

BRIEFS

G-7 to discuss aid for Russia in Tokyo

TOKYO, Mar 21: Group of seven finance and foreign ministers will convene in Tokyo on April 19 or 20 to discuss aid to Russia. Japanese press reports said Friday Japanese officials said the date would be fixed during the middle of next week, after Vice Foreign Minister Hisashi Owada returns from the United States, probably via Paris where he would meet French officials over the weekend, says an AFP report.

Cocaine worth \$3.4m seized in Japan

TOKYO, Mar 21: Japanese police seized about six kg (13lb) of cocaine worth millions of dollars at the home of a man with gangster links, a police official said Friday. He said the drugs confiscated in Shizuoka, west of Tokyo, had an estimated street value of 400 million yen (3.44 million US dollar). The haul, Japan's fifth largest was the equivalent of about one fifth of the national total 1992 cocaine seizures of about (31 kg), reports Reuters.

German painting can fetch \$3m

LONDON, Mar 21: Auctioneers Christie's said Thursday that a land scape painting by Germany's 19th-century romantic artist Caspar David Friedrich, once kept in a cellar, could sell for around two million pound (nearly three million dollar) in May. The painting titled "Walk at Dusk" (Spaziergang in der Abenddämmerung) depicts a man in a long coat looking at a prehistoric tomb amid bare trees, under the moon and the evening star, says AP.

Nissan will cut production cost

TOKYO, Mar 21: Nissan Motor Co, Japan's second-largest auto maker, said Thursday it will cut production costs by reducing the variety of engines offered by at least 40 per cent in five years. Honda Motor Co, also a leading Japanese automaker and the world's largest motorcycle maker, said it planned to standardise components such as air conditioners and transmissions as much as possible to reduce the number of parts needed in vehicles by 25 per cent in three years, reports AP.

Talks on cocoa accord postponed

LONDON, Mar 21: Cocoa producing and consuming countries on Friday postponed until June a decision whether to continue the search for a new international cocoa agreement. The present agreement, whose price-defense provisions were abandoned four years ago, expires at the end of September this year and cannot be extended. The International Cocoa Organization's governing council, at the end of weeklong meeting in London, said it plans to take a decision at its next session in London on June 8-11. Meanwhile, its member governments agreed to examine compromise proposals for a simplified new agreement, reports AP.

Latvia to get \$70m from UK for gold

LONDON, Mar 21: Britain on Friday agreed to pay Latvia 47 million pound (70 million dollar) to compensate for gold it deposited in Britain before the Nazi invasion of the Baltic nation in 1941. The Bank of England froze the 6.58 tons Latvian gold after the invasion under enemy property laws. It refused to release it after World War II because it did not recognise the 1940 Soviet annexation of the Baltic states, reports AP.

US, China to build copper mine

BEIJING, Mar 21: Firms from China and the United States are to jointly build the biggest copper mine in eastern Siberia, the China Daily newspaper said Saturday. EWC Wang, President of the US partner in the venture, China Mining Co Ltd, got a green light from the Russian authorities on February 24 to go ahead with the 1.74 billion dollar project, the English-language daily said, says AFP.

Bentsen sees Poland as example to other

WASHINGTON, Mar 21: US Treasury Secretary Lloyd Bentsen held up Poland on Wednesday as an example to other countries building market economies and democracy. His statement was issued after a meeting with Polish Finance Minister Jerzy Osiatynski. Bentsen praised Polish courage in styling with what he called a "tough, forward-looking programme", says AP.

Solar products attract world attention

UNITED NATIONS: A small solar company in Madras, India is winning national and international attention with its innovative products and management style.

The company, Solker Enterprises, has more than doubled its annual turnover every year since 1987 when its 30-year-old founder, K E Ragunaathan graduated from Anna University in Madras with a degree in mechanical engineering.

A first generation entrepreneur, Ragunaathan developed heating panels which use no imported materials and can be sold in India for 200 US dollar for a two square metre unit.

Solker has also developed a solar heater and cooker and is working on commercial appli-

cations for solar dryers and air heating systems. Its management offices use solar air-conditioning. All production at Ragunaathan's factory in Ambattur, just outside Madras, is driven by solar power with the exception of night lighting.

Solker has installed almost 900 solar flat plate water heaters and cookers in houses, hotels, hospitals and canteens and has an order to export units to Germany this year. The company works closely with Anna University and has established a foundation to support its students and supply laboratory equipment.

In return, professors and graduates from the university work out the production designs with company staff. Solker also runs a home for 28 handicapped young people and

has plans to start a subsidiary company to employ them.

Solker has won a number of national awards for its industrial prowess and civic-mindedness which include a Best Employer award for its factory floor management style and employee benefits.

Solker has installed almost 900 solar flat plate water heaters and cookers in houses, hotels, hospitals and canteens and will export units to Germany.

The company's employees receive a salary plus medical benefits, schooling for their children and a bonus for the quality of their output. Solker donates 100 rupee (3.60 US dollar) to an employee benevolent fund for every square metre of panel sold.

Every Solker system comes with a full 12-month repair guarantee. If a system fails the repairs are covered by the Fund. But if it doesn't, the full amount goes to the employees at the end of the year.

The Fund has had two main effects. It has given workers an

incentive to monitor the quality of their own work and to keep the number of employees per unit low so that the bonus is shared among fewer people. The workforce has grown from 10 to 28 since 1988 with no turnover. Most employees are recruited from technical

schools and universities. Solker has benefited from government funding through the Indian Renewable Energy Development Agency (IREDA) and from subsidies which the Federal Government and the State Government of Tamil Nadu offer to purchasers of renewable energy systems. The company has franchises in Andhra Pradesh, Karnataka and Kerala, and is planning a joint venture in Indonesia.

The company has recently developed a solar cooker in which oil, not water, is sealed in the heat transfer circuit. The oil removes the risk of corrosion and a storage element generates temperatures high enough for frying, even at night. Rice can be cooked in just 30 minutes. — Depthnews Asia

Dollar finishes lower against key Asian currencies

HONG KONG, Mar 21: The US dollar, pressured by a cut in Germany's discount rate, ended lower on the week against key Asian currencies, reports AFP.

Dealers said the dollar's fall was sharpest against the yen and German mark after Germany's central Bundesbank pared its discount rate a half-point on Thursday to 7.5 per cent.

Japanese Yen: The Japanese yen gained sharply to close at a record high 116.10 yen finish in Tokyo on Friday up 1.75 yen on the week.

After opening the week at 118.27 yen, the yen gained steadily. It moved in a broad range of 118.50 to 115.80 yen this past week.

Japan's Finance Ministry said Tuesday that Japan's trade surplus grew 3.7 per cent from a year earlier to 10.6 billion dollar in February.

Singapore dollar: The Singapore dollar firmed against the US unit in slim trading to 1.6485 Friday from 1.6500 a week earlier, dealers said the US dollar was weaker here in line with other Asian markets, particularly Tokyo where the Green back plunged below the 116 yen level Friday before partly recovering.

Malaysian ringgit: The ringgit ended the week higher against the US dollar at 2.5955 from 2.6060 the previous

week.

Australian dollar: Renewed enthusiasm for the Australian dollar sent the currency a half cent higher on the week to finish on Friday at 71.73 US cent, its highest level since it touched 71.85 US cent nearly five months ago in late October.

Dealers said 72.00 US cent was a short term target. The currency faces firm resistance

at 71.90 US cent with support at 71.60.

New Zealand dollar: The New Zealand dollar closed Friday at a four-month high of 53.39 US cent, up from 52.65 a week earlier.

The domestic unit has been climbing steadily since January when it fell to a six-year low. However, dealers said its strength this past week

stemmed more from US dollars weakness than domestic factors.

Hong Kong dollar: The Hong Kong dollar was virtually unchanged on the week against the US unit ending on Friday at 7.732-7.733 from 7.7355-7.7365 a week earlier. For weeks the Hong Kong currency has kept of the strong end of its 7.8 peg to the US dollar.

The effective exchange rate index for the Hong Kong dollar stood at 113.6, down on the week from 114.1.

Taiwan dollar: The Taiwan unit continued its slide closing Friday at 26.1152 to the US dollar down 13.37 Taiwan cent from 25.9815 a week earlier.

South Korean won: The won strengthened on the week against the US dollar to 792.90 on Saturday, up 0.80 from 793.70.

Dealers said slack imports pared dollar demand.

Indonesian rupiah: The Indonesian currency ended Friday at 2,069 rupiah to the dollar, unchanged on the week.

Thai Baht: Thai baht ended the week at an official mid-rate of 25.38 baht to one US dollar against 25.45 a week earlier.

Philippine peso: Philippine currency fell to 25.441 peso to the US dollar on Friday from 25.325 the previous Friday.

US merchandise trade deficit widens

WASHINGTON, Mar 21: The US merchandise trade deficit widened to 7.30 billion dollar in January as American exports abroad slowed from a record flow a month earlier, the government said Thursday, reports AP.

The Commerce Department said exports totaled 37.01 billion dollar in January, down from 39.67 billion dollar in December and the lowest since 35.80 billion dollar last August. Two-thirds of the decline was in aircraft and automobiles.

At the same time, imports of overseas goods, which also reached an all-time high of 46.56 billion dollar in December, fell to 44.31 billion dollar, the lowest since 42.90 billion dollar last May. The deficit, the difference

between exports and imports, had narrowed to 6.89 billion dollar in December from 7.35 billion dollar in November.

The trade gap swelled to 84.3 billion dollar in 1992, from 65.4 billion dollar in 1991, the first deterioration since it peaked at 152.1 billion dollar in 1987.

Many analysts believe the deficit will continue to grow this year because of weak foreign economies, which demand fewer exports of US goods, while the American economy improves and stimulates appetites for imports of goods produced overseas.

America's worsening trade performance, which translates into lost jobs for US workers, is one of the biggest economic challenges facing the new administration.

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Yeltsin promises sweeping changes to unblock reform programme

MOSCOW, Mar 21: President Boris Yeltsin promised sweeping changes to unblock his economic reform programme when he announced that he was assuming "special rule" in Russia before an April vote on a new government system, reports Reuters.

Yeltsin, stepping into the unknown with his latest move in a power struggle against the conservative legislature, pledged that reform would move swiftly now that he had written a death warrant for the Congress of People's Deputies.

The battle for control of Russia has paralysed normal government as each side countermands the other's instructions.

Yeltsin said in his television address on Saturday that he

had ordered Prime Minister Viktor Chernomyrdin to list priority economic measures within two days.

He said special rule would last until an April 25 vote of confidence in his presidency along with a referendum on a new constitution which would disband the Congress. But both Vice-President Alexander Rutskoi and Valery Zorkin, head of the constitutional court which has brokered past compromises with parliament, rejected Yeltsin's proposal.

Zorkin accused him of attempting a coup from above. Yeltsin said decisive action was needed to stop Russia from plunging into anarchy.

Rapid land privatisation would be top of the reform list, he said. The current law allows

partial private ownership but restricts sales and transfers of property.

Yeltsin promised that a massive industrial privatisation programme, in which every citizen was given a voucher worth 10,000 rouble last year to invest in state sell-off, would be extended to sales of state-owned land.

"I am drawing up a decree regulating the procedure for obtaining ownership of real estate," he said. The government would bring the inflation rate, which hit 2,500 per cent last year and is now hovering at 30 per cent a month, under control.

He pledged to manage "the struggle against inflation, the stabilisation of the rouble market rate and strict control over

money supply."

A central plank of reforms envisaged last year by Yeltsin's reformist government was tight monetary control. But the central bank, which answers to parliament rather than the government, persisted in handing out easy credits.

Government leaders have accused the bank and parliament of sabotaging the reforms with an inflationary policy.

Yeltsin's determined words seemed to indicate he was poised to take the central bank under his control.

Yeltsin outlined a costly programme of Social protection measures aimed at appeasing a population whose living standards have been forced sharply down by post-Soviet reform.

Political turmoil in Russia influences world commodity prices

LONDON, Mar 21: Commodity prices, which rose last week following political turmoil in Russia, remained under pressure this week, with dealers uncertain of the fate of Russian contracts with the West, reports AFP.

Analysts feared that the conflict between Russian President Boris Yeltsin and the Congress of Deputies would force him to resign and threaten Russia's economic reforms and relations with the West.

Signs of a stronger recovery in Europe and the United States and firmer industrial demand compensated some of the losses.

The gold price broke back above the 330 dollar an ounce level but was held in check by fears of central bank sales. The price of silver was carried higher by gold, but platinum fell.

Among soft goods, the sugar price leap to its highest level for three years after the "storm of the century" moved up the East Coast of the United States, and possibly damaged the Cuban Sugar Crop.

pessimistic over the outcome of talks in London at the end of the month about a new international accord.

Brent North Sea crude oil traded quietly, depressed at under the 19 dollar a barrel level.

Dealers are waiting to see the first statistics on volume since OPEC ministers decided in February to limit their combined production to 23.6 million barrels a day from March 1.

Gold: Higher. The price of gold rose slightly, moving back above 330 dollar an ounce, boosted by the fall of the dollar and signs of an increase of inflation in Europe.

The political turmoil in Russia and losses on the stock markets encouraged dealers to move back into gold. The traditional safe haven.

Platinum: Lower. The price of platinum, which rose strongly last week on the turmoil in Russia, suffered from profit-taking and the return of some sort of calm to the former Soviet country.

The losses were limited by hopes of a stronger economic recovery, boosted by a half-point cut in the German discount rate to 7.5 per cent.

ery of industrial demand in the United States but the high level of stocks and poor jewellery demand weakened progress.

Copper: Lower. The price of copper was pushed lower when sterling rose against the dollar.

Sterling rose five per cent against the dollar after cut in German interest rates and the first fall in the British jobless total for three years, sparking hopes of a stronger than expected recovery in Britain.

Lead: Lower. Lead followed copper prices, falling over the week as the pound rose, making commodities priced in pound less attractive to international buyers.

LME lead stocks rose 5,125 tonnes to 242,425 tonnes, their record high.

Zinc: Lower. Zinc also moved lower though picking up toward the end of the week after dealers sensed they had over-reacted to the increase in LME stocks on Tuesday.

Zinc also has tendency to track copper price and fell in reaction to the fall in copper, dealers said.

son with other metals to the rise in stocks and spate of selling on Tuesday.

Aluminium price dipped 0.5 per cent in price at the start of the week, but bounced back to finish only fractionally lower on the LME, aluminium stocks jumped 15,375 tonnes to the record high of 1,715,075 tonnes.

Nickel: Lower. The price of nickel slumped at the start of the week, depressed like other metals by the news of higher stocks and stagnating demand.

However, prices rallied partially toward the end of the week after confidence grew about the British nickel market and dealers decided that prices had fallen too much at the start of the week.

Tin: Lower but recovering. Tin price fell on Tuesday to its lowest level since February 1992, depressed by stop-loss selling after breaking through the 5,700 dollar per tonne barrier when stocks rose.

The fundamentals for Tin are "not looking healthy right now," one dealer said, and the metal was "finding very little support."

Coffee: Lower. The price of coffee continued to weaken, down by eight per cent over the past two week, depressed

Indonesia's trade surplus rises to \$5.88 m

JAKARTA, Mar 21: Indonesia's trade surplus increased to 5.88 billion US dollar in 1992 from 3.27 billion US dollar in 1991, reports Xinhua.

According to the latest data from the Ministry of Trade, this surplus was supported by significant growth in exports of non-oil products.

The total exports of the country increased by 16.36 per cent to reach 33.91 billion US dollar last year from 29.14 billion US dollar in 1991.

Exports of non-oil products last year rose by 27.7 per cent to 23.3 billion US dollar from 18.24 billion US dollar in 1991, while exports of oil and gas declined slightly to 10.61 billion US dollar from 10.89 billion US dollar.

Japanese economy to slow down further, believe most businessmen

TOKYO, Mar 21: Nearly three quarters of Japan's top businessmen believe the country's sagging economy will slow further, according to a survey published on Saturday by Japan's biggest-selling daily, the Yomiuri Shimbun, reports Reuters.

An overwhelming majority of the executives polled wanted the government to come up with a new stimulative package which, they said, should include public works spending and tax cuts.

Asked how they were fighting the recession, most of the executives, drawn from Japan's top 100 companies, said they had reduced corporate entertainment expenses and curtailed overtime hours. About one in four said they had dismissed part-time and temporary employees.

The executives cited low personal consumption, a decline in companies' capital investment and the stronger yen as reasons for the deep economic slowdown.

Echoing the businessmen's concern about the economy, a senior ruling party official said on Saturday that the government would propose a supplementary budget by June "if that proved necessary."

Speaking at Mito, north of Tokyo, Seirokukajiya, secretary general of the Liberal Democratic Party (LDP), said that he hoped the fiscal 1993 budget currently being debated by parliament would revive the economy.

The draft budget for 1993/1994, totalling 72.4 trillion yen (613 billion dollar), must clear remaining parliamentary hurdles before the new fiscal year begins on April 1.

Earlier this month, an LDP official said that the ruling and opposition parties had agreed on the need to work out an additional large-scale economic package in early April.

Prime Minister Kiichi Miyazawa has staked his political future on pulling the economy out of its two-year slump. He is expected to face a general election later this year.

Bentsen concerned over troubled economies of Europe

WASHINGTON, Mar 21: Secretary of the Treasury Lloyd Bentsen predicted a three per cent annual growth rate for the United States in the short term but expressed concern over the troubled economies of Europe, reports Reuters.

"You're looking at Germany with negative growth and Europe with no growth," said Bentsen on Wall Street Week, a public television programme. That has to be of great concern to us. We the United States cannot be the only engine of growth... because we have to have markets for our products too.

Bentsen said the United States should work together with the G-7 industrial nations to "stimulate their economies and get the growth going with the creation of jobs" but he gave no details.

On the domestic front, Bentsen also expressed confidence that Congress would pass a modified line item presidential veto and strongly denied reports that the

Clinton administration was planning to increase estate taxes.

Bentsen said he was unaware of, and did not support, a rumoured plan to reduce the 600,000 dollar tax exemption of inheritances.

"I have seen no attempt, not even a serious suggestion, to cut that," he said. "As Budget Secretary I certainly would have been apprised of it."

Bentsen said President Clinton would be better able to control pork barrel spending with the ability to veto certain line items of the budget.

"I will bring about some balance where the chief executive has a better shot at cutting out specific projects," Bentsen said.

With such a veto, Bentsen said, the President would be able to send certain appropriations back to Congress for a high-profile vote rather than having them rolled more anonymously into the entire budget package.

EC turns down request for 30 pc rise in fish

BRUSSELS, Mar 21: European Community fisheries ministers turned down requests here yesterday for tough new measures to remedy a glut of fish on the EC market, the EC's Danish presidency said, reports AFP.

The ministers said "no" to a French request for a 30 per cent increase in minimum prices for the most popular species of fish, and for other action to prevent import surges of foreign fish.

At a meeting here to discuss an oversupply crisis which has driven down prices and sparked violent protests in France, the ministers also came out against bans on imports of Russian cod.

"It was clear there was little support for that," said British Fisheries Minister David Curry, who accused Denmark of being the "Achilles heel" for letting in cut-price fish imports.

EC Fisheries Commissioner Ioannis Paleokrassas said control would be stepped up to make sure that fish imports did not undercut prescribed minimum prices, or standards of quality and hygiene.

Curry said the debate had dealt "almost entirely" with imports of Russian cod, which the EC fishing industry claims is illicitly flooding the local market and driving down prices.

But diplomats said there had also been discussion of allegations that some of the imports are being falsely labelled and sold as Norwegian or Icelandic fish, which has preferential tariff access to the EC.

The British minister added that action was needed "against boats slipping into creeks and cargoes disappearing into the night" to avoid EC health, quota and tariff regulations.

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Wool: Lower. The price of wool fell to its lowest level since September, affected by the rise of sterling and poor industrial outlook.

In the second half of 1992, price rose more than 10 per cent following the devaluation of sterling.

aid palm oil stocks fell 13.2 per cent last month while production rose four per cent.

According to the organisation, the stock dropped to 531,945 tonne in February while production rose 441,641 tonnes.

Oil: Steady. The price of oil was steady over the week with dealer cautious ahead of the first production statistics since the OPEC ministers decided in February to limit oil to 23.6 million barrels a day.

The Arab monarchies of Saudi Arabia, Kuwait, UAE, Qatar, Bahrain and Oman reiterated their determination to keep to the OPEC limit to boost price.

Rubber: Quiet. The price of natural rubber remained almost unchanged over the week, halted after heavy loss in the two previous weeks.

Since the start of February, price have fallen eight per cent on fear of lower demand from the car industry, where tyre manufacture is the major outlet for rubber.

Grain: Lower. The price of wheat and barley weakened slightly, unaffected by gain on the Chicago market, which had risen on hope of a recovery in US grain export to Russia.

The British market was hit