

China's economy gets boost in Oct

BEIJING, Nov 17: Steady industrial growth and declining inflation boosted China's economy in October, but questions remained over overall economic efficiency and high fixed-asset investment, a report said today, reports AFP.

Total industrial production last month reached 151.3 billion yuan (18.2 billion dollars), up 12.9 per cent over October 1994, and 1.5 per cent higher than September figures, the State Statistics Bureau (SSB) said in a report carried by the official Xinhua news agency.

Production by state-owned industries, many of which have been struggling on the edge of bankruptcy during China's economic reform drive, grew 8.7 per cent last month, compared to a year ago, the SSB said without providing specific figures.

From January to October, China produced goods worth 1.4 trillion yuan, up 13.3 per cent over the same period last year, it added.

However, the bureau warned that the economic efficiency level of state industries "still lags behind the non-state sector by a big margin."

China's economic efficiency composite index stood at 88.14 in September, a drop of 0.2 percentage points from the previous month.

Investment in fixed assets — a major inflationary factor in China — reached 796.4 billion yuan in the first 10 months of the year, up 18 per cent from the same 1994 period.

Although the growth rate was down 22.4 percentage points from the same period last year, it was still almost triple the state set target of 6.7 per cent for 1995.

A strict monetary policy aimed at curbing fixed-asset investment had been largely successful, the SSB report said.

Unemployment rate in US falls to 5.5 pc

WASHINGTON, Nov 17: The US unemployment rate in October declined slightly to 5.5 per cent as overall job growth was dampened by strikes, the US Department of Labour announced, according to USIS.

Nonfarm payroll employment grew by 116,000 in October, a smaller rise than in September, the department reported November 3. "Overall job growth would have been somewhat larger were it not for a net increase in strike activity that reduced the number of workers on payrolls by 23,000," said Katharine G Abraham, Commissioner of the Labour Department's Bureau of Labour Statistics.

Total nonfarm employment in October was 117,004,000, the department said.

October job growth was strongest in the services industry, which saw 57,000 jobs created. In construction, employment rose by 28,000 in October, after seasonal adjustment, an increase similar to that seen in September.

Employment declined by 21,000 in manufacturing, but the decrease reflects the absence from the payroll count of 28,000 net new strikers, mostly in aircraft manufacturing, Abraham told the Joint Economic Committee of Congress.

"Had it not been for this strike activity, manufacturing employment would have been about unchanged in October," she said.

SAARC secretaries meet to discuss free trade

NEW DELHI, Nov 17: Commerce secretaries from the seven-nation South Asian Association for Regional Cooperation (SAARC) meet here on Thursday to discuss a new preferential trade pact due to be launched early next month, reports Reuter.

With the ink just dry on the final ratifications of their agreement, the seven SAARC members — India, Pakistan, Sri Lanka, Bangladesh, Bhutan, Nepal and the Maldives — have already swapped tariff concessions on 226 commodities. Bangladesh, the last country to sign, ratified the accord on November 5.

The countries aim to liberalise regional trade by lowering regional tariff barriers and cooperating on joint ventures, investment, technology and marketing.

Their ultimate goal is to transform their pact, called the SAARC Preferential Trading Arrangement (SAPTA), into a free trade zone in the area, which includes some of the world's poorest countries.

SAARC represent 1.2 billion people, with a combined gross domestic product of 300 billion dollars.

The commerce secretaries' two days of talks will focus on extending mutual tariff concessions and widening the list to include other, more important economic sectors, government officials said.

Other issues on the agenda include plans for promoting intra-regional investment, joint ventures, harmonisation of customs procedures, and cooperation

in cottage industries. India's Junior External Affairs Minister, RL Bhatia, on Wednesday called for urgent action on trade liberalisation through regional cooperation.

"The trade barriers among the SAARC countries need to be dismantled with utmost urgency," he told a seminar on SAARC issues, India is SAARC's largest member country.

Noting the increasing economic integration among developed countries, he said: "South Asia cannot remain unaffected by these new trends, nor can we afford to be left behind or remain marginalised in this global competition for economic prosperity."

He said trade among the SAARC countries forms about three per cent of the total

external trade of SAARC members, extremely low compared to intra regional trade elsewhere.

Pakistan's new Commerce Secretary, Salman Faruqi, in India for the SAPTA talks, told the seminar trade between India and Pakistan had grown from only 42 items in 1970 to 578 today.

But granting India most favoured nation status as required by GATT depended more upon the business community than on government, he said.

"We will fulfil our international obligations," he said. "But the government of Pakistan would like to see the apprehensions removed on both sides. Pakistani and Indian businessmen need to meet and clarify those issues."

Brazil's trade surplus \$334 m for October

BRASILIA, Nov 17: Brazil's trade surplus was 334 million dollars for October, the fourth surplus in as many months, the Ministry of Industry, Trade and Tourism said yesterday, reports AFP.

But Brazil is still in the red for the year as a whole with the deficit for the first ten months totalling 3.1 billion dollars, the ministry said.

For October, imports were 4.0 billion while exports were at a near record of 4.4 billion dollars. Export revenues were higher only once before — when Brazil sold 4.6 billion dollars worth of goods in August 1995.

The largest percentage of sales went to Asia, with Europe second and the southern cone (Argentina, Paraguay and Uruguay) coming third.

Sales to Japan alone totalled 2.6 billion dollars for the first ten months of the year, with China buying 898 million to become Brazil's second largest buyer.

NZ to chair APEC forum in '99

OSAKA, Japan, Nov 17: New Zealand will chair the Asia-Pacific Economic Cooperation forum in 1999 and host its annual summit, Japanese Foreign Minister Yohei Kono said today, reports Reuter.

The Philippines takes over from Japan in 1996, followed by Canada and Malaysia.

Kono made the announcement during the second day of APEC ministerial meetings in this western Japanese city. The 18-member group is committed to liberalising trade and investment in the region by 2020.

Boeing, McDonnell may merge

LONDON, Nov 17: The world's largest aircraft manufacturer, Boeing, was reported on Wednesday to be in talks with McDonnell Douglas that could lead to the world's biggest merger worth 35 billion dollars, reports Reuter.

The Wall Street Journal Europe, sister newspaper of New York's usually well-informed Wall Street Journal, said the merger between the two US companies would create a global aerospace giant producing commercial and military aircraft as well as space systems.

Spokesmen for Boeing Commercial Airplane Group, a division of Boeing CO, and McDonnell Douglas Corp declined to comment on the newspaper report.

The Boeing spokesman, speaking at the Dubai Air Show said, "I'm not aware of any conversations of a merger, I have no comment."

The McDonnell spokesman at the same show said, "It's the first time I've heard of it. I have to give you a 'no comment.'"

The report cited people with knowledge of the talks as saying that the discussions could lead instead to a major asset exchange between the companies, but Boeing has been promoting outright merger, the paper said.

The newspaper said the talks, which have been taking place in New York, could of course collapse without any agreement.

Reforms start to heal Saudi economy

ABU DHABI, Nov 16: Reforms spurred by weak oil prices and high defence expenditure have started to heal the Saudi economy but its citizens have been feeling the effects in their pockets, report AFP.

While the deficits in the budget and balance of payments have been slashed and the economy is starting to recover from the doldrums, Saudi Arabians believe they will not feel the benefits.

"On the contrary, we have a feeling we will be victims of what they call economic correction programmes. The government is now spending less on development and we are paying more for goods and services," said a Saudi businessman on a visit to the United Arab Emirates (UAE).

As part of the reforms, Riyadh has decided to cut subsidies and raise air ticket prices and fees on telephone and electricity services. Officials have spoken of more measures to save funds and boost non-oil income.

Saudi authorities have repeatedly assured citizens they were still committed to

their welfare by maintaining spending on social services. But, preparing Saudis for painful reforms, they have also urged them to make sacrifices to allow the government to put the economy back on track.

Until recently, Saudis have never thought they would be in the same bag as other developing nations getting painful medicine from the International Monetary Fund to remedy their ailing economy.

"Despite low oil prices, you cannot classify Saudis as poor people. But they appear to be living in a state of a painful change like any other developing country," a Gulf-based Western diplomat said.

Compared with the oil boom of the late 1970s and early 1980s, Saudi Arabia's economic and financial situation has undergone a dramatic downturn.

From more than 10 per cent, growth in the Gross Domestic Product (GDP) has plunged to below one per cent while the per capita income was nearly halved to around 7,000 dollars.

Saudi coins fail to attract bid at Geneva auction

GENEVA, Nov 17: More than one million Saudi coins, retrieved last year from a sunken US vessel after half a century under the Arabian Sea, failed to attract any bid at auction on Thursday, Sotheby's said, reports Reuter.

Despite active bidding, a deep blue 26.34 carat unmounted diamond, which had been expected to fetch a world record price of 12 million dollars fell short of its minimum or reserve price and went unsold.

But Sotheby's said its sale of major jewels on Thursday had totalled 60.75 million Swiss francs (53.76 million dollars), the second highest ever after a November 1993 auction when 100 million Swiss francs (then 70 million dollars) worth of gems were sold.

"We are very pleased, it was a very successful sale," Simon de Pury, Chairman of Sotheby's Europe, told a news conference.

A 7.37 carat purplish pink diamond ring, made by Cartier around 1925, was sold for 6.8 million Swiss francs (6.04 million dollar).

Asia rapidly becoming market for own goods

WASHINGTON, Nov 17: Asia is rapidly becoming the preferred market for its own goods, according to Wall Street Journal.

In its latest annual trade review, the World Trade Organization reports that the intraregional share of Asia's exports jumped to 48.5 per cent in 1994 from 41.9 per cent in 1990. During the same period, both North America and Western Europe saw their share of Asia's exports decline considerably.

The report, issued Tuesday, confirms earlier predictions of a growing sphere of economic interdependence among Asia's trading powers. During the 1990-94 period, the trend was hastened by a shift in the direction of Japanese trade "towards the Asian market in general and towards China in particular," the report says.

While the volume of Japan's two-way trade with the rest of Asia grew by nearly 40 per cent during that half-decade its exports to the European union dropped by almost 19 per cent from the 1990 level, while exports destined for the US fell five per cent.



US Secretary of State Warren Christopher (C) greets Japanese Foreign Minister Yohei Kono (L) and Trade Minister Ryutaro Hashimoto in Osaka yesterday following the delivery of the joint statement by the ministers of APEC. The 18 nations' ministers concluded their part of APEC making way for the heads of government meeting on Sunday. — AFP/UNB photo

Latin America was the only region that increased its share of the Asian export market during the period. Economists ascribe Japan's greater attention to its backyard to a number of factors, including tougher conditions in Western markets and the transfer of some of its productive capacity to less costly Asian countries. China also is playing a major role in this trade realignment. It purchased six per cent of Asia's total exports in 1994, or almost double its share in 1990, the WTO reports. China also more than doubled its share of Japanese exports to 7.7 per cent during the 1990-94 period, with most of the gains produced by the iron and steel, chemicals, transport and machinery sectors. The WTO also dispels the notion that Asian countries are nothing more than export-generating machines.

China issues market rate in RMB yuan

BEIJING, Nov 17: The People's Bank of China issued the market exchange rates in RMB yuan against three major currencies today, reports Xinhua.

The middle price of RMB against convertible currencies is mainly based on the closing price of the preceding interbank trading.

The designated foreign exchange trading banks will decide the exchange rates in RMB yuan against other convertible currencies, according to the tone of the international exchange market and the rules of the People's Bank of China.

Currency	Units	Middle Price
US dollar	100	831.35
Japanese yen	100	8.177
HK dollar	100	107.53

Mitsubishi retreat undermines a myth

Lesley Downer writes from Tokyo

Japan's economic push

In September, Tokyo unveiled a \$137bn package of measures to stimulate the economy

- Public works \$45bn
- Education, research, and social welfare \$9bn
- Land use \$31bn
- Kobe earthquake reconstruction \$13bn
- Rice farming \$10bn
- Local government projects \$8bn
- Housing loans \$6bn
- Support for small and medium-sized companies \$14bn
- Additional central government borrowing \$45bn (net)

CHINA RUSSIA
Area: 378,000 sq km
Pop: 124m
GNP per head: \$31,490
Literacy: 95-9%
Life expectancy: 80

N. KOREA S. KOREA
Kyushu Shikoku
ASIA
Pacific Ocean
250mils-400mils

Mitsubishi Estate Company's decision to pull out from its controlling stake in New York's Rockefeller Centre - skyscraper symbol of US business — has been received with as much breast-beating in Japan as glee in the United States.

Just as the original purchase was seen as typifying Japanese economic ascendancy, Mitsubishi's withdrawal is equally high profile and symbolic. It seems to signal the demise of Japan Inc.

In the heyday of Japan's economic power, Western companies were desperate to find the secret of Japan's success. Among the golden rules laid down was the Japanese propensity to plan for the long term, rather than pulling out of investments in search of a quick buck. To quote Akio Morita, long-time chairman of Sony, "The United States looks ten minutes ahead while Japan looks ten years ahead."

Mitsubishi's undignified retreat has undermined this myth. In fact, it is the latest in a succession of Japanese companies pulling out of failed investments in the US. Among others, Aoki Corporation sold Westin Hotels, a Japanese golf course developer pulled out of Pebble Beach, and Matsushita Electric Industrial sold 80 per cent of its holding in the entertainment company MCA. In each case the Japanese had bought at the height of the market and suffered huge losses.

Sony, whose 1989 purchase of Columbia Pictures was greeted with outraged howls against its purchase of "a piece of America's soul", has had to write off losses of three billion dollars, though for the moment it remains at the helm.

Companies are suffering equally insuperable difficulties within Japan. The Saison Group is a prime example. The archetypal "bubble company", it pursued an expansionist policy throughout the 1970s and '80s, getting more and more deeply into debt to finance its activities and diversifying more and more widely from its original base.

From department stores it moved into supermarkets,

finance, land development and hotels and then, in 1989, acquired the Inter-Continental Hotel chain. Since then it has been struggling.

Of the three main components which make up the conglomerate, the Seibu department stores have been engaged in restructuring for several years and have been forced to close stores; the Seiyu supermarket chain, whose profits have been sliding, offered its employees an early retirement package, which 15 per cent of staff took up; and the Seiyu Corporation, the real estate arm, is hugely in debt.

One of the pillars of Japan Inc is the iron triangle of business, government (in the form of the Ministry of Finance) and financial institutions. To use a Japanese image, all move together like a fleet of commercial vessels protected by warships. The government and banks intervene to bail out failing businesses and the Ministry of Finance protects the banks. But, like the rest of the structures which make up Japan Inc, this system works only when the economy is healthy.

Recent months have seen the demise of a succession of financial institutions, culminating in the recent crash of Hyogo Bank and Kizu Credit, together with a growing swell of criticism — previously unthinkable — of the Ministry of Finance itself.

Then there is the lifetime employment system. Ideally, a Japanese company is like a happy family, a network of relationships and bonds. Staff put the corporation before themselves and their private lives. They are rewarded for their loyalty by guaranteed lifetime employment and other benefits. The sense of community extends outside the company. Car manufacturers have a close-knit relationship

Shipping Intelligence

Chittagong port
Berth position and performance of vessels as on 16-11-95.

Berth No.	Name of vessels	Cargo	L port call	Local agent	Date of arrival	Date of Leaving
J/1	Pacific Arles	Vehi	Sing	JF	14/11	17/11
J/2	Chong Bong	Rice (G)	Kaki	RM	6/11	16/11
J/3	Caraka Jaya Niaga	Gi	Pada	Seacom	8/11	13/11
J/4	Handy Viking	M Seeds	Cank	Rainbow	11/11	18/11
J/5	Banglar Asha	Wheat (G)	—	BSC	R/A	20/11
J/6	Al Swamruz	Gi	P. Kela	ASLL	6/11	18/11
J/7	J An	Gi	Sing	EBA	11/11	18/11
J/8	Vishva Nandini (48)	Gi	Mad	SSL	13/11	17/11
J/9	Lucky Seven	Cement	Leot	MBL	R/A	19/11
J/10	Tae Chon	Cement	Sing	RML	R/A	18/11
J/11	Mikhail Stenko	Cont	Col	Barithi	13/11	16/11
J/12	Fong Yun	Cont	Sing	Bdship	11/11	18/11
J/13	Banglar Robi	Cont	Sing	BSC	15/11	17/11
MPB/1	Irlini	Cont	Sing	RSL	11/11	18/11
MPB/2	Consistence	Cont	Sing	RSL	15/11	20/11
MPB/3	Imke Wehr	Cont	Sing	APL (B)	14/11	19/11
J/14	Banglar Kakoli	Repair	Sing	BSC	5/11	21/11
CGJ	Nerets-P	C. Clink	Sing	PSAL	5/11	18/11
GSJ	Le Ping Ling	Wheat (G)	Sing	SSL	13/11	17/11
TSP	Hae Woo No. 3	Cement	Sing	Deimure	21/11	17/11
RM/4	Song San	Cement	Lonk	SES	17/10	17/11
DDJ/1	Tanary Star	Idle	Para	PSAL	7/10	20/11
RM/8	Al Salma	Repair	Mong	ASLL	18/10	25/11
RM/9	Banglar Mookh	Repair	Cal	BSC	4/11	28/11
Kalko (U)	Fu Ping	Urea	Xing	Prog	27/10	20/11

Vessels due at outer anchorage

Name of vessels	Date of arrival	L port call	Local agent	Loading port
Komosolets				
Armenii	16/11	Mong	Cl	Ballast
Sea Beauty	16/11	Viza	B. Bay	Rice (G)
Lady Elena	16/11	Viza	B. Bay	Rice (G)
Jerusalem	16/11	—	EBA	Constal Tanker
Dong Nai	16/11	—	OTBL	Ballast
Kinabalu				
Enambelas	17/11	Kaki	Fairmax	Rice (G)
Kota Bintang 5/11	17/11	Sing	Pil (B)	Cont
Long Binh	17/11	Kaki	Fairmax	Rice
Lewant	18/11	Mad	SBS	Rice (P)
Sam Houston	18/11	—	Karna	GI (Lash)
Padma 12/11	19/11	Sing	RSL	Cont
Amer Asha	18/11	B. Abb	ECSL	Bitumeen
Vishva Parag (48) 12/11	18/11	—	SSL	GI
Edinburgh Satsuma	18/11	—	SSST	Ballast
Fong Soon 14/11	20/11	Sing	Bdship	Cont
Gios	20/11	Kaki	Cross	Rice (G)
Merve Ince	20/11	—	SSST	Gasp in Bulk
An Qing Jiang State of Gujrat (48) 15/11	20/11	—	SSL	GI
Yan Qing	20/11	—	Bdship	Super Phos
Losinj	21/11	P. Kela	ANCL	GI
Morning Cape (oro) 24/6/11	21/11	Yoko	Oil	Vehicles
Banglar Monti 8/11	21/11	Sing	BSC	Cont
Meng Yang 13/11	21/11	Sing	AML	Cont
Kota Berjaya 13/11	23/11	Sing	Pil (B)	Cont
Banglar Kiron	24/11	—	BSC	GI (Bitumeen)
Meng Lee 8/11	25/11	Sing	AML	Cont
Meng Kiat 13/11	25/11	Sing	AML	Cont
Vishva Kaumudi	25/11	—	SSL	GI
Banglar Gourab	26/11	Kara	BSC	GI
Jiang Cheng	30/11	—	Bdship	GI

Tanker due

Name of vessels	Date of arrival	L port call	Local agent	Date of arrival
Wawasan Setia	19/11	Sing	MSPL	Sko/Ms

Vessels at Kutubdia

Name of vessels	Cargo	L port call	Local agent	Date of arrival
Knock Chure	C. Oil	Rast	Litmond	6/11
Banglar Shourabh	C. Oil	—	BSC	R/A
Banglar Jyoti	C. Oil	—	BSC	R/A

Vessels at outer anchorage

Ready on

Strength	Odoo	Gi	Find	Royal	R/A (09/11)
Vasily Kiochkov	—	—	—	HSD	12/11
Emerald Island	C Clink	Chin	Ustc	—	13/11
Asean Pioneer	C Clink	Sing	RML	—	13/11
Vientiane	—	—	—	Fairmax	14/11
Maj Sif	Cont	Sing	Bdship	—	15/11

Vessels awaiting instruction

Name of vessels	Cargo	L port call	Local agent	Date of arrival
Banglar Baani	—	—	BSC	R/A (19/9)
Banglar Sampad	—	—	BSC	R/A (18/10)
Tug Java Gulf	—	Kari	HSL	31/10
Blue Ocean	—	—	Cross	R/A (10/11)
Zanis Griva	Lube Oil	—	EOSL	R/A (12/11)
Syabas Tiga	—	Sing	Lams	16/11

Vessels not entering

Name of vessels	Cargo	L port call	Local agent	Date of arrival
Loyal Bird	Wheat (P)	—	KSL	R/A (13/08)