

BRIEFS

TOKYO, June 7: Yamaha Motor Co. announced Friday that its new sales company in Argentina has begun operations, aiming to sell 5,000 motorcycles in its first six months and 20,000 annually within three years.

The venture, Yamaha Motor Argentina SA, is capitalised at about 350 million yen (3.2 million dollars) and owned 79 per cent by the Yamaha group, 19 per cent by Japan's Mitsui and Co. group and two per cent by Uruguayan investment company Devicor.

It will import and sell motorcycles from Japan as well as from Yamaha's plants in Brazil, India and China.

NEW DELHI: A whisky price war has begun in India with popular foreign brands slashing their prices to compete with Indian whisky.

The average price for a 750 millilitre bottle of Indian made whisky is 200 rupees (6.25 dollars) and the top of the brands cost 450 rupees (14 dollars). Before the price war started the average price of a standard scotch whisky was 900 rupees (28 dollars).

The foreign brands did not offer any competition because of the price tag, which only the rich could handle. But last month International Distillers launched Gilbey's Green Label whisky at a retail price of 140 rupees (4.32 dollars).

Seagram, the Scottish multinational, has marketed Oaken Glow priced at 270 rupees (8.42 dollars).

Foreign whisky got a foothold in India when the government in 1993 allowed foreign liquor companies to import their whisky and bottle them in India under their own brand name.

JAKARTA: State-owned electric company PT Perusahaan Listrik Negara will offer bonds worth one trillion rupees (427 million dollars) to the public next month, an official news agency said Friday.

PLN President Director Djiteng Marsudi said 60 per cent of the proceeds will pay for transmission development in Java, and the rest for funding distribution projects in Java, Bali, Sumatra, Kalimantan and Sulawesi, the Antara news agency reported.

This is PLN's fifth bond issue, according to Marsudi. The most recent, which happened last year, raised 680 billion rupees (drs 290.5 million).

PLN said profits last year rose 60.6 per cent to 1.02 trillion rupees (435.8 million dollars). It plans to sell shares in two subsidiaries to private investors next year.

HANOI: The Australian oil company Anzoil NL has found onshore gas deposits near Hanoi that could be commercially viable, a company official said Friday.

OPES International Pty Ltd, a consultant hired by Anzoil, studied data from one test well and concluded that gas reserves exceed 900 billion cubic feet at the field about 90 kilometers (nearly 60 miles) south of Hanoi.

Jonathan Akerman, Anzoil company manager for Vietnam, said the OPES International assessment is a preliminary one and more calculations will be made as exploration continues. Anzoil plans to drill two more test wells, with work on the next beginning in about 20 days.

— Source: AP

OPEC to raise production ceiling for Iraq

VIENNA, June 7: OPEC ministers agree they must raise their production ceiling to accommodate Iraq's return to the oil market, according to an OPEC source, but they were still seeking a way to avoid a price collapse, reports AP.

The minister were to meet for a third time Friday to discuss Iraq, which has the world's second-largest oil reserves but has been banned from exporting oil since it invaded neighbouring Kuwait in August 1990.

Raising OPEC's state level of production — something an OPEC source said late Thursday the ministers agree is necessary — will be a sticky issue,

because it is unclear when Iraq will be back, or how much oil it will pump. Under a food-for-oil deal with the United Nations, Iraq can sell one billion dollars of oil every 90 days.

A new production quota for Iraq is therefore hard to reach, because at current prices the Iraqis would sell 700,000 barrels a day to meet their dollar target. But if prices drop, as many analysts predict, Iraq would have to sell more barrels in what could become a vicious circle.

Iraq's return comes at a time when oil prices are relatively high, which makes the issue more palatable for OPEC, but also at a time when many members of the cartel have taken advantage of the high prices by cheating on their own production quotas that complicates the matter because nobody wants to cut back.

Ministers believe there might be enough room for Iraq to get into the market if the others reduce their quota-busting — but this always has

been an insoluble problem for the Organisation of the Petroleum Exporting Countries.

For some time, Venezuela has been accused of being the biggest cheater, pumping an estimated 600,000 barrels a day over its quota of 2.359 million, but analysts say virtually everybody in OPEC is pumping to much.

OPEC's production ceiling is 24.52 million barrels a day, but the actual total is estimated by independent observers at slightly more than 26 million barrels a day.

The OPEC source, who spoke to reporters only on condition of anonymity, said the cartel is likely to make a statement about overproduction whenever the meeting wraps up.

Iraq says it wants to soon begin exporting 800,000 barrels a day — more than the 700,000 barrels a day other OPEC members would like to see. The money will provide food and drugs for a populace that has suffered severely since Iraq's defeat in the Persian Gulf War.

Iraq has been talking boldly about its plans — even though it still needs to finalise the details of its deal with UN.

Iraq's oil minister, Amer Mohammed Rasheed, said that within a year his nation could be pumping 3.5 million barrels a day, the same level it was at before invading Kuwait in August 1990. That attack set off the Persian Gulf War and led to a UN boycott of Iraqi oil sales.

With Iraq out of the market, Saudi Arabia boosted production by almost three million barrels a day, to its current level of about eight million barrels.

She said her government had resisted pressure from international loan giving agencies for imposing general sales tax on wheat flour, cooking oils and pesticides but added that some ways had to be found to raise taxes to cut the deficit.

Bhutto said the government would review taxes and duties on polyester staple fibre and consider suggestions from the textile lobby to suspend cotton export until domestic needs were met.

She suggested that textile mills go for silicon technology instead of textile spindles, which she said had little growth prospect.

What Japan is doing we have to do it, what (South) Korea is doing we have to do it, she said. We have to develop software technology.

Pakistan is passing through a transitional period and the nation has to give some sacrifices, she said.

But she seemed to be ruling out any cut in defence budget, which has remained high because of what Pakistan calls the danger from its much bigger neighbour and arch enemy India.

We have to defend ourselves from dangers, she said. She said Pakistan could not compromise on its nuclear facilities, which she said were basically for peaceful purposes.

Pakistani officials said groups had used mobile phones and pagers to direct operations by their militants.

Pakistan needs \$1b new taxes in '96-'97 budget

KARACHI, June 7: Prime Minister Benazir Bhutto said on Thursday that Pakistan needed at least 40 billion rupees (1.14 billion dollars) in new taxes in the budget for fiscal 1996/97 (July-June) due to be announced on June 13, reports Reuter.

We have to raise 40 billion rupees in additional taxes, she said in a speech at a dinner given by All Pakistan Textile Mills Association.

The last budget had planned to raise only 16.3 billion rupees in new taxes and price increases.

Bhutto said her government was determined to cut the budget deficit by 1.00 per cent to 5.00 per cent in 1995/96, another 1.00 per cent to 4.00 per cent in 1996/97 and by about 0.5 per cent in the following year.

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UN seeks \$43m food aid for DPRK

UNITED NATIONS, June 7: Western diplomats dismissed predictions Thursday by Iraq's oil minister that his country's petroleum exports could be up to pre-Gulf War levels within a year, reports AP.

Iraqi Oil Minister Amer Mohammed Rasheed made the forecast Thursday at the OPEC conference in Vienna, Austria.

The conference is considering how to return Iraq to the oil market after the United Nations agreed to allow Baghdad to resume limited sales despite international sanctions.

Under the UN Security Council's plan, accepted by Baghdad last month, Iraq will be able to sell two billion dollars worth of oil for an initial 180-day period to buy food and medicine for its suffering people.

In Vienna, Rasheed predicted to reporters Thursday that the UN sanctions would be further loosened in coming months. He said within a year, Iraq could be back to its pre-Gulf War production level of 3.5 million barrels a day.

UN officials and Western diplomats said that barring dramatic changes within Iraq, it was unlikely that sanctions would be further relaxed in the foreseeable future.

Given the urgency of responding to the humanitarian needs of the victims of this disaster, I would like to call upon this international community to give this appeal immediate attention and general support, said Yasushi Akashi, undersecretary-general for humanitarian affairs.

In Washington, State Department spokesman Nicholas Burns said the appeal is likely to speed up a US decision on additional food aid for North Korea. US officials will consult first with South Korea and Japan, he said.

The Washington Post reported in its Friday editions that Clinton administration officials have agreed on a recommendation to send another 10,000 tons of food worth about drs 6.2 million to North Korea but that it hasn't been approved yet by President

Clinton.

Burns said Thursday night that no decision has been made.

The United States already has contributed more than two million dollars to World Food Programme and UNICEF disaster relief programmes in North Korea.

UN agencies, reacting to a North Korean request, first asked members in September 1995 for 15 million dollars in emergency aid. That appeal was boosted to 20 million dollars as the magnitude of the disaster came to light.

Akashi said countries only contributed nine million dollars toward that appeal, but the total amount of money from countries and international organizations toward North Korea's relief efforts topped 31 million dollars.

Money from the latest contributions will be used for relief efforts from July 1996 to March 1997.

It includes drs 26.8 million

for emergency food supplies, 10 million dollars for the recovery of farmland buried under sand or gravel or eroded as a result of the flooding, and 6 million dollars for emergency health services.

Another 560,000 dollars is needed to set up a system to monitor the delivery and distribution of supplies, Akashi said.

The Economic Times said the McCann executive's India visit was to "specifically look at possible acquisitions to fuel the agency's growth, prospects."

The newspaper said the advertising agency had already bagged a number of blue chip corporate accounts including GE lighting, ESSO, Columbia Tristar, R. J. Reynolds, Microsoft, Indian health Major Dabur, Indian telecom major BPL-US West.

Gazprom to buy shares in NTV

MOSCOW, June 7: RAO

Gazprom, Russia's state-controlled natural gas monopoly, plans to buy a stake in the country's main independent television channel, officials said Friday, reports AP.

Gazprom is to buy shares in NTV, the country's premier independent television channel, from the Most Group, the banking empire run by Vladimir Gusinsky, an NTV spokeswoman said.

Most, which now owns about 77 per cent of NTV, will retain its control of the channel which Gusinsky set up in 1993.

No further financial details were available.

NTV's fast pace, on-the-scene reporting, and sharp anchors have helped change the style of television journalism in Russia.

ADB okays \$115m in loan to Indonesia, Kyrgyzstan

MANILA, June 7: The Asian Development Bank has approved 115 million dollars in loans for an education project in Indonesia and an electricity and heating supply project in the Kyrgyz Republic, the bank said Friday, reports AP.

Indonesia will receive 85 million dollars to upgrade basic education under the nation's madrasah system, which is the main means of providing education to poor communities, the bank said.

The project will benefit 524,000 children in both public and private primary schools and junior secondary schools under the Ministry of Religious Affairs.

It will focus on the core curriculum, promote equitable access to basic education and improve institutional capability of education agencies.

The loan will have a 25-year repayment period, including a grace period of five years. Interest will be determined according to the bank's pool-based variable lending rate system, currently at 6.89 per cent.

The loan to Kyrgyzstan, amounting 30 million dollars, is intended to retrofit a cogeneration plant, rehabilitate a district heating system and improve and extend power transmission and distribution facilities in the Central Asian country.

The project is expected to reduce losses in power, water and heat, improve the environment and increase capacity to supply and deliver power and heat.

McCann plans to pick up clients in India

BOMBAY, June 7: Global advertising giant McCann plans an aggressive campaign to pick up corporate clients in India, a business newspaper reported yesterday, according to AFP.

India is right on top of our priority list and plenty of investments are slated to go in the subcontinent, McCann regional director Tony Hammer told the Economic Times.

"Our aim is to keep investing in terms of people, systems and structures, things vital for a truly global agency," Hammer said.

McCann Erickson India plans to launch an aggressive campaign in the local advertising industry after buying out the stake held by Tara Sinha in the former Tara Sinha McCann Erickson, the newspaper said.

The agency's domestic sales have grown from 280 million rupees (eight million dollars) to 900 million rupees in the past three years, it said.

"McCann is a global agency and at the same time we believe in ensuring that our local strength is second to none," said Hammer. "We believe in being big, in being competitive, in being efficient and of course, in being bold."

The Economic Times said the advertising agency had already bagged a number of blue chip corporate accounts including GE lighting, ESSO, Columbia Tristar, R. J. Reynolds, Microsoft, Indian health Major Dabur, Indian telecom major BPL-US West.

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— AFP/UNB photo

Dollar heads towards 110 yen, say dealers

were also expected to support a strong dollar until the presidential elections later this year, though it may be difficult for the greenback to stabilise above 110 yen.

Japan is basically a country dependent on exports and it should feel the happiest about a gradual depreciation of the yen, Hosoda said, but warned rapid exchange rate fluctuations could only be detrimental to the economy.

Japanese companies, having struggled to maintain export profitability as the dollar fell, have forecast a rate of about 100 yen for the year to March 1997, with major concerns like Toyota Motor Corp seeing a one yen change in the rate equivalent to 10 billion yen on net profit.

It has not been in the lower half of the 109 range for two years and four months, during which time it surged towards and then fell back from the record 79.75 yen reached on April 9, 1995. It broke through 100 yen mid-September.

Profit taking by Japanese exporters at 110 yen may halt the dollar's march in the near-term, but interest rates and the US elections should continue to play in the yen's favour, they said.

"Japan's low interest rates are at the back of the dollar's rise against the yen," said Hosoda.

He said that for the time being the dollar-yen rate was consolidating in the lower 109 range, with local players aware that exporters are poised to sell dollars near the 110-level, with profit taking at that level as well.

"But in medium- and long-term, the dollar might move above 110 yen as long as Japan's interest rates remain at low levels," Hosoda said.