Rouble falls to record low

MOSCOW, Apr 28: The rouble fell to another record low Tuesday, trading at 812 to the dollar at the Moscow Interbank Currency Exchange, an exchange officials said at the previous session Thursday, the rouble traded at 795 to the dollar, which also was a record, says AP.

Parra to visit

Washington soon CARACAS, Apr 28: OPEC President Alirio A Parra will visit Washington, DC this weekend for meetings with the Interamerican Development Bank and US energy officials, the state news agency. Venpres reported Tuesday. Parra, who is also Venezuela's energy and mines minister, will talk with officials attending an international energy seminar Monday, Venpres reported. He likely will discuss a tax on energy consumption proposed by the Clinton administration that would reduce US demand for oil, the report said, reports AP.

Hitachi to launch

new computer

TOKYO, Apr 28: Japan's Hitachi Ltd said Tuesday it would start selling a highperformance "neural computer" next month featuring what it claims is the world's fastest learning ability. The new computer, known as my-neupower", has been jointly developed with Hitachi Microcomputer System Ltd, and is designed to work with in-house software known as "neurolive", the company said, say AFP.

ADB okays \$ 20.6m loan to Nepal

MANILA, Apr 28: The Asian Development Bank on Tuesday approved a 20.6 million dollar loan to help economic restructuring in Nepal The bank said the loan would assist an industrial programme that will help Nepal's economy become more outward-oriented and competitive, says AP.

Atlantic airways withdraws service

LONDON, Apr 28: Virgin Atlantic airways withdrew massage service on Tokyo flights after Japanese businessmen thought they were being offered more than a gentle rub-down, Virgin Chairman Richard Branson said on Tuesday. "It became clear that in Japan the implications of offering a massage are distinctly different," said millionaire businessman Branson, whose airline offers massages to upper class (business class) passengers on selected routes, reports Reuter.

India to go slow on IMF borrowing

NEW DELHI, Apr 28: India will temporarily go slow on fresh borrowing from the International Monetary Fund (IMF), Finance Minister Manmohan Singh said on Monday. "Temporarily we may not ask for more funds, but we need the support of the IMF and other international agencies", Singh told reporters shortly before flying to Washington for an IMF meeting and talks with fund officials, says Reuter.

Russia fails to get EBRD fund share

LONDON, Apr 28: Russia is not getting its fair share of funds from the European Bank for Reconstruction and Development (EBRD) and the bank is not sufficiently aware of Russia's problems, Central bank Chief Viktor Gerashchenko said. He said the EBRD had invested only 7.5 million dollar in Russia. believe this is a paltry sum and in no way comparable with the predicted participation of the European bank or with the promises of the bank's management," he said.

India's reserves up to \$10b in Apr

BOMBAY, Apr 28: India's gold and foreign exchange reserves rose to 10.125 billion US dollar in the first week of April from 9.386 billion US dollar in the previous week and against 9.22 billion US dollar a year ago, the Reserve Bank of India (RBI) said. Of the reserves, foreign eurrency assets fose to 6.727 billion US dollar from six billion US dollar in the previous week and against 5.631 billion a year ago. Gold reserves stood at 3.38 billion dollar, up from 3.36 billion dollar in the previous week and compared with 3.49 billion dollar a year ago, the RBI said, reports Reuter.

ASEAN expects growing competition from China, Indo-China

US economic recovery

SINGAPORE, Apr 28: South East Asian countries will face growing competition for exports and foreign investment from the emerging economies of China and Indo-China, ASEAN Secretary General Ajit Singh said here Tuesday, re-

"ASEAN (Association of South East Asian Nations) is being challenged in its own backyard by China and Vietnam, Singh said at the opening of a two-day forum on trade and investment in ASEAN. Coupled with lower labour and start-up costs, they are competing with us in exports and have deflected foreign investment from ASEAN,

ports AFP.

Singh pointed out that Taiwan's direct investment in China had risen from one billion US dollar in 1990 to three billion dollar last year, while investment in Malaysia had

WASHINGTON, Apr 28: US

Budget Director Leon Panetta

announced serious concerns

about the country's economic

recovery, plans to aid Russia

and the fate of the free trade

agreement with Canada and

out of the November election

and the Christmas shopping"

was only a "shadow recovery,"

Penetta told reporters Monday.

diminished somewhat. I think

there's a weakness out there."

he added, citing in particular

corporate restructuring and

In his candid comments

reported by the Washington

Post and the New York Times,

Panetta said President Bill

3.5 pc rise

in US workers'

wages, salaries

American workers' wages,

salaries and benefits rose 3.5

per cent in the year ended

March 31, slightly faster than

the rates of overall inflation.

government said Tuesday, re-

the increase in its Employ-

ment Cost Index, considered

one of the best gauges of wage

inflation pressures, slowed

from the four per cent, incre-

Consumer prices rose 3.1

For the first quarter, em-

per cent during the 12 months

ployment costs rose 1.2 per

cent, faster than the 0.6 per

cent advance in the final three

The fourth-quarter perfor-

mance had helped hold 1992

compensation to a 3.5 per cent

increase, the smallest January-

December advance since a 6.6

per cent jump in 1982 when

ase a year earlier.

ended March 31.

months of last year.

the index was begun.

The Labor Department said

ports AP.

WASHINGTON, Apr 28:

military base closings.

"I sense that confidence has

"The optimism that came

Mexico, reports AFP.

plunged from 2.4 billion dollar to 600 million dollar over the same period.

Singh added, however, that with over 4.2 billion dollar of exports to China last year, ASEAN's relationship with China and Vietnam was one of competitive partners sharing in the region's economic growth and prosperity.

ASEAN groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thai-

Singh said that intra-ASEAN trade remained unimpressive at about 18 per cent of the regions total trade, despite the decision to form the ASEAN Free Trade Area (AFTA) at last year's ASEAN ministers sum-

The AFTA agreement. which came into effect in January, aims to reduce import tariffs on processed agricul-

Clinton's 12 billion dollar

stimulus plan defeated last

week in congress had been

aimed at speeding economic

targeted programme for sum-

mer jobs and highway con-

struction would pass congress.

very worried about Clinton's

deficit reduction package in

which he plans to cut by 500

billion dollar in the next five

ple have to face tough votes

(on specific taxes and spend-

ing cuts) it will not be that

easy. There are always a thou-

sand reasons to vote no. I'm

hearing a lot of arguments I

heard in the 80s and that con-

"My fear is that when peo-

He said he hoped a more

Panetta also said he was

recovery.

tural and manufactured goods between member countries, to within five per cent over the next 15 years.

Singh said the implementation of AFTA would require the dismantling of long-standing trade and investment barriers and greater private sector participation in formulating and realising government initia-

Lois Tretiak, a director with the China Division of the Economist Intelligence Unit, said China's abundance of raw materials, cheap labour force and massive market represented major attractions for foreign investment.

Tretiak said Hong Kong and Macau contributed over 60 per cent of direct foreign investment in China which totalled 11.9 billion dollar in 1991 while the United States was the second largest investor

cerns me," he said.

with a nine to 10 per cent

Financial analyst Christo pher Bruton said Indo-China's combined population of 83 million, its strong resource base of minerals, oil, gas and hydropower, and pressing need for infrastructure development offered attractive investment opportunities.

Bruton added, however, that business activity in the region was hindered by bureau cratic obstacles, poor communications and infrastruc ture, political risk and an essentially poor market.

He said ASEAN countries. which enjoyed the advantages of geographical proximity and familiarity with conditions in Indo-Chinese markets, must contribute to the development of Indo-China in the interests of stability and progress in the

Budget Director expresses concern about

Panetta suggested Clinton put off introducing his sweeping health care reform plan until the vote on the budget in mid-June though it was to be presented early next month. "It will be tough enough" to pass the budget, said Panetta,

complicates that just makes it more difficult." The budget director also pronounced the North American Free Trade Agreement (NAFTA) "dead" for the time being, noting that there was insufficient support for it in

adding that "anything that

wage a massive television campaign opposing it. On aid to Russia, Panetta

congress and that billionaire

Ross Perot was intending to

said he was still trying to find ways to finance the 1.8 billion dollar package Clinton has proposed, but doubted that foreign assistance to the two biggest recipients, Israel and Egypt, could be reduced and said it was unlikely congress would cut back on domestic spending to make the funds

The success of the adminis tration's plans rest largely with the president according to Panetta, who said Clinton has the ability to convince people of what he wants to do.

"If he can aggressively battle for what he believes in, the American people will respond. He ought not to back away from what he believes in," he said



AMSTERDAM: Serbia's photographer Bojan Stajanovic (R) who won the first prize in the World Press Photo Contest 1992 in the spot news category with his picture of an execution in Bosnia is flanked by his body guard during the awarding ceremony in the Nieuwe Klerk in - AFP/UNB photo Amsterdam Apr 27.

Third World calls for a balanced Uruguay Round deal

GENEVA, Apr 28: Developing countries on Tuesday called on major trading nations to wrap up a "balanced" Uruguay Round deal which would open up world markets to their goods, says Reuter

The Group of 77 charged that trade tensions between Japan, the Untied States and the European Community had created new protectionist barriers and stalled the global negotiations.

"The recession has been manifested in protectionist pressures in developed countries which aggravate existing restrictions and are creating new barriers to market access

in those countries," it said in a declaration.

The Group of 77, representing developing countries, also criticised industrialised nations for negotiating some key issues such as agriculture outside the formal Uruguay Round talks.

Third World nations were worried they might be handed an "unacceptable" fait accompli when the round ended, it

Some 114 nations are taking part in the ambitious Uruguay Round -launched six years ago to break down barriers to world trade in agriculture, industrial goods and ser-

vice industries — under the General Agreement on Tariffs and Trade (GATT).

"Each additional month of delay in arriving at the finalisation of the round increases uncertainty and exacerbates the situation," added the Group of 77. Their address was made to

the executive board of the United Nations Conference on Trade and Development (UNCTAD) - the main UN forum representing Third World economic interests.

UNCTAD Secretary-General Kenneth Dadzie also appealed for a successful end to the Uruguay Round, saying developing countries needed better access to world markets to stimulate growth.

The Group of 77 called for finalising "in an equitable manner" the draft final act of the round, presented by GATT Director-General Arthur Dunkel in December 1991.

It said many participants, including major trading nations, had yet to produce comprehensive documents outlining export opportunities for developing countries.

"Instead, some major par ticipants appear to be preoccupied with mutual trade ten-

cormer povict bloc fears West's protectionism policy

TOKYO, Apr 28: Officials of former Soviet block countries on Sunday voiced fears of protectionism preventing their vital access to western markets but west European officials said recession at home could make it difficult, says Reuter.

"For a country like the Czech Republic, it is extremely important that, at this stage of transformation and in the future as well, to have free ac cess to markets in the West because we are in extremely trade dependent country and we believe in free trade," Karel Dyba, Czech Minister of Economy told a news confer-

Dyba was one of eight representatives from Central and Eastern European nations and Russia who attended a two-day conference with representatives of the G 7 nations and the European Community to dis cuss microeconomic reforms to help them move to freemarket economies.

Bela Kadar, Hungary's Mini ster of International Economic relations, voiced the same concerns at the news conference.

"In the recent past, certain undestrable patterns have started to emerge... the recession in the West has affected adversely the dynamics of trade relations. There are some narrow protectionist trends in some western countries even if they are not reflected at the level of government policy," he said.

Western participants agreed improved access to their markets was vital for the success of economic reform but cau tioned that providing it would not be easy.

Thai govt rejects move to import log from Cambodia

BANGKOK, Apr 28: The Thai government thwarted Tuesday a move by one of its ministers to open the Thai-Cambodian border to timber shipments in defiance of a UN ban on log exports from Cambodia, officials said, says an AFP report.

Details on how the request by Interior Minister Chaowalit Yongchaiyuth was defeated were not immediately available.

Chaowalit did however win approval for a similar request to open checkspoints on the Burmese border to allow Thai timber companies to bring in logs from Burma, the officials

Exports of Cambodia's raw logs have been banned since January 1 in compliance with a **UN Security Council resolution** adopted in a bid to try to push the Khmer Rough back into peace process in Cambodia.

Thousands line up to buy Polish

bank share

WARSAW, Apr 28: Thousands of Poles lined up Tuesday for shares of the Wielkopolski Bank Kredytowy, the first state bank to be sold to the public under the government plan to modernise the banking system, reports AP.

The public offer of WBK amounts to 1.7 million dollar shares or 27 per cent, worth 200 billion zloty (11.9 million dollar). Some 460,000 shares already have been sold to large institutional investors.

A spokesman at the bank's Warsaw office said he expected that all shares for small investors - those buying between 10 and 5,000 shares would be gone within several hours of the start of sales at 147 offices nationwide Tuesday morning.

The Finance Ministry said Monday that the institutional portion of the sales, was oversubscribed 13 times and all 240 large investors received equal blocks of shares, much below their bids.

Second economic zone in ASEAN can go ahead

JAKARTA, Apr 28: A feastbility study for an economic zone linking Thailand, Malaysia and indonesta can go ahead now that leaders of the there nations have endorsed the project, That Prime Minister Chuan Leekpai said today, reports AFP.

Wrapping up a three-day official visit here. Chuan told a press conference that the idea of a "north growth triangle" covering southern Thailand, northern Malaysia and northern Sumatra, had been discussed with Indonesian President Suharto in bilateral talks here Tuesday.

Now that the leaders of the three countries involved have agreed in principle on such a project, the feasibility study can be carried out," he said.

The Asian Development Bank has already agreed to help carry out the feasibility study for the project, first mooted by Malaysian Prime

said Chuan. indonesia officials said a special envoy from Mahathir was likely to visit Jakarta next month to discuss the project

with Suharto and his minis-

The joint economic development zone would be the second within the Association of Southeast Asian Nations (ASEAN) to which Indonesia and Thatland belong. Other ASEAN members are Brunei, Malaysia, the Philippines and Singapore.

Makarta, Kuala Lumpur and Singapore are already involved in a growth triangle which involves Singapore, Indonesia's Riau province and Malaysia's state of Johor.

Indonesian Deputy Prime Minister Amnuay Viravan said at the same press conference that ministers from both countries had explored ways to step up bilateral cooperation.

'Russia should sack central bank chief to halt inflation'

MOSCOW, Apr 28: Russia must sack the head of its cention, liberal Deputy Prime Minister Anatoly Chubai said on Tuesday, reports Reuter.

I hope that a special decision of the government and the President Boris Yeltsin will top the inflationary policies of the central bank, and the only way to stop it is to change the chairman of the central bank, Chubai said in an interview.

Central bank Chairman Viktor Gerashchenko and the government have been at odds for months over monetary and credit policy, delaying the fight against inflation which was 21 per cent month on month in March and hit average of 2,623 cent in 1992.

Any moves by the government to assert it will over the

free-spending central bank is likely to be resisted by a contral bank to help fight infla- servative parliament which controls the bank and much of the monetary and credit policy which it applies. But Chubai said Yeltsin's vic-

tory in Sunday's vote of confi-

dence gave the government a popular mandate to replace Gerashchenko, who formerly headed the Soviet state bank. "The President has to make this decision (to sack Gerashchenko), and let parliament

discuss it. We have to make the decision", he said. Probably parliament will try to help him first but I'm not sure they will do it because of the results of the referendum. "The result of their referendum is very impressive . . . it

shows that we have no conflict

with the Russian people.

China, Taiwan begin talks on investment issues

SINGAPORE, Apr 28: Top representatives of semi-official organisations from China and Taiwan resumed talks today after their subordinates spent a late night negotiating on investment problems, reports

Taiwan sources said delegates from both sides were working to incorporate their concerns on investment issues into a joint statement to be release at the end of the twoday meeting later in the day.

The top representatives were reviewing progress, officials said.

Economic Foundation (SEF) and China's Association for Relations Across the Taiwan Straits (ARATS) is the first high-level talks between China and Taiwan in 44 years.

The SEF and ARATS were set up in 1991 by their respective governments as nominallyprivate organisations to skirt

tracts with Beijing, imposed after nationalist Chinese were driven off the mainland on to the island by the communists in 1949.

Taiwan's ban on direct con-

Taiwan businessmen, worried over their indirect investments in China, have asked the SEF to seek an investment guarantee agreement from China but ARATS said it was inappropriate to sign a pact now when economic exchanges between the two sides

were unequal. The Chinese side wants Taiwan to relax restrictions on_ The meeting between the its businesses investing in heads of Taiwan's Straits China, open its market to Chinese products, open its labour market to Chinese workers, and allow Chinese

> businessmen to visit Taiwan. The ARATS Chairman said Tuesday that he had proposed compensation for expropriated Taiwanese businesses in China, the remittance of profits by Taiwan firms,

Cyprus freezes assets of Serbian firms

NICOSIA, Apr 28: Cyprus said on Tuesday it had frozen the assets of three Serbian banks and about 50 Serbian offshore companies in line with new UN sanctions on the rump Yugoslav state of Serbia and Montenegro, reported Reuter.

banks and Cyprus offshore told Rueters.

The new UN sanctions, effective from 0400 GMT on Tuesday, freeze Yugoslavia's financial assets overseas, ban the transport of goods through

and impose stiff penalties on An estimated 500 Serbian

"We are notifying all local

banks that our circular freezing funds should be implemented with immediate effect," a central bank official

Yugoslavia, block shipping on the Danube and the Adriatic

companies are registered in Cyprus. The government has denied media reports it was turning a blind eye to attempts to circumvent trade restrictions on Yugoslavia.

The officials said the freeze would affect three banks -Beogradska Banka, Kreditna Banka and Karic Banka — but was unable to say how much money was involved.

Officials at Beogradska Banka not available to comment of the decision.

The sanctions are meant to punish Yugoslavia after the Bosnian Serb parliament rejected a UN-sponsored peace

What is bad for Japan's economy is bad for the world'

could hinder its recovery from a bruising recession, will make a pitch for exchange-rate stability at a meeting Thursday of its principal economic part-

ners, says AP.

At the gathering in Washington of finance ministers from the Group of Seven (G-7) leading industrialised nations, Japan intends to hammer home the notion that what's bad for its economy is

bad for the world economy. And what's bad for Japans economy, officials are saying, is 'endaka', the surging yen. Since the start of this year, the Japanese currency has appreciated by 12 per cent against the US dollar, shattering one record after another.

The latest surge broke the psychological barrier of 110

yen to the US dollar, and many up is over yet.

Japanese officials have been politely suggesting for weeks that the rise was too rapid, and expressing concern that losses suffered by Japanese companies selling goods overseas could put a damper on a re-

But in recent days the message has gotten blunter: End endaka.

Tokyo has signaled in no uncertain terms its irritation over the Clinton administration's tacit support for a stronger yen as a means of trimming Japan's huge trade surplus with the United States.

That annoyance peaked in response to comments along those lines last week by visiting Commerce Secretary Ron

worried that the yen's rapid observers don't think the run- ally acrimonious public response from Japanese officials.

Privately, assessments are even harsher - that Clinton either lacks a coherent policy on exchange rates, or is unable to muzzle officials who - like Brown - do not have direct policy-making responsibilities in that area.

That may have changed on Tuesday, when the US Federal Reserve Board finally intervened in the currency market after the dollar plunged in New York to an historic low of 109.25 yen. And Treasury Secretary Lloyd Bentsen, speaking to a congressional committee, called for stable currency movements that reflect economic fundamentals.

Japanese officials appear to be of two minds about Japan's

describing the recovery as be ing on track, and the broadest indicators appear to back that

On Tuesday, the Economic Planning Agency announced that the index of leading economic indicators for February stood at 80. It was the second month in a row that the index was above 50 — the level which the agency considers as forecasting economic expansion.

Officials say indicators will remain mixed for some months, with public-sector spending and housing leading the way in the first half of the fiscal year that began April 1, but that other sectors will hit their stride in the second half on the year.

On the other hand, despite signs of growing strength, the

economy is still being treated On the one hand, they are like an ailing patient that slump, and an industry group needs care and cossetting.

The strongest medicine was in the form of a record eco nomic-stimulus package an nounced earlier this month by the government of Prime Minister Kiichi Miyazawa.

The government is also demonstrating it will move ag gressively to help hard-hit industries recover. The Labour Ministry announced this week it would designate 19 more sectors as eligible for government subsidies because of damage suffered during the slowdown.

The industries included computers and autos, marking the first time since the subsidies began in 1975 that those sectors have been included

Japan's computer makers

reported Tuesday that Japan's exports of cars, trucks and buses were off by 2.9 per cent in fiscal 1992 from the previous year. Japanese consumers are

are in the midst of a deep

proving balky about the sort of spending that could give impetus to the recovery. A quarterly survey of consumer sentiment released Tuesday indicated confidence was still eroding during the January-to-March period, although at a slower

The lack of willingness to spend was reflected in gloomy sales reports from Japan's major department stores and supermarkets. The latest figures, released Tuesday, said March sales declined 7.5 per cent, the 10th consecutive year-onyear decline

India plans to export 210m kilogram of tea in 93-94 NEW DELHI, Apr 28: India

has planned to export 210 million kilograms of tea in 1993-94 as against 170 million kilograms in 1992-93, an increase of 23 per cent, says Xinhua. Local English newspaper

The Observer of business and politics. Monday quoted sources of the Tea Board as saying. The board hopes that out of 210 million kilograms, 75 mil-

pped to the constituent members of the Commonwealth of Independent States (CIS) and 31 million kilograms to the

The sources said that Poland and Iran are expected to take 15 million kilograms

lion kilograms would be shi-