On Friday, the University of

Lanston and Co. in New York.

11.4 per cent of jobless rate in

November, the highest in 60

year ago, US consumers were

deeply depressed about the fu-

ture and most indicators of the

country's economic vigour

were heading downwards, re-

scrambling to revise upwards

their estimates for economic

growth in the final quarter of

1992 amid sings of growing

consumer optimism and more

rate fell for the fifth month in

succession in November and

retail sales increased for the

fifth month, a symmetry that

nearly highlights the link be-

tween job prospects and

"From mid-1989 to mid-

The national unemployment

ports Reuter.

spending.

spending power.

quoted the study as showing.

Under the projections, the

nomic activity up to 2015.

century, according to Xinhua.

CANBERRA, Dec 14:

Bank may follow suit. More Chinese banks are seeking footholds in Europe and North America, Chen was quoted as saying by the English-language daily. Chinese banks have set up more than 500 affiliates overseas. Chen said at least two foreign banks were expected to open affiliates in China this

month, Thailand's TM

International Bank in Shantou

and Japan's Sakura Bank in

Shanghai. "Although German banks have not formally submitted their applications, they have been contacting us frequently," he said, adding that a number of Dutch and Italian banks had made applications. He gave no further details.

By November, banks from 29 countries and regions had set up 225 representative offices in 14 Chinese cities, the China Daily said. Altogether 67 foreign-funded financial institutions had been approved to operate in 13 cities.

"It is unnecessary to work that the arrival of foreign banks will affect the Chinese banks' business," Chen said. "Opening our financial mar-

kets will have a positive effect on China's financial industry in terms of helping China pool foreign capital and introducing new management techniques to our own banks," he said. Chen particularly praised

Japanese bank in Chin. "While most other countries

are ignoring China's financial market, the Japanese have quietly gained a strong foothold in the country," Chen

Beijing is considering opening some inland cities to foreign banks, including Wohan, he said. Earlier this year China allowed overseas banks to open branches in Dalian, Tianjin, Ningbo. Nanjing and Gungzhou- all along the cost.

Previously full branches were confined to the coastal special economic zones and

Chen said China was considering allowing foreign banks to engage in renminbi transactions.

on itself and we will start to

see jobs created," Jones said.

the Boston Co. says presiden-

tial election on November 3

sumer attitudes began to

change. It settled who won and

made voters feel better be-

cause of president-elect Bill

Clinton pledge to focus " like a

"People feel that if things

lesser beam" on the economy.

get bad. Washington will step

in and that's reassuring con-

sumers," Sinai said, adding

that the steady improvement

in economic indicators

brought into question whether

the incoming Clinton adminis-

tration would go ahead with a

was the point at which con-

Economist Allen Sinai of



Japanese farmers wrecking a US-made car to protest US pressure to open Japan's rice market to foreign rice. Tokyo is facing increasing pressure to lift its ban on import of foreign rice after the recent US-EC deal to cut farm subsidies. Japanese farmers fear that competition from cheaper US rice will drive them out of their own market. They also burnt an effigy of Director General of GATT Arthur Dunkel to show their indignation at the US-EC - Star TV photo Optimism returns to US consumers

New York said. He added that

growing optimism" suggests

consumer recovery is sustain-

1991, the economy expanded

only by an anemic 0.6 per cent

month from July to November,

when they increased a moder-

ate 0.4 per cent after a 1.9 per

up his estimate for the in-

crease in total Goods and ser-

vices output, which GDP mea-

sures, to an annual rate of 2.75

per cent from 2.5 per cent

any growth we get above 2.5

per cent gets us to the level

"That's critical level because

during the fourth quarter.

Jones said he was pushing

cent rice in October.

annual rate.

In the last three months of

Retail sales went up every

Pindi may close 20 missions

ISLAMABAD, Dec 14: Pakistan economy commission has recommended the government to close 20 diplomatic missions abroad to cur-

tail non-development expendi-

ture, says Xinhua. Pakistan currently maintains diplomatic missions in almost 100 countries at the cost of approximately two billion rupees (about 80 million US dollars).

The commission, which was appointed last year to suggest cuts in administrative expenditure, handed over a report to the Finance Ministry early this month, saying the country cannot afford to spend such a huge amount on its foreign missions.

The report said that with the closure of the missions in 20 countries, 104 to 106 million rupee (41.6 to 42.4 million dollar) could be saved in foreign exchange.

The 20 countries are Greece, Lebanon, Mexico, Mozambique, the Democratic People's republic of Korea, Poland, Romania, Senegal, Tanzania, Yugoslavia, Myanmar, Niger. Portugal, Hungary, Czechoslovakia, Namibia, Tajikistan, Turkmenistan, Yemen and Somalia.

Finance ministry sources said here Monday that the commission's recommendations are being processed by the finance division and a final decision will be taken by the cabinet.

The report also said the Foreign Ministry and many diplomatic missions abroad are overstaffed.

Iran calls for fresh OPEC contacts to shore up prices

DUBAI, Dec 14: Iran called on Sunday for fresh OPEC contacts to shore up sagging world oil prices saying it was prepared to cut its production beyond guidelines agreed by OPEC last month if other members followed suite, reports Reuter.

After a week in which world oil prices continued to drop despite a late November OPEC agreement to reduce supplies, Iran said it was clear more cuts were needed.

An Iranian Oil Ministry statement issued in Tehran and made available to Reuters called on OPEC President Alirio Parra, Venezuela's Oil Minister to consult members on ways of strengthening the market. The statement said Iran was

prepared to reduce further its production level if other members agreed to do so."

Asia attracts more than half of direct investment to Third World Singapore, Thailand and

BANGKOK, Dec 14: Asia is attracting more than half the foreign direct investment FDI heading to developing countries, according to a UN survey released here on Monday, says

"Asia's share of total FDI in flows for developing countries rose from 25 per cent in the early 1980s to over 50 per cent in the early 1990s, surpassing Latin America which was traditionally the region taking most of the total flows," says the UN Development Programme(UNDP) paper.

But, it said, almost 70 per cent of foreign investment to the developing world went to only 10 countries, six of them in Asia: Hong Kong, Malaysia,

The Asian economies in transition receive only a small

portion of investment flows," it

The UNDP survey was issued to mark the opening of two days of talks here to dis-

countries. The discussions are organised by the foreign investment advisory service, a joint service of the World Bank group, with the support of UNDP.

cuss FDI flows to developing

Special focus during the discussions is to be put on Indochina. Vietnam, Cambodia and Laos are among the countries represented at the forum.

Saudi bank reacts bitterly to lawsuit MANAMA, Dec 14: Saudi guishes between the private

Arabia's largest bank, National Commercial Bank, is reacting bitterly to a lawsuit by accounting firm Touche Ross accusing the bank of fraud and racketeering over the failed Bank of Credit and Commerce International, reports AP.

The NCB, in a statement faxed to the Associated Press on Sunday, says it will countersue over the "cheap allega-

Washington on Wednesday, Touche Ross filed a lawsuit on behalf of creditors of BCCI seeing 10.5 billion dollar from NCB and its former chief operating officer, Khaled bin Mahfouz.

NCB, however, distin-

holdings of Mahfouz, whose family owns most of NCB, and the BCCI, of which Mahfouz was a director.

Mahfouz resigned from NCB this summer after he and an associate, Haroon Rashid Kahloon, were indicted by a federal grand jury in New York State on the same charges filed by Touche Ross, the court

appointed liquidators of BCCL. In the latest statement, NCB reiterated that "NCB was never a shareholder of the BCCI and has enough documents to categorically refute these allegations."

A counter suit would be filed against Touche Ross for "defamation."

Peru, IMF to sign accord to boost economy

LIMA, Dec 14: Peru is to sign an agreement in January with the International Monetary Fund(IMF) on a three-year economic programme aimed at slowing inflation, boosting the economy and easing poverty, Finance and Economic Minister Carlos Bolona said Sunday, reports

"The broad lines of the programme will be aimed at consolidating the results already achieved in stabilising the economy, widening the field of action of the structural transformation of the Peruvian economy, improving the viability of the balance of payments and alleviating poverty," Bolona told reporters.

Bolona was due to sign in Washington on Monday an agreement with the US government guaranteeing US investment in Peru.

He warned Sunday that the

watchword for 1993 economic policy would be austerity, adding that he would not use foreign reserves to cover backlogs in debt payments to the IMF and the World Bank. Peru's reserves currently

total some 1.8 billion dollar. Under the letter of intent for the IMF approved by the Peruvian government last weck, Lima will reduce inflation to 27 per cent next year, increase foreign currency reserves by more than 350 million dollar

fiscal stimulus package. where growth begins to feed 1992 we had steady job losses C J Lawrence Securities' in Most Asia-Pacific units lose ground against US dollar

HONG KONG, Dec 14: Most Asian currencies lost ground to the US dollar last week, with only the Japanese yen, Singapore and Hong Kong dollar, Thai baht and Philippine peso holding out against the trend, reports

Japanese yen: Up 1.25 yen on the week at 123.78 to the US dollar Friday.

The week's closing rates ranged between 123.78 yen and 124.87 yen. Dealers said market participants were in a

to stimulate the market. On Wednesday the yen jumped 1.04 yen following the US unit's setback against the German mark on overseas markets.

wait-and see mood, looking for new elements

The day before, a senior trade official said the yen should be allowed to rise from its current rate of around 125 yen to 118 yen to the dollar to help reduce Japan's trade surplus.

South Korean won: Down 3.90 won at 790.20 to the US dollar at Saturday's close. The won has devalued by 3.8 percent against the Greenback since the beginning of the year.

Dealers attributed the slide to a strong demand for Greenbacks to pay for imports, as well as to prospects that exports might drop by 500 million dollar due to a government probe of Hyundai heavy industries, suspected of advancing funds illegally to a political party run by its founder Chung-Ju-Uung.

Singapore dollar: Up at 1.6405 to the US dollar Friday, against 1.6410 a week previously. It was also firmer against the British pound at 2.5387 (2.5970), but weaker against the yen at 1.3219 (1.3175).

Taiwan dollar: Down 1.75 Taiwan cent at 25.465 to the US dollar Friday.

It finished mixed against major European currencies, closing at 39.63 to the British pound (39.75 the previous week), 4.72 to the French franc(4.73 and 16.12 to German mark (16.08).

Hong Kong dollar: Up at 7.7423-7.7433 to the US dollar at the close Friday, against the previous week's 7.7452-7.7462. The effective exchange rate index Friday was 114,10, up 0.10 from Thursday.

from the previous Friday's local close of 69.37. The Aussie weakened on data released Thursday revealing that unemployment was running at 11.4 percent, a post-World War II record.

The central bank's trade weighted index, which measures the Australian dollar against a basket of major trading currencies, closed at 52.1 points, off 0.4 points.

New Zealand dollar: Down at 51.70 US cents Friday, from the previous week's 51.75

The Kiwi has been in a shallow dive for several months and wide range of market commentators say the trade weighted index is falling below the central Reserve Bank's safety The bank is expected early next week to

announce whether it will tighten up the money supply to counter the inflationary aspect of the Kiwi's fall. Thai baht: Up three satangs at the close Friday at a mid-rate of 25.46 baht to the US

Australian dollar: Down at 69.11 US cents dollar, from the previous week's close of Malaysian ringgit: Down at the close Friday

> at 2.5458 to the US dollar, from 2.5370 previ-Dealers said the lower ringgit partly stemmed from increased commercial demand

> for the Greenback by local oil companies and banks to meet working requirements. The ringgit also closed lower against the mark at 1.6080 from 1.6021 previously.

dollar at the close Friday, against 25.482 previously. The appreciation of the peso has concerned exporters who are insisting that the govern-

Philippine peso: Up at 25.411 peso to the

ment interven to bring it down. Dollar have been pouring into the country's stock and money markets since the government liberalised foreign exchange regulations earlier this year, causing the peso to rise

against the dollar. Indonesian rupiah: Unchanged at 2.059 rupiah to the dollar Friday.

China to become net importer of oil

BEIJING, dec 14 : China will become a net importer of oil as carly as 1995 with domestic production unable to keep pace with fast economic growth, an official newspaper said Sunday, reports AFP. "The country's oil imports

are expected to equal or ex-

ceed exports by 1995," the English-language China Daily quoted experts as saying. Based on a economic growth forecast of eight or

nine per cent, China would become a net oil importer by 2000, an unnamed trade official was quoted assaying. But with most economists

prediction continued doubledigit growth, the country will likely import more oil than it export at an earlier date.