## BRIEFS

Paris forecasts more job losses in '93

PARIS , Apr 17 : Though the new right-wing government won office due to anger with unemployment, labour Minister Michel Giraud predicted Friday that 200,000 more people could lose their jobs this year. The losses come after a record three million people were on the unemployment rolls in February, or 10.6 per cent of the workforce, says AP.

### India produces record foodgrain

NEW DELHI , Apr 17 India's foodgrain production in 1992-93 fiscal year has been estimated at a record 180.3 million tonnes despite a poor monsoon, it was announced yesterday. The Kharif Crop, sown in the months of June and July and harvested in September and October, will total a little over 101 million tonnes. Agriculture Secretary MS Gill told reporters here, says AFP.

### **OPEC** members to comply with quotas

CARACAS, Apr 17: OPEC President Alirio Parra said he expects all OPEC member nations to comply with their production quotas in April, and that oil prices should be some what higher than in March. "I think that in "April we will see compliance with the Vienna accord on the part of all the countries," Parra told reporters, says

#### Economic crisis may lead to chaos

MANILA , Apr 17 : The economic crisis in Eastern Europe and the former Soviet Union could spark political unrest with global consequences, the Asian Development Bank (ADB) said Friday. It did not spell out its fears but said political and economic uncertainties in the old Soviet block had already contributed to slow growth in the volume of world trade, reports Reuter. Bulgaria's budget sees

### 8 pc growth in '93

SOFIA, Apr 17: Bulgaria's 1993 draft budget, which foresces an eight per cent deficit, was sent to parhament for scrutiny by individual committees prior to a full-fledged debate in the assembly. The draft budget, approved by the cabinet last week, proposes a 27.5 billion leva deficit, or eight per cent of the gross domestic product (GDP), the highest the International Monetary Fund (IMF) would accept after long negotiations to extend fur ther funding, says Reuter.

#### Mexico exports 1.3 m BPD of oil in '93

MEXICO CITY, Apr 17 Mexican exports of crude oil reached to 1.345 million barrels a day in the first quarter of 1993, Petroleos Mexicanos (PEMEX) said Wednesday. In a preliminary report, PEMEX listed the United States as the major purchaser of Mexican petroleum amounting to 62 per cent of its total exports, reports Xinhua.

#### Dollar plunges against yen in NY

NEW YORK, Apr 17: The American dollar plunged to a new postwar low against the Japanese ven Friday as President Clinton, emerging from trade talks with Japan's prime minister, stressed support for a stronger yen. The remarks, which capped weeks of speculation over official policy, came after new trade figures showing that Japan's huge trade surplus with the United States swelled further in February. says AP.

### Namibia for 35 pc growth in '93

WINDHOFK, Apr 17: Namibia's economy, after growing by more than 35 per cent fiscal 1992/93, is set for a tough year ahead, President Sam Nujoma said. Speaking at a news conference, Nujoma said falling fish prices, a soft minerals market and an expected lower livestock off-take spelt bad news for the economy this year, reports Reuter.

### Latin America

facing uncertainty NEW YORK, Apr 17: The next few years in Latin America hold many major uncertainties, headed by elections in key countries and question marks over the passage of the North American free Trade Agreement, analysts said. But the analysts, speaking on the economic outlook for Latin America at the council of the Americas, were broadly optimistic about the longer term, reports Reuter.

### Parliamentary probe body to RBI on Indian bond scam

## Penalise foreign banks, bar them from transferring money for involvement

NEW DELIII, Apr 17: Indian MPs who investigated a billion dollar bond fraud have urged the central bank to penalise errant foreign banks and bar them from repatricting tainted profits, a newspaper reported yesterday, reports AFP.

The Joint Parliamentary Committee (JPC) said the Reserve Bank of India (RBI) should impose" suitable penalties" against foreign banks involved in the scam. India's biggest financial scandal, the

economic times said. The JPC recommended in its unpublished report that the RBI consider barring the banks from repatriating profits they may have earned in irregular securities transactions and other "Malpractices," the Times said.

The JPC chairman Ram

Niwas Mirdha, the only panel member authorised to speak to the press, was unavailable for comment on the report. The findings of the 30-member panel's investigation are expected to be published early in

The names of the US Citibank, Bank of America, Standard Chartered of London and ANZ Grindlays have figured in previous reports on

All have publicly denied wrongdoing in the fraud which surfaced in April 1992 with revelations that bankers and brokes colluded to siphon off some 1.3 billion dollar in illegal securities deals to Profit in a then-booming stock market.

But the JPC, which was set up in August, held that management of foreign banks

whom it interviewed had been aware of irregularities and apparently turned a blind eye. the Economic Times said

The magnitude of the irregularities itself is indicative of these being collective handiworks rather than isolated instances," the daily quoted the panel's report as saying.

While Bank of America and ANZ Grindlays accepted some irregularities committed by them and also expressed regrets, the Citibank however started with outright denials of existence of any irregularity and gradually veered around to acceptance of most of them.

"The Standard Chartered Bank has admitted the existence of irregularities in its operations but has apportioned the blame on two very junior offices working in one of its

smaller units," the Times quoted the report as saying.

"Circumstantial evidence before the committee however has indisputably proved that the top management of all the foreign banks examined by the committee was aware of the goings on in their banks and their bringing unawareness of the same is an afterthought."

Indian and foreign banks have been accused of issuing bankers' receipts without underlying securities, engaging in "ready forward" deals in which bonds and securities were sold to a client-broker and repurchased from him at a pre-determined rate.

Such prohibited deals some of which were merely on pa per, assured clients a guaranteed return with no risk at all. Diversion of funds to the share

1993, the ADB said.

Eastern European countries

like Hurgary, Poland and the

former Czechoslovakia are ex-

pected to enjoy positive

growth by 1993 or 1994 but

for Romania, Bulgaria and the

former Soviet Union, negative

growth is expected to last for

growth in 1993 and 1994 will

take the form of increased ex-

ports for developing Asian na-

tions, particularly from the

newly-industrialised countries,

Southeast Asia and South Asia,

Miyazawa agreed to discuss

specific industries when look-

ing at ways to ease the trade

talks in a way that we haven't

done before: putting eco-

was the US auto industry.

Thomas Hanna, president of

the American Automobile

Manufacturers Association,

said that Clinton was to be

commended "for stressing that

the chronic and growing US

trade deficit with Japan must

be reduced and that Japan

must open its market to

American high-tech manufac-

tured products, including au-

used unusually blunt language

to discuss their first meeting.

Both Miyazawa and Clinton

tos and auto parts."

"They opened up these

Also expressing approval

imbalance was encouraging.

nomics first," Kantor said.

the ADB said.

The modest economic

the short term, the ADB said.

market was laundered in the guise of investment in bonds and securities.

Multinational banks were top players in Indian securities trading which they helped boost into a volatile market and which accounted for a major chunk of their profits in the country since interest rates were freed in 1990.

The JPC report said the profits of all four foreign banks had "evidently" spurted 1990 on wards, the Economic Times

No details were given of the losses the banks may have suffered when the scam broke.

The securities scam when it surfaced wiped billions of dollar of Indian share values, end ing a stock market boom, and brought the country's banking system under a cloud.

## 'Price increase may hurt oil producers'

MUSCAT, Apr 17: Oil producers could be hurt if they tried to boost prices to offset an expected decline in demand because of the proposed western energy taxes, delegates attending oil talks here this week said, reports AFP.

They said producers, who were united by fears of the energy taxes, had considered cutting oil output to keep prices high if the United States and the European Community went ahead with such taxes.

"But such a measure could be counter-productive as higher prices will only increase the burden on consumers in the industrial countries and consequently prompt them to rationalise consumption This will add more downward pressure on demand,"

one delegate said. "In my opinion it will be better for producers to push prices slightly down. It may sound a strange idea, but this will compensate the consumers and encourage them to maintain, or even, boost demand."

The taxes were the theme of the Muscat talks that attracted nearly 25 oil ministers from the Organisation of Petroleum Exporting Countries (OPEC) and Independent Petroleum Exporting Countries

'In the absence of these taxes, world oil demand would grow to between 69 and 70 million BPD by the year 2000 and 76 million BPD 10 years later," he told the Observer, an Omani English language daily. The exporting countries will be very badly affected."

To meet the increase in demand, oil producers, mainly in the Gulf, have launched massive projects to boost their output capacity. Studies have shown Saudi Arabia and its partners in the six-nation Gulf Cooperation Council (GCC) need more than 60 billion dol lar to raise capacity to nearly 20 million BPD.

### Japan's trade surplus at record \$111b

TOKYO, Apr 17: Japan posted a record 111.34 billion US dollar trade surplus in the just-ended fiscal 1992, an increase of 26.2 per cent over 1991, the Finance Minister announced Tuesday, reports

Exports increased by 7.4 per cent to 344.41 billion dollar while imports rose by merely 0.3 per cent to 233.07 billion dollar in the fiscal year ended March 31, the ministry said. The trade report comes at a time when Japan is facing mounting criticism over its swelling trade surplus. The United States is pushing the country to pay more attention to this aspect in reviving its sputtering economy.

Japan's trade surplus against the United States vaulted 20.1 per cent to 46.11 billion dollar this fiscal year, after rising 0.8 per cent the year before, the figure had been declining from fiscal 1987 to 1990.

MANILA, Apr 17: The world

economy will grow slightly in

1993 with further growth in

1994 but this will not be

enough to reduce unemploy-

ment and excess capacity in

Development Bank (ADB) said

in a report released here

cast in the latest issue of its

annual development outlook,

that the world's real GNP

(Gross National Product)

growth will be 1.5 per cent in

1993 and 3.5 per cent in 1994

with the Asia-Pacific region

continuing to enjoy "robust"

WASHINGTON, Apr 17: Pre-

sident Clinton and Japanese

Prime Minister Kiichi

Miyazawa concluded their first

face-to-face meeting with

proclamations of a "new

partnership" between their

two countries. But the two

leaders left many major issues

Friday to let subordinates hag-

gle over the details of a pro-

posed "framework" agreement

that will govern trade negotia-

tions between the two coun-

They set a three-month

deadline for drafting the

framework document and then

said negotiators would set

about trying to reach agree-

ments using that document

that will open Japan's market

to more American products.

tries in the future.

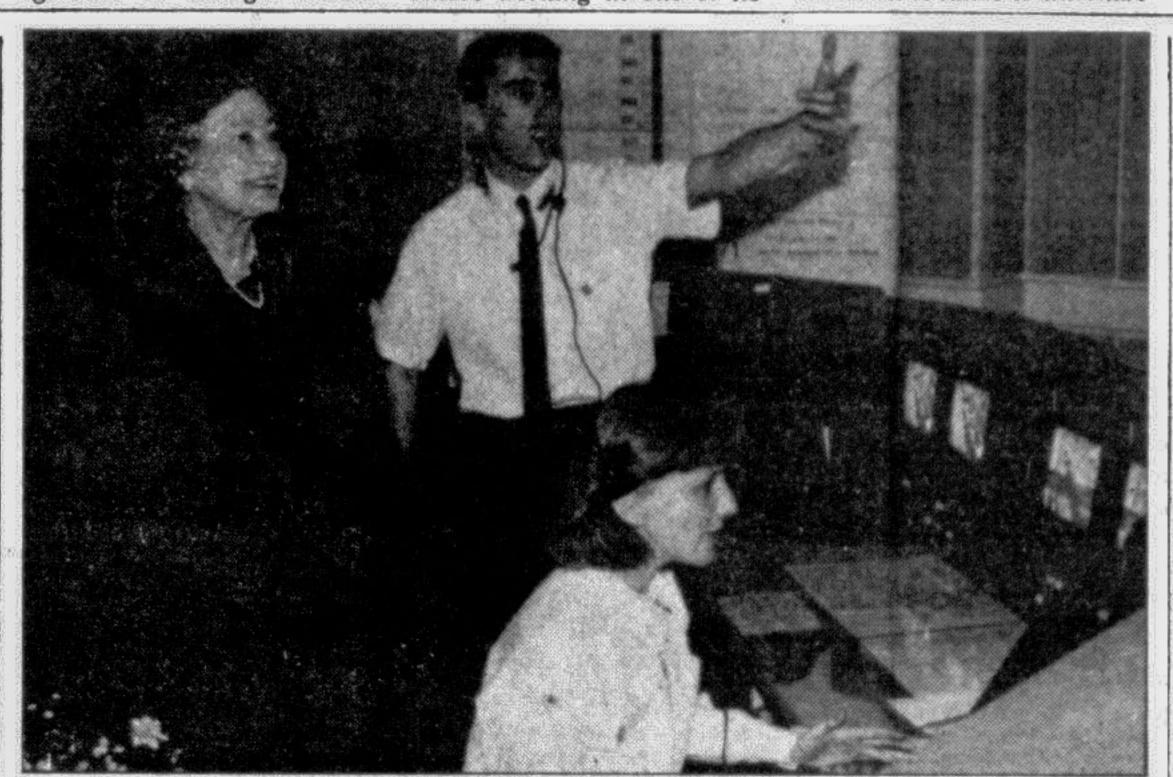
The two leaders agreed

still unresolved, reports AP.

The Manila-based ADB fore-

Friday, reports AFP.

many countries, the Asian



It was business as usual when Her Majesty Queen Elizabeth II officially opened London's newest and biggest police station recently. The station is housed in a preserved building, formerly Charing Cross Hospital, which has been completely refurbished internally, although externally it remains the same. Her Majesty is seen here witnessing modern officers in action using state-of-the-art technology.

tions should improve in 1994

as investment demand picks

up, but that it could take

in South Asia will increase only

slightly due to fiscal and bal-

ance of stability and normal

will also improve with the

economic recovery in the

United States gaining strength

in 1993 and 1994 but

European economic growth

will still remain weak with

"negligible," growth in

Germany which will remain in

recession through much of

Miyazawa said the principle

of free trade was incompatible

with either so-called "managed

trade" - which includes

establishing set market share

- or "the threat of

unilateralism," the Japanese

code for bullying tactics

employed by the United States

to force Japan to open

the Japanese flatly rejected

suggestions that any goals or

targets be set in specific in-

dustries, but they said they

target idea in the upcoming

talks as well as looking for al-

Japanese compliance.

ternative ways to measure

Mickey Kantor said after the

session that the fact that

Trade Representative

would continue to push the

The US side conceded that

However economic growth

North America's economy

longer to recover.

weather conditions.

cultural products.

markets.

ADB sees modest economic growth

Clinton, Miyazawa agree on further

negotiations for trade accord

growth despite the continuing

economies of Asia - Taiwan,

Hong Kong, South Korea and

Singapore - will continue to

enjoy strong growth and

China's economic boom will

Southeast Asia are also ex-

pected to enjoy faster growth

in 1993 and 1994 thanks to

higher exports and invest-

on a revival of consumption

and housing demand although

the bank predicts that condi-

Japan's prospects depend

However, Clinton conceded

at a joint news conference

Friday that significant differ-

ences existed in how the trade

ing for a results-oriented nego-

tiating strategy that will allow

negotiators to monitor

whether Japan is complying

with its market-opening

commitments. Clinton cited

favourably a semiconductor

agreement in which Japan

agreed to open up 20 per cent

of its computer chip market to

agreement was not relevant to

for further market opening in

such areas as autos, supercom-

puters, electronics, and agri-

Japanese have said the

Clinton said he was looking

foreign suppliers.

other industries.

The United States is press-

negotiations should be con-

The other nations of

like wise be maintained.

ments, the ADB said.

The newly-industrialized

world recession.

### Riyadh denies report on oil output

RIYADH, Apr 17: Saudi Arabia's Oil Ministry issued a statement on Friday denying a published report that the kingdom had produced over its OPEC quota in March, reports AP.

The statement, distributed by the official Saudi Press Agency, said the report was "totally void of truth."

It said the report by New York's Petroleum Intelligence Weekly appeared aimed at manipulating the oil market. The weekly had said Saudi Arabia produced 8.3 million barrels a day in March; its quota is 8 million barrels.

Reports of overproduction by Saudi Arabia, the world's largest oil exporter, immediately impact oil prices on the world markets.

Saudi Arabia is the leading member of the 12-nation Organization of Petroleum Exporting Countries. Members of the cartel have committed themselves to producing 23.582 million barrels per day for the March-June quarter.

"It is known that the kingdom of Saudi Arabia is the one that proposed the latest OPEC agreement now in effect, and it is therefore illogical that it does not abide by it," said the Oil Ministry statement.

### Lithuania to launch its own currency

LONDON, Apr 17: The Republic of Lithuania will launch its own unit of currency by mid-summer, Chairman of the Bank of Lithuania Romualdas Visokavicius said, reports Reuter.

The currency, the litas, will replace the coupon system introduced last year in place of the rouble. The litas will be convertible Visokavicius said at a briefing for businessmen.

The central bank is also planning to issue bills of exchange "in the near future," according to Visokavicius.

The government will require the transfer 12 per cent of existing coupons deposited with commercial banks to the central bank to increase its reserves, Visokavicius said.

A committee set up by the Bank of Lithuania to look at the litas is also deciding how best to use gold deposits restored to Lithuania by western governments, and currently held at central banks in Britain, France and Switzerland, Visokavicius said.

The ruling Lithuanian Democratic Labour Party, elected last autumn, also plans to sell shares in its three state commercial banks, Visokavicius said, although around 50 per cent will remain in government hands.

## France hails G-7 aid but pledges no more assistance to Russia

TOKYO, Apr 17: France applauded the Group of Seven (G-7) pledge of 43.4 dollar billion in aid to Russia, but stopped strong support for its beleaguered President Boris Yeltsin, or offering new monetary commitments itself, reports Reuter.

Foreign Minister Alain Juppe said the G-7 nations affirmed support for the Russian reform process but stressed it was up to the Russians themselves to enact it. "We all have in mind the

date of April 25 (when Russia will hold a referendum on Yeltsin's rule) but we have no intention of intervening in domestic matters and it must be left to the decision of the people," he said. But France avoided any new

commitments of aid of Russia. "New aid to Russia by France will come under the

framework of the multilateral aid," Juppe said. "We finance all the operations that are launched such as the World Bank, the International Monetary Fund (IMF) and the European Bank Reconstruction Development (EBRD)."

French Economy Minister Edmond Alphandery said France had given a total of 5.5 billion dollar in aid since 1990 to the former Soviet Union and later to Russia. "So you can see how impor-

tant we think the issue is," he told reporters.

"I believe that we should pay less attention to the total amount of 43 billion dollar, far less than the few new characteristics which are very important in the contribution of G-7 countries," Alphandery added.

### Canada's foreign liabilities increases by \$ 541b

OTTAWA, Apr 17: Canada's total external liabilities increase to Canadian dollar 541 billion in 1992 due mainly to continued demand for Canadian bonds, particularly by US investors, Statistics Canada reported, says Reuter.

\*Foreign investors continucd to purchase sizeable amounts of Canadians bond since 1992, though less than the record 1991 investment, bringing their holdings to Canadian dollar 231 billion by the end of the year," the official statistics agency said.

More than a third of all

Canadian bonds are held by non-residents, it said. US investors increased their holdings to 38 per cent of all Canadian bonds from 31 per cent in 1991.

For a second consecutive year, Canadian provinces and their enterprises tapped the foreign bond market extensively in 1992, accounting for 42 per cent of foreign holding of all Canadian bonds.

By the end of 1992, liabilitics of all Canadian government held by foreigners totalled Canadian dollar 223 billion.

## Russia for economic pact with Japan

TOKYO, Apr 17: Russia and Japan should sign a comprehensive treaty covering economic cooperation and transfer of key technology during President Boris Yeltsin's visit to Tokyo, Foreign Minister Andrei Kozyrev said, reports Reuter.

"A specific item on the agenda would be a comprehensive cooperation agreement on the economy and science and technology," Kozyrev told Kyodo news agency after a multila eral conference on aid to Russia.

Yeltsin told the Russian parliament this week that he would like to visit Japan in late May, making up for his abrupt cancellation of a scheduled

Tokyo trip last September.

Trip dates and other details will be arranged through diplomatic channels, Japanese officials said.

Kozyrev also invited em-

peror Akihito to make a state

visit to Russia, which could follow a possible trip to Moscow by the Japanese Prime Minister, Kyodo reported. Russia won pledges of 43.4 billion dollar in multilateral aid

on Thursday at a meeting of the foreign and finance ministers of the Group of Seven industrialised countries. Prime Minister Kiichi

Miyazawa opened Japanese-hosted meeting by pledging 1.82 billion dollar in Japanese aid to Russia.

# Economic reforms to revolutionise Russian agri system, hopes govt

PESHKOVO, Russia, Apr 17: that, although they now have The Russian government hopes its radical economic reforms will help revolutionise the country's notoriously inefficient agricultural system, reports Reuter.

But deep in the heart of the country's main grain growing regions, farm managers and workers are struggling to come to terms with the new realities of life.

"The reorganisation has really shaken people up," said Ivan Yunda, head of the local administration in the southern agricultural Azov district. The districts part of Rostov region, one of the three main Russian grain producing areas.

The government wants to boost productivity by breaking

up big collective farms and encouraging private farming. Farm managers complain

much more freedom to pursue their own plans once they have fulfilled state grain orders, they are hamstrung by soaring inflation and the lack of government credits.

They are especially unhappy that prices for obligatory grain sales to the state have remained fixed while the cost of fuel, machinery and fertilizers is soaring.

"I am ready to accept these reforms, but there are many which are not well thought out. An empty bag of grain now costs more than the contents,' said collective farm boss

Sergei Ponkratov. Many farm workers say they see no benefit from the re-

Russian agriculture still bears the ugly scars of the mass collectivisation carried

Stalin in the late 1920s and early 1930s. Farm employees were se-

out by Soviet dictator Josef Yields lagged far behind those were to be sown and when. in the west and up to a third of Initiative was not welcomed each harvest was lost though Now farm heads have the incompetence or poor storage. chance to use their erudition

### Leading industrialists mock Yeltsin

MOSCOW, Apr 17: Leading Russian businessmen mocked President Boris Yeltsin on Friday when he told them inflation had fallen steadily since the start of the year. Many of the 4,000 delegates at a meeting of the Russian Union of Industrialists and entrepreneurs laughed out loud when Yeltsin said monthly inflation and sunk from 27 per cent in January to 17 per cent in March. 'I don't understand', said a bemuised Yeltsin, who is campaigning for support ahead of an April 25 referendum on which rules the country. Union Chairman Arkady Vnlsky called the delegates to order but later attacked the governments economic reforms which may industrialists have brought factories and enterprises to the brink of bankruptcy. Entrepreneurs say they see no sign of a fall in the growth of prices and warn the country is threatened by hyperinflation, reports Reuter.

cure in the knowledge they would be paid the same wages regardless of how they worked.

Communist party chiefs. many with little experience, issued orders on what crops

and experience. Those who just used to sit there waiting for orders have been burned out, said Yunda," who has just outside the town of Azov. sacked two of the regions 28 farm-heads for incompetence. The former Collective

Farms, which have turned themselves into Farmers Association, now have the right to pay workers according to their productivity.

"Last year the tractor drivers who worked best got 20,000 rouble while the ones who worked worst got 10,000, said Ponkratov, There were no protests from the drivers - infact protested to them, telling them to work harder.

The rouble has fallen so fast since last year that conversions are virtually meaningless.

Ponkratov heads the Zavety llyich Collective Farm named after Bolshevik state founder Vladimir Ilyich Lenin - in the village of Peshkovo

Officials say the farm, which employs 1,500 people and owns 8,300 hectares (22,000 acres) of arable land, is one of the better run outlits in the

But Ponkratov says what he describes as ill-thought out and of en contradictory government directives are making a nonsense of his plans to make the farm more profitable.

"The main problem is that there is no political stability. I have no idea what I'm going to have to deal with tomorrow

The government says its

prices for state orders are close to world levels, but farmers can get a lot more by selling to private buyers or commodity exchanges