BRIEFS

Pindi to double oil output

KARACHI, Jan 1: Pakistan plans to double its daily oil production to about 123,000 barrels by 1998, the Minister for Petroleum and Natural Resources Chaudri Nisar Ali said Thursday. The country has signed eight new agreements for oil exploration with companies, bringing the number of concession agreements to 22 in addition to another eight with the oil and gas development corp. of Pakistan, the minister said, reports AFP.

Special coin to be struck in UK

LONDON, Jan 1: A special coin will be struck to commemorate the 40th anniversary of Queen Elizabeth's 1953 coronation, British officials said on Friday. The five pound 7.70 dollar coin, though legal tender from Friday, will not be generally available until June and is not intended for general circulation, reports Reuter.

UK phone company cuts prices

LONDON, Jan 1: Britain's largest phone company said Wednesday it will mark Britain's entry in to the single European market by slashing the cost of phone calls to European Community countries by almost 25 per cent throughout January. A four-minute call to Greece, Portugal or any other country in the 12-nation European Community will cost just 99 pence (1.50 dollar) during the month under the plan, reports AP.

UK oil output rises to 2.03 BPD

LONDON, Jan 1: Oil output in Britain rose to 2.03 million barrels per day, its highest level for a year, the Royal bank of Scotland said in its monthly report on Wednesday. Output was stimulated by the weakness of sterling and by the efficient operation of several fields, the report said, reports AFP.

PIA's operating profit $60.8m

KARACHI, Jan 1: Pakistan International Airlines (PIA) made an operating profit of 1.58 billion rupees (60.8 million dollar) in the fiscal year to the end of June 1992, turning round a loss of 117 million rupee (4.5 million dollar) in the previous year, PIA's chairman said Thursday. The airline's operating revenue of 20.44 billion rupee (786 million dollar) was up 21.3 per cent on the previous fiscal year, Anwar Zahid told the airline's annual general meeting, reports AFP.

Singapore rubber market unchanged

SINGAPORE, Jan 1: The Singapore rubber market ended the year with a flurry of activity and prices unchanged from the previous trading day. Basis February held at 141.50 cents while TSR award February stood firm at 141.50 cents at the end of trading Thursday. During the first session there was some covering of RSS against sales made at the close of the previous session which lifted prices, reports AFP.

Czech economy better than Slovakia

PRAGUE, Jan 1: The Czech republic, comprising Bohemia, Moravia and southern Silesia, is better placed than Slovakia to face independence on Friday. It has established a good image since emerging from communism, enjoys political stability and has succeeded in managing change towards a market economy, reports AFP.

Franco's policies remain vague

BRASILIA, Brazil, Jan 1: Brazilians are glad President Itamar Franco is nothing like his flashy predecessor Fernando Collor de Mello. But they're divided on whether they want his policies to be as drastically different. Franco, who is famous for his personal integrity, was sworn in as president Tuesday after Collor abruptly resigned amid charges of massive corruption. Everyone wants the new president to curb inflation, now about 25 per cent a month, and to pull Brazil from one of the worst economic crises in its history. Over the past two years, high interest rates and tight credit — meant to rein in inflation — have thrown the country into deep recession, reports AP.

Weak prices liable for OPEC division

LONDON, Jan 1: Weak oil prices in 1993 may challenge the OPEC producer club to overcome divisions and put new curbs on supply or risk retreat becoming a rout, reports Reuter.

A clutch of unsold cargoes of North Sea oil was the latest symptom this week of a flat world petroleum market, industry officials said.

High output from the Organisation of Petroleum Exporting Countries (OPEC) is one problem. Demand is also generally sluggish in a feeble global economy. And a mild US winter has created a pool of heating fuel.

Markets for prompt delivery are "buckling under pressure of unwanted material," says Petroleum Intelligence Weekly (PIW), a New York industry newsletter.

So far, however, oil prices are only doing what they did a year ago. They began a decline in October 1991 as soon as refiners felt comfortable about stocks for the northern winter and curbed their purchases of OPEC oil.

Prices then bottomed out in January 1992 and rallied in April to reach a peak of dollar 21 June for a barrel of the world benchmark brent blend of crude oil.

Last January 10, for instance, brent fell below dollar 17 per barrel. This compares with around dollar 17.80 now.

A new OPEC production accord takes effect on Friday, designed to balance the market by capping volume from the 12 members — Equador is leaving — at around the current level just under 25 million barrels per day (BPD).

But some traders are sceptical on whether agreed buts will be made and differences have also emerged within OPEC itself on whether the accord is adequate.

OPEC's President, Alirio Parra, has said he thinks that quota discipline will be good and that, as last year, the bottom of the annual pricing cycle has probably now been reached.

Iran, however, wants Parra to arrange a new cut of two per cent or, on paper, almost 500,000 BPD.

Sources close to OPEC say they thing Iran's proposal in its present form might be hard to implement.

But they expect Parra to renew contacts with other ministers next week, partly to prepare for the February 13 meeting when more quota cuts will almost certainly be needed.

The sources said that any perilous new drop in prices, that took them below the 1992 low, would intensify OPEC pressure on Parra to try to use his contacts to arrange some kind of short-term action to bolster the market.

The spotlight would then particularly fall on Saudi Arabia, the OPEC lynchpin which produces about one-third of OPEC oil.

The Saudis have said little since December 9 when Oil Minister Hisham Nazer appeared to share Parra's faith in the current OPEC accord and predicted a correction in prices.

Western industry executives say it is folly to try to second guess Saudi Arabia.

But they note that among declared contours of Saudi policy are an aversion to wild prices gyrations, up or down, plus a reluctance to act alone any more as OPEC "swing producer."

That policy seems not to exclude Saudi crisis cuts — but only if prices were really in free fall and if others in OPEC shared the burden and were not cheating on quotas.

China exceeds Taiwan's market share in US, Japan

TAIPEI, Jan 1: China's market share in the United States and Japan exceeds Taiwan's share, a top official said Thursday, reports AFP.

"Our market shares in the United States and Japan had for the first time fallen behind those of the mainland in October," Economics Minister Vincent Siew told parliament. "Beijing has become our keen competitor in our major markets."

Taiwan recorded a share of 4.7 per cent in the US market in October, while China gained 4.9 per cent, and in the market share in Japan, Taipei took four per cent while Beijing captured 7.2 per cent, Siew said.

"This means we can no longer rely on our exports of labour intensive products since the mainland has gradually outcompeted us in this area," Siew told MPs here, adding it was necessary for the island to speedily upgrade its industrial structure and develop more high-class and high-tech goods.

Statistics released by the board of foreign trade show that Taiwan's market share in the United States has dropped form 5.17 per cent in 1989 to 4.76 per cent in 1991, but Beijing has increased its market share in the United States from 2.53 per cent to 3.9 per cent in the period.

Taiwan's share of the Japanese market has plunged form 4.25 per cent to four per cent in the same period, while Beijing's market share there has shot up from 5.28 per cent to six per cent.

The board said China's textile exports to Japan and the United States have increased three fold in the period, while shipments of footwear, briefcases and umbrellas have increased substantially.

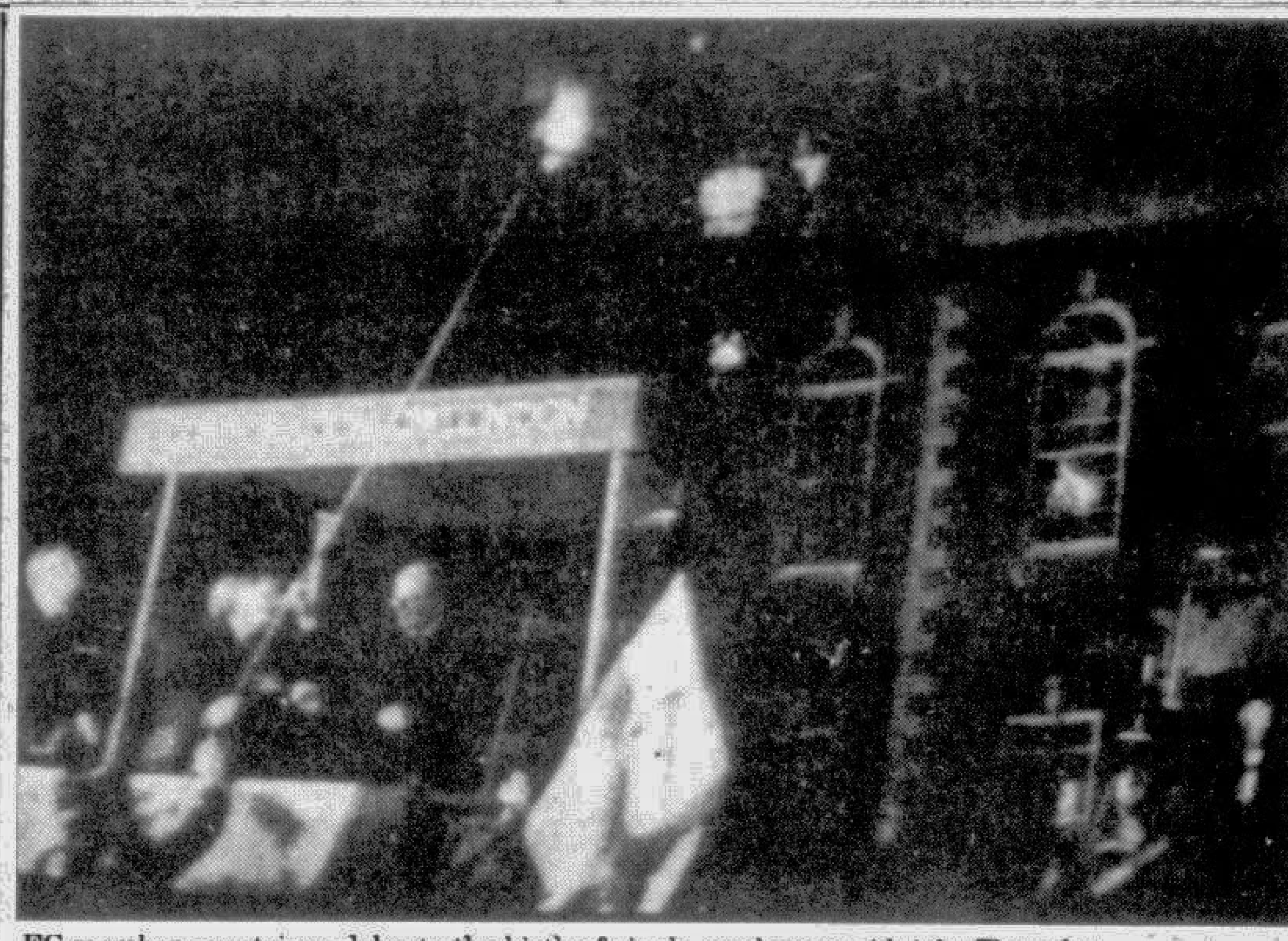
Moscow to develop new diamond field

MOSCOW, Jan 1: Authorities in Russia's far northern region of Arkhangelsk have approved plans to develop a vast new diamond field north of the Arctic circle, Itar-Tass news agency said on Sunday, reports Reuter.

"Based on research from the Russian State Committee for the Ecology, the Arkhangelsk Ecology Committee has given permission for the mine to be developed," Tass said.

No decision had yet been make on whether open-cast mines or underground shafts would be the best way to extract gems from the field, Tass said.

Geologists say the Lomonosov diamond field; discovered seven years ago, could produce one tenth of the world's rough diamond output when it is fully operational.



EC member countries celebrate the birth of single market at midnight Thursday. —Star TV photo

Russia for further economic coop with China

MOSCOW, Jan 1: Russian deputy Prime Minister Alexander Shokhin said yesterday that Russia was optimistic about further development in its economic cooperation with China in 1993, reports Xinhua.

In an interview with Xinhua, Shokhin said Russian President Boris Yeltsin's successful visit to China during December 17-19 had underscored the great potential that existed for bilateral cooperation.

Shokhin, the Russian chairman of the Russian- Chinese committee for economic and technological cooperation who accompanied Yeltsin to China, highly evaluated Yeltsin's visit and outlined the bright prospects for economic cooperation between the two countries.

"The 24 documents, including one on 1993 economic and technological cooperation, signed during the Yeltsin's China visit had laid firm foundations for such cooperation, he said.

The trade volume between both sides in 1992 exceeded the total volume in 1990 between China and the former Soviet Union, he said.

Corrupt persons mixing business with politics in Russia

MOSCOW, Jan 1: Corrupt politicians in Russia are mixing business with politics by running lucrative private companies and using their public office to further their commercial ambitions, a senior official told the daily Rossiskaya Gazeta, reports AFP.

In Diamond-rich Yakutia in Russia's far east, the ministers of trade, labour and of social welfare, the republic's Chairman of the Privatisation Committee, the Deputy Minister for Construction, a Mayor, and the Vice Chairman of the Foreign Economic Relations Committee had all branched out into private business while remaining at their posts.

"The President of Yakutia is well informed about these violations but he chooses to do nothing" complained the Vice President of Parliament Sergei Filatov in an interview published Wednesday in the Rossiskaya Gazeta.

Filatov described a dozen cases when local officials throughout Russia have taken advantage of their position to set up "commercial structures" in the most lucrative areas of trade: diamonds, oil, precious metals, real estate.

The Russian prosecutor's office has uncovered 1,037 cases of violations of conflict of interest guidelines adopted by the parliament in March and later tightened by President Boris Yeltsin's April 4 decree on fighting corruption in the public service.

"Bureaucrats are not only continuing to participate in commercial structures while in office but we could even say that phenomena has taken on massive proportions," said Filatov.

In the city of Tver, located about 150 km (90 miles) from Moscow, the chairman of the Soviet or local administration was charged under the new legislation for having set up a joint-venture with a German partner while his deputy founded a textile company, Filatov said.

In the Altai region bordering Kazakhstan, the Chairman of the Soviet there set up a construction firm while in Orenburg, birthplace of new Prime Minister Viktor Chernomyrdin, located in central Russia, local leaders were appointed to the board of directors of a metal works plant that recently managed to attract foreign investment.

In Moscow, the Soviet of the capital's north east Dzerzhinksy district has offered property in exchange for participation in a joint-stock company called "Sovribflot" while the city's housing committee has set up a real estate business.

'Reforms helped Vietnam to achieve rapid economic growth in '92

HANOI, Jan 1: The Vietnamese economy developed very rapidly in 1992 thanks to the reform and opening to the outside world that began six years ago, reports Xinhua.

Since Vietnam adopted this policy in 1986, the government has taken many effective measures to develop its economy in a bid to shake off poverty.

In 1992, the country made great gains in agricultural production. The total grain yield reached 24 millions tons, a record, and rice exports rose to between 1.8 and 2 million tons, maintaining Vietnam as the world's biggest rice exporter for the fourth year.

Meanwhile, animal husbandry, forestry, and fishing all increased over the previous year.

On the basis of the past two years smooth development, Vietnamese industry made obvious progress in 1992. The total volume of industrial products increased 15 per cent over that in 1991.

In 1992, the Vietnamese government for the first time controlled the inflation rate while maintaining economic development. The national income increased 5.2 per cent over 1991. Through two years efforts to bring inflation under control in 1990 and 1991, the annual rate fell from 74 per cent in 1986 to 15 per cent in 1992.

In 1992, the total value of Vietnamese exports increased 19 per cent over 1991, since 1986, the Vietnamese government has overcome many difficulties to develop exports.

During 1986-1990, the annual export increasing rate was 27.5 per cent. In 1986, exports were only one fourth of import. In 1992, Vietnam gained a favourable, balance of trade. The exports of crude oil, rice, water production, rubber, coffee, and garments all over fulfilled the set targets.

To attract more foreign investment, the parliament ratified new laws with later revisions.

Upuntil December 25, 1992, the government had approved 556 foreign investment projects with a total investment of 4.6 billion US dollar, equalling the sum total for the previous four years.

To provide a favourable environment for foreign investment, Vietnam had signed investment protection agreements with 11 countries.

However, Vietnam still faces many problems its economy developed in unstable manner, the financial deficit looms large and productivity is very low with a very weak competitiveness. In addition, social problems are becoming ever more serious.

1993 will be the key period for the current five-year plan (1991-1995). According to the government's new year plan, the Gross National Product (GNP) should increase by seven to 7.5 per cent, and the gross value of industrial and agricultural output by 9 and 4 per cent respectively.

The government has also decided to attract more foreign investment by creating three economic zones, centered on Hanoi, Hochi Minh City and Da Nang, in a bid to promote the economic development of the whole nation.

Kuwait will sell oil products to Pindi

KUWAIT, Jan 1: Kuwait will supply Pakistan with three million tonnes a year of oil products for three years beginning 1993, oil sources in Kuwait said on Thursday, reports Reuter.

They said Kuwait Petroleum Corporation (KPC) will sell Pakistan 1.6 million tonnes a year of diesel oil from 1993-1995, fulfilling around 50 per cent of Pakistan's needs.

Fuel oil will make up the bulk of the remaining 1.4 million tonnes a year, but the agreement also includes gasoline and kerosene, the sources said.

They said the deal was a cost and freight contract at gulf prices plus a premium, but gave no further details.

Pakistan signed a short term contract with Kuwait earlier this year for supply of diesel oil, but has bought most other products on the spot market.

A KPC official declined to comment on the quantities involved in the new contract, but said: "This agreement restores our old relationship with Pakistan to fulfill their product requirements."

Before the Iraqi invasion of Kuwait in August 1990, the Emirate supplied Pakistan with around three million tonnes a year of diesel oil, he said.

Kuwait refineries, severely damaged during Iraq's seven-month occupation of the emirate, are currently processing around 420,000 barrels per day of crude oil compared to a pre-war capacity of 770,000 BPD.

Gold and silver losing 'safe heaven' position for long term investment

BOMBAY, Jan 1: Both silver and gold are essential commodities for industrial use as well as an investment against inflation and a saving in a form of ornaments and articles, report PTI.

But the steep fall in both the precious metals during the current year clearly indicates that gold and silver is losing its position as the 'safe heaven' for long term investment.

Gold prices have been gradually sinking down from a high of Rs 5,000 per 10 grams attained in January to Rs 3947 at the end of 1992.

The sharp fall in prices of gold of Rs 1053 per 10 grams was due to sustained heavy arrivals of gold through Non-Resident Indians (NRIs), the partial rupee convertibility, the booming stock market, liberalised industrial policy, good crop production due to favourable weather, tight money market and bearish trend in international prices.

The government legalised import of gold through NRIs which totalled 91 tonnes in December 27 against a target of 35 tonnes fixed for 1992-93 financial year. The total revenue through duty was Rs 206 crore, even though the duty tax was reduced from Rs 450 to Rs 220 per ten grammes to encourage NRIs to fetch in gold.

The legal import of gold has brought the smuggling activity to a standstill as the profit margins have been reduced on account of low prices.

Gold prices ruling as high as Rs 5,000 on January 17, 1992 nosedived to Rs 4150 on March 3, on panic selling as a result of the gold import policy.

At the same time, the booming stock market absorbed the funds leaving very little cash to invest in precious metals.

As the festival season approached, prices rose on good demand from ornament makers and ruled slightly above Rs 4200 level but fell sharply to Rs 4070 on June 30 as against Rs 4951 last year on heavy stockists unloading.

The stock-scam, brought the prices to a standstill as funds were blocked.

The monsoon season, witnessed usual slackness and prices were seen holding a tight rein in the absence of buyers. However, favourable weather raised hopes of good harvest and investment opportunities for farmers.

A nominal rise was evident during the festivity season till early November in the range of Rs 4,000-4200.

The fall, thereafter, was cushioned by good offtake at lower levels. Dealers were awaiting the announcement of the silver import policy and gold bond scheme and preferred to hold on to their stocks.

Trading was lacklustre from November onwards as prices sometimes showed a fluctuation of just a rupee as dealers were uncertain about the government's decision on the scheme.

My most urgent task to revive economy: Kim

SEOUL, Jan 1: South Korean president- elect Kim Young-Sam said on Friday his most urgent task in 1993 would be reviving the country's economy, reports Reuter.

"It is urgent, first of all, to turn around the stagnating economy. I believe the nation can be revitalised only when the economy regains vitality," Kim said in his new year's message to the nation.

Kim, who won the December 18 election, will take office on February 25. He will become the first president in more than three decades who is not a former general.

In his message, Kim told the nation that reunification with North Korea was not just a dream and would be accomplished by the end of the century.

"We must steadfastly prepare to realise the ardent desire of all Koreans for unification by the end of the century," Kim said.

"We would be happy to come to the aid of our compatriots in the North, if only they would cast off their cold war shackles and show a true willingness to go allow with the new world trend toward openness and cooperation," he said.

In his new year's message to the nation, Roh Tae - Woo also said unification with the North was just around the corner.

"No one will be able to halt the wheel of history that has begun to roll towards the peaceful unification of our people," Roh said.

"A unified homeland flourishing with democracy and affluence is becoming an attainable goal, rather than remaining a dream."

Pak economic growth 6.4 pc in '92

KARACHI, Jan 1: Pakistan's economy grew 6.4 per cent in 1992, but the current account deficit swelled to five per cent of the gross national product (GNP), an official report said Thursday, reports AFP.

The growth rate of 6.4 per cent in gross domestic product (GDP) was attributed to 6.8 per cent growth in commodity production and 5.9 per cent growth in services, the State Bank of Pakistan said in its annual report.

The agriculture sector grew 6.4 per cent mainly due to higher cotton production, it said. The manufacturing sector grew 7.7 per cent compared with 6.3 per cent a year earlier.

Exports rose 12.1 per cent to 6.9 billion dollar during the year while imports soared 21.3 increase to a record 9.3 Billion dollar.

The current account deficit stood at 2.2 billion dollar, which was five per cent of the GNP as against 3.7 per cent the previous year, aslide blamed on the decline in remittances from overseas Pakistanis, the report said.

The net inflow of long-term capital doubled to 2.06 billion dollar, which included a doubling in foreign investment to 562 million dollar.

The report said inflation slowed to 9.6 per cent during the year compared to 12.7 per cent in 1991.

Asian economies need preventive measures to avoid AIDS shock

NEW DELHI, Jan 1: By the turn of the century, Asian economies may be in for an 'AIDS shock' that even the more buoyant among them will be unable to absorb, reports IPS.

Experts say the region is on the threshold of an HIV epidemic. Unless preventive steps are taken it will have to pay a far heavier price in lost incomes and productivity than in providing medical care for those affected.

Worse still, the bulk of this loss will be borne by the poor who are most vulnerable to the AIDS virus. Thereby worsening existing economic inequalities within regional countries.

These days, economists are joining medical and behavioural scientists studying the HIV virus as realisation grows that AIDS threatens even the economic health of nations.

"AIDS is a costly disease but the medical costs are minor compared to the loss of income from morbidity and mortality among the afflicted," says David Bloom, one of several experts present at the second international congress on AIDS in Asia and the Pacific held here in November.

The Economics Department Chairman of Columbia University in the United States, Bloom also says investment in efforts to keep the AIDS virus from spreading will yield a high economic return, in saving both medical costs and loss of economic output.

Earlier, the United Nations Development Programme (UNDP) released a study here called "AIDS and Asia: A development crisis". The study warns that an epidemic will have "potentially staggering economic consequences."

Bloom and his colleagues at Columbia University have calculated the indirect economic costs of AIDS to be at least ten times the direct costs of medical care for each patient.

While the medical expense on each patient ranges from 1,000 US dollar in India to 2,000 US dollar in Malaysia, the corresponding estimate for loss of earnings for every AIDS case are 10,000 US dollar and 85,000 US dollar respectively in these countries.

India is likely to have a million AIDS patients by the year 2000 and economists say this will mean a loss of 11 billion US dollar to the national economy. Thailand is expected to have half that number of AIDS victims but this translates into up to 20 billion US dollar in lost incomes and productivity.

Asia's booming sex tourism, tax regulations and the continuous migration of people in and out of the region are being blamed as the main causes for the fast spread of AIDS.

But the sex trade takes millions of dollar a year, and even the likes of the Thai government has been forced to admit its country's entire flesh industry is too big and ingrained in the nation's culture to shut down.

Kanchit Limpakarnajanarat of the Thai Public Health Ministry says about 2.4 million Thai men, women and children will be infected by HIV, which causes AIDS, by the end of the century.

Thai cabinet member Mechai Viravaidaya, the man who is know as 'Cohdom' for his efforts to get the government to recognise the threat Thailand faces from AIDS, estimates that 1,400 Thais become infected with HIV every day.

"With one million pregnant women in Thailand, it means 10,000 mothers-to-be are coming down with AIDS every year," said Khanchit. "Statistically, one-third of them will pass the virus to the child. The number will increase as the percentage of HIV in pregnant women rise."

The situation is made worse as Thai sex shops employ more and more young girls from neighbouring countries to service an ever-increasing number of customers.

Young girls from the isolated jungles and villages of Burma, Laos and southern China's Yunan Province have been kidnapped or lured with false promises of well-paying factory jobs into Thailand where they end up as prostitutes.

The Dissident Dawn news bulletin in Burma reported recently on the large-scale trafficking of people from Burma, including young girls and boys, for prostitution in Thailand.

"Burmese girls are in demand because Thai customers perceive them as AIDS-free," the paper said. "In reality, they do not remain unaffected for long."

The Dawn also described Burma as the "conduct for the AIDS route, which carries the infection from Thailand into remote tribal areas of India and China." Within Burma, exposure to AIDS is heightened by the lack of screening blood for transfusions and the practise of tattooing using unsterile brass rods.

Nearby Laos has been estimated to have only 11 HIV cases recorded so far. But the United Nations Development Programme (UNDP) warns: "Laos is threatened since it is a landlocked country with borders on southern China, Burma and Thailand, all of which have high rates of HIV infection."

Meanwhile, experts say Cambodia's infamous "killing fields" could soon take on another meaning as HIV spreads into a country just emerging form the ravages of decades-old war. Prostitution is thriving, driven for the most part by the presence of thousands of United Nations peacekeeping troops.