India's foreign debt totals \$ 74.84

NEW DELHI, Mar 3: india's total external debt was 74.84 billion dollar as of September 30, 1992. Minister of State for Finance Abrar Ahmed said. In a written reply to a question in parliament, he said, India's long-term and short-term debt, plus deposits from expatriate Indians totaled 72.67 billion dollar. Hard currency defence debt was an additional 2.17 billion, says Reuter.

Kyrgyz minister sacked

MOSCOW, Mar 3: Kyrgyz President Askar Akyev has sacked Agriculture Minister Karypeek Asanov for opposing agricultural reforms in the central Asian state, local journalists said yesterday. The news of Asanov's dismissal was contained in a decree printed in local newspapers. It said the minister was guilty of "serious shortcomings" in his work. Moscow radio said the lack of reform efforts was threatening the springs owing campaign, reports Reuter.

US coal miners call off strike

HUNTINGTON (W.Va), Mar 3: The United Mine Workers union ended its month-old strike Tuesday after reaching agreement with the nation's largest coal operators on the terms of a 60-day contract extension. The agreement reached Tuesday will extend the expired 1988 National Bituminous Coal Wage Agreement until May 3, UMW President Richard Trumka said. "I am satisfied that (the operators') compliance with this agreement will provide the UMWA with the tools we need to negotiate a new con-

Opposition boycotts budget debate

TOKYO, Mar 3: Japanese opposition parties boycotted the 1993 budget debate as the ruling party refused to agree to their demands for tax cuts. Faced with one of the most stubborn economic downturns in decades, opposition parties urged the government and ruling Liberal Democratic Party (LDP) to revise the draft budget to include 4.26 trillion yen in income tax and other tax breaks, says Reuter.

Sony to market new digital technology

TOKYO, Mar 3: Japan's Sony Corp said it will soon market professional digital recording equipment that should improve the quality of television news pictures. Digital players and recorders scheduled for launch from the end of this year will be able to work with both digital tapes and the present analogue ones, a Sony spokes man said, says Reuter.

Dollar slips, shares gain in Tokyo

TOKYO, Mar 3: The US dollar fell against the Japanese yen in Wednesday morning trading, while share prices on the Tokyo Stock Exchange moved higher in light trading. The dollar was changing hands at 117.32 yen at late morning, up 1.19 yen from Tuesdays close. It opened at 117.55 yen after finishing its overnight New York trading at 117.73 yen. Trading remained calm after the dollar's opening, which followed its overnight slip in London and New York, says

India modifies foreign exchange

trade rule BOMBAY, Mar 3: In modifications to the Lending Exchange Rate Mechanism (LERMs) following full rupee convertibility the Reserve Bank of India Monday declared that all foreign exchange transactions would be made on the basis of market determined rates of exchange. In a release, the RBI clarified that the market based rate of exchange would apply uniformally to all foreign exchange payments whether on government or private account, says PTI.

Asian stocks close mixed

HONG KONG, Mar 3: Asian stock markets closed mixed Wednesday, with share prices surging in Hong Kong or hopes that Sino-British talks on the territory's future could begin soon, reports. The Hang Seng Index, the Hong Kong market's key indicator of blue chips, rose 92.41 points, or 1.4 per cent. closing at 6,436.64, reports

BRIEFS Clinton's plan for energy tax on oil alarms Gulf producers

RIYADH, Mar 3: President Clinton's plan for an energy tax that discriminates against oil is alarming Gulf countries, which fear it will damage sales of their black gold, reports AP.

The tax also is being blasted by American oil companies, which claim it will reduce national income and cause hundreds of thousands of job losses. It would also hit their own profits.

The proposal comes on the heels of European proposals to levy a tax on carbon-based energy sources, including imported oil, domestically produced coal and other hydro-

The final consumer in the industrialised countries is being made to suffer from the petrophobia of policy makers," Saudi Arabian Oil Minister Hisham Nazer told a confer-

ence in Houston last month. He said oil is "cheap, clean and safe. So why penalise this precious gift of God at the ex-

Dubai's gold

imports rise

by 72 pc

imports rose by a record 72

per cent in 1992, the world

gold council said, reports

Imports were 284 tonnes

worth some three billion dollar

in 1992 compared with 165

tonnes in 1991 and 161 in

1990, according to figures

Dubai reflects in part recent

Indian legislation to allow gold

imports by expatriate Indians

returning home," a WGC re-

gold for India. Preliminary es-

timates for gold demand in the

Indian subcontinent indicate a

volume of some 300 tonnes

versus 280 tonnes in 1991," is

Dubaí does not impose any

BRUSSELS, Mar 3: The

European Community said

Tuesday it was challenging the

United States in the GATT

world trade organisation over

anti-dumping duties Washing-

ton has imposed on EC steel

By maintaining the anti-

dumping duties, EC Trade

Commissioner Sir Leon Brittan

global trade needs to veer away

justified on economic grounds

but they send the wrong polit-

ical signal at a time when the

world needs reassurance of

America's intention to stand by

id President Clinton was act-

inappropriately when

"Not only are the duties un-

products, reports AP.

from protectionism.

restrictions or tariffs on the

import and export of gold.

"Dubat is a major source of

port said.

"The steep increase in

from the WGC office in Dubai.

DUBAI, Mar 3: Dubat's gold

pense of the welfare of the people of the world?"

Henry Azzam, chief cconomist at the National Commercial Bank, Saudi Arabia's largest, said: "If the industrialised countries decide to impose taxes that would effectively increase prices and discourage consumption, this may cause Gulf producers to reconsider their pricing strat-

in Kuwait, Commerce Minister Adbulla al-Hajii told The Associated Press that the tax "will have's serious effect

on Kuwait." The emirate, devastated by Iraq's August 1990 invasion, in worried that the tax will eat into revenues it needs for reconstruction.

Other Gulf countries, such as the United Arab Emirates, also are concerned about the proposed tax.

The Clinton proposal, whieh would push up American gasoline prices by at least eight

cent a gallon,, is aimed at encouraging conservation and cutting oil imports by 350,000

barrels a day. The price of a gallon of gasoline in the United States currently averages 1.09 dollar (or 29 cent a liter).

The Energy Department estimated the Clinton tax would cut the trade deficit by 18 billion dollar by the end of the decade while raising 71.4 billion dollar in government revenue over a five-year pe-

Clinton told Congress Feb 17 that the tax, which would go into effect in July 1994 and be phased in over three years, "combats pollution, promotes energy efficiency' and "promotes the independence economically of this country as well as helping to reduce the debt."

Gulf nations are concerned that introducing the US tax also will speed up application of the proposed European car-

European countries have said they will not apply the tax unless similar measures are introduced by the United States and Japan. Now, with the Clinton proposals pending.

only Japan needs to chime in. Gasoline prices are at least twice American levels in most European countries and even higher than that in some.

There has been no officials comment from Saudi Arabia on Clinton's proposal: Oil Minister Nezer's comments were made before the tax was formally proposed, and he was criticizing such taxes in general.

But in general, Gulf nations and US oil companies see the tax as an attempt to grab easy revenues at the expense of economic growth both in the industrial countries and in oilproducing nations.

Under Clinton's proposal, crude oil would be taxed at twice the rate applied to other energy sources such as coal, natural gas, and nuclear and

hydroelectric energy.

Charles J DiBona, President of the US oil industry's American Petroleum Institute, he said the Clinton proposal would reduce the country's gross domestic product by some 170 billion dollar and cost American's some 600,000

"This proposal really amounts to a thinly disguised gasoline tax, one that would seriously harm economic recovery and be a job-killer on a massive scale," DiBona said.

For Gulf nations, it is frustrating to see the price of their main source of revenue, ofl, slipping in world markets while customers try to earn money off the same oil too.

"It's the treasuries of the industrialised countries that will reap the premiums, not the OPEC countries," said Abdul-Aziz Dukhail, head of the Consulting Centre for Finance and Investment in Riyadh.

Indian rupee gains against US dollar

BOMBAY, Mar 3: The Indian rupee gained ground against the US dollar here Tuesday on the first day of trading after Finance Minister Manmohan Singh announced its full convertibility, reports AFP.

The rupee closed at 31.85 to the dollar on the inter-bank foreign exchange market, after opening at 33.11.

The Greenback's slide came about because Indian exporters were beginning to unload some of their dollar holdings, dealers in this western Indian City

Exporters holding large foreign exchange are expected to offload heavily in the next few days to take advantage and market profits," one dealer

The market opened very strong," a banker added.

The Finance Minister al lowed the Indian rupce to float freely in his budget announcement Saturday for fiscal 1993-94, abolishing a dual exchange rate which he had for mulated a year earlier.

Finance Ministry officials dismissed fears of a sharp fall in the rupee's value, saying if was expected to settle at a level between the official central bank rate of 26.20 to a dollar and the market rate of about 33.

Bad loans in Japan to exceed \$ 100b

TOKYO, Mar 3: The President of Bank of Tokyo Ltd. warned Tuesday that the amount of non-performing loans at Japanese banks would be higher at the end of march than the 100 billion dollar figure at the end of September, reports AFP.

Bad loans are the "biggest problem for Japanese banks" Tasuku Takagaki told a forum of executives of Japanese and British financial institutions, adding that others were international capital ratios and local financial reforms.

Referring to the 12.3 trillion yen (104 billion dollar) in bad loans among 21 major Japanese banks at the end of September last year, he said: "These figures will increase further in the year to March".

Takagai said "it should be possible" to write bad loans off with operating profits, reserves and a new jointly-owned company aimed at absorbing bad debts.

"But clearly, considerable time and patience is needed,

The Bank of Japan has recently been urging the country's fragile banks to follow the lead of Sumitomo Bank Edd. which announced in January it would write off 100 billion yen in loans to a troubled affiliate.

pacity of 5,600 megawatts but

produces 4.475. Demand has

Pindi will devalue rupee to face Delhi unit

KARACHI, Mar 3: Pakistan is likely to devalue its rupec by at last eight per cent in 1993 to enable it to compete with the neighbouring Indian rupee, analysts said, reports Reuter.

The major factor behind any devaluation would be India's decision on Saturday to make its rupee fully convertible, they

"Economic conditions are in bad shape," dealer Zahid Noorani at Khadim Ali Shah Bukhari and Co said." Theoretically, the rupee should be devalued by 12 per cent in 1993.

Most dealers felt a fall of eight per cent was more realistic. The Indian rupee settled higher today against the dollar after erratic trading on the first day of the free float, but bankers expect it to settle at a lower rate in coming weeks.

The state (central) bank of Pakistan has devalued the rupee 2.37 per cent since January, bringing it down to 26.3000/26.4315 today. It started the year at 25.76.

I think the rupee will be adjusted lower to 28 to the dollar by December," said Tariq Hussain, Area Manager Treasury of ANZ Grindlays

if the rupce touches 28 by December, its value will have croded by 8.70 per cent over the year. It fell 3.95 per cent

The central bank fixed the forward buying rate at 26.3000 for six months and 25.5110 for 12 months and the forward selling rate at 27.4178 for six months and 28,4040 for 12 months.

Anwar Zaki, Chief dealer at ANZ Grindlays, said Pakistan's rupee was facing pressure from the Indian rupee in the KERB market. Zaki said the Pakistani rupee was effectively convertible already through foreign exchange bearer certificates at a premium of about nine per cent.

Canada to cut overseas aid by 10 per cent

OTTAWA, Mar 3: Canada's foreign aid programme is to be cut by 10 per cent in each of the next two years and the government's main overseas development agency is ending most bilateral aid packages to several African and Asian nations, an official said Tuesday, reports AFP.

Canadas' revised aid pro-gramme concentrates more on the western hemisphere with the biggest cuts being made in assistance to Africa and Asia.

Gabrielle Mathieu, spokeswoman of the Canadian International Development Agency (CIDA), said what had been routine bilateral aid to several countries would be ended.

But emergency aid for natural disasters, such as carthquakes and famine, would continue as would some "small contributions" to multilateral non-government organization efforts in the countries af-

million dollar (513.6 million US), by fiscal 1994-95. This year's cuts will total 220.9 million dollar (176.7 million US), leaving overseas development assistance at 2.53 billion dollar (2.02 billion US). Being dropped from the list

The cuts will amount to 642

of routine recipients of Canadian overseas development assistance are Tanzania, Rwanda, Ethiopia, Kenya, Madagascar and Burundi in Africa, and Alghanistan, Cambodia, Sri Lanka, Laos, Maldives, Bhutan and Myanmmar (Burma) in

There will also be some, as yet unspecified, cuts in aid to India, Bangladesh, Pakistan, Indonesia and China

In the Caribbean and Latin America, said CIDA, there will be a "marginal shift" in aid programmes, although some projects planned for Jamaica and Guyana will no longer receive Canadian assistance.

Japan govt to join firms to promote imports

TOKYO, Mar 3: The Japanese government said on Tuesday that it would join with private firms to set up a company to promote imports and help foreign businesses begin operating in Japan, reports Reuter.

Japan has come under strong criticism from abroad for its huge trade surplus and closed business practices.

The Ministry International Trade and Industry (MITI) said the government would invest 500 million yen (4.2 million dollar) to take a 50 per cent stake in the firm, tentatively dubbed the foreign business support

A MITI official, who declined to be named, said the government is aware of foreign

business complaints about the closed nature of Japanese business and 'we shall reduce such complaints by supporting their business here, particularly under real business conditions"

The firm, to be set up in May, will provide a wide range of advance to meet actual business needs of fee-paying clients, he said. The fee will be 200,000 yen (1,680 dollar) a

> The new firm will work together with the semi-official Japan External Trade Organisation (JETRO).

JETRO has already announced a plan to offer free office space this month in the Tokyo business district to foreign businessmen trying to sell products in Japan.

Poll on Clinton's economic plan

Too heavy on taxes, too soft on govt spending WASHINGTON, Mar 3: cent said they would feel the

Nearly three out of every five Americans believe President Bill Clinton's four-year economic plan is too heavy on taxes and 75 per cent consider it too soft on government spending, a Washington Post-ABC news poll said, reports

Fifty seven per cent of the 1,216 people surveyed by telephone February 25-28 said Clinton's formula will decrease the federal deficit, but 68 per cent believe he could have done better.

Sixty per cent said the cost of government should be cut more than Clinton proposed. Another 57 per cent thought Clinton had gone too

far in raising taxes and 53 per

emphasis on hiking taxes on the wealthy, whom 58 per cent said could have been squeezed further. And on what is being touted as the biggest tax hike in US history, 50 per cent believed

pinch despite the President's

the money would be used to increase spending, compared to 45 per cent who were confident it would go to reduce the budget deficit. However, 59 per cent ap-

proved of Clinton's overall economic blueprint. Sixtyone per cent saw the

President as a "new-style democrat who will be careful with the public's money," while 35 per cent considered him an "old style, tax-andspend democrat".

KUALA LUMPUR, Mar 3: Malaysia's national soccer squad was playing a Bulgarian team when the floodlights suddenly went out, plunging

Embarrassed officials scrambled to get the lights back on after 15 minutes and the home team managed to hold the visitors to a scoreless draw in the preliminary match for the Merdeka cup, which Malaysia eventually won.

dramatised the growing probboom unless a solution is found quickly.

The shortage, illustrated by a series of blackout in recent weeks, threatens to deter for-

tains the duties are not compatible with current world trade rules. The 12-nation trade bloc also said the duties could further deteriorate the trans-Atlantic trade relationship, already strained because of dis-

its commitment to free global

mission said it had formally

requested talks with the

Clinton administration within

the Geneva-based General

Agreement on Tariffs and

Trade over the punitive steel

duties. The Commission main-

The EC's executive com-

trade," he said.

putes involving agriculture and public procurement contracts. The United States an-

dumping duties on steel product's from 19 nations, including seven EC states. EC officials said the tariffs affect almost one billion dollar worth of EC goods.

nounced in January that, as a

fist step, it would slap anti-

WASHINGTON: US President Bill Clinton (R) embraces unidentified Arkansas member of

the National Association of Counties March 2 in front of the west wing of the White House

shortly after returning from the US capital. President Clinton met with Republican

The preliminary antidumping duties run as high as 109 per cent. They were set after complaints from US manufacturers that "unfair practices by foreign producers" injured the US industry.

Washington claims state subsidies to EC steel producers give them an unfair advantage in the market place.

Brittan said in a statement the preliminary duties had

that foreign goods are being sold in the United States at less than their fair value and therefore injure or threaten a

all nations involved.

US industry. However, the Commission said it doubts EC steel imports could have caused material damage to US steel producers. Some EC exporters' shares of the US market have fallen to below 0.5 per cent, the

been "robustly condemned" by

law, the Commerce

Department must determine

Under US anti-dumping

-AFP/UNB photo

Commission said. And, it added, there has been little or no undercutting of US prices by EC exporters.

Former Soviet republics form body to develop gas, oil sectors

members of Congress to promote his economic plan.

EC challenges US anti-dumping

duties in GATT

MOSCOW, Mar 3: Leaders of technical, investment and 12 former Soviet republics on Tuesday formed an intergovernmental council to coordinate efforts to stabilise and develop their oil and gas sectors, news agencies reported, according to AP. tween members, Interfax re-

The decision to for the council came during a two-day conference on energy cooperation between commonwealth members held in the Siberian city of Surgut in Tyumen, Interfax and ITAR-Tass reported.

The council, which was joined by all the former Soviet republics except Latvia, Estonia and Turkmenistan, will coordinate actions between members in scientific.

other areas, the agencies said. A joint communique adopted in Surgut said the council would also help members to establish joint enterprises and develop direct trade an economic ties be-

All European and Asian countries are eligible to join the council, which would be based in Tyumen, Russia's main oil-producing region.

Also at the conference, Russia agreed to continue supplying ofl to Armenia, Belarus and Kyrgyzstan in exchange for

equipment and materials to

prop up its ailing energy in-

dustry, Russian Deputy Prime

Minister Georgy Khizha told

Russian Fuel and Energy Minister Yuri Shafrannik wamed on Monday that Russian would stop exporting gas and oil to the former Soviet republics unless they provide financial support to the ailing industry.

Khizha said no prices had been set yet concerning the bilateral agreements with Russia. He attended the talks in place of Russian Prime Minister Viktor Chernomyrdin, who was

The agreements will set the stage for similar deals between Russia and other former Soviet

Georgia agreed at the con-

republics, Khizha said.

engines to Russia in exchange for receiving shares of Russian oil and gas enterprises, Georgian Deputy Prime Minister Tengiz Segua said. Russia is demanding that

ference to supply pipes and

Ukraine pay a higher price for gas, and also says Ukraine has not paid in full for January gas

Dwindling fuel supplies forced Ukraine on Monday to ban gasoline sales to private car owners for the entire month of March, the ITAR-Tass news agency reported. The government order is intended to preserve fuel for farmers.

Booming Malaysian economý strained by new crisis — power

risen to around 4,570 "The industrial demand has gone up tremendously. Our projection before was some eight per cent annual growth in power consumption but due to the rapid industrialisation, the increase is between 13 and

By the year 2000, Malaysia's energy requirement will rise to an estimated 13,000 megawatts, officials say.

15 per cent, Samy Vellu said.

'Malaysia is being watched closely," Tan Keok Yin, execu tive director of the Federation of Malaysian Manufactures, said recently.

If it (the crisis) is not resolved in 12 months, invest ment decisions can be de-

terred. Already, some new plants are rescheduling their start-up dates.

A nationwide power cut for three days in late September cost industry at least 220 million ringgit (83.6 million dollar), according to a tederation

The government has asked industries to change operating schedules from daytime to night-time so that supply. especially during peak hours can be effectively distributed Many industry officials say this is not feasible.

As part of a move to case demands on Tenaga, the gov ernment recently allowed two private firms to generate electricity. But their plants are not due to come on stream until

China, Russia to construct connecting bridge BEIJING, Mar 3: China and

Russia have agreed to build a bridge connecting two border cities as trade across the frontier surges, the Xinhua news agency said today, reports AFP. Joint survey work had al-

with total investment of 200 million yuan (35 million dollar), is expected to be completed in about two years, it The bridge, spanning the

ready started and the bridge,

Amur river, will connect Heihe, in China's northeastern Heilongjiang province, with Blagovescensk.

the national stadium and 20,000 fans into darkness, writes Reuter.

But the episode last month lem of power shortages, which could slow down the economic

cign investment in industry and slow economic growth, business leaders say.

After five years of growth averaging nearly nine per cent a year, Malaysia is facing strains in labour, water supply, infrastructure - and most recently, power.

The power shortage situation is alarming, said Khalid ibrahim, chief executive of state investment house Permodalan Nasional Berhad (PNB), which has vast manufacturing interests. One petrochemical plant

belonging to PNB suffered 1.5 million ringgit (570,000 dollar) in production losses in three days of power blackout," he said in a recent radio inter-

The fast-expanding manufacturing sector, the engine of

growth which now accounts for about a third of the econfor the latest blackouts closer omy, has pushed up demand to home, on government de-

acknowledged the country was all this ed tape. facing a power crisis and announced several emergency measures, including plans to buy electricity from Singapore and Thailand. Officials of the state-con-

trolled power firm, the listed Tenaga Nasional BHD, said it would take a year to restore normal supply. Critics say the government and Tenaga should have taken

steps earlier to avert the crisis.

When the whole country was hit by its worst-ever power outages last September, Energy Minister S Samy Veilu called it "an act of god".

lays in building new plants. "It The government this month is about time we got out from Tenaga officials said the shortage was caused by the upsurge in demand and scheduled and unscheduled shut-

He has pinned the blame

downs of turbines, some more than eight years old, for maintenance. But some critics are unconvinced. "The whole truth on the

power shortage has not been told," :he pro-government New Straits Times newspaper said in a commentary. "In sum, Tenaga does not reveal, or rather had not for several months, the entire story of its generation capacity."

Tenaga has a theoretical ca-