

China, India to jointly make commercial aircraft

NEW DELHI, Jan 12: China and India propose to pool their technological and other resources to jointly manufacture commercial aircraft. Chinese Ambassador to India Cheng Ruisheng said here in an interview with Press Trust of India (PTI) yesterday, reports Xinhua.

Feasibility studies to manufacture planes with upto 100 seats were being done now, Cheng said.

With both China and India carrying out economic reforms, they would be able to acquire better technology for items or goods to be exchanged, Cheng added.

Both India and China had good military planes. "We should diversify to the civilian side. The technology available with both sides could be used to make such planes", the Ambassador said.

Delhi hikes price of cooking gas to cut budget deficit

NEW DELHI, Jan 12: The Indian government has hiked the price of heavily-subsidised cooking gas in a pre-budget move aimed at cutting the deficit, reports AFP.

The government simultaneously slashed the import tariff on liquefied petroleum gas from 85 percent to 25 percent, according to an official announcement late Tuesday.

A 14-kilo (30.8 pound) cylinder of cooking gas will cost about 15 rupee (50 cent) extra at about 95 rupee (3.10 dollar) with immediate effect. Kerosene, the poor man's kitchen fuel, was however spared.

The price hike, the first since September 1992, would slash the government's subsidy burden, which amounts to a hefty 71 rupee on every cylinder of gas, and raise revenue to bridge the deficit on the oil account.

The subsidy in the fiscal year to March 31 had been expected to cost the government about 450 million dollar. The government is expected to save a modest 20 million dollar in the two months remaining in the fiscal year as a result of the price hike.

Clinton urges Japan, EC to open markets further

BRUSSELS, Jan 12: US President Bill Clinton called on Japan and the European Community here yesterday to open their markets further to the outside world, reports AFP.

He was speaking after a meeting with the President of the EC's Executive European Commission, Jacques Delors and Greek Prime Minister Andreas Papandreou, whose country holds the six-month revolving presidency of the community until June.

Clinton said Japan was prominent among countries which needed to do more to lower trade barriers following last month's GATT world trade deal.

He also urged the EC to seek more ways of opening up

its markets to eastern Europe, to the mutual benefit of both sides.

The US president made a strong appeal for environmental safeguards, labour protection and competition rules to be built into a new generation of post-GATT trade agreements.

But his clearest message was directed at Japan. "The US and the EC cannot alone create the open markets the world needs. We think it is clearly time for the other great economic power, Japan, to join us in this effort to open markets," he said.

Clinton expressed his "strong desire" to sweep away the last remaining obstacles in the Uruguay Round of the

General Agreement on Tariffs and Trade (GATT).

The seven-year Uruguay Round of trade talks is due to be signed in Marrakesh on April 15, following agreement on most outstanding disputes in Geneva on December 15.

Clinton continued a theme which he developed during a two-day summit of the North Atlantic Treaty Organisation (NATO) which ended on Tuesday — that the EC remained a valuable partner for Washington.

The European Union remains America's most valued partner in trade and investment. A strong relationship between US is good for America," he said, particularly in creating jobs.



Railway workers clear the track after a domestic freight train overturned in Karachi on Tuesday. The train was carrying furnace oil and some 120 tonnes of oil was spilled out due to the derailment of the six tank-wagons. — AFP photo

EMI starts rocky journey to creation of central bank

FRANKFURT, Jan 12: The European Monetary Institute held its first meeting Tuesday afternoon in Frankfurt on what is expected to be a rocky journey to creation of a European central bank, with an initial team of 30 banking pioneers, reports AFP.

At a news conference after

the meeting, Institute President Alexandre Lamfalussy of Belgium emphasized the breadth of the task awaiting his small team. And he said that the EMI status, resulting from the European community's Maastricht Treaty, does not facilitate the new agency's task, as it is too ambiguous.

The institute is expected to tighten cooperation among EC central banks and coordinate monetary policies. But it has no monetary powers, and in December, German Secretary of State for Finance Gerd Haller said that the German government would not tolerate any action which exceeded the institute's powers.

Responsibility for monetary policy remains in the member states' hands during the second phase of EMU, as Bundesbank chief Hans Tietmeyer has emphasized many times, and he has also said that "Entering the third phase is unlikely at the end of 1996."

Last week the French government gave the Bank of France independence in setting monetary policy but stressed that the government remained responsible for exchange rate policy and the franc's exchange rate, and that the central bank has to take account of overall economic policy.

The main difficulty lies in the fact that control of monetary policies remains in the national central banks' hands, he commented. But over time, the institute is to work out the technical procedures for putting the EC's planned single currency into effect and prepare for installation of the future European central bank, he noted.

One of the key tasks given to the institute under the Maastricht Treaty for European Economic and Monetary Union (EMU) is preparation of bank notes denominated in ECUs.

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