

BRIEFS

Deficit higher in US draft budget
 WASHINGTON, Jan 8: Outgoing President George Bush on Wednesday published a fiscal 1994 draft budget forecasting a deficit of 292.4 billion dollar for the year, 18.2 billion higher than forecasts published in July. This means that Bill Clinton, who takes over as President on January 20, will inherit a much larger budget imbalance than he had expected when he was campaigning for President and on which he based his economic programme, reports AFP.

Sterling's return to ERM ruled out
 LONDON, Jan 8: Sterling's "holiday" from the European Monetary System (EMS) which started last September 16, could well turn into permanent divorce in view of conditions posed by Prime Minister John Major for a return to the system, several economists said on Monday. In an interview with the BBC on Sunday, Major ruled out any return to the EMS Exchange Rate Mechanism for sterling this year, repeating his demand for correction of the system's "fault lines," which he considers responsible for the pound's inglorious exit from the ERM in September in the wake of powerful downward speculative pressures, reports AFP.

Taiwan's gold imports rise
 TAIPEI, Jan 8: Taiwan's gold imports in 1992 edged up 63 per cent over a year ago to 180.7 tons, worth 2.02 billion U.S. dollars, and were boosted by a decline in world gold prices, the Finance Ministry said Wednesday. Gold bars took a major 97 per cent share of the imports of the precious metal last year, the ministry said, adding that the cash-rich island also imported 2,11,094 ounces (5,997 kilogrammes) in coins and other gold products, reports AFP.

MPs of S. Korea ignoring austerity
 SEOUL, Jan 8: Dozens of South Korean MPs, ignoring a government austerity campaign that frowns on foreign travel, will pack their bags in the next two weeks for unnecessary junkets abroad at taxpayers' expense, news reports said on Wednesday. The Yonhap domestic news agency said some 70 members of parliament were frantically organising foreign trips for themselves and their wives before January 20, when cash set aside for such junkets has to be returned to the national treasury, reports Reuters.

Pak farmers to get \$15 m from Japan
 ISLAMABAD, Jan 8: Japan is to provide Pakistan with a 15 million dollar grant to support improvements for small farmers, officials said Thursday. The funds will be used for the purchase of equipment and vehicles for a project aimed at development land resources in the populous province of Punjab, they said. Japanese Ambassador Kunito Marooka and a senior Pakistani official exchanged documents here Wednesday for the grant, reports AFP.

United Airlines to sack 2800 staff
 CHICAGO, Jan 8: United Airlines said Wednesday it will cut its work force by 2,800 and seek pay cuts for all employees to reduce costs and help the nation's second-largest carrier start making profits again. United also will freeze its hiring and reduce its domestic flight schedule, the airline said in a statement. The job cuts, to be implemented this month, amount to 3.3 per cent of United's employees. The airline did not make it clear how it would implement the cuts, reports AP.

More fund needed for refugees
 MAPUTO, Jan 8: A Mozambican official warned Thursday the nation needed more foreign money to help resettle hundreds of thousands of refugees expected to return this year. The refugees fled Mozambique's 16-year civil war, which ended in October with a peace treaty between the government and rebels. Fernando Fazenda, directors of Mozambique's Refugee Support Nucleus, told the Noticias newspaper some 300,000 refugees were expected to return by May from neighbouring Malawi and Zimbabwe, reports AP.

Race on to measure global stock performance

NEW YORK, Jan 8: The race is on to measure global stock performances, even though round-the-clock trading remains largely a futurists dream, reports AP.
 Dow Jones and Co. this week introduced an index of stocks from around the world that it hopes will become "a new benchmark" for global investors.
 The DJ World Index, given prominent display in the Wall Street Journal, the Dow Jones flagship, arrives about five months after the International Herald Tribune debuted a similar measurement.
 The IHT figure, called the Trib Index, was created for the Paris-based newspaper by Bloomberg Business News, a Dow Jones rival in the financial information business.
 The sudden competition for the attention of data junkies highlights both the proliferation of investment information and Dow Jones's determination to maintain what it regards as a longtime franchise.
 "We have a reputation in this country, certainly, for a

widely used barometer of market action," said John Prestbo of Dow Jones. "And as the Journal itself has become a worldwide publication... it just seemed like a natural extension of the tool kit."
 Prestbo is markets editor for the Journal and leader of the index project for Dow Jones, which gave birth to the Dow Jones averages for US stocks more than a century ago.
 John Vinocur, Executive Editor of the IHT, feels just as proprietary about his paper's entry.
 "There is vastly more consciousness about markets outside of people's own countries, wherever you are," Vinocur said. "We're doing something for our readers which we feel is useful, and the response has been positive."
 The Trib Index premiered July 29, 1992, in the international daily published by The New York Times and the Washington Post.
 Vinocur declined to comment directly on the relative value of Dow Jones' index

compared with the IHT's. But he added: "It's hard for me to imagine that a strong financial news operation would want to be without something like this."
 Launched this past Tuesday, the Dow Jones index tracks the stocks of about 2,200 companies in nearly 120 industries. Initially, it will follow stocks in 10 countries: the United States, Canada, Britain, Germany, France, Italy, Japan, Hong Kong, Singapore and Australia. Prestbo said Dow Jones hopes to expand it to all 40 countries where stocks are sold to international investors.
 The index theoretically will help investors make knowledgeable trading decisions abroad, day or night.
 Still, its introduction comes before any demonstrated market for 24-hour stock trading.
 "I would suggest that the World Index has arrived ahead of the need, but clearly the need is emerging and developing, because more and more US investors' money is going overseas," Prestbo said.

The Dow Jones index is updated daily, closing at the end of business in New York. It is published daily in the Journal and transmitted over Dow Jones News Service and Teletext, two wire services owned by Dow Jones.
 In conjunction with the world stock index, Dow Jones also produces a number of indexes broken down by industry sector and country.
 Prestbo said if Dow Jones determines there is a market demand, it would consider offering minute-to-minute quotes, which could pave the way for a futures contract based on the index. But portfolio managers said the market has a way to go before they'd be comfortable trading a contract on diverse stocks from far-flung places.
 The IHT index, by comparison, tracks 230 stocks with the largest capitalisation in each of the world's 20 most important stock markets. The Bloomberg wire service updates the quotes hourly.

The actual numbers look similar. On Wednesday, the DJ World Index closed at 92.10, down 0.33 per cent; the Trib Index was 90.08, off 0.86 per cent.
 There are other barometers of global stock performance that predate the Bloomberg and Dow Jones entries.
 Morgan Stanley Capital International's indexes, created in 1969, are the oldest and most frequently quoted in the United States. Morgan tracks 1,470 stocks in 22 developed countries, plus 630 stocks in 14 developing countries.
 Kate Jonas, a Vice President Morgan Stanley Capital International, said Morgan has signed a contract with the Chicago Mercantile Exchange and the Chicago Board of Options Exchange to create a futures contract on its EAFE—Europe, Australia and Far East—index.
 Futures contracts based on indexes allow investors to try to profit from ups and downs in the indicators.

Crown prince's marriage expected to bring blessings for Japanese

TOKYO, Jan 8: Department stores hung banners congratulating the crown prince of his engagement, and a research institute predicted much ringing of wedding bells and cash registers following the announcement, reports AP.
 The excitement Thursday in the business sector over the planned marriage of Crown Prince Naruhito to a U.S. educated diplomat comes as Japan struggles with a stagnant economy and rising unemployment.
 The private NLI research Institute predicted the engagement would result in the production of up to 26.4 billion dollar in extra goods and services.
 Masako Owada, 29, will be only the third commoner to marry an imperial prince.
 Another apparel maker started collecting information on what kinds of clothes, shoes and accessories the bride-to-be would wear to come up with new products.



Slump in industrial order continues, jobless growing longer in Germany

BONN, Jan 8: Further evidence of a spreading recession in Germany was provided on Thursday with news that a slump in industrial orders was continuing and unemployment lines were growing longer, reports Reuters.
 The figures confirmed the slowdown in Europe's largest economy during the second half of 1992.
 Economists see a reduction in interest rates by the powerful and independent central bank, the Bundesbank, as the only way to turn the economy around swiftly.
 But the policy-making council of the Bundesbank, meeting in Frankfurt on Thursday, left its key rates unchanged.
 In Nuremberg Heinrich

Franke, President of the Federal Labour Office, blamed the weak economy for the rising jobless total in western Germany.
 The average number of unemployed in former West Germany rose to 1.81 million in 1992 from 1.69 million in 1991. In former East Germany, the jobless total jumped to 1.17 million from 913,000 despite government handouts which kept a further 1.7 million people off unemployment lines.
 Some economists, such as the Berlin-based German Institute for Economic Research (DIW), are forecasting a decline in the German economy this year and Finance Minister Theo Waigel has said

Germany might show no growth in 1993.
 Reflecting the economic slowdown, many top companies have put workers on shorter work shifts.
 Unemployment in West Germany rose to 1.97 million in December from 1.95 million the previous month and 1.68 million in December 1991. The jobless rate increased to 7.4 per cent from 6.9 in November.
 In eastern Germany, the number of jobless rose to 1.10 million last month from 1.09 million in November and 1.04 million in December 1991. The jobless rate grew to 13.9 per cent in December from 13.8, in November and 11.8 in December 1991.
 The average 1992 unem-

ployment rate rose to 6.6 per cent in the west from 6.3 per cent in 1991 and surged to 14.8 per cent in the east from 10.3 per cent. A pan-German unemployment rate is not yet available.
 In Bonn, the Economics Ministry said a decline in orders for West German industry continued in November. Industry orders slipped by 0.63 per cent from October and were down 10.7 per cent from the same month the previous year.
 Illustrating the decline in the German economy following a two-year boom after the unification in mid-1990 domestic orders fell by 1.84 per cent in November from October while foreign orders rose 1.99 per cent.

Compliance with quota to help rise oil price

ARACAS, Venezuela, Jan 8: If the 13 members of the Organisation of Petroleum Exporting Countries comply with a production quota they agreed upon in November, oil prices should rise to 21 dollar per barrel, OPEC President Alirio A. Parra said Thursday, reports AP.
 Parra, also Venezuela's energy and mines minister, did not say when prices should rise. He said not all OPEC members are keeping to their quotas set at the group's most recent meeting.
 The price for OPEC's basket of crudes was 18.80 dollar a barrel in mid-December.
60m tourists visited France during '92
 PARIS, Jan 8: France was the world's most popular tourist destination in 1992 with more than 60 million foreign visitors, the tourism ministry said on Thursday, reports Reuters.
 Germany provided the most tourists with 13.9 million, followed by Britain with eight million and Italy with nearly seven million.
 Ministry spokeswoman Colette Martin said tourism was France's leading industry, bringing in 656 Billion Franc (119 billion dollar) in 1992 including revenue from French people travelling in their own country.
 The United States provided 2.4 million tourists and Japan 800,000.

Recession hits Japan's lifetime employment

TOKYO, Jan 8: In a sign that Japan's lifetime employment system is fraying under the pressures of a recession, a major electronics maker has told 35 managers to retire early or get fired, reports AP.
 Kazuya Yamamoto, a spokesman for Pioneer Electric Corp, a top manufacturer of audio equipment, said Friday that 35 managers were being asked to quit before their retirement age of 60. If they refused, they would be fired by the end of this month.
 "Some of these older employees used to work very hard," said Yamamoto. "But there are cases in which they keep on staying and become a problem."
 The 35, all men over age 50, were surprised to hear the news late last year because this was the first time managers were being asked to leave, he said.
 Firings are virtually unheard of in major Japanese companies, and those nearing retirement are usually provided other jobs with one of the company's subsidiaries.
 "Selecting personnel is common sense from the Western sense but Japan, which has had years of uninterrupted growth, has not had to deal with the problem," said Steve Myers, a senior analyst specializing in consumer electronics at Jardine Fleming Securities.
 He said that if the current economic slowdown continued, other firms would have to take similar or even more drastic measures to cut costs.

Shetland Islands Oil slick threatens farmland fisheries

SUMBURGH, Shetland Islands, Jan 8: Gale-force winds and lashing rains have all but shut down efforts to fight a spreading oil slick from a wrecked tanker that is threatening rich farmland and fisheries, reports AP.
 Farmers scrambled Thursday to move sheep to pastures that were not yet covered with oily mists while some parents sent their children to relatives to protect them from oil fumes.
 "It's a total disaster," said Peter Hutchinson, whose home is less than a mile (1.6 km) from the wrecked tanker Braer. "It's destroyed our beautiful island." Mainland is the largest island in this archipelago 100 miles (160 kms) off the Scottish coast.



SHETLAND ISLES, SCOTLAND: A Royal Society for the Protection of Birds (RSPB) official collects two birds Jan 7, after the oil tanker Braer ran aground Jan 5. The disabled tanker was carrying 85,000 tons of light crude oil. Officials are now wearing masks because of the serious air pollution. —AFP/UNB photo.

Japan will limit auto export to US

TOKYO, Jan 8: Seeking to avert further trade tensions, Japan announced Friday that it will keep its limit on auto exports to the United States unchanged for the next fiscal year at 1.65 million vehicles, reports AP.
 The decision by the Ministry of International Trade and Industry comes as Japan's politically sensitive trade surplus with America has resumed rising. Autos and auto parts account for nearly 75 percent of that surplus.
 But the decision to keep the ceiling at last year's level is not expected to please US auto makers.
 The "Big Three" US car companies and the United

Auto Workers' Union reportedly asked President-elect Bill Clinton in a recent meeting to urge Japan to lower the limit, saying Japanese car exports were unlikely to reach 1.65 million anyway.
 Hirokazu Hayashi, director of the trade ministry's Automobile Industry Division, said it was unclear how great demand would be in 1993 for Japanese cars in the United States, since Japan's market share has been slipping but the overall US market has been growing in recent months.
 "There is a concern that exports of Japanese cars could increase along with the expansion of the market," he said. "So perhaps this measure will

have an effect."
 Of the passenger cars sold in the United States, 29.9 per cent had Japanese nameplates in the first 11 months of 1992, down from 30.2 per cent in 1991, Hayashi said.
 The voluntary export restraint is something that Japan is doing of its own accord and not in response to any demands from the United States, he said. "We would like to continue with the 1.65 million ceiling regardless of any American requests."
 Japanese auto makers have called for an abolishment of the ceiling, which they say is no longer needed.
 "We believe that free trade is ultimately the best direc-

tion, but we respect the government's decision and we will abide by it," Toyota Motor President Tatsuhiro Tohoda said.
 Japan first limited its car exports to the US market at 1.68 million in fiscal 1981 to give time for US auto makers to recover from poor sales caused by competition.
 The ceiling was raised to 2.30 million in 1985, but trimmed again to 1.65 million in fiscal 1992, which ends March 31.
 Following the imposition of the restraints, major Japanese auto makers began setting up their own plants in the United States or forming joint ventures with US makers.

Demand for past 60 work

TOKYO, Jan 8: Many Japanese men say they want to work past 60 to keep fit and earn money, according to a survey by the Japanese Trade Union Confederation (Rengo), published Friday, reports Reuters.
 The poll found that 49.4 per cent of men said they wanted to continue working past the age of 60 while 21.9 per cent of the women surveyed said they wanted to work past 60, the retirement age for 71.4 per cent of Japanese companies.
 The survey, conducted in August and September last year, covered 22,453 Rengo union members, 85 per cent of them men, with an average age of 36.
 Most of the women polled were still young and at an age when it was difficult for them to think so far ahead, said a Rengo official responsible for the survey.
 Many men said they needed to work to continue earning money and others said they wanted to work to remain healthy.

Britain's economy sends mixed signals

LONDON, Jan 8: Britain's recession-battered economy sent out mixed signals on Thursday, with good news on car sales offset by fresh spate of job losses, reports Reuters.
 Figures from the Society of Motor Manufacturers and Traders (SMMT) showed car sales jumped by 37 per cent in December, a welcome boost to a hard-pressed industry.
 But the glimmer of economic life was blacked out as leading retailer the Burton Group Plc said it would cut nearly 2,000 jobs and credit-card company first-data resources in southern England said it was axing around 460 jobs.
 The job losses came as a grim reminder that British unemployment, already 2.91 million or 10.3 per cent of the workforce, will jump again this year, economic recovery or not.
 The survey found that all but one of the 20 economists surveyed expected interest rates to fall further this year, with most expecting a cut to six per cent from a current seven per cent in coming months.
 Britain's Chancellor of the Exchequer, Norman Lamont, has suggested British interest rates, which have been cut four times since the pound fell out of the European Community's Exchange Rate Mechanism in mid-September, now are low enough for the economy to recover.
 The traditional session between the Finance Minister and senior officials at his official country residence at

Huge budget deficit will force Clinton to face difficulties: Bush

WASHINGTON, Jan 8: President Bush, in a final and gloomy budget outline, predicts unrelentingly huge federal deficits and underscores how difficult it may be for President-elect Clinton to fulfil his economic promises, reports AP.
 Clinton, who after Jan 20 will submit the budget Congress will actually work on, called the figures projected Wednesday by Bush "unsettling." But he signaled that he was not abandoning his campaign commitments to cut the deficit in half by 1996 while at the same time embarking on an ambitious programme to "rebuild America" through stepped up government investment.
 "We can now see the full magnitude of the debt we inherit and the challenge that

we must confront," Clinton said in a statement reacting to the delivery of Bush's final budget outline to Congress.
 "This sounds the final warning bell. This endless pattern of rising deficits must stop," Clinton said.
 In sending his last, bare-bones budget to Congress, Bush projected spending of 1.52 trillion dollar for the 1994 fiscal year that begins

next Oct 1, an increase of 3.2 per cent, with a deficit of 292 billion dollar.
 Bush forecast the deficit for the current 1993 fiscal year would hit a record 327.3-billion dollar a far cry from the small surplus that Bush had promised to achieve by this time when he took office.
 Bush's 573-page document, dropped in a decorative red, white and blue flag cover, was met with scorn by Democrats in Congress.
 "This submission is not a budget," said Senate Budget Committee Chairman James Sasser. "It really is an irrelevance. It's a confusing irrelevance."
 He said Bush's budget forecasts contained lots of phony numbers to make the deficit look smaller, just as past Bush spending plans have.

"It's just the same song, but happily it's the last verse."
 Over the next six years, Bush estimated that the nation's four trillion dollar national debt would grow by another 1.78 trillion dollar driven upward by a string of deficits that would never dip below 266 billion dollar in any one year.
 The new deficits are 222 billion dollar higher than the flood of red ink the administration was estimating in July, a deterioration the administration blamed on congressional delays in passing funds to clean up the savings and loan mess and on a weaker-than-expected economy.
 As bad as they are, the new deficit figures were challenged by Clinton aides and Democrats in Congress who said Bush had massaged the

figures to understate the deficit by as much as 79 billion dollar in 1997 alone by applying an arbitrary freeze on all government spending outside of entitlement programmes.
 But whatever figures are used, the projected deficits represent a huge hurdle that Clinton will have to overcome to fulfil his campaign pledge to cut government red ink in half by 1996 while at the same

time providing middle class tax relief and boosting government spending in a wide array of areas from roads and bridges to fibre-optic communications networks.
 Clinton spokesman George Stephanopoulos said Clinton "stands by his campaign commitments" including his pledge to cut the deficit in half. The new deficit estimates will make achieving that pledge "more difficult but just as necessary," Stephanopoulos said.
 But Sasser questioned whether Clinton could do it.
 "Given the much larger deficit projections, the President-elect will have a very difficult if not impossible task of cutting the deficit in half," Sasser told reporters.

Stocks lower, dollar higher in Tokyo

TOKYO, Jan 8: Share prices on the Tokyo Stock Exchange closed lower Friday as the U.S. dollar rose against the Japanese yen, reports AP.
 The 225-issue Nikkei Stock Average closed at 16,634.69 points, down 146.29 points, or 0.87 per cent. The Nikkei fell 1.90 points, or 0.01 per cent, on Thursday.
 The Tokyo Stock price index of all issues listed on the first section, which gained 6.38 points, or 0.49 per cent, Thursday, shed 8.73 points, or 0.63 per cent, to close at 1,289.52.
 Retreating issues trounced advancing issues by exactly double, or 602 to 301, while 191 issues were unchanged.