

BRIEFS

India offers blocks for oil exploration

NEW DELHI, Jan 5: The Indian government has offered 45 blocks in various parts of the country to Indian and foreign companies for the exploration of oil and natural gas, according to a press release of the Petroleum ministry available here yesterday. The release said that the blocks including 29 offshore and 15 onshore and one onshore block extending into offshore were offered under the round of bidding floated on January first, reports Xinhua.

India's inflation rate 9.4 pc

NEW DELHI, Jan 5: The annual rate of inflation based on the consumer price index for industrial workers for the month of November stayed at 9.4 per cent, the same as for the previous month. The index for the month of October (1982-100 as base) also remained constant at 244 points, according to the labour bureau here, reports PTL.

Taiwanese MP jailed for inside trading

TAIPEI, Jan 5: The Taiwan high court has upheld a six-month jail sentence against a member of parliament for insider trading, court officials said Sunday. Hsieh Lai-FA, a ruling Kuomintang (KMT) legislator, was jailed for six months by a district court for violating the securities and transaction law by selling his company's shares before announcing a deficit, the officials said, reports AFP.

Stocks mixed in New York

NEW YORK, Jan 5: The stock market hovered in a narrow range Monday, getting off to a sluggish start on a new year. Analysts said investors seemed hopeful of a rally now that the pressure of year-end selling for tax and portfolio reporting purposes has been removed from the market. But stocks have also been dogged of late by talk that interest rates might head higher in the months ahead. Most economists are forecasting improved growth and corporate profits in 1993, building on a late-1992 pickup in the pace of business activity, reports AP.

Pak steel output sets new record

ISLAMABAD, Jan 5: Pakistan turned out 92,147 tons of raw steel at 101 per cent capacity utilisation in December of 1992, the highest ever record, it was officially announced in Karachi yesterday. The production and December of 1990 was 83,430 tons of steel at 91 per cent capacity, which was the previous highest record. Sabeeh Qamar-Ur-Zaman, Chairman of Pakistan Steel Corp, attributed the record production to hard work of the workers and excellent cooperation between them at all levels, reports Xinhua.

Stocks fall, dollar rises and Tokyo

TOKYO, Jan 5: Share prices on the Tokyo Stock Exchange fell Tuesday morning, as the US dollar rose against the Japanese yen. The 225-nikkei Nikkei Stock Average lost 153.92 points, or 0.91 per cent, to end morning trading at 16,840.17 points. On Monday, the average gained 69.13 points, or 0.41 per cent, ending the half-day session at 16,994.08. The Nikkei ended 1992 6,058.82 points below its 1991 finish of 22,983.77 points. Last year's finish was less than half its record high close. Dec 31, 1989 of 38,915.87 points, reports AP.

Turkey's inflation drops to 66 pc

ISTANBUL, Jan 5: Turkey's inflation dropped slightly in 1992, to 66 per cent from 71 per cent in 1991, the State Institute of Statistics (SIS) reported yesterday. SIS also said that it was expecting a 5.4 per cent economic growth rate, compared with 0.3 per cent for the previous year. The 1992 budget deficit had been projected at 32,000 billion Turkish lira (3.72 billion US dollar) by the end of October, however, the actual deficit had already snowballed to that much, reports Xinhua.

Uruguay Round talks resume

GENEVA, Jan 5: The "Uruguay Round" of multilateral trade negotiations resumed here on Monday, on a quiet note and without any major events in the wake of a holiday break at the end of last year, sources said at the General Agreement on Tariffs and Trade (GATT), reports AFP.

A spokesman for the world trade agency said some bilateral negotiations had resumed

in connection with access to some markets and initial commitments in the services sector — but he gave no details.

Sources close to European Community (EC) negotiators said that, in the wake of the holiday season, there was "no feverish activity" in Geneva, but the negotiations should get back on track in earnest in the next few days, one EC source said community negotiators

were ready in Brussels to zip down to Geneva as soon as serious talks got under way again.

In particular, the EC is waiting to see how the United States, where a change of administration will take place on January 20, will approach the resumption of negotiations.

Before the Christmas-New Year's break, the two sides undertook to reach "substantial agreement" in the long running trade talks by mid-

500 millionaires in the land of socialist market economy

BEIJING, Jan 5: China's new socialist market economy has spawned more than 500 millionaires, although the average annual income of rural families is 110 US dollar, according to the China Business Time here Sunday, reports AFP.

"Some people have become rich through inglorious means, but it must be recognised that their spirit of enterprise is first class," the Friday edition of the newspaper quoted a tax official.

"We should respect these people of the new generation, they represent a force in the nascent socialist market economy," the newspaper said.

The article headlined "The Rich Men of 1992," claimed with undisguised admiration that in Shenzhen, the prosperous special economic zone in southern China, it was possible to get rich overnight, while only ten years ago such wealth was the stuff of dreams.

The enthusiasms of the author was nevertheless qualified by two statistics: The average annual income for urban families is 2,000 yuan (350 US dollar), and 630 yuan (110 US dollar) for rural families.

Individual enrichment was stigmatised by the Chinese Communist Party (CCP) for 30 years, but begun to be encouraged in the early 1980s, and almost became official dogma in 1992 with the acceleration of the economic reforms sanctioned by Patriarch Deng Xiaoping.

Former Nigerian Oil Minister Tam David-West on Sunday urged Nigeria to quit OPEC, which he accused of dishonesty and said was no longer taken seriously.

The Oxford University educated Asiudu is a member of a transitional council that will

run the day-to-day affairs of government for eight months, of extended military rule in Africa's most populous nation.

Asiudu said before commencing on his predecessor's decision to cut output by 10 per cent during the first quarter of 1993 to help boost world oil prices he would need to study it.

Officials of oil companies expect to receive new production quotas from the state-owned Nigerian National Petroleum Corporation (NNPC) by the end of this week.

David-West, Oil Minister from 1984-86, accused some OPEC members of output dishonesty at various times, adding this had been a chronic problem since the organisation was formed in 1960.

India, Bhutan sign accord to build \$160m dam

NEW DELHI, Jan 5: India and Bhutan signed an agreement to build one of Asia's biggest dams to generate power and irrigate farmland, the Bhutan embassy said today, reports Reuters.

The dam, on the Sunkosh river in Bhutan, will take 10 years and 760 million dollar to build and is designed to generate 1,525 megawatts of electricity and irrigate 500,000 hectares (1.2 million acres) of land in the Indian state of West Bengal.

The dam itself will be 600 metres (2,000 feet) long and 150 metres (500 feet) high.

Sir Brian, 57, a former member of the EIB's board of governors and currently board chairman of the British government's customs and excise office, will succeed Ernst-Guenther Broeder as EIB president.

The bank said in a statement that Broeder, a German banker and economist, had asked for early retirement from the post. He was appointed in 1984 and had been

Monkey business

JAKARTA, Jan 5: Indonesia exported the first 100 commercial captive-bred monkeys to the United States for medical and research purposes, reports Xinhua.

Paul Houghton, distributor of a private firm, CV Primates, was quoted by "The Indonesian Times" here today as saying that by the shipment there will be no longer any need for the capture of wild monkeys for this purpose.

The private company in a joint-venture with state forestry firm Perhutani shipped the Javanese monkeys at the end of last year.

The private company set up the country's first and only commercial primate wild breeding centre in 1,000 hectare Delhi island, West Java.

It is learnt that the annual world demand for monkeys had reached 20,000, while the US demand stood at 12,000.

Indonesia exported some 5,000 to 6,000 monkeys in 1992. But only 100 were captive bred. The rest were captured from the wild.

CV Primates planned to export 500 to 600 monkeys in 1993, 1000 to 2000 in 1994.

Indian bond scam Police accuse ex-top planner

NEW DELHI, Jan 5: Police investigating India's 1.2 billion dollar securities scandal filed corruption charges on Monday against a former top Planning official, domestic news agencies reported, according to Reuters.

They said the charges accused V Krishnamurthy, a former member of India's Planning Commission, of abusing his position to obtain "by corrupt and illegal means" 3.27 million rupee (105,000 dollar) from stockbroker Harshad Mehta, the alleged kingpin of the scandal.

The chargesheet, filed by the Central Bureau of Investigation (CBI) before a Delhi high court, also alleged that Krishnamurthy had used his influence to get a loan of 7.1 million rupee (229,000 dollar) for a company owned by his two sons from the Sanwa Bank.

India's Rs 35b disinvestment plan runs into trouble

NEW DELHI, Jan 5: India's ambitious plan to raise 35 billion rupee in fiscal 1992-93 (April-March) by selling shares in state firms, a key factor in reducing the budget deficit, has run into trouble, economists said, reports Reuters.

In two rounds of disinvestment in state firms, the government has raised 18.71 billion rupee and an industry ministry official said plans for a third round have not yet been finalised.

"The market is pretty tight," said V A Pai Panandikar, a former Secretary-General of the Federation of Indian Chambers of Commerce and Industry. He said the government's plan to offer shares only to state-owned mutual funds and banks was also a factor in the lukewarm response.

In the latest sale last month, the government offered up to five per cent of the equity of a 14 state-owned

firms, covering engineering, fertilizers, communications, steel and oil refining, but accepted bids for only 12, a total of 310.6 million shares of the 462.7 million on offer were sold.

Bids for shares of Bharat Heavy Electricals Ltd and Hindustan, machine tools, India's largest watch-maker, were below par, it said.

In the previous round in October 264.2 million shares were offered for sale, but bids for only 128.7 million shares were accepted.

Panandikar said this "had to be seen against the performance of private companies which raised 27 billion rupee in the past few months from new issues and rights issues."

Bankers and brokers have said companies will raise about 100 billion rupee form new issues in the six months ending March 31.

"A scheme to offer shares to the public has to be worked

out," Panandikar said of the government plan.

Prem Shankar Jha, an economist and former newspaper editor, agreed that shares had to be sold to the public to meet the target, but said there was a lack of funds in the market.

He said a recent 1.2 billion dollar stock scandal and the spate of new issues had dried up funds and the government could hold off selling more shares in state firms until it unveiled the next fiscal year's budget in February.

"It could be a reformist budget which will renew investor confidence in the economy," he said.

The government has emphasised that the partial sale of state firms is not a programme of privatisation because it intends to retain majority control over the companies and, present, is mainly offerings shares to state-owned mutual funds and banks.

Miyazawa rules out immediate opening of rice market

TOKYO, Jan 5: Prime Minister Kiichi Miyazawa Monday ruled out any imminent decision from Japan in response to international pressure to open its rice market under the current round of global talks on freer trade reports AFP.

He said suggestions had been made "here and there" for amendments to a proposal that all trade barriers should be replaced with tariffs which will be removed gradually.

"It is difficult to settle the matter all at once," he told a news conference after offering a customary new year's prayer at shrine, the grand sanctuary of Shintoism near Nagoya, central Japan.

"We can hardly estimate a timetable because there is a change of government in the United States as well," he was quoted as saying in news agency and television reports.



Picture shows activities inside the Paris bourse on Tuesday. Hectic trading was observed there following French central bank's announcement that prime interest rate would be reduced by 2.5 per cent. — Star TV photo

Gold futures prices drop to seven-year low

NEW YORK, Jan 5: Gold futures prices sank to a seven-year low Monday as a stronger US dollar and weak inflation out look prompted selling by Arab speculators and overseas producers, reports AP.

Gold for January delivery fell 4.70 dollar on New York's Commodity Exchange to 328.10 dollar a troy ounce, matching the Jan 3, 1986, settlement price for near-term deliveries. The more actively traded February contract also dropped 4.70 dollar to 328.40 dollar a troy ounce.

January silver sank 3.7 cent to 3.635 dollar a troy ounce.

Middle Eastern speculators were heavy sellers of gold futures in Hong Kong overnight, which started the slide, according to George Milling-Stanley, precious metals analyst with Shearson Lehman Brothers Inc in New York.

Central Asian republics want to form common market

MOSCOW, Jan 5: Leaders of five former Soviet Asian republics met on Monday and gave their backing to the fragile Commonwealth of Independent States, saying they wanted to move towards a common market and stronger economic ties, reports Reuters.

Interfax news agency quoted, Kazakh President Nursultan Nazarbayev as saying the five countries—Kazakhstan and the central Asian states of Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan—were taking steps to create a common market.

This would involve common import and export taxes and joint rules for investment and export policies, he said. But Nazarbayev said the five should continue to work with other former Soviet States, preserving the rouble as a common currency and creat-

ing a banking union to manage monetary policy and cash emission.

The five states which met in the Uzbek capital Tashkent are among the strongest backers of the commonwealth, a loose grouping of 10 former Soviet republics founded in December 1991 as the Soviet Union fell apart.

But the five countries have complained that they are being treated as "junior partners" in an organisation dominated by Russia, by far the biggest commonwealth state and the supplier of many finished goods and raw materials.

Kyrgyz President Askar Akyev told Izvestia newspaper the current shape of the commonwealth needed to be changed.

"Right from the start we suggested that the CIS should have a core consisting of the

states most tightly integrated economically, politically and militarily," Izvestia quoted Akyev as saying.

This core already exists in practice. It is Russia, Kazakhstan, Belarus, Uzbekistan and Kyrgyzstan. These countries favour integration, close economic cooperation and they are the first to become full-time members of the commonwealth. Let others decide on what terms they want to join the CIS."

The leaders at the Tashkent summit also agreed to step up aid to troubled Tajikistan, where refugees are fleeing a civil war between former Communists and Muslim fighters.

They said they would hold regular summit meetings. The next would take place in the Turkmen capital Ashkhabad.

1992 breaks new ground in US-East Asia economic, military relations

WASHINGTON, Jan 5: The year 1992 saw significant evolution in US/Asia-Pacific military and economic relations, writes USIS.

America's largest military base in East Asia—the Subic Bay Naval Station—was permanently closed in November, marking a turning point in the defence philosophy that espoused large permanent installations on foreign soil.

As the US role in the region changes, the responsibility of Asian countries, individually and multilaterally, will increase, according to Robert B Zoellick, who is both undersecretary of economic and agricultural affairs and the counselor of the State Department.

In an address before the Asia Society in February, Zoellick said that it is now time for countries like Japan—as well as the region as a whole—to stand up and support initiatives such as the Uruguay Round trade negotiations that benefit the entire world.

Among the major challenges facing both the United States and the Asia-Pacific region, he said, is fostering of international economic growth and integration.

To this end the United States has ceaselessly pressed for breaking down trade barriers and creating "a level playing field" as a means of stimulating world trade and economic prosperity.

"We want free trade, we want fair trade, and we want abundant trade," President Bush emphasised in an address on trade policy delivered in Missouri in January.

US trade ties with Asia have become increasingly important, outstripping those with Europe. In 1991, US trade with Pacific Rim nations reached 316,000 million dollar, or 43 per cent more than trade with Western Europe of 221,000 million dollar. According to the State Department, in 1991 about 30 per cent of total US foreign direct investment—more than 134,000 million dollar—was channeled into economies belonging to the Asia-Pacific Economic Cooperation (APEC).

President Bush visited Japan in early 1992 to enhance US-Japanese economic relations. Between them, the United States and Japan account for 40 per cent of the world's output of goods and services. Upon his return, Bush told the American Farm Bureau Federation that it resulted in dozens of new agreements on market openings from computers to paper to glass to automotive products.

There was also progress in US Chinese trade relations in 1992, a year in which two unsuccessful attempts were made in Congress to strip China of most-favoured-nation (MFN) status. The US and Chinese governments signed a memorandum of understanding that sought to prevent prison-made goods from being exported from China to the United States, and the two countries reached an agreement on protection of intellectual property. Long and hard negotiations averted a trade war over US access to China's markets.

According to Assistant US Trade Representative Ira Wolf, the US trade deficit with China was 12,700 million dollar in 1991. In a September interview,

Wolf said he projected that in 1992, the deficit would be at least 15,000 million dollar and perhaps as high as 19,000 million dollar.

China's 11th-hour agreement to settle its market access dispute with the United States kept its exports to the United States from being subjected to 3,900 million dollar in punitive tariffs and paved the way for its future membership in the General Agreement on Tariffs and Trade (GATT), Wolf said. GATT membership for Beijing is not guaranteed, however.

The Bush administration is mindful of human rights and weapons proliferation concerns in China and elsewhere," Franklin said in a letter to the editor of the New York Times December 29. Citing the administration's responsibility to ensure jobs for American workers, Franklin noted that her steps in Beijing as well as Hong Kong brought back almost 1,000 million dollar in business. But in Hong Kong, she told the American Chamber of Commerce that China would have to improve its human rights record as well.

Trade ties with other Asian Pacific countries moved ahead in a positive way in 1992. Particularly significant in this respect is the rise in the fortunes of APEC—the Asia-Pacific Economic Cooperation Process.

The 15 Asia-Pacific economies that currently make up APEC represent nearly one half of the world's GNP," Under Secretary of State Robert Fauver said at the APEC ministerial in Bangkok in

September.

"APEC as an institution can help achieve greater regional and global economic integration," he said. By December, APEC set the machinery in motion to establish a permanent secretariat for the organization in Singapore and the United States, which will chair APEC until the next ministerial in late 1993, and appointed Ambassador William Bodde as executive director.

Another trade issue that roused considerable interest in Asia was the North American Free Trade Agreement (NAFTA). In an April interview, Michael K Young, deputy undersecretary of state for economic and agricultural affairs, asserted that NAFTA will neither siphon off US investment capital bound for East Asia nor crowd East Asian producers out of US markets.

Kristoff said in August that she saw ASEAN's efforts to establish a free trade agreement as an appropriate reply to NAFTA. "A free trade agreement among the ASEAN economies that covers all goods, all services, removes substantially all of the barriers to trade over a relatively quick time, and does not raise new barriers to others, would be an enormous example for the Asia-Pacific region of free trade in operation, and I think that it could only help sustain the development of those economies," she said.

The United States would support an ASEAN Free Trade Agreement (AFTA) because it would stimulate growth within ASEAN and make ASEAN a more attractive market for the entire region, Kristoff said.

China won't open more economic uplift zones

BEIJING, Jan 5: China, worried its economy is overheating, is cracking down on plans by provinces to open more economic development zones, a Beijing-backed newspaper in Hong Kong said on Tuesday, reports Reuters.

The State Council, China's cabinet, has stopped approving any new zones, which attract investment with a variety of tax breaks and other favourable policies, the Wen Wei Po newspaper said, quoting authoritative sources.

It said the State Council had ordered that zones which had already been approved but which had not yet developed detailed plans must apply for approval all over again.

"The central authorities have not yet come to a conclusion over whether the entire economic situation is already overheating or not," the newspaper said.

Senior leaders, including Communist Party chief Jiang Zemin and Premier Li Peng, have recently urged caution to avoid overheating that could cause China to struggle with a renewed bout of runaway inflation.

Nigeria will remain committed to OPEC

ABUJA, Jan 5: The new head of Nigeria's Oil Ministry said on Monday that the OPEC member country would remain committed to the oil cartel, reports Reuters.

"What we must ensure is that we continue to be significant member of OPEC," said Philip Asiudu, shortly after military president Ibrahim Babangida swore him in as Secretary of Petroleum and Mineral Resources, a ministerial-level post.

Former Nigerian Oil Minister Tam David-West on Sunday urged Nigeria to quit OPEC, which he accused of dishonesty and said was no longer taken seriously.

The Oxford University educated Asiudu is a member of a transitional council that will

run the day-to-day affairs of government for eight months, of extended military rule in Africa's most populous nation.

Asiudu said before commencing on his predecessor's decision to cut output by 10 per cent during the first quarter of 1993 to help boost world oil prices he would need to study it.

Officials of oil companies expect to receive new production quotas from the state-owned Nigerian National Petroleum Corporation (NNPC) by the end of this week.

David-West, Oil Minister from 1984-86, accused some OPEC members of output dishonesty at various times, adding this had been a chronic problem since the organisation was formed in 1960.

British official to head European Investment Bank

BRUSSELS, Jan 5: A senior British civil servant, Sir Brian Unwin, will become president of the European Investment Bank, the European Community's financing arm, on April 1, the EIB said here Monday, reports AFP.

Sir Brian, 57, a former member of the EIB's board of governors and currently board chairman of the British government's customs and excise office, will succeed Ernst-Guenther Broeder as EIB president.

The bank said in a statement that Broeder, a German banker and economist, had asked for early retirement from the post. He was appointed in 1984 and had been

due to continue until June 1994.

The EIB added that one of its six vice-presidents, Roger Lavelle of Britain, would be replaced in April by German parliamentarian Wolfgang Roth.

The bank's function is to raise loan money on capital markets to fund EC development projects within the community and in other countries, particularly in developing regions and eastern Europe.

Last year the EIB raised 17 billion ECU (20 billion dollar). It said in the statement that it was the world's biggest international financing institution, ahead of the World Bank.

Polish economic condition still remains serious

WARSAW, Jan 5: The whole economic situation of Poland remains serious, although industrial production is likely to continue to pick up in 1993, reports Xinhua.

Industrial production began its recovery last April and by the end of November had grown by 2.9 per cent on previous year's level. The central planning agency predicts that it will rise by two per cent this year.

In addition, the agency takes and optimistic view of last year's foreign trade by declaring that there will be a surplus of up to 700 million dollar.

But the situation in other fields is still growing worse. The budget deficit will reach 5.50 billion dollar this year.

The unprecedented drought of last year cut agricultural production by 21 per cent, which will have a negative effect on this year's crops and livestock.

The serious business decline, reduced investment and a huge foreign debt are hurdles Poland must face in countering economic decline this year.

The inflation rate is estimated to be 38 per cent, but because of rising prices and other factors it will be even higher.

The rise in retail prices is set at 40 per cent, which is higher than the increase in salaries of the working people.

The most worrying problem is the growth of unemployment.

Thus the government has put the resolution of the unemployment problem at the top of its top working agenda.