\$75m Indonesian Co

shares sold

JAKARTA, Jan 18: The Prasetya Mulya (PM) group has purchased 75 million dollar shares of Astra International (Al) from both the liquidation team of ailing bank Summa and Danamon finance, press reports said here Saturday. The group, led by timber tycoon Prajogo Pangestu, in a bid to help bail out the Suryajaya family from liabilities of some 767 million dollar after Al's sister company bank Summan was liq uidated, reportedly planned to purchase all the family 100 million Al shares, says on AFP report.

#### Ramos neutral in airlines fight

MANILA, Jan 18: President Fidel Ramos declared his neutrality Monday in a takeover battle within Philippine Airlines but warned both sides against moves which would threaten the flag carrier's viability. Last year, the government sold a 67 per cent interest in the airline to a holding company headed by Antonio Cojuangco, a cousin of former President Corazon Aquino, reports AP.

#### No deal yet on

#### Cathay Pacific crisis

HONG KONG, Jan 18 Cathay Pacific Airways Ltd reported no progress Monday in negotiations with disgruntled flight attendants to end a six-day-old strike that has caused scores of flight cancelations and delays throughout Asia. A Cathay spokeswoman said the two sides broke off talks at 3:00 am [1900 GMT Sunday) and said it wasn't certain negotiations would resume later Monday over the Flight Attendants Union's demands for better pay and working conditions, says AP.

#### US to take part in int'l technology show

SEOUL, Jan 18: The chief organiser of an international exposition to show off science and technology said Monday the United States was certain to join in the 1.2 billion dollar event, opening in August. The United States is one of only a few advanced nations that so far have not entered the Taejon International Exposition. More than 100 nations have applied to join the "scientific and technological gala" Aug 7-Nov 7 in Taejon, about 160 kilometers (100 miles) south of Scoul, reports AP.

#### **UK consumers**' confidence falls

LONDON, Jan 18: British consumer confidence fell to its lowest level in two years in the final quarter of 1992, a report published on Monday said, dealing a blow to hopes of a quick consumer-led recovery. An influential quarterly report of 6,000 Britons by research group Gallup and Business Strategies Ltd is a reminder that consumers remain wary despite recent reports of a surge in retail spending over the Christmas and new year holiday period, reports Reuter.

#### Dollar up, shares mixed in Tokyo

TOKYO, Jan 18: The US dollar was modestly higher against the Japanese yen in Monday morning trading in Tokyo but was not significantly affected by the new American attacks on Iraq. Share prices were mixed. The dollar was trading at late morning at 125.83 yen, up 0.18 yen from last Thursday's close at 125.65 yen but below its finish in New York Friday at 126.10 yen. After opening at 125.75 yen, it ranged in the morning from 125.74 yen to 125.85 yen, says AP.

#### Estonian tanker runs aground

TALLINN (Estonia), Jan 18: An Estonian oil tanker ran aground off the Estonian coast and has leaked an undetermined amount of oil, officials said Monday. Salvage crews abandoned their efforts Monday because of strong wind on the Gulf of Finland, said Kalle Pedak, deputy director the Estonian Marine Board, He said the ship carried 1,000 tons (about 7,000 barrels) of crude oil and 460 tons (about 3,000 barrels) of light fuel oil, says an AP report.

## BRIEFS US-Iraq conflict expected to have little impact on financial markets

NEW YORK, Jan 18: Financial markets, practised now in the art of war, are largely expected to shrug off news of US military action against Iraq when markets open on Monday, but trading will nonetheless be tentative for the next few days, reports

The United States attacked Iraq with cruise missiles on Sunday, aiming at what its says was a nuclear weapons site on the outskirts of Baghdad. Earlier, a US jet shot down an lragi warplane in a no-fly zone in northern lrag.

But like last week, when US and allied forces bombed Iraqi positions in the south of the oil-rich country, investors are expected generally to take the renewed warfare in stride, perhaps reacting initially, but then returning to where they

"It appears to be another selectively targeted strike,' said Them Brown of

US economy is in for a hang-

over cure soon after Bill

Clinton takes office as

President on Wednesday, offi-

ter" the party for the new ad-

ministration. Government

spending cuts are contem-

plated and a package to stimu-

late recovery from recession is

of the presidential election

campaign have given way to a

bleak reality of the cost of

healing a struggling debt-

Top aides to the Demo

cratic President-elect have

signalled repeatedly in recent

days that a period of sacrifice

would be needed to fix the

'Pay composition

fine or face

far more'

SINGAPORE, Jan 18: Singa-

poreans, who can be fined

for unacceptable activities

such as spitting, smoking

indoors or failing to flush

toilets, will have to pay

more unless they cough up

new campaign will be

launched under the slogan:

"Pay your composition fine

on time or you may end up

paying far more in court,"

the Sunday Times news-

paper quoted Chief Justice

imposed with the aim of

BEIJING, Jan 18: A warning

not to let China's economy

overheat appeared in a leading

newspaper Sunday, reflecting

official concern that fast

growth could rekindle politi-

cally explosive inflation, says

But the front-page com-

mentary in the Economic Daily

stressed that the general trend

of economic growth was posi-

tive and warned against using

political campaigns as in the

past to tackle economic prob-

the tightrope China's leader-

ship is walking - it must con-

tinue the broadly popular capi-

talist-style economic reforms

that have led to a booming

economy while ensuring high

The commentary reflects

an AP report.

avoiding court proceedings. losses.

Yong Pung How as saving.

A composition fine is one

promptly, reports Reuter.

Hopes, fears and promises

It's already "the morning af-

cials say, reports Reuter.

likely within weeks.

mired economy

Rutherford Brown and Catherwood, referring to the cruise-missile strike. "I see no impact at all on financial markets.

Like others, Brown differentiated between a limited action and a full-scale resumption of the Gulf War.

"The only impact would be if it escalates into another situation with more (allied) troops," he said.

Oil prices are expected to jump initially, in what analysts say is a knee-jerk reaction to anything that happens in the

sensitive area. Analysts note, however, that Mideast oil supplies are not currently being threatened by the resumption of military action and that Iraqi oil sales have been banned since Irag's invasion of Kuwait in August

Some even argue that attacks on Iraq may force prices even lower than they are, because anything that threatens

Officials suggested that the

deficit should take priority but

that reducing it would be diffi-

cult with cuts being consid-

ered in all sectors, from de-

ISLAMABAD, Jan 18: Pa-

kistan is hatching a plan to

outwit the US freeze on mili-

tary and economic aid which

entails incentives to encourage

the private sector to help

make the country militarily

Sharif has offered sweeteners

such as 95 per cent loan facili-

ties to entrepreneurs willing

to set up desence production

Describing the move as

"unprecedented," officials here

Sunday said the offer had been

fully baked by an assurance for

compensation in the event of

inflation does not return.

Inflation has haunted China

throughout the century, con-

tributing to the downfall of

Chiang Kai-Shek's Nationalist

government in 1949 and to

the mass anti-government

protests in 1989 that the

Communist leadership quelled

not carried out properly, the

commentary said, "it will bring

inflation and other unhealthy

ysis said Sunday the retail

price index growth averaged

5.3 per cent last year but prob-

ably will be higher this year. It

noted that some experts say it

will be difficult to maintain a

A Xinhua News Agency anal-

If economic development is

with a military crackdown.

Prime Minister Nawaz

self sufficient, reports AFP.

mental imbalances.

to hasten Saddam Hussein's exit or his agreement under pressure to strict conditions might lead to the end of the 1990 UN embargo on Iraqi oti.

This would push yet more oil out onto an already over supplied market that already has crude oil futures trading below 19 million dollar a barrel in New York.

Wall Street stocks, mean while, are also seen rising, but on factors unrelated to the strike - a carry over of Friday's broad based rally ahead of stock-option expirations.

"I would expect the stock market would probably open on a firm note," predicted Michael Metz, Oppenheimer and Co's market strategist. "Any real problems of the

fear of a speculative blowoff." "In any case, the willingness

market are internal, such as a

of the (allied) coalition to use force to have Iraq comply (with UN resolutions) is reas

of social security benefits.

Finance Committee.

"I think you have to address

entitlements along with taxes

and along with fiscal restraint

It will be a tough package,"

treasury secretary-designate

Lloyd Bentsen told the Senate

to be received well by many

Senators as they seemed to ac-

cept the idea that the United

States can no longer add to its

four trillion dollar mountain of

in dealing with the Federal

deficit and to be hold in the

clearest sort of way so that ev-

erybody in the country under-

stands what's at stake when

you and President Clinton put

on each of our desks what I

Pakistan plans to outwit US

freeze on economic assistance

Opening a two-day seminar

on the "role of the private

sector in self-reliance in de-

fence production" in Lahor on

Saturday, Sharif suggested an

carly meeting between senior

civil and military officials to

identify five to 10 "urgently

required" components of the

was part of Sharif's plan to

achieve self- sufficiency not

just in desence but in all fields.

counter act the decision taken

by President George Bush in

October 1990 to freeze US

military and economic aid to

"Due to the huge increase in

investment last year and calls

for further quickening of eco-

nomic development through

out the country, the demand

for money and finance will far

exceed the actual supply," it

caused by the rush for indus-

trialization and modernization

- the economy grew 12 per

cent last year - has been a

squeeze on funds for farmers,

who in many cases have been

issued IOUs by the government

for 1992 crops that the state

the IOUs would be paid by last

Friday, one week before the

Lunar New Year, when debts

traditionally are to by cleared

The leadership vowed that

contracted to purchase.

Among other problems

China's fast growth facing warning

Pakistan - then worth about suitable entrepreneurs.

Official source said the offer

The radical plan is to

"I would urge you to be hold

Such an approach appeared

Clinton's economic steps soon likely

WASHINGTON, Jan 18: The American economy's funda- fence to even the most sacred would like to see considered

suring," Metz added.

Currency analysts said they expect the dollar to open higher in New York on Monday morning, as investors seek relative safety for their money. But it is then expected to move lower as it did after last Wednesday's bombing raid.

"My feeling is that it'll be like last Wednesday," said David Wyss, Research Director at DRI/McGraw Hill. "It'll be a blip Monday morning, although if this escalates you'll certainly see it in the market."

In early Monday trading in New Zealand, the dollar climbed toward 1.64 German mark, compared with its close on Friday in New York of 1.6355 mark.

The US bond market will be closed on Monday for the Martin Luther King Day holi-

Last week, when US and allied forces launched the air strike against Iraq, stocks were barely affected and oil

as the vote of our lifetimes."

said Scnator Bill Bradley, a

is not surprise in that the in-

coming administration

seemed to pull back from a

plan to cut taxes to the middle

class and made clear that

whatever stimulus package

that is in the works would be

based on new evidence that

the economy continues to

move ahead, although slowly,

and perhaps a big shove to get

it moving faster may not be

that the economy is in recov-

ery, although not without

half a billion dollar each year -

because Washington suspected

Pakistan was developing a nu-

the country's armed forces.

The air force, worst affected of

all, has had to ground its F-16

fighters for want of spare

Sharif said he has advised

Minister for Defence Pro-

duction Hazar Khan Bijarani to

sit with the Chairman of the

Joint Chiefs of Staff Com-

mittee, General Shamim Alam

Khan, to draw up specific

production plans and find

and much money is spent on

in the Farmers' Daily quoted

State Councilor Chen Junsheng

as saying some local govern-

ments didn't have the money

to cash in the IOUs, indicating

Chen suggested that local

officials could come up with

the needed money party by

shelving plans to establish

special "development areas"

designed to attract investment

the indiscriminate launching

of such zones by local officials

has become a key part of the

campaign to prevent the econ-

In fact, propaganda against

to new enterprises.

omy from overheating.

the deadline was not met.

But the top article Sunday

celebrations.

The embargo has hampered

clear capability.

The evidence is growing

necessary.

problems.

This decision, in part, was

In such an environment, it

New Jersey Democrat.

prices rose only briefly. The dollar fell against most currencies when investors who had bought it previously for protection decided they no longer needed to worry.

Monday is expected to bring more of the same.

AP from London adds: Financial markets shrugged of the latest US attack in Iraq, with gold and dollar prices little changed as trading opened in London Monday.

Gold opened in London on Monday at 327.75 dollar per ounce, up just five cents from the late price on Friday. On the stock exchange, the Financial Times-Stock Exchange 100share index opened 1.5 points higher at 2766.6.

Oil prices were firmer in Tokyo trading. At 0700 GMT, Dubai oil for March was trading at 15.40 dollar a barrel, up from 15.20 dollar on Friday.

Earlier in Tokyo, the dollar closed at 125.82 yen, down from 126.10 yen late Friday.

## to develop satellite technology

Development Corp, a company partly owned by Taiwan's ruling Nationalist Party, announced Monday it plans a joint venture with China to detechnology, reports AP.

The Taiwanese firm said it would join an unidentified Chinese partner to establish a new company in Hong Kong to prepare for the venture.

China Development Corp. which has invested in various Taiwanese companies to upgrade Taiwanese industry, said the joint venture would help Taiwan's budding space programme.

## Brunei to join Indo-China uplift forum

BANDAR SERI BEGAWAN Jan 18: Brunei's monarch told Japanese Prime Minister Kiichi Miyazawa on Sunday his oil-rich kingdom would join in Miyazawa's proposed forum to help Vietnam, Laos and Cambodia rebuild from war, reports AP.

Sultan Hassanal Bolkiah and Miyazawa held talks soon after Miyazawa's arrival on the fourth and final stop of his Southeast Asian tour.

In Bangkok on Saturday, Miyazawa proposed a forum that would bring together experts from governments, the private sector and international organizations to work out strategies for developing neighbours of the countries he has been visiting.

### Gulf Arabs to talk foreign investment today

ABU DHABI, Jan 18: Gulf Arab officials are set to meet Tuesday to discuss improvement of their countries' laws in a bid to attract foreign investment needed to acquire foreign technology, regional officials said Sunday, reports They said the Gulf Coo-

vestment.

# China-Taiwan

TAIPEI, Jan 18: China velop satellite communication

the Indochinese nations

peration Council's [GCC] technical committee for investment policies would meet in Riyadh, three years after members states agreed on a unified formula for foreign in-

#### many encouraging signs" that Britain is pulling out of its two-7 per cent. year-old recession, Chancellor of the Exchequer Norman

Britain pulling out of

recession, says Lamont

LONDON, Jan 18: There are added edge," he said. British interest rates are at

The pound effectively devalued on Sept. 16, when Lamont was forced to pull the currency out of the European exchange rate system because of heavy sterling selling by speculators.

The ERM is designed to keep member European eurrencies stable relative to each other and keep prices stable. -Lamont said although the

lower value of the pound had helped exports, "devaluation can never be the way to solve a country's problems.

"It is, in the long-term, the road to ruin. Because what you are saying is we can't become competitive. We can't control our costs. We've got to alter the external value of the currency in order to make ourselves competitive," Lamont told BBC television. Lamont did not say when

Britain planned to reenter the

## Pindi expects bumper wheat production

ISLAMABAD, Jan 18: Pakistan is expected to harvest bumper crop of wheat this season, surpassing all previous records to reach 16.5 million tons, reports Xinhua.

Lamont said Sunday, reports

fore ringing the bell and saving

the recession is over. But there

are encouraging signs, that's

the new year with greater op-

timism. I think it is very wildly

felt that this coming year will

be a better year than last."

Broadcasting Corp, television.

British economy could show a

I per cent growth this year,

outperforming some European

economies this year, including

the powerful German economy.

have very much lower interest

rates. We have the lowest in-

terest rates in Europe. We also,

although we didn't seek it ob-

viously, have the benefits of the

depreciation of the pound

which will give our exports an

"We, in our situation now,

The treasury chief said the

British

certainly true.

Lamont told

"One has to be cautious be-

"I think everybody enters

Federal Minister for Food and Agriculture, Abdul Majid Malik said here yesterday that all indicators were showing positive signs for achieving the The yield would help to

slash wheat import bill next year, the Minister said Pakistan has to import 2.3 million tons of wheat in fiscal 1992-93 (ending June this year) from US Canada, Australia, Turkey and Saudi

Arabia, out of which 1.2 million tons has already arrived and the rest is expected to reach the country by April due to severe floods last September. Last year Pakistan's wheat

production was 15.7 million Meanwhile, the sugar production in Pakistan registered

an increase of 10 per cent during the current season ending December 31, 1992, according to official statistics. A record production of 884,656 tons of sugar has been

registered during the season as against 802,178 tons of sugar produced in the previous

## Taiwan will press ahead with privatisation plan

TAIPEI, Jan 18: Taiwan will press ahead with plans to privatise state firms despite the stock market's slump, which caused a privatisation attempt this month to fail, according to Economics Minister Vincent Siew, reports Reuter.

"No matter what the condition of the stock market is this year, we will play for real in privatising state companies," newspapers quoted Siew as saying on Saturday.

The government still aims to transfer Bes Engineering Corp. China Petrochemical Development Corp and Taiwan Machine Manufacturing Corp into majority private ownership by the end of this fiscal year in June, he said.

However, the government may use methods such as auctioning stakes and selling off companies' assets separately if the stock market's weakness makes public offers of shares at fixed prices impossible, Siew said.

Taiwan's expected membership in the General Agreement on Tariss and Trade (GATT) will make pri

vatising state firms imperative, he said. GATT began formally considering the island's application to join last September.

The government launched an ambitious scheme in 1989 to raise about 20 US billion dollar by privatising 22 firms, including industrial giants and some of Taiwan's biggest banks.

But the programme has been plagued by bureaucratic delays, opposition from labour unions and the weakness of the stock market. None of the 22 companies has been transferred into majority private ownership so far.

A recent offer of shares in Bes Engineering, designed to raise 240 million US dollar and reduce the government's stake to 40 per cent from 100 per cent, was a disaster.

Fewer than 15 per cent of the 198 million shares offered in the construction company had been sold by the January 13 deadline.

Private economists say it could take another decade for the 22 companies to reach majority private ownership.

#### Only 35 pc Japanese want to boost Third World aid TOKYO, Jan 18: The numwide on Japan's diplomatic

ber of Japanese who favour giving more economic and technological aid to the Third World has hit a record low, according to a government survey carried by national dailies today, reports Reuter. The poll, which sought the

views of 3,000 people nation-

ing ground in Japanese affections while China gained in popularity. Only about 35 per cent thought Japan should boost aid to developing countries, down more than six points from

stance, also showed Russia los-

since surveys began in 1977. Some 45 per cent backed keeping aid at its current level while 11 per cent said it should be cut.

1991 and the lowest figure

Reflecting the official state of Japan's diplomacy, 55.5 per cent said they felt close to

China, up 4.4 points from 1991. Last year Emperor Akihito visited Beijing to set the seal on post-World War Two bilateral reconciliation. Only 15.1 per cent had

friendly feelings towards Russia, however, a drop of more than 10 points. The survey was taken in October just after President Boris Yeltsin abruptly postponed a visit to Tokyo amidst rancour over a territorial dispute.

About 74 per cent of respondents said they felt close to the United States, down five points from 1991. Nearly 29 per cent thought US-Japan relations had worsened, up 4.5 points, while 62.5 per cent felt

auspices.

Second came environmental protection, with aid to developing countries the third most favoured category.

#### Saudi Arabia, Kuwait, Iran made remarkable gains from oil BRUSSELS, Jan 18: Feeling less thirsty for oil. by several billions of dollar for 146.4 billion dollar in 1990. Saudi Arabia, the world's whether in Latin America,

the pinch of plunging oil prices, OPEC nations where barely able to squeeze out more money from crude sales last year than in the year before, analysts estimate, reports

Only Saudi Arabia, Kuwait and to a lesser extent, Iran made memorable gains in oil earnings last year. Many saw revenues shrink by millions of

"It was mediocre year," said Peter Bogin, associate director for oil markets at Cambridge Energy Research Associates in Paris. "It's striking how little gain there was."

The producers of the Organization of Petroleum **Exporting Countries had only** themselves to blame for sickly earnings, analysts say.

For much of the year, the nations pumped more oil than their customers needed, driving prices well below the cartel's target of 21 dollar a 42gallon (160 liter) barrel. Many Western nations, particularly the United States, were in recession, which made them

stable currency.

consequences."

The average price of an OPEC market was 18.41 dollar last year, off 25 cents from "There was simply too

much oil on the market for demand," said Bogin. In all, he figured the value of OPEC's oil exports at 136.5 billion dollar in 1992, about 8

billion dollar more than in the previous year. Petrostrategies, the Parisbased newsletter, tallied carnings of 145.3 billion dollar last year, including crude, natural

above the 1991 total for similar goods. The calculations were for 13 producers, including Ecuador, which just dropped its membership because of economic woes.

gas liquids and related prod-

ucts. That was 5 billion dollar

The cartel's own tally won't be ready until the end of the The OPEC scored its best

year was in 1980 when carnings hit a record 284.5 billion Surging prices during the Gulf crists pushed revenues to the highest since 1983. largest crude exporter.

Yearly earning break-up of the OPEC countries Here is a table of estimates for 1992 of the value of petroleum exports for the 13 nations of the Organization of Petroleum Exporting Countries.

The fifth column is 1992 earnings in billions of dollar as estimated by Peter Bogin, associate director for oil markets at Cambridge Energy Research Associates in Paris.

The sixth column is 1992 earnings in billions of dollar as estimated by the Paris-based newsletter Petrostrategies. Includes not only earnings from crude sales but also from natural gas liquids and related products. Totals may not add up due to rounding. Earnings have

been shown in billions of dollar 1989 1990 Country 1991 1992-B 1992-P Algeria 7.0 9.6 8.8 Ecuador 1.1 1.0 1.2 1.4 Gabon 1.2 1.7 Indonesia 5.0 6.9 6.5 10.8 15.3 Iran 17.3 15.8 16.4 Iraq 14.5 9.5 0.0 0.1 0.4 9.3 5.5 Kuwait 0.0 5.9 Libya 7.5 9.7 10.0 10.2 7.5 12.2 Nigeria 13.3 12.1 **Qatar** 2.8 2.2 3.2 2.1 Saudi Arabia 24.1 40.1 42.7 45.8 52.9 UAE 11.5 13.9 13.5 15.7 16.1 Venezuela 8.2 14.0 13.0 12.8 11.4 Total 111.4 128.4 136.5 146.4

As usual, the champion in last year's earnings race was

Bogin estimated the Kingdom's revenues climbed a total of 46 billion dollar last year. Petrostrategies counted nearly 53 billion dollar. Iran, the cartel's No. 2 producer, registered revenues of

1992, up less than a 1 billion dollar from the years before. Another winner was Kuwait. They tiny nation bounced back from the devastation of the Gulf War to earn more than 5 billion dollar last year. It

made virtually nothing the year

before. In 1989, it raked in

about 16 billion dollar in

more than 9 billion dollar. Big losers appeared to be Venezuela, Algeria and Indonesia, which suffered heavily from tumbling oil prices.

In its issue scheduled for release Monday, Petrostrategies estimated revenues were off 13 per cent for Venezuela, 11.5 per cent for Indonesia and 6.4 per cent for Algeria.

growing disparity in the fortunes" of OPEC members. 145.3 Those in the Gulf region,

such as Saudi Arabia, Iran, Kuwait and Qatar, fared fairly well. But those outside

Asia or Africa — did poorly. Analysis estimated the Untied Arab Emirates toted up sales of 13.5 billion dollar to 16 billion dollar and Nigeria,

12 billion dollar.

Venezuela made 11.4 billion dollar to 12.8 billion dollar, Indonesia, 6.5 billion dollar and Libya, about 10 billion dol-

Other calculations were: Algeria, 8.2 billion dollar to 8.8 billion dollar Ecuador, 1.3 billion dollar Gabon, 1.7 billion dollar and Qatar, 2.1 billion dollar to 3.2 billion dollar.

Bogin chalked up virtually no sales for Iraq. International sanctions imposed after Baghdad's army overran Kuwait in 1990 remain in place. The once-powerful producer made 14.5 billion dollar in 1989. The OPEC nations, despite

their popular image as fat cats, As a result, it found a depend heavily on oil revenue. Many are heavily indebted and have large impoverished populations. So they need the money to fuel their economies and buy needed imports of food and other goods.

relations were good. Asked how Japan could most effectively contribute to the world, 68.7 per cent cited the maintenance of peace and security under United Nations