School of communism will

now teach capitalism

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 dollar to a private textile company, the official Associated Press of Pakistan said Sunday. The financing is for a new knitting. dyeing and garment manufacturing unit for Sarah Textiles and icludes a loan of six million dollar as well as an equity investment of 1.48 million dollar, the agency said. reports AFP.

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. The centre, which will include a natural gas reception station and a thermal power plant, is scheduled to be constructed in 1995 by the state run Chinese Petroleum Corp. (CPC) and Taiwan Power Company (Tai Power), the officials said. The station to be built by CPC will cost about 1.9 billion US dollar, and will in the initial period process 3.25 metric tons of natural gas per year with an ultimate goal of processing six million metric tons of natural gas, the officials said, reports AFP.

India's gold, foreign reserve \$8.54b

BOMBAY, Mar 22: India's gold and foreign currency reserves totalled 8.54 billion dollar on March 5 against 8.19 of the rial for many sectors. billion dollar a year earlier, but were below the mid-February level of 8.66 billion dollar, the Reserve Bank of India said. It said foreign currency reserves old year, said: "If we don't cure totalled 5.16 billion dollar. against 4.51 billion dollar a year ago, gold at 3.36 billion dollar and holdings of Special Drawing Rights were 18 million dollar, against 90 million dollar a year ago, reports Reuter.

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, its was reported today. Four members of the syndicate based in the special economic zone of Shenzhen, which borders Hong Kong, were arrested Saturday for illegally killing endangered species in the country as well as illegally exporting them, the Hong Kong commercial daily said, reports AFP.

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. This figure represented a 5.2 per cent increase over the corresponding period of 1991. During the first nine months of last year, the trade volume between the two countries increased by 17.1 per cent from about 1,579 million.US dollar in the previous year to about 1,895 million US dollar, reports Xinhua.

Economic, trade fair ends in Hong Kong

HONG KONG, Mar 22: Northeast China's Jilin province closed its weeklong economic and trade fair in Honk Kong today, scoring 352 agreements worth 4.77 billion US dollar, including foreign investment of nearly 2.2 billion dollar. There are 30 projects in which each investment exceeds 10 million US dollar. The total turnover for the province's external trade is 402 million US dollar. The province's Hunjiang city, the home of the famous Chinese Ginseng, achieved 40 agreements worth about 255 million US dollar, including foreign investment of 143 million US dollar, reports Xinhua.

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 new 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.

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, re-

ports 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.

In Sunday's first round of French general election, the conservative opposition routed the ruling Socialist Party.

The news from Russia pushed the dollar up more than one pfennig in Tokyo from Friday's New York close, but the US currency then drifted sideways as dealers took a wait-and-see attitude.

"We are carefully watching the Russian situation," said Kenji Ishibe, deputy general

NOCOSIA, Mar 22: Iran has

begun a new year in which ma-

jor reforms to shake up an in-

efficient, war-ravaged and

state-dominated economy are

likely to put prices up and

people out of work, reports

agree that immediate hard-

ships like higher inflation and

job losses would result from

the measures, centred around

currency reforms which

amount to a sharp devaluation

Hashemi Rafsanjani, in his last

Friday prayer sermon of the

this illness, our nation will

never reach economic inde-

pendence." The new Iranian

about the state spending the

Iran's economy is basically

TOKYO, Mar 22: Their news

bureaus blanket the globe. In

Tokyo, white-gloved chauffeurs

stand ready to drive teams of

reporters to late-night brief-

Japan's four largest daily

newspapers are giants, but the

recession has squeezed their

income and forced them to

confront problems they ig-

nored in the boom years of the

slash costs, advertising rev-

enue for the big four dailies is

per cent in the fiscal year just

ending, said Isao Ohno, adver-

tising manager of the Asahi.

His paper is the country's sec-

ond-largest, with circulation of

"Japanese newspapers have

never experienced this kind of

expected to fall more than 10

As Japanese companies

ings, reports AP.

late 1980s.

8.2 million.

year 1372 started on Saturday.

But President Akbar

Most officials and critics

Reuter.

manager at Tokai Bank in Tokyo. "We cannot sell the dollar now".

The dollar stood at 1.6494 mark and 116.13 yen near Tokyo's midday, against 1.6359 mark and 116.00 yen in New York Friday

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.

Tokyo stocks were up but off highs at midday. Profit-taking capped gains, with investors unsure about the likelihood of more advances. The Nikkei average was up 166.55

otl 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 ser-

vice and largely inefficient in-

with Iraq, the government

kept the rial's official ex-

change rate at about 70 per 88

dollar to prevent the import-

dependent state industries

down prices of basic imports

open market, refecting the

decline of the economy under

the impact of the war and

turmoil of the 1979 Islamic

revolution, slid to about 1,400

bad times," Ohno said. "Since

the war, we've had continuous

giants — Yomiuri, Asahi,

Mainichi and Nihon Keizai —

are reluctant to reduce their

has almost 3,000 reporters at

102 Japanese bureaus, 34 for-

eign bureaus and 363 domestic

"reporting stations" staffed by

part-timers. It also has a fleet

of helicopters and light planes.

intensive. Scores of reporters

ployed at "press clubs" in gov

tions and major companies.

and photographers are de-

ernment ministries, police sta-

cians' homes for late night

briefings over drinks, or

mount round-the-clock stake-

Others wait outside politi-

Japanese journalisms labour

The Yomiuri, for example,

huge editorial staffs.

Despite such troubles, the

Iran's economic problems.

The wide gap complicated

It was also one to keep

But the rial's value on the

from closing down.

During the 1980-88 war

dustries.

like food.

per dollar.

growth.

points to 18,703.72. "The only factor in sight is

technical, telling investors to beware of higher levels," onc broker said." Worries over Russia's turmoil have receded as the yen seems stable."

erately 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

Taiwan's stocks were mod-

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 at 6,061.82.

Singapore share prices opened steady. The 30-share Straits Times industrial index rose 3.25 points to 1,668.03 on volume of about 3.43 mil-

"A nation which wants to

sell its ... main (oil) revenue at

one-twentieth of its value can

obviously never be reformed,"

Rafsanjani said. "This could not

get us anywhere. It was clear,

that one day the economy

law the government would

abolish the official rate except

for defence expenditures and

imports of basic foods, fuels

and medicine totalling 3.8 bil-

dollar for some imports would

also be scrapped, leaving only

the floating rate last set by the

central bank at 1,542 rials per

The rail on the open mar-

ket closed at 1,610 per dollar

last week, up from an all-time

outs of popular personalities

ancee of Crown Prince

ting 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 re-

porters would be the last to

problems is growing competi-

tion from television, whose

evening news shows cover the

day's events eight hours before

reading newspapers," said

Keiichi Katsura, a professor at

Tokyo University's media insti-

tute. "They only buy a single

copy when they feel like read-

"Young people have stopped

the morning paper arrives.

Adding to the newspapers

"We're not thinking of cut-

such as Masako Owada, the fi-

While few oppose the re-

low of 1,650 three weeks ago.

Another rate of 600 rial per

Under this year's budget

would kneel down."

dollar on Thursday.

lion dollar.

Japan's newspapers face bad times

Economic reforms in Iran likely to

put prices up, people out of work

fion shares in early morning. Australian shares opened lower in a technical correction after last week's gains. The allordinaries index fell 5.9 points to 1671.2 in early trade.

"Some of the leading stocks got pushed up a bit too high last week so they are doing a technical reaction," said one broker.

Spot crude oil prices were little changed in Far East trade at midday, traders said the market ignored news of turmoti in Russia, one of the world's largest oil producers. but added that prices may risc when European markets open alter on Monday

North Sea Brent crude for May loading stood at 18.68 dollar per barrel against 18.63 dollar in late US markets on

Gold bullion was quoted at 332.35 dollar per ounce in midday in Asia against New

forms in principle, industrial-

ists have complained that

many companies simply do not

have the money to pay for im-

ported machinery and materi-

Officials say industries made

lazy by the cheap dollar fed

them for years now need a

prod to shape up and catch up

with international standards of

Mohammad Hadi Nejad-

Hosseinian said the reforms

would put an end to 'subsidy-

driven managers and those

who thrived on the difference

not fully explained how the

new party system works.

Nothing is expected to tran-

spire before business reopens

after new year holidays on

That copy is more and more

likely to be one of the "sports

newspapers," tabloids that

moved into general news dur-

ing the Gulf War. Their circu-

lation rose 3 per cent in 1992

while copy sales of mainstream

To meet the challenge of

the colorful tabloids, the big

papers have added more color

photographs and increased

coverage of television pro-

the big four remain the envy of

the world's media moguls, who

are awash in their own red ink.

est thing to newspapers

are sold by subscription.

Japan is probably the clos-

Nearly all daily newspapers

Whatever their problems.

papers fell.

gramming.

Central bank officials have

in the exchange rates."

Heavy Industry Minister

als at new prices.

efficiency.

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.

The official exchange rate on Thursday, the most recent day of trading, was 667 to the

The rouble normally trades between 10 per cent and 15 per cent lower on the parallel market than the official rate.

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

Foreign Minister Klaus Kinkel said Germany had long believed it was vital for Yeltsin's reforms to succeeded 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.

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 chose 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.

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 Su

BEIJING, Mar 22: The head

of China's central party school,

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."

Su said the school's new focus was the "socialist market economy," senior leader Deng Xiao Ping's combination of strict political control and greater economic freedom.

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, sharefolding, securities, and Western economies," Su 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 constitu-

He needs massive popular support to carry out his ambitious new plans designed to intensfly economic reforms Yeltsin announced the

cight-point package 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 hat 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

In addition, support would be offered to small and mediumstzed 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.

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 AFP.

Depreciation of the Taiwan dollar by nearly one per cent was behind the rise in the overseas orders, the ministry

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

Hong Kong was second with 1,2 billion US dellar 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 sgenario, PIA is striving to keep in the fore-

The Gulf conflict of 1990-

91 resulted in severe setback for world aviation and PIA's profitability, too, came under fire. With international traffic and, particularly, tourism dropping sharply Pakistan's national carrier was hard-hit. In view of the fact that PIA is heavily dependent on its Gulf and Saudi Arabian operations the Gulf War could have seriously eroded the airline's fi-

nancial viability. 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.

The flurry of measures introduced by the airline enabled it to contain losses to a more manageable level than originally projected. Instead of the projected loss of Rs 601 million the actual loss was curtailed to Rs 334 million.

At the start of 1991-92 (July-June) PIA's primary objective was to counter the adverse effects of the Gulf crisis, to overcome the loss sustained and restore the airline's profitability. A profit target of Rs 636 million was budgeted. So effective were the airline's strenuous efforts in this direction that in the 1991-92 PIA earned an all time high operating income of Rs. 1.58 billion. Revenues increased to Rs. 20,441 million while the

expenditure during the period rose to 18,861 million.

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.

south-after destination, Tashkent.

	18 · · · · · · · · · · · · · · · · · · ·	(Rs. in million)	
	1992	1991	Increase in
			per cent
Operating Revenue	10981	9608	14.29
Operating Expenses	10241	8938	14.58
Operating Income	740	670	09.14
Profit	491	343	-43.15

PIA's liquidity position has

posed by the 90's decade, PlA growing, affluent urban centres worldwide and has in this sales offices in Berlin, Boston

PIA network The PIA network today

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

5. (1) "Fe. 3"		. (Rs. in million)	
	1992	1991	Increase in
	2		per cent
ting Revenue	10981	9608	14.29
ting Expenses	10241	8938	14.58
ting Income	740	670	09.14
	491	343	43.15

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

is exploring new market areas with a high traffic-generation ' potential. It is targeting fastconnection opened three new and Seoul.

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

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

	9608 8938 670 343	Increase in per cent 14.29 14.58 09.14 -43.15	these all belong to tors and engineer and fligh Many measure
that	- 040		at an el

their credit. Passenger reservation, autoticketing, departure control, baggage tracing and cargo movement information are today all computerised. PIA is also exporting its indigenously devised computer programmes

to other airlines. Middle East airlines have only recently bought a PIA Inventory Control and Engineering & Maintenance software selecting it after evaluating comparable software packages of the European and Asian countries. Earlier different package developed by PIA have been sold to Zambia Airways, China Airlines, Royal Jordanian Airlines and Emirate

Market share

To gain access to a vast untapped global market and expand its reservations network, PIA has connected its computers with the mega computmajor Global erised Distribution Reservation Systems. These include North America's Sabre, Western 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.

Manpower

In March 1992, the total number of the employees in the airline stood at 20794. Of bout 9,000 employees to the operational secinclude cockpit crew, ering, airport services, ht services.

power productivity as ed in ATK today stands efficient 106 compared to the 1990-91 figure of 98.

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 internalional network are the overcrowded skies of Europe and the US.

Passenger complaints

Continuous and concentrated 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 Scrvices. A conscious effort is being made to motivate per-



Cargo loading on a PIA Boeing 707 at Karachi Airport.

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 shortlisted, 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

thrusts. 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 getback into the aviation main-

PIA has to get out of its ethnic would 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 climinate 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 coun-

try's tourism potential Conclusion A cursory survey of PIA's

performance during the past as well as current financial 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.