

BRIEFS

IFC to give \$ 7.48m for Pak textile mill
ISLAMABAD, Mar 22: The World Bank-affiliated International Finance Corp (IFC) has agreed to provide 7.48 million dollars to a private textile company, the official Associated Press of Pakistan said Sunday.

Taiwan to build \$5.7b energy centre
TAIPEI, Mar 22: Taiwan will build a 5.7 billion US dollar natural gas and power center in the northern coastal county of Taoyuan, officials said Monday.

India's gold, foreign reserve \$ 8.54b
BOMBAY, Mar 22: India's gold and foreign currency reserves totalled 8.54 billion dollars on March 5 against 8.19 billion dollar a year earlier, but were below the mid-February level of 8.66 billion dollar, the Reserve Bank of India said.

4 held for killing endangered species
HONG KONG, Mar 22: Chinese authorities have recently smashed a syndicate illegally exporting the frozen meat of endangered species to Hong Kong, it was reported today.

Nigeria-Germany trade surplus
LAGOS, Mar 22: Nigeria recorded a trade surplus of about 389 dollar with Germany between January and September in 1992, according to business times newspaper.

Economic, trade fair ends in Hong Kong
HONG KONG, Mar 22: Northeast China's Jilin province closed its week-long economic and trade fair in Hong Kong today, scoring 352 agreements worth 4.77 billion US dollar, including foreign investment of nearly 2.2 billion dollar.

Chinese still firm slashing workforce
BEIJING, Mar 22: One of China's leading steel companies is reorganising and slashing its factory workforce by two-thirds to increase efficiency, an official news report said Monday.

Asian currency markets react cautiously to Russian politics, French election

TOKYO, Mar 22: A political duel in Russia and a general election in France had Asian currency traders cautious on Monday, but drew little attention from other markets, reports Reuter.
On Saturday, Russian President Boris Yeltsin directly challenged his parliamentary opponents, assuming special powers to force an April referendum on who should have supreme power.

The French franc edged up on post-election short-covering but Tokyo dealers saw sentiment remaining bearish, reflecting France's weak economic outlook. The franc stood at 3.4017 to the mark in early trade from a 3.4042 New York close on Friday.
As it was with in expectations, position adjustment gave a lift, said customer dealer Nobuo Kihara at Banque Paribas.

Taiwan's stocks were moderately higher across the board at mid-morning as buying of financials boosted overall sentiment, brokers said. The weighted index rose 57.24 points to 4,630.82.
Hong Kong stocks were lower in early trade as investors kept to the sidelines amid lingering friction between Britain and China over political reform in Hong Kong. The Hang Seng index was down 26.52 points to 6,061.82.

North Sea Brent crude for May loading stood at 18.68 dollar per barrel against 18.63 dollar in late US markets on Friday.
Gold bullion was quoted at 332.35 dollar per ounce in midday in Asia against New York's 331.85 dollar on Friday.

Rouble plunges
AFP reports from Moscow: The rouble plunged 10 per cent against the dollar on the black market Sunday after President Boris Yeltsin imposed direct rule in his power struggle with the conservative Russian legislature.
Sergei Stepashin, chairman of the parliament's security committee, told the legislature Sunday that the Russian currency was trading on the unofficial market at 800 rouble to the dollar, versus 720/730 rouble Saturday.

School of communism will now teach capitalism

BEIJING, Mar 22: The head of China's central party school, a Marxist training ground for leaders of the world's last major communist state, said today that the school would now teach the basics of capitalism, reports Reuter.
School Vice President Xu Xing told the official Xinhua news agency that instead of focusing on ideological purity, the central party school wanted to "improve capabilities of trainees for economic management."

New courses cover finance, real estate and securities," Su was quoted as saying. "It is important to have a real understanding of rules governing economic operation and the law of value."
At the isolated campus outside Beijing, rising young officials in China's communist hierarchy will be treated to a syllabus that could have come from a Western-style business school.
The school has also invited many government officials and outstanding economists to give lectures on questions relating to market economy, shareholding, securities, and Western economies," Su said.

Economic reforms in Iran likely to put prices up, people out of work

NOCOSIA, Mar 22: Iran has begun a new year in which major reforms to shake up an inefficient, war-ravaged and state-dominated economy are likely to put prices up and people out of work, reports Reuter.
Most officials and critics agree that immediate hardships like higher inflation and job losses would result from the measures, centred around currency reforms which amount to a sharp devaluation of the rial for many sectors.

oil revenue — envisaged at 17 billion dollar this year. Just above last year's projection — to feed its 60 million people and support a bloated civil service and largely inefficient industries.
During the 1980-88 war with Iraq, the government kept the rial's official exchange rate at about 70 per US dollar to prevent the import-dependent state industries from closing down.
It was also one to keep down prices of basic imports like food.

Under this year's budget law the government would abolish the official rate except for defence expenditures and imports of basic foods, fuels and medicine totalling 3.8 billion dollar.
Another rate of 600 rial per dollar for some imports would also be scrapped, leaving only the floating rate last set by the central bank at 1,542 rials per dollar on Thursday.
The rail on the open market closed at 1,610 per dollar last week, up from an all-time low of 1,650 three weeks ago.
While few oppose the reforms in principle, industrialists have complained that many companies simply do not have the money to pay for imported machinery and materials at new prices.

Foreign Minister Klaus Kinkel said Germany had long believed it was vital for Yeltsin's reforms to succeed but had not always been backed by other leading industrial states, especially Japan.
We have to see clearly that the Japanese are the main obstacle, he said.
Kinkel said Japan had held back because of its demands that Moscow return the Kurile Islands captured by Russia from Japan after world war two. "We and the Americans will have to see to it that we press harder, especially on Japan, for more responsibility in helping (to aid Russia)," Kinkel said.

Germany backs Yeltsin's reforms

BONN, Mar 22: Germany threw its support on Sunday behind Russian President Boris Yeltsin in his power struggle with parliament and accused Japan and western allies of doing too little to back reforms in Russia.
Foreign Minister Klaus Kinkel said Germany had long believed it was vital for Yeltsin's reforms to succeed but had not always been backed by other leading industrial states, especially Japan.
We have to see clearly that the Japanese are the main obstacle, he said.
Kinkel said Japan had held back because of its demands that Moscow return the Kurile Islands captured by Russia from Japan after world war two. "We and the Americans will have to see to it that we press harder, especially on Japan, for more responsibility in helping (to aid Russia)," Kinkel said.

Russian reform's future improves slightly

MOSCOW, Mar 22: Prospects for further Russian economic reforms improved slightly after a hostile parliament backed down on Sunday on threats to try to remove President Boris Yeltsin from power, reports Reuter.
But, to eliminate a huge question mark hanging over Russia's ability to transform its ailing economy to a free market system, Yeltsin must now win an April referendum combining a vote of confidence with a vote on a new constitution.
He needs massive popular support to carry out his ambitious new plans designed to intensify economic reforms.
Yeltsin announced the eight-point package on Saturday in response to a bitter defeat this month in the conservative Congress of People's Deputies, Russia's supreme legislature.
The plan combined western economic wisdom with measures to alleviate the pain caused by the reforms implemented so far.
I hereby confirm officially that Russia in future intends to observe all its international obligations," Yeltsin said in a televised address.

But conservatives at an emergency parliamentary session on Sunday said his determination to seize the reins of power was bringing problems. "Yeltsin has already triggered a rouble fall to 800 to the dollar," one hardline Deputy said.
The rouble, which is not freely convertible, traded officially at 667 to the dollar last week. Street traders in Moscow were offering 750 rouble per dollar and more.
Russia's big privatisation programme would be stepped up and guarantees introduced to ensure that the sell-off of state property could never be reversed.
In addition, support would be offered to small and medium-sized firms strict controls would limit the rise in money supply.
A tighter monetary policy could involve removing the central bank from parliamentary control, something parliament would oppose with all its might.

Japan's newspapers face bad times

TOKYO, Mar 22: Their news bureaus blanket the globe. In Tokyo, white-gloved chauffeurs stand ready to drive teams of reporters to late-night briefings, reports AP.
Japan's four largest daily newspapers are giants, but the recession has squeezed their income and forced them to confront problems they ignored in the boom years of the late 1980s.
As Japanese companies slash costs, advertising revenue for the big four dailies is expected to fall more than 10 per cent in the fiscal year just ending, said Isao Ohno, advertising manager of the Asahi. His paper is the country's second-largest, with circulation of 8.2 million.
Japanese newspapers have never experienced this kind of

bad times, Ohno said. "Since the war, we've had continuous growth."
Despite such troubles, the giants — Yomiuri, Asahi, Mainichi and Nihon Keizai — are reluctant to reduce their huge editorial staffs.
The Yomiuri, for example, has almost 3,000 reporters at 102 Japanese bureaus, 34 foreign bureaus and 363 domestic "reporting stations" staffed by part-timers. It also has a fleet of helicopters and light planes.
Japanese journalists labour intensive. Scores of reporters and photographers are deployed at "press clubs" in government ministries, police stations and major companies.
Others wait outside politicians' homes for late night briefings over drinks, or mount round-the-clock stake-

outs of popular personalities such as Masako Owada, the fiancée of Crown Prince Naruhito.
We're not thinking of cutting the number of reporters," said Noboru Yamada, spokesman for the Nikkei, as the Nihon Keizai is known. "It's not easy to decrease staff, and if we had to do it, the reporters would be the last to go."
Adding to the newspapers problems is growing competition from television, whose evening news shows cover the day's events eight hours before the morning paper arrives.
"Young people have stopped reading newspapers," said Keiichi Katsura, a professor at Tokyo University's media institute. "They only buy a single copy when they feel like read-

ing it."
That copy is more and more likely to be one of the "sports newspapers," tabloids that moved into general news during the Gulf War. Their circulation rose 3 per cent in 1992 while copy sales of mainstream papers fell.
To meet the challenge of the colorful tabloids, the big papers have added more color photographs and increased coverage of television programming.
Whatever their problems, the big four remain the envy of the world's media moguls, who are awash in their own red ink.
Japan is probably the closest thing to newspapers heaven.
Nearly all daily newspapers are sold by subscription.

British govt under fire on fuel tax

LONDON, Mar 22: Chancellor Norman Lamont has stoked an angry debate over the British budget by refusing to back down over a controversial new fuel tax, reports Reuter.
The opposition Labour Party said it would launch a nationwide crusade to exempt the poor from the charge while newspapers said the tax would force many people to choose between eating heating.
Debate over the tax, which starts at eight per cent before rising to 17.5 per cent, was certain to heat up in parliament on Monday. Even some members of the ruling Conservative Party expressed doubts about their support.

Taiwan gets \$ 6.94b export orders from abroad

TAIPEI, Mar 22: Taiwan received 6.94 billion US dollar worth of commercial orders from abroad last month, showing a rebound after a plunge in January, the Economics Ministry here, said Sunday, reports APF.
Depreciation of the Taiwan dollar by nearly one per cent was behind the rise in the overseas orders, the ministry said.
The value of the orders was 27.37 per cent more than for the same period last year and 13.69 per cent higher than in January, the ministry said in a press release.
The United States remained Taiwan's largest buyer, with 2.32 billion US dollar worth of orders up 17.99 over the same period last year and 13 per cent from January, the

report said.
Hong Kong was second with 1.2 billion US dollar in orders a whippet of 86.74 per cent over a year earlier and 22.14 per cent higher than January orders.
The ministry pointed out many of the shipments to Hong Kong would eventually land in China, with Chinese purchasers using the British colony as a transshipment point to the mainland. Taiwan has a policy of no direct trade with the mainland.
Orders from Europe were worth one billion US dollar, 5.26 per cent up from last year and 12 per cent higher than January.
The balance of orders came from Japan, South East Asian nations and other countries the ministry added.

PIA flies past period of uncertainty

The massive changes that have almost overnight altered the face of the globe are being reflected in the aviation industry also. In adapting to the still fluid new world scenario, PIA is striving to keep in the forefront.

The airline during the year carried a record number of passengers. The figures stood at 5584 thousands, registering an increase of about 11 per cent. Revenue passenger kilometre increased by 10.3 per cent while the overall revenue ten kilometre were 6.2 per cent above the previous year.

Automation
PIA has all along been striving for self sufficiency in data processing and information technology. The highly qualified and trained personnel who man its Management Information Systems Department have several important break-throughs to their credit.

Manpower
In March 1992, the total number of the employees in the airline stood at 20794. Of these about 9,000 employees belong to the operational sectors and include cockpit crew, engineering, airport services, and flight services.
Manpower productivity as measured in ATK today stands at an efficient 106 compared to the 1990-91 figure of 98.

Table with 4 columns: Category, 1992, 1991, Increase in per cent. Rows include Operating Revenue, Operating Expenses, Operating Income, Profit.

The Airline earned an operating surplus of over Rs 740 million and a profit of Rs 491 million. A comparison of the half yearly accounts with those of the previous year is as under:
To cope with the difficult situation, PIA launched a route restructuring programme that helped to improve flagging seat factors. The application of the multi-class facility and yield management system also resulted in higher seat factors. Determined reservation and ticketing efforts further helped to increase the system seat factor to 68.48.

PIA's liquidity position has also improved and sizeable cash balances are now available. PIA, therefore, successfully arranged financing of its fourth Airbus A 310-300 without government guarantee.
To meet the challenges posed by the 90's decade, PIA is exploring new market areas with a high traffic-generation potential. It is targeting fast-growing, affluent urban centres worldwide and has in this connection opened three new sales offices in Berlin, Boston and Seoul.
PIA network
The PIA network today consists of 79 destinations. The airline serves 44 cities in four continents and within Pakistan it operates to 35 cities and townships. PIA has recently added Zurich to its network and Islamabad and Lahore are now being linked to new destinations East and West. The Kabul service is being restarted. PIA was also the first carrier to launch a scheduled service to the new much

Europe's Galileo and Amadeus which covers 65 per cent of the European market. East Asia's Abacus is next on the cards. These systems have been jointly developed by groups of carriers and dominate the travel agency market in the different geographical regions. They offer all travel related facilities including bookings, hotels, car hire etc to each connected travel agent.
Punctuality
Due to consistent efforts and monitoring, the airline's overall punctuality has reached 81.4 per cent. This compares favourably with the 1991 punctuality figure of 73.4 per cent. A major cause of delays particularly in the international network are the overcrowded skies of Europe and the US.
Passenger complaints
Continuous and concerted efforts to promote passenger comfort and convenience have lowered the passenger complaints. The downward trend was first recorded in June last year, continued to come down steadily and fell below the international standards levels around the middle of 1992.
The airline management has been laying special emphasis in the area of Customer Services. A conscious effort is being made to motivate per-



Cargo loading on a PIA Boeing 707 at Karachi Airport.

Chinese still firm slashing workforce
BEIJING, Mar 22: One of China's leading steel companies is reorganising and slashing its factory workforce by two-thirds to increase efficiency, an official news report said Monday.
The newspaper China Daily said the Wuhan Iron and Steel Works already has shifted 50,000 of its 120,000 workers to newly formed sister companies. It said the goal is to reassign 30,000 more within two years, reports AP.

PIA's liquidity position has also improved and sizeable cash balances are now available. PIA, therefore, successfully arranged financing of its fourth Airbus A 310-300 without government guarantee.
To meet the challenges posed by the 90's decade, PIA is exploring new market areas with a high traffic-generation potential. It is targeting fast-growing, affluent urban centres worldwide and has in this connection opened three new sales offices in Berlin, Boston and Seoul.
PIA network
The PIA network today consists of 79 destinations. The airline serves 44 cities in four continents and within Pakistan it operates to 35 cities and townships. PIA has recently added Zurich to its network and Islamabad and Lahore are now being linked to new destinations East and West. The Kabul service is being restarted. PIA was also the first carrier to launch a scheduled service to the new much

sonnel to deliver a high level of service. The results of this campaign are visible in the upswing being achieved in the previously depressing monitoring and evaluation graphs in these areas.
Consultants
To further upgrade the airline's overall performance, and to give it a modern new image, PIA has appointed international consultants. Out of the three firms that were short-listed, the prestigious "Managing the Service Business" (MSB) from UK were hired. MSB executives were responsible for transforming the British Airways' identity and giving the carrier a new look and a strong marketing thrust.
Consultants have been appointed as the time has come for PIA to break away from its increasingly ethnic image and identity.

By developing a modern new image for PIA and improving customer services, the consultants will help it to get-back into the aviation mainstream.
PIA has to get out of its ethnic world in order to benefit from the new opportunities opening up in the increasingly deregulated skies of Europe and the rest of the developed world.
Airport services
To provide better service to its passengers, PIA has taken several new steps. These include the introduction of passenger service offices at Karachi, Lahore and Islamabad airports. For quicker check-in for domestic passengers and to eliminate queuing and waiting time, advance boarding card facility has been introduced. A new computerised system has been developed to ensure orderly and fair acceptance of

chance passengers.
Inflight service
To improve the quality of announcements pre-recorded tapes have been introduced. Better cutlery and crockery is being utilised in the First Class. Food fairs have been organised at important destination cities. Special videos have been prepared for inflight use in order to project the country's tourism potential.
Conclusion
A cursory survey of PIA's performance during the past year shows that the period of uncertainty and trouble is behind it. The airline is again proving its commercial worth. Its international and domestic load factors are displaying an upward trend. While other carriers are saddled with excess capacity, PIA plans include the acquisition of additional new aircraft.