

**BRIEFS**

**Taiwan's trade surplus shrinks**

TAIPEI, Apr 8: Taiwan's trade surplus for the first three months this year shrank to US 1.35 billion dollar, a 47.3 per cent decline from the same period last year, the Finance Ministry reported Thursday. Officials attributed the sharp decrease to the worsening trade deficit with Japan and growing imports of industrial equipment. The ministry said exports in the first quarter totaled US 20.07 billion dollar, 5.1 per cent from a year ago. Imports in the quarter amounted to US 18.72 billion dollar, up 13.3 per cent from the same period last year, reports AP.

**EC unemployment rate up to 10.1 pc**

BRUSSELS, Apr 8: Unemployment in the European Community rose to 10.1 per cent in February for the first time since the fourth quarter of 1987, the EC statistics office Eurostat said on Wednesday. The seasonally adjusted unemployment rate was up 0.1 percentage point from January and 0.9 from February 1992. The number of people out of work increased in all EC countries except in Ireland and Italy where it was stagnant and Britain where it went down by 0.1 point to 11.4 per cent, says Reuter.

**Unified trademarks for ROK products**

SEOUL, Apr 8: The South Korean government has decided to require unified trademarks on products made by small and medium-sized enterprises in a bid to increase their competitiveness overseas. South Korea's Trade, Industry and Energy Ministry is reported here to have promised financial support to those industries that agree to label their products with the single trademark. Measures to relieve tax and tariff burdens on these enterprises will also be taken by the ministry, reports Xinhua.

**Strike looms in East Germany**

FRANKFURT, Apr 8: Employers and workers in the East German engineering industry deepened their trenches and braced for battle on Wednesday after union officials in the state of Saxony voted to call a strike ballot. The issue is a 26 per cent pay rise promised to East German workers from April in a deal signed in 1991. Employers say struggling East German firms can no longer afford. But as lawyers debate whether the industry can legally tear up the contract, the dispute has moved into the political arena, reports Reuter.

**India, Lanka jointly to produce tyres**

NEW DELHI, Apr 8: An Indian tyre-maker and a Sri Lankan company have formed a three million dollar joint venture, the first tie-up of its kind, to manufacture tyres in Sri Lanka. The Press Trust of India said Ceat India Ltd, ranked as one of the world's top 20 tyre-makers, and Sri Lanka's Blue Chip Associated Motorways would begin production by mid-1994. The venture, in which the Indian company holds a 60-per cent stake, targets an annual turnover of 6.5 million dollar by manufacturing 10,000 tyres in the initial stages of production, the news agency added, says AFP.

**Russia's gold stock rises to 308 tons**

MOSCOW, Apr 8: The Russian gold stock now totals 308 tons, said Yuri Kolyar, first Deputy Head of the Russian State Committee for Precious Metals, in an interview with ITAR-Tass news agency. He said the Russian gold stock began to increase considerably after the level of precious metals sales dropped to 10 per cent of the 1991 level. Over 1992 alone, the gold stock was replenished by 28 tons. He said, all 308 tons are kept in a special storage of the Russian central bank, reports Xinhua.

**China okays new head for CITIC**

BEIJING, Apr 8: The Chinese government has approved the appointment of a new head for its state investment arm, China International Trust and Investment Corp (CITIC), to replace former Chairman Rong Yiren, a newspaper reported Thursday. The Chinese state council has given its approval to the appointment of US-educated Wei Mingyi, to head CITIC board of directors, replacing Rong, who was recently elected as China's Vice President, the English-language China Daily said, reports AFP.

**France softens stance on global trade talks**

PARIS, Apr 8: France's new conservative government said on Wednesday it no longer wanted to block progress at GATT world trade talks and was ready to make proposals to break the current deadlock, reports Reuter.

France has moved from a blocking stance to a position of making proposals, government spokesman Nicolas Sarkozy quoted Foreign Minister Alain Juppe as telling a cabinet meeting.

Juppe's remarks underlined a major shift in tone on the stalled trade talks since the new government was swept to power in a landslide electoral triumph last month.

On Thursday aides to new Prime Minister Edouard Balladur had said his government was unwilling to risk a crisis in the European Community or at the GATT talks and wanted peace with Washington.

We don't want to bring the roof down, as side to Balladur said. We are looking for solutions without provoking a crisis.

The previous socialist government steadily opposed a US-EC farm trade deal that was termed an unblocking broader trade negotiations under the auspices of the General Agreement on Tariffs and Trade.

The Uruguay Round of GATT talks, under way since 1986, aims to liberalise trade in services, textiles, industrial products, agriculture and intellectual property, among other sectors.

It is mired in disagreements over how far and how fast to cut farm subsidies, with France baulking at the deep reductions Washington seeks.

The socialist hard line, which included the threat to veto the US-EC accord, was reinforced by tough campaign rhetoric from the centre-right.

Now in power, the conservatives have shelved the veto threat. Trade analysts said the shift

could give a momentum to the GATT negotiations but cautioned that Paris had vowed to defend its farmers interests and that any accord was a long way away France has asked its EC partners for two months to shape policy.

A statement from the right-wing RPR, senior partner in France's ruling coalition, stressed the need to stand up for the farmers and congratulated Juppe on his firmness.

Juppe told the cabinet meeting that Paris continued to view the US-EC accord, based on sharp cuts in community farm subsidies and oilseed cultivation, as unacceptable.

**Compromise key to success, says Japan**

TOKYO, Apr 8: Japan's new Foreign Minister said compromise was the key to the success of global trade talks, reports Reuter.

Kabun Muto, who took over his post on Wednesday, told a news conference that former US special Trade Representative Carla Hills had been stubborn. He said the US had its weak points on trade, such as a total ban on peanut imports and high tariffs on textiles.

Hills was so stubborn and she just repeated principles. There was no room for compromise. We have our weak points and they have theirs. We should look for compromises, he said.

Disagreement over farm trade, especially between the European Community and the US has blocked the conclusion of the Uruguay Round of trade talks held under the General Agreement on Tariffs and Trade (GATT).

Muto took part in the talks in 1990 as Japan's trade minister. Japan's refusal to open its market to rice imports had been blamed as another reason for delays in the Uruguay Round.

We cannot say we should not allow the import of a single grain of rice permanently, Muto said, but (for the time being) I will respect parliamentary resolutions (banning rice imports). Muto said he was quoted

out of context last year over a remark about the quality of American workers. In Feb 1992 he told parliament that US workers were too busy preparing for weekends to work seriously on Fridays and too tired on Mondays.

My remark was that I have heard people make that statement a long time ago. Muto said today. Anyway, I was moved to see the efficiency of American workers at Japanese auto plants in the United States.

American workers at Japanese auto plants are much better than Japan workers at factories here, Muto said. The (US) problem is one of management.

**Future US aid would require use of its goods, services**

WASHINGTON, Apr 8: Legislation has been introduced in the Senate aimed at increasing the use of foreign aid to purchase US goods and services, reports USIS.

"For too long, we have been handing out foreign aid with no strings attached," sponsor Senator David Boren said when introducing the bill April 1, "while our economic competitors have used their foreign aid programmes to create new markets for their products."

The bill would gradually limit unconditional government-to-government cash transfers from nearly 70 per cent of foreign aid now to 30 per cent in 1998.

Using complicated formulas, it would also mandate that countries buying US goods and services get preferential access to US foreign aid cash transfers.

This will stop the use of

United States aid dollars in the purchase of Japanese and European vehicles, farm equipment and spare parts even when United States equivalents exist," said co-sponsor Senator Max Baucus, chairman of the Senate Finance trade subcommittee.

The bill would shift responsibility for spending capital projects foreign aid from the Agency for International Development (USAID) to the Trade and Development Agency (TDA).

Boren said that capital projects providing roads, telephones, schools, energy and other infrastructure both satisfy foreign recipients and provide the highest level of return to US businesses from foreign aid spending.

But he said the share of USAID's budget devoted to capital projects has shrunk from 20 per cent in 1984 to five per cent in 1993 while

Japan was devoting 56 per cent of its aid to capital projects and Germany 35 per cent.

USAID's problems, he said, were mismanagement, conflicting mandates from Congress and "the prevalent culture at USAID, one which mistakenly views trade promotion as incompatible with traditional development assistance."

Yet TDA, with a clear mandate or export promotion, spent 35 million dollar in 1991 to secure 3,800 million dollar in US exports on 184 projects in 47 countries developing energy, telecommunications, transportation and other infrastructure, Boren said.

Similar legislation passed the Senate two years ago 98-0 but never became law because of Bush administration opposition. The Clinton administration has not taken a position on Boren's bill.

**Dispute over US-wheat import in China solved**

TIANJIN, Apr 8: Negotiations on 57,000 tons of disease-contacted wheat imported from the United States recently resulted in an agreement in Tianjin, reports Xinhua.

The US chief delegate to the talks confirmed that the conclusion made by the Tianjin quarantine administration was correct that the wheat had been infected by bunt disease.

Upon the end of negotiations, the Tianjin quarantine administration formally issued its quarantine certificate. Claims procedures are underway at present.

The batch of wheat was shipped to Tianjin port this February from Houston. After the finding of bunt disease, the quarantine authority sealed up the wheat and informed the US side of the inspection result.

**Reserve requirement for Indian banks lowered**

BOMBAY, Apr 8: The Reserve Bank of India (RBI) announced a cut in the reserve requirements of commercial banks on Wednesday, saying it would make an additional 49.5 billion rupee (1.58 billion dollar) available for lending, says Reuter.

The hesitant industrial recovery in 1993-94, said RBI Governor Chakravarty Rangarajan. But the RBI announcing the central bank's credit policy for the first six months of the 1993-94 fiscal year which began on April left the minimum lending rate unchanged despite expectations of some bankers and businessmen of a further cut.

The lending rate was cut by one point to 17 per cent in the national budget announced by Finance Minister Manmohan Singh on February 27.

Singh, architect of the country's bold economic reform programme, said last month that further cuts in India's high interest rate structure would be made when inflation was fully under control.

**Rao invites Thai investors to India**

BANGKOK, Apr 8: Indian Prime Minister PV Narasimha Rao invited Thai businessmen Thursday to invest in India's new market-oriented economy, assuring them that reforms will continue, reports AP.

Rao said his government would support Thai investors and suggested that Indian businessmen living in Thailand might be the catalyst for joint ventures.

The Indian government has embarked on reforms to revive India's economy. Rao told Thai business leaders that the reform programme was not a gimmick or a short-term measure.

**American female accountants more moral, but . . .**

LONDON, Apr 8: Women in US accountancy firms are more moral than their male counterparts but are less likely to reach senior positions that would allow them to influence the conduct of their firms, a study showed today, reports AFP.

Female auditors in five of the six largest US accountancy firms were significantly more moral than men and were likely to make more ethical decisions as a result, two US academics told the annual academic conference of the British Accounting Association in Glasgow.

The academics measured moral judgement by using tests that assessed how employees' response to a series of fictional ethical accounting and auditing problems, the Financial Times reported.

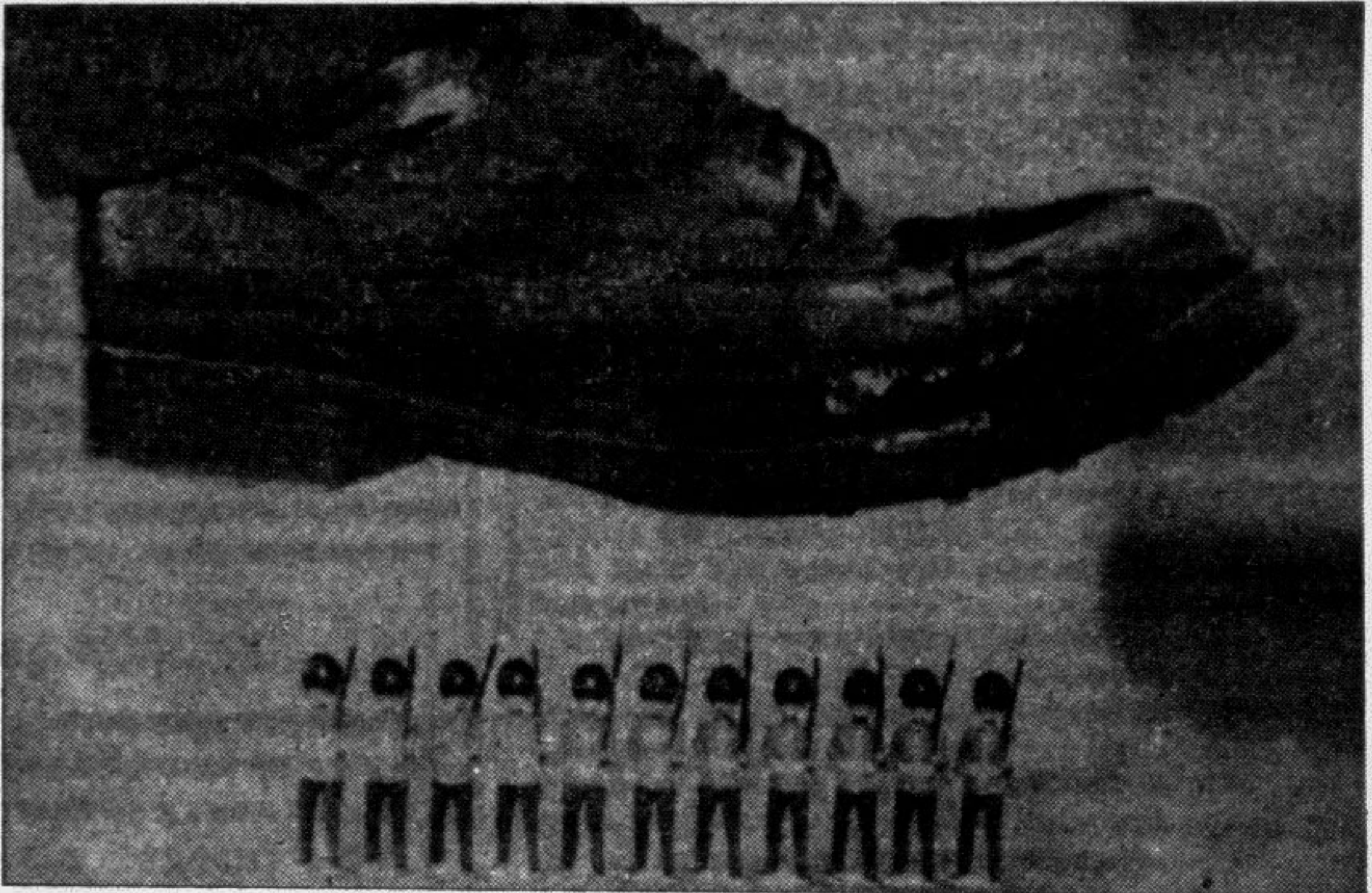
But women in British accounting firms were sceptical about the claim, Yve Newbold of Hanson Company Secretary told the news-

paper that women were undoubtedly more ethical "but it doesn't follow that if you cheat you're more likely to get to the top."

Richard Bernardi of the State University of New York and Donald Arnold of Union College analysed data gathered from psychological tests on 494 managers and seniors in accountancy firms.

Arnold said women were more likely to be sensitive to signs of fraud and "red flags" or problems thrown up by audits. He said they were more likely to blow the whistle to regulators when irregularities were discovered and to interpret professional ethical codes of conduct by the spirit rather than simply the letter.

Bernardi warned that accountancy firms ran the risk of becoming less moral over time because predominantly male partners with low moral values tended to promote like-minded individuals.



LONDON: A boot of a Grenadier Guardsman stands 'guard' Apr 5 over some of a collection of 4,000 lead soldiers which will go display at the Guards Museum's forthcoming Coronation exhibition. The exhibition will mark the 40th anniversary of the Coronation of Britain's Queen Elizabeth.

**Quality counterfeits become serious problem in India**

BOMBAY, Apr 8: Better quality counterfeit currency, particularly US dollar, has become an acute problem in India, foreign exchange dealers said, reports Reuter.

Forgers, have mastered the defects, said Pheroze Framroze of Pheroze Framroze and Co, one of India's biggest authorised foreign currency dealers.

Detecting faults in the new counterfeits is difficult even with specialised equipment. These are the super counterfeits, said J N Shetty, exchange division manager with travel agency Thomas Cook India Ltd.

Cashiers at currency changers said most US counterfeits

were in 100 dollar notes. Others they had come across were Australian 50 dollar, 500 French franc, and both 100 and 500 Saudi riyal notes.

But the US dollar is faked the most about 80 per cent of counterfeits in circulation are of the American currency, said Framroze.

The Reserve Bank of India, the central bank, sent out a warning circular last month which said: "It has been reported that counterfeit foreign currency notes of high denomination, particularly in US dollar, are in wide circulation."

"It has been reported that the problem is serious because of high grade of paper and high quality of printing used by counterfeiters making it difficult

to detect forged notes even through use of special electronic machines," it said.

RBI officials declined to comment on the circular, but additional exchange controller, KN Bhargava said: "Counterfeits in circulation are not as high as it is made out to be."

Shetty of Thomas Cook said detection gadgets involved rubbing each note against the machine. "That's not feasible with the large volumes we handle," he said.

Most money changers who spoke to Reuter said they depended mainly on their cashiers' skills to detect counterfeits but this was getting more difficult with the new counterfeits.

**Palace intrigues in Pindi eroding entrepreneurs' confidence**

KARACHI, Apr 8: Businessmen are selling off stocks, swapping rupees for dollars, holding off on new investments and monitoring a rash of cabinet resignations that could topple Pakistan's reformist Prime Minister Nawaz Sharif, reports Reuter.

"The economy will be paralysed if Sharif is removed by palace intrigues," industrialist Naseem Ahmad said on Wednesday. We are deeply worried about his future.

Minister of state for economic affairs Sardar Asaf Ahmad Ali resigned on Tuesday, citing the governments failure to confront a looming financial crisis and fiscal indiscipline.

He said he was seriously concerned about a mounting budget deficit, expected to hit at least 7.4 per cent in the 1992-93 financial year compared with a target of five per cent.

The resignation, the fourth from the cabinet in 10 days, fuelled a mounting political crisis that had focused on a bitter feud between President Ghulam Ishaq Khan, 78, and his 44-year-old protege, Sharif.

On the streets of Karachi, the dollars value rose to 28.90 rupee on Wednesday, from 28.70 the day before and about 26.50 in early February, money market analyst Nawazish Lutfi Siddiqui said in an interview.

"Pakistan is in the grip of dollar fever," he said, warning that the rupee could fall further after Ali's resignation. "This is ruining the economy."

The central banks official rate is 26.65 rupee to the dollar, fixed on March 17.

Sharif enraged the president this year when he set up a committee to modify the Eighth Amendment, martial-law era legislation that empowers the president to dissolve parliament and appoint armed forces chiefs of staff.

Businessmen fear Ishaq Khan, who used the Eighth Amendment to dismiss Prime Minister Benazir Bhutto on charges of corruption and misrule in 1990, may repeat his performance.

Investors have always had reservations about Pakistan's politics and this would confirm their reservations, said Javed Ahsan, investment analyst at credit Lyonnais in Karachi.

"No one would look at Pakistan for quite some time," he said.

The political moves in Islamabad have hit the Karachi Stock Exchange (KSE), which remains bearish, brokers said.

The KSE index plunged 11.20 points to 1,113.67 on Sunday amid signs the feud was gathering steam but gained 10.22 points to 1,123.89 after Sharif tried to patch up with Ishaq Khan by offering to nominate him for a second five-year term.

Any big change in the government will hit the stock market and prices will fall further, said broker Jahangir Siddiqui, a former KSE President.

Bank of Punjab, floated November 1989 by Shaif when he was chief Minister of Punjab province, came under heavy selling pressure and 5.25 rupee to 69.75 on Sunday. It has since recouped and closed at 74 after the apparent reconciliation.

The uncertainty is eroding the economy. We

**'Russia can attract huge foreign investments with minor reforms'**

WASHINGTON, Apr 8: With some minor legal reforms and much-needed political stability, Russia could attract a flood of foreign investment far outweighing promised assistance from Western governments, Commerce Secretary Ronald H Brown says, according to AP.

American companies are poised to invest four billion in Russia — a tenfold increase over investment-to-date, Brown said in an interview with The Associated Press on Tuesday.

"I'm talking about identified, interested investors, not pie in the sky," he said.

Brown's comments followed a weekend summit meeting in Vancouver between President Clinton and Russian President Boris Yeltsin. Seeking to bol-

ster Yeltsin's tenuous hold on political power, Clinton promised 1.6 billion dollar in assistance to Russia.

But Brown said, "private sector impetus is what is going to be crucial in getting that economy going."

American oil companies, attracted by some of the largest oil reserves in the world, have led the search for investments in Russia and the other former Soviet republics.

Chevron Corp announced agreement Tuesday with the republic of Kazakhstan to invest 1.5 billion dollar over the next three to five years to develop the huge Tengiz and Koroley oil fields.

Brown said that in addition to energy, potential investors come from the telecommunications and other high-technology fields.

**Japan's planning agency sees better economy**

TOKYO, Apr 8: The government economic planning agency revised its verdict on Japan's economy for the better Thursday, the first such move since September 1991 when it first mentioned an economic slowdown, reports AFP.

Japan's economy is in the adjustment process and remains sluggish, but some bright signs are seen, the agency said in its monthly economic report based on the latest statistics.

It was agency rosiest report since the September 1991 report. And agency official said the indicators show improvement in automobile sales, housing starts, public-sector investment, industrial shipments and inventories.

He also noted the strong recovery of stock market and the first year-on-year rise in six months in the money supply in March.

However, the official stressed that these bright signs are limited to small parts of each sector as a whole, the economy has not bottomed out yet, he said.

**Fiat official becomes latest victim in Italy's corruption scandal**

ROME, Apr 8: Authorities have issued an arrest warrant for the chief operating officer of Fiat, the latest executive of the industrial giant to be caught up in nationwide corruption scandal, news reports said, reports AP.

The charges against Giorgio Garuzzo followed an investigation of alleged bribes paid by Fiat's truck subsidiary, Iveco, the reports said. Garuzzo reportedly has agreed to surrender.

The newspaper, which said it interviewed Garuzzo in London Wednesday night, quoted him as saying he offered last week to help prosecutors with their investigation of Iveco.

**Dollar falls, stocks rise in Tokyo**

TOKYO, Apr 8: The dollar slipped against the Japanese yen Thursday morning, while share prices on the Tokyo Stock Exchange advanced moderately after erasing some of their earlier gains, reports AP.

The dollar was quoted at 113.63 yen at noon (0300 GMT). It started trading at 113.75 yen, down 0.27 yen from Wednesday's close but up from its overnight New York finish at 113.50 yen.

On the stock market, the 225-issue Nikkei Stock Average rose 68.87 points, or 0.35, to end the morning session at 19,898.10.