Strike paralyses Indian banks

NEW DELHI, Mar 29 Indian banking and insurance operations were paralysed Monday as a million employees of the financial sector staged a day-long nationwide strike to press demands for bigger benefits. Officers of the central Reserve Bank of India and the Life Insurance Corporation joined the walkout called jointly by the unions of banks and insurance companies, the Press Trust of India (PTI) said. The strikers are demanding the introduction of a pension scheme for retiring workers, reports AFP.

Ex-Italian ministers under investigation

ROME, Mar 29: Naples magistrates on Sunday warned two former Italian cabinet ministers. Antonio Gava and Paolo Cirino Pomicino, that they were under investigation for suspected Mafia activities, state television reported. Gava later said he was stepping down as the leader of the Christian Democrat group in the Senate. The news came just a day after Sicilian magistrates issued a similar warning to seven-times former Prime Minister Giulio Andreotti, reports Reuter.

Colombia's GDP to grow 4 pc this yr

BOGOTA, Mar 29 Colombia's Gross Domestic Product [GDP] in 1993 will grow 0.4 percentage points more than last years 3.6 per cent, but its annual inflation rate will lower only slightly to hover between 23 and 24 per cent said Eduardo Lora, Director General of the private think tank Fedesarrollo, the Colprensa news agency reported. "The good panorama for growth in the production sector in 1993 is marked by the excellent economic climate for investment, the reduction in power rationing and the construction bonanza that will continue during the first semester of the present year," Colprensa quoted Lora as saying, reports Reuter.

Thai garment export to US grows 51 pc

BANGKOK, Mar 29: The growth rate of Thai textile and garment exports to the United States in 1992 was the third highest, behind Bangladesh and Brazil. Exports of textiles and garments from Thailand to the US totalled 989.7 million US dollar in 1992, official figures from the That Foreign Trade Department available here Monday showed. But the growth was 51 per cent compared to Bangladesh's 67.2 per cent and Brazil's 52.1 per cent, writes Xinhua.

Thai poultry may gain entry into EC

BANGKOK, Mar 29: The European Community (EC) is considering listing Thailand as a qualified country to export poultry products to its member countries under the new regulations of its single market. Boontipa Simasakul, Deputy Director-General of That Foreign Trade Department, said in a report available here Monday that an EC team had early this month examined the procedures of the Thai agencies concerned with inspecting the standard of poultry exports, reports Xinhua.

Thai bank to take over bankrupt firm

BANGKOK, Mar 29: The Industrial Finance Corporation of Thailand (IFCT), which is controlled by the central bank, has been formally given the green light to take over the bankrupt finance firm First City Investment (FCI), officials said Monday, reports AFP. The go-ahead came at an extraordinary meeting of FCI shareholders Saturday during which the rescue package put together by the Bank of Thailand (BOT) was approved. Under the package, FCI's registered capital will undergo a massive increase from 650 million to 2,650 million baht (26 million to 106 million dollar), said Somkiat Tandanus-orn, FCI's Assistant Investment Fund Manager. New top executives, he said, had been appointed - six from IPCT and two from the fund for rehabilitation and development of financial institutes.

US lacks clear trade policies, say experts

WASHINGTON, Mar 29: Alternately aggressive and conciliatory statement's by senior members of President Bill Clinton's administration reflect a lack of clear trade policies, experts said ahead of highlevel US-EC trade talks, reports AFP.

Late last week, US Trade Representative (USTR) Mickey Kantor hailed Japan's decision to open its semiconductor market to foreign manufactur-

But four days later, Clinton himself was upbraiding Tokyo for protectionism and threatening to take retaliatory action to counter Japan's huge trade

surplus with the United States. And the administration suddenly decided on March 18 suspend implementing trade

sanctions against the European Community which it had angrily promised carlier The measures were to have hit EC companies seeking US federal government contracts.

particularly in the telecommu

nications industry, to counter discriminatory new EC rules. The about face came after Clinton met with European Commission President Jacques Delors here. Delors later held talks with Kantor, at the

USTR's request Washington put a hold on the reprisal until further negotiations are held which are set to begin Monday in Brussels. between Kantor and his EC counterpart Leon Brittan.

But the Clinton team was already fully aware, according to EC sources here, that the EC actually does not plan to give in to US demands.

Clinton administration sources have indicated plainly that Delors' proposal to carry out a comparison of US and EC government markets to determine what discriminatory practices may be in effect, on either side, is not what the states is demanding.

A European diplomatic

source here, speaking privately, was confident that negotiators in Brussels would find the technical means to iron out the differences on government market" access.

And despite its intermittent tough talk, the same source said the Clinton administration 'does not seem to be looking for a trade war" with the European Community, one of the top markets for US ex-

The same source, referring to reports from two senior EC envoys who met Monday and Tuesday with USTR officials to prepare for the Brussels negotiations, said "I don't see any

trade strategy or clear policy on the part of the Clinton administration.

The EC envoys, according to the same source, thought Kantor and his team were 'not ready to negotiate" in Brussels, where the bulk of major trade issues, from airbus to GATT's unfinished Uruguay Round, are expected to be on the table.

In line with that view, a senior Clinton administration of ficial last Wednesday told the Wall Street journal, on condi tion of anonymity, that at the moment, "nobody is in charge" on US trade.

And for the moment, the North American Free Trade

Agreement, which would group Canada, Mexico and the United States into a trading bloc, is taking precedence over the Uruguay Round, which is aimed liberalising world trade, the same source

Many US businesses, in turn, want more protectionist measures from Washington.

Fred Bergsten, who heads the private and democratfriendly institute of interna tional economics, said he feared that in the absence of a well-defined trade strategy, the administration will succumb to industries' pleas for protection."

contract for high-speed train project SEOUL, Mar 29: South

Seoul to award

Korea will award the contract to supply some 2.6 billion dollar of rolling stock and equipment for its high-speed train project by July, Transportation Minister Lee Ke-ik said, ac cording to press reports Sunday, reports AFP. Gec Althsom of France,

Stemens AG of Germany and Mitsubishi Corp of Japan have tendered for the mammoth project linking Seoul to Pusan. South Korea's principal port, some 410 kilometres (250 miles) south of here

World trade growth increased in '92

GENEVA, Mar 29: The growth of world trade increased in 1992 for the first time in four years as North America emerged from recession and major developing countries maintained strong import demand, GATT said on Monday, reports Reuter.

But in its annual world trade report GATT (the General Agreement on Tariffs and Trade), said although there were signs the trend would continue this year economic problems in western Europe and Japan could darken the outlook.

The report said the volume of world merchandise trade increased last year by 4.5 per cent, 1.5 per cent more than in 1991 and the first time since recession began to bite in 1989 that a slowdown in growth had been reversed.

The overall value of trade climbed by 5.5 per cent, reaching dollar 3,700 billion, while trade in commercial services — including transport, telecommunications, banking

NICOSIA, Mar 29: Iraq is

exporting increasing amounts

of petroleum products, fertil-

izers and cement to Iran and

Turkey, the Middle East

Economic Survey reported

The report in the Nicosia

based weekly followed a report

in The Washington Post that

the Clinton administration se-

cretly protested to Iran last

week about a large oil ship-

ment it received from Iraq in

apparent violation of UN trade

reports from Banghdad indi-

cated Iraq was trucking

petroleum products, fertilizers

and cement to Iraq and Turkey

in return for food, medicine

Khisrawi in central Iraq and

the southern Port of Basra

TEHRAN, Mar

President Akbar Hashemi

Rafsanjant's economic policies

came under attack in the

Iranian press on Sunday, a day

after the central bank devalued

Rafsanjani's claims of success

for his economic reforms, say-

ing the officials weakening of

the rial over the past years had

complicated Iran's monetary

problems and higher imports

had increased dependence on

daily, said bread prices had

doubled in Tehran since the

start of the new Iranian year a

week ago despite government

statements that the currency

reforms would not affect

of subsidised basic

Abrar, another independent

Salam newspaper rejected

the rial, reports Reuter.

foreign economies.

prices

goods.

It said the downs of

The economic survey said

Monday, reports AP.

sanctions.

and spare parts.

and insurance - had grown by eight per cent, reaching dollar 960 billion.

The GATT said North America, largely the United States, and Asia excluding Japan were the highest performing regions for both export and import growth, while major Latin American states and the Middle East showed a strong climb in imports.

"If the forecasts of a modest pickup in world economic growth in 1993 turn out to be correct, it is plausible to ex pect an expansion of world trade in real terms of at least equal to the 4.5 per cent recorded last year," the report declared.

But it said there was a widely-shared perception, partly based on a slowdown in trade expansion in the second half of 1992 when the rate was well below the average for the vear, that "much of the risk was on the downside."

According to the report, based on preliminary figures from across the world,

were used for trade transac-

of Fayda north of the oil town

of Mosul was the transit point

The Security council is to

hold a public meeting this

week to discuss whether trade

sanctions against iraq should

continue. The economic survey

reported that the United

States was likely to insist on

- Since Iraq has not ful-

filled all requirements of UN

resolutions demanding elimi-

nation of its weapons of mass

destruction, it is premature to

- The United States will

even discuss lifting the sanc-

not relax the conditions under

which Iraq could sell oil to pay

for humanitarian supplies. So

far. Baghdad has rejected the

UN conditions as too restric-

There was little new official

comment to explain either the

bread price rise or the foreign

exchange policies as govern-

ment business gradually re-

turned to normal after new

nounced a new official rate for

the rial on Saturday, pegging it

of 95.6 per cent from the old

official rate in a three-tier par-

ity system which was scrapped

in the new year. It put the rial

at even a weaker level than the

1,000-1,400 range various of-

ficials had previously pre-

foreign exchange shop in cen-

tral Tehran, said business was

slow because of holidays and

uncertainty over central bank

Bahman Sadri, who runs a

at 1,538/1,542 per dollar.

The central bank an-

It represented a devaluation

year holidays.

for trade with Turkey.

three points:

tions with Iran, while the town

Iraq's export to Turkey,

Iran increasing

Germany's slow and then negative economic growth caused a slump in the growth of imports from 13 per cent in

1991 to two per cent last year. This was, it said, a key element in a drop of four to two per cent in import growth for the whole of western Europe including the 12-member European Community and the seven member European free trade association.

For sources of relative strength in 1993, the report declared, attention would be focussed primarily on North America and the Dynamic economies of Asia including Hong Kong, South Korea, Malaysia, Singapore, Taiwan and Thatland.

While Japan's import growth had dropped to two per cent in 1992 following A 0.5 climb in 1991 these six had kept their imports climbing B 11.5 per cent following A 16.5 per cent. Surge in 1991, despite unfavourable world conditions.

China, now among the

MOSCOW, Mar 29: Presi-

dent Boris Yeltsin issued a

decree on protecting people's

savings on Sunday, a day after

Russia's highest legislature

passed its own resolution on

compensating savers for

soaring inflation, reports

Yeltsin's press office said a

special insurance fund would

be set up to protect savings

and increase confidence in the

from contributions from the

banks and cash from the state

the state savings bank to raise

interest rates on long-term

ings bank, central bank and

The fund would be drawn

The decree recommended

It also instructed the sav-

We are still waiting for a

rate in the 1,200-1,400 range.

We don't buy dollars for the

time being, we don't take the

risk. We sell dollars today at

1,590 rials, Sadri said, that is

close to the rial's open market

Central bank Government

Mohammad Hossein Adei told

Tehran Radio on Saturday that

the reform was necessary be-

cause the three-rate system

made comparisons between

various sectors using different

parties impossible. Salam

quoted Adelias saying devalua-

tion would make imports ex-

pensive and force government

agencies to look to the internal

market for their needs, thus

boosting domestic production.

would not affect people's lives

But the said the change

rate before the holidays.

A decree published by

Reuter.

budget.

Rafsanjani's economic policies

under Iranian press attack

banking system.

Yeltsin issues decree to

protect people's savings

world's fastest developing economics, achieved an export growth in 1992 of 18 per cent against 16 per cent in 1991, and boosted its import growth from 19.5 in 1991 to 26.5 last

vear, GATT said. The GATT said lessons from the review and forecast were that markets should be kept open and that the stalled Uruguay Round negotiations for a new world trade treaty lowering tariffs should be completed.

Trade, whose growth had been more than double that of output over the past four years, "has been a source of relative strength in an otherwise mostly weak economic envi ronment, especial for slowgrowth countries," the report declared.

The risk which trade frictions pose for the current eco nomic recovery are therefore even greater than usual," it said in a reference to fears that differences between the US and the EC - as well as Japan could lead to trade wars.

government to draw up pro-

posals on how "to compensate

citizens of Russia for the de-

preciation of their savings." It

did not say how this should be

savings reduced to virtually

nothing last year by rampant

inflation of over 2,600 per

Yeltsin's move came in re-

sponse to a Congress vote on

Saturday to restore the buying

power of savings to their level

of January 1, 1992, the date

The congress move is cer-

when most prices were freed.

tain to be resisted by the re-

formist government because it

would flood the economy with

cash and wreck any hope of

growth, blamed by the gov-

that much because the state

In a separate comment,

would continue to subsidisc

Salam, a consistent critic of

the President, challenged

Rafsanjani's up-beat appraisal

of the country's economy after

reforms his government im-

plemented in the past four

growth in the two years ending

March 1992 stemmed mainly

from utilising factories made

idle by the 1981-88 war with

Iraq rather than from new in-

Rafsanjani could reconcile

claims of having bolstered

Iran's economic independence

with mounting commercial

debt officially put at dollar 30

It questioned how

It said a 10 per cent annual

basic goods.

vestment.

billion a year ago.

ernment for soaring inflation.

limiting monetary supply

Many Russians had their

\$ 2.2m to Zambia

WWF allocates

LUSAKA, Mar 29: The World Wildlife Fund (WWF) has allocated 2.2 million US dollar to Zambia for its wildlife conservation activities during the 1993/94 period, reports

WWF sub-committee Chairman for Africa and Madagascar Kim Carstensen said in Mfuwe. northern Zambia, that the money will be channelled to the Zambian Ministry of Tourism, Wildlife Conservation Society and other relevant

He said WWF is scouting for more money to help finance wildlife conservation in Africa. adding it has established a rhino protection group in the continent.

Zambia has established 19 national parks and 32 game management areas to protect

Franco okays transactions tax for Brazil

BRASILIA, Mar 29: President Itamar Franco has approved the final version of legislation establishing a financial transactions tax and sent it to Congress for passage, aide Marco Durante said, reports Reuter.

Durante said Congress would receive the legislation on Monday. The tax on financial transactions, such as cheques, is designed to raise 600 million dollar a month and is crucial to Franco's economic

Congress already has approved the tax as a constitutional amendment but must pass enabling legislation for it to take effect.

Angola expects rise in oil output by 94

LUANDA, Mar 29: Angolan oil production will rise to more than 600,000 Barrels Per Day (BPD) next year from about 530,000 to 540,000 at present, said Joaquim David, Director General of the state oil company Sonangol.

"I am convinced that in 1994 we will produce more than 600,000 Barrels Per Day, he told Reuters.

David said this was a deliberately conservative estimate as Angola depended on oil for more than 90 per cent of its export earnings and Sonangol did not want to create expectations that could not be ful-

"We have had positive results from exploration of blocks two and three in Cabinda. We have projects under way and naturally expect an increase in production," he

David said production had increased steadily by at least 10 per cent a year for several years and he expected this to continue. In addition to discoveries in traditional offshore waters up to 200 metres deep, Angola expected production from new deep water blocs being opened up for develop-

India trying to simplify investment rules

BOMBAY, Mar 29: India is trying to simplify registration procedures for overseas in vestors in the country's stock markets after complaints an earlier nine-page registration form was too long and asked unnecessary questions, reports

But overseas mutual funds say that while Indian share prices may now be more attractive, investment rules re main cumbersome and a short term tax on capital gains of 30 per cent is a deterrent to entering India's turbulent mar

The Securities and Ex change Board of India (SEBI). the main regulatory agency of the capital markets. announced at the weekend that the new registration form would be available through Indian embassies from April 2.

India opened its stock mar kets to foreign institutional investors such as mutual and pension funds last September.

SEBI said it had received 50 applications so far to invest in the country's 22 stock mar kets. Of these, 18 had been approved and several others would be given permission very shortly

SEBI, which is trying to reform the country's broker dominated stock markets, said it had decided to simplify the application form after complaints the previous one was complicated and too long.

India is hoping to attract foreign investment into its capital markets to help under in a bold programme of economic reform that has reversed four decades of social ist-oriented policies in the country of 870 million people.

But so far overseas funds have only invested a few hundred thousand dollar, mostly to see how long it takes for deals to go through and what problems exist in the market, which is plagued by closures and insider-dealing.

Energy tax likely to destabilise oil market

ABU DHABI, Mar 29: A proposed western energy tax could destabilise the oil market as it would hamper plans by Gulf Arab states to increase crude output capacity to meet demand, a senior Gulf official warned Friday, reports AFP.

Sheikh Fahim Ibn Sultan Al-Qassimi, the Secretary General-designate of the Gulf Corporation Council (GCC), said the six-nation group was determined to ensure the flow of oil exports without barriers.

"These taxes could affect stability in the oil market and GCC plans to meet the oil needs of the world economy, he told the official United Arab Emirates (UAE) news agency

The GCC states are determined to protect their interests and ensure the flow of their oil without barriers and

At their meeting in Jeddah last week, GCC oil ministers strongly attacked the proposed US and European Community taxes but have yet not specified any counter measures.

The proposed US tax would kvy around 3.5 dollar on a barrel of oil while the E C tax would reach 10 dollar per bar rel in a decade.

The GCC states have also the taxes would reverse a projected increase in demand for their oil.

According to the Gulf organisation for industrial consultancy, the taxes could cost the GCC around 15 billion dollar a year and this would hit domestic development.

The revenues of Gulf Arab states are already down to nearly one-third of their 1980 level of more than 180 billion dollar because of a fall in oil

Taiwan's economy showing signs of upward trend

TAIPEI, Mar 29: Taiwan's economy is showing signs of an upward trend, with the government's key economic barometer flashing a healthy 'green light' for February, a government agency said in a report Sunday, reports AFP.

The economy in February recovered from a slowdown recorded in January, with the composite ratings increased to 23 points from 19 points registered January," the Council for Economic Planning and Development (CEPD), said.

The point system, designed by the CEPD, measures the economy based on nine major indicators — export value, stock prices, check default rate, export orders, money supply, industrial production index, bank leading, factory inventories and nonfarming employment.

The CEPD also designed a

light system to represent the scores. A green light, which requires a minimum score of 23, means robust economic activity. Red light means the economy is overheated. Yellowred signals brisk economic growth, yellow-blue shows economic slowdown, and

bluemeans recession. In January, the Taiwanese economy scored a disappointing yellow-blue.

The index of leading indicators, designed to measure business activity three to five months in advance, climbed to 112.1, the highest since May, 1989, the CEPD added.

The increase was attributed to a rebound in commercial orders and a rise in the stock price index to some 4,200 points in February, the CEPD

in January, the stock exchange index suffered a yearon-year fall of 35 per cent.

OPEC ministers

will meet soon

to review

oil market

ministers have decided to

meet in Oman on April 11 to

review the oil market, the

Middle East Economic Survey

ter said the ministerial moni-

toring committee, comprising

all 12 ministers of the Orga-

nisation of Petroleum Exp

orting Countries (OPEC), were

scheduled to hold an informal

meting in Muscat, Oman, on

(MEES) said today, report

The Cyprus based newslet

NICOSIA, Mar 29: OPEC

Dollar gains against Asian units amid uncertain trading

HONG KONG, Mar 29: The US dollar gained against most Asian currencies last week in uncertain trade, reports AFP.

End-month payrolls required some buying of local currencies late in the week. Some Asian countries had a short trading week owing to the end of the Muslim fasting month of Ramadan. Japanese yen: Down slightly

against the dollar on the week after hitting an all-time off 115.20 yen, closing at 116.76 yen to the dollar Friday, down 0.66 yen from the previous

The Japanese currency made gains early in the week amid growing belief that the government would announce a new economic stimulus package in mid-April.

The yen registered its highest close against the dollar Tuesday at 115.33 yen, following a record intra-day rate of

Market players opted for the yen rather than the dollar as speculators were expected to buy the Japanese unit if Russian unrest upset stability in European currencies, deal-

But the yen fell back as market players bought the dollar back as they became wary of the yens sharp ad-

Singapore dollar: Weaker against the US dollar at 1.6485 at close Friday against last weeks 1.6465 exchange rate. Dealers said the firmer

Greenback was in line with most other Asian money mar-Taiwan dollar: Continued

down to close at 26.13 to the US dollar Friday on active trade, down 1.48 Taiwan cent from the previous weeks finish of 26.1152.

Australian dollar: Lower

amid concern over economic priority to finish the week has sent down at 70.80 US cent from 71.73 US cent the previous week. However, dealers said

Friday that once the currency hit its low, buyers came back into the market to support it. The market wanted a clear

statement from Treasurer John Dokins that the government is concerned about the budget deficit which the government's spending plans for the current fiscal year will put at about 15.9 billion Australian dollar (11.2 billion US), according to official estimates.

The currency's next domestic hurdle is the February current account deficit to be released next the Tuesday. Hong Kong dollar: UP

marginally at 7.7313-7.7323 to

the US dollar on Friday from

7.732-7 733 a week earlier

within a slim band of its fixed

The effective exchange rate index for the Hong Kong dollar stood at 113.8 Friday, up from last week's 113.6. New Zealand dollar: Closed slightly down Friday at 53.28 US cent, from last week's

peg of 7.8 to the US dollar.

53.39 cent. Dealers say the Kiwi, which thit a six-year low in January, had been finding a new level with general recognition that New Zegland's economic fundamentals are improving.

Steacy offshore demand continued with traders attracted by several factors including New Zealand's favourable interest rate, steady currency and low exchange rate risk

Thai baht: Down slightly at a mid-rate of 25.42 baht to the dollar at the close Friday, compared to last week's exchange rate close of 25.38

The Greenback was strengthened by supportive comments from a senior Bundesbank official and on favourable US figures for February on durable goods or ders and home sales. Siam Commercial Bank said.

Malaysian ringgit: Lower against the US dollar after a shortened trading week at 2.5970 from 2.5955 the previous week. Dealers attributed the ring

gits performance to the prevailing holiday mood at the end of the Muslim Ramadan fasting The government declared

Thursday and Friday as public holidays to celebrate the event while the Kuala Lumpur stock exchange closed on Wednesday. Dealers said the ringgit was

expected to trade steadily for the next month as companies exchanged the dollar for the

local unit to pay their taxes. Indonesian rupiah: Slipped back against the dollar to close Tuesday at 2,070 rupiah, one point down on the previous

The markets were closed respectively Wednesday for Hindu new year national holiday and Thursday and Friday for holidays marking the end of Ramadan, the Muslim fasting mon.h.

South Korean won: The won weakened against the US dollar closing on Saturday as 793.30 won, down 0 40 won from the previous weeks close of 792.90

Dealers said demand for the dollar rose to pay for crude oil imports, but it was plentifully available in the market because of the needs to raise local currency to meet payments to wards the end of month.

Philippine peso. Closed

"But no decision making

It said they would "review market developments" since their last meeting in Vienna in February when they agreed to cut production for the period March to June.

down Friday at 25.45 to the activities are envisaged," it dollar from last Friday's 25 43

the evening of April 11.