

Vietnam devalues currency again

HANOI, Aug 7: Vietnam effectively devalued its currency by about 7 per cent Friday, the fourth cut in the last year as the government continued its go-slow approach to avoid the precipitous plunges that have ravaged other Asian countries, says AP.

The devaluation was part of a two-step move that began late Thursday when the State Bank of Vietnam narrowed the trading band within which the dong can trade from 10 per cent to 7 per cent.

On Friday morning, the bank set the target rate at 12,998 dong to the dollar from 11,815 on Thursday, making the new floor 13,907. The dong has been constantly trading at the low mark of the trading band all year.

Immediate reaction was confusion. Analysts have been predicting another cut was imminent for months, but many still were caught off-balance by the state bank's moves.

One trader said just after trading opened Friday that the prices were "crazy" and that no one was quoting rates.

Malaysia plans steps to boost food output

KUALA LUMPUR, Aug 7: Malaysia will implement measures to boost food production with a view to reducing the nation's trade deficit, its Agriculture Minister Sulaiman Daud said yesterday, reports Xinhua.

The ministry would hold discussions with its agencies, farmers organisations and fishermen's associations to find the appropriate measures. He said after launching the national farmers' livestock farmers and fishermen day in Petaling Jaya near here.

Malaysia imported 11 billion ringgit (about 2.657 billion US dollars) worth of food materials last year compared to 10 billion ringgit (about 2.415 billion US dollars) in 1996.

The minister said food imports in the first four months of the year went down by 11.2 per cent to 1.64 billion tons compared to 1.85 billion tons during the same period last year.

This was because the people's response to the government's call for producing their own food was encouraging as in the first four months of the year, 8,240 hydroponics containers had been sold at the ministry's farming complex.

However, he said the value of the imports during the period under review rose to 2.38 billion ringgit (about 0.574 billion US dollars) from 1.85 billion ringgit (about 0.446 billion US dollars) due to the depreciation of the ringgit.

According to the minister, the import of tropical fruits went down by 36 per cent, live fish down by 33.7 per cent, beef by 18.2 per cent, soya bean curd by 18.4 per cent, farm feed by 15.9 per cent, sugar by 12.4 per cent and livestock by 10 per cent.

Malaysian finance minister denies resignation rumour

KUALA LUMPUR, Aug 7: Malaysia's finance minister on Friday tried to put an end to weeks of rumours that his resignation was imminent, reports AP.

Finance Minister Anwar Ibrahim said there was "no basis" for the rumours and blamed the media and financial markets for floating the scuttlebutt.

"We've heard that it's been going on for some time," Anwar told reporters. He added that he meets with Prime Minister Mahathir Mohamad on a daily basis, and there is no rift between them, as has been widely reported.

Resignation rumours have been circulating with greater frequency over the last couple of months, amid speculation of tensions between Anwar and newly appointed economic minister Daim Zainuddin, a close confidant of Mahathir. Daim has been pushing a relaxation of the tight monetary policy previously pursued by Anwar.

Changes in the chief editorial positions at the two leading Malay newspapers, seen as pro-Anwar, were also interpreted by market observers as an attack on Anwar's support base.

The rumours were believed to have had some effect on the ringgit, with dealers noting that persistent rumours about Anwar have helped weaken the national currency, which has lost more than 40 per cent of its value in the last year.

And shares on the Kuala Lumpur Stock Exchange finished lower Friday as fears of a possible devaluation of the Hong Kong dollar and Chinese yuan, coupled with market rumours over Anwar's resignation, spooked investors.

The Composite Index, which tracks share prices of 100 bluechip stocks, ended at 364.05 points, down 10.73 points, or 2.9 per cent.

Meanwhile, Anwar is fighting publication of a book entitled, "50 Reasons Why Anwar Can't Be Prime Minister," which came out during the United Malays National Organization general assembly in June.

Obuchi pledges tax cuts to revive Japan's sputtering economy

TOKYO, Aug 7: In his first major policy speech before Parliament, Prime Minister Keizo Obuchi pledged on Friday to drive ahead with tax cuts and new spending to revive Japan's sputtering economy, says AP.

Obuchi, who was elected premier last week, also said he would push a plan to clean up the banks' bad debt mess, cut the bureaucracy and put together a special economic strategy council.

"I have a strong sense that without courage today, there is no tomorrow — mark my words," he told the first parliamentary session under his rule. The session was opened Friday morning by Emperor Akihito.

Japan's new government is under mounting pressure to deal with the country's deepening recession. Unemployment hit a record-high of 4.3 per cent in June and the banking system is groaning under piles of bad debt.

In a further sign of economic weakness, the head of Japan's Economic Planning Agency on Friday said he will issue a report next week showing that the country's finances are worsening.

"The economy is clearly floundering," Taichi Sakaiya told reporters.

Obuchi's forcefully worded speech broke little new ground from statements he and Finance Minister Kiichi Miyazawa have made since the new government was put together last week after Obuchi's confirmation in Parliament.

But the new prime minister, who took office with approval ratings hovering around 30 per cent, vowed to implement the tough reforms and policies needed to turn the economy around.

"Our Cabinet's fate depends on us putting out country back on a recovery path in the next couple of years," Obuchi said in

a speech interrupted several times by applause.

A major plank in Obuchi's programme is a package of six bills setting up a "bridge bank" system to take over insolvent banks and keep them running while bad loans and remaining assets are sold.

The legislation is needed to clean up the estimated 80 trillion yen (551 billion dollars) in problem loans weighing down Japanese financial institutions. Most of the debts are left over from the collapse of the real estate market in the early 1990s.

"In order to revive Japan's economy, we must first of all settle the bad debts held by financial institutions," he said, calling for speedy implementation of the plan.

The plan faces problems, however, in Parliament, where Obuchi's ruling Liberal Democratic Party only holds a majority in the lower house.

Some critics object to the use of 11 trillion yen (75.9 billion dollars) in public funds to bail out the banks. Others say the plan needs to be strengthened to allow weak banks to fail, or that it should include penalties for directors of mismanaged banks.

Another major piece of Obuchi's programme is tax cuts aimed at getting thrifty consumers to spend more money and give strapped corporations more funds to keep afloat.

Obuchi said he planned about 4 trillion yen (27.6 billion dollars) in personal tax cuts, moving to reduce the maximum combined national and local income tax bite from 65 per cent to 50 per cent.

The prime minister also said he wanted to cut the corporate tax rate from 46.3 per cent to 40 per cent, comparable to rates in other countries. That was expected to amount to nearly 3 trillion yen.



Japanese Prime Minister Keizo Obuchi (right) ponders as Finance Minister Kiichi Miyazawa sits next to him at the Parliament in Tokyo Friday. Obuchi delivered his first major policy speech and pledged to drive ahead with tax cuts and new spending to revive Japan's ailing economy. — AP/UNB photo

'Asian crisis to keep hitting Shell results'

THE HAGUE, Aug 7: The Asian crisis will continue to drag down profits as oil-producing countries look to Europe and North America to take up Asia's slack and because the region now produces cheap chemicals, Royal Dutch Shell predicted yesterday, reports AFP.

The Anglo-Dutch oil giant announced its first half net profit had plunged 21.3 per cent this year to 3.193 billion dollars from 4.061 billion dollars in the first half of last year.

In the second quarter, the company's operating profits fell by 36.2 per cent to 2.518 billion dollars from 3.948 billion dollars as the persistent slump in oil prices, Europe's warmer weather and the continuing economic crisis in Asia hit business.

"The economic events in Asia affected result," said Shell's President, Maarten Vanden Bergh, explaining that the crisis had particularly dragged down profit in the chemicals sector, off 28 per cent in the second quarter.

"We felt the Asian crisis mainly in chemicals, as it had an effect on prices throughout the world," Vanden Bergh explained.

"Chemicals trading conditions deteriorated in the quarter as the impact of the Asia-Pacific slowdown was increasingly felt globally," Shell said.

"Feedstock (raw material) prices continued to fall. However, this was offset by the fall in product prices as low demand in Asia-Pacific increased low-price exports from the region."

"Globally the outlook for the second half of the year is for further deterioration," Shell predicted.

WB approves \$ 1.5b loan to Russia

WASHINGTON, Aug 7: The World Bank approved 1.5 billion dollars loan to Russia on Thursday to help the financially-troubled nation move more rapidly to restructure its economy, says AP.

The loan is part of a 22.6 billion dollars emergency rescue package that the International Monetary Fund, the bank and the Japanese government negotiated with Russia last month.

The bank loan, the largest it has ever made in Europe and Central Asia, will be paid in installments, with amounts going up as Russia meets a series of increasingly difficult economic benchmarks: reforms, bank officials said.

These include measures to increase tax collection, more closely regulate the country's oil and gas monopolies, promote development of the private sector and reform the banking system. The first payment of 300 million dollars will be made immediately with 500 million dollars set to be paid by the end of the year and 700 million dollars in June of 1999.

Johannes Linn, bank vice president for Europe and Central Asia, said approval by the bank's 24-member executive board was unanimous. Linn signed the loan agreement with Russian Ambassador Yuli Vorontsov.

"Implementation of the structural reform programme is the key," Linn said. "We will monitor the changes closely to be certain the measures proceed on time."

In the past Russia has been slow in carrying out reforms agreed to as conditions for obtaining loans from the World Bank, the IMF and other lending organisations.

Bank officials said there would be no further lending this year to Russia for economic reform but they would hold talks with Russian officials on a possible six billion dollars package in 1999.

The reform loans are separate from 41 development and social projects worth 11.4 billion dollars the bank finances in Russia. Bank officials said agreement was possible later this year on 400 million dollars loan to develop highways.

In Moscow, Prime Minister Sergei Kiriyenko said in an interview published Wednesday the country's finances were improving gradually after nearing disaster.

"The country was nearing the edge," he said in an interview with the Moskovsky Komсомоlets newspaper. "We have made a step back but have not run far way from the precipice."

He said the government had not had to spend any of the 4.8 billion dollars it received last month from the IMF and had used the money to increase central bank reserves.

Russian taxpayers owe govt \$ 21b

MOSCOW, Aug 7: Russian taxpayers owed the federal budget 132.3 billion rubles (21.3 billion dollars) as of July 1, a top tax official said yesterday, reports AFP.

Vladimir Popov told journalists that tax arrears to the federal budget were 39.4 per cent higher as of July 1 than they were six months earlier.

The situation with the consolidated budget, which includes debts to regional and local authorities, was predictably even worse, with some 234.2 billion rubles (37.8 billion dollars) owed as of July 1, an increase of 36 per cent since the start of 1998, Popov said.

Hang Seng Index falls by 236 points

Asian markets down on currency pressures, Japanese policies

HONG KONG, Aug 7: Nervous Asian markets ended the week mostly lower Friday due to pressure on the Hong Kong dollar and fears China might be forced to devalue its currency, reports AP.

In Hong Kong, the Hang Seng Index fell 235.95, or 3.3 per cent, to close at 7,018.41, its lowest level since Jan 24, 1995. The index closed just 51 points shy of a five-year low, and a 58 per cent fall from its all-time high of 16,673.27, reached exactly a year ago.

Brokers attributed the slump to mounting concerns about speculative attacks on the Hong Kong dollar and China's ability to resist devaluing the Chinese yuan.

If the yuan were devalued, it would pull the rug out from under the Hong Kong currency and trigger another wave of currency devaluations across the region.

The Hong Kong dollar is pegged at 7.80 to the US currency. In late trading, the Hong Kong dollar was quoted at 7.7500 to the dollar, barely changed from late-Thursday's 7.7501.

Hong Kong leader Tung Chee-hwa reiterated Friday that the territory would defend the currency peg, saying it was a "fundamental policy" of the government.

Traders, who also had been awaiting details of Japanese Prime Minister Keizo Obuchi's policy speech in Tokyo, found little to affect the market.

Obuchi reiterated that he would go ahead with tax cuts and new

spending to revive the region's largest economy.

In Japan, the Nikkei stock index rose in early trading, but ended the day 47.05 points lower at 15,289.17, its fifth consecutive loss.

Meanwhile, the dollar was quoted at 145.54 yen in late-afternoon trading, up 0.87 yen from late Thursday in Tokyo and above its New York rate of 144.32 yen overnight.

Malaysian shares also tumbled on fears of a possible devaluation of the Hong Kong dollar and Chinese yuan, coupled with market rumours over the possible resignation of finance minister Anwar Ibrahim, which he denied.

The Kuala Lumpur Stock Exchange's Composite Index closed at 364.05 points, down 10.73 points, or 2.9 per cent.

Philippine shares, already at a five-year low, closed down another 2.2 per cent, and the peso currency fell as well over fears that China might be forced to devalue.

The dollar averaged 42.916 pesos for the day, up from 42.843 pesos on Thursday. It reached a day-high of 43.490 pesos, which was also its closing level.

The 30-share Philippine Stock Exchange Index dropped 32.17 points to 1,448.72, adding to a 43.86-point decline on Thursday.

That stock prices continued their plunge to the lowest levels for over seven years, pushed down by continued uncertainty over the future of the country's banks and weakness in the

baht, dealers said.

The Stock Exchange of Thailand index fell 4.53 points, or 1.8 per cent, to 247.54.

Asian markets were hit hard earlier in the week after the Dow Jones industrial average fell nearly 300 points on Tuesday, inciting fears that the US economy might begin slowing.

Elsewhere: SINGAPORE: Shares closed sharply lower on renewed jitters over the possibility of another round of regional currency falls and slides in other Asian stock markets. The Straits Times Industrials Index plunged 2.5 per cent, or 26.51 points, to 1,039.27.

JAKARTA: Share prices closed lower for the eighth consecutive session, with the main index falling to a six-week low. The Composite fell 10.220 points, or 2.4 per cent, to 423.61.

TAIPEI: Share prices closed higher on the back of overnight gains on US stock markets. The market's key Weighted Stock Price Index rose 58.28 points, or 0.7 per cent, to 7,530.02.

WELLINGTON: New Zealand share prices closed slightly higher. The NZSE-40 Capital Index fell 12.37 points, or 0.6 per cent, to 2,031.18.

SYDNEY: Australian share prices closed narrowly lower in light trading. The All Ordinaries Index fell 3.4 points, or 0.1 per cent, to 2,599.0.

SEOUL: Share prices closed slightly higher. The Korea Composite Stock Price Index rose 1.14 points, or 0.3 per cent, to 321.71.

Microsoft expanding its presence in Silicon Valley

MOUNTAIN VIEW (California), Aug 7: Microsoft Corp., seeking closer ties with key business partners and eyeing room to expand, is strengthening its presence in Silicon Valley, reports AP.

The world's largest software company broke ground Thursday on a new campus that will consolidate several San Francisco Bay area offices. Building on the 32-acre site will also make Microsoft a highly visible neighbour to some of its fiercest rivals.

Microsoft's move, which had been expected, will make it easier for hundreds of Silicon Valley software developers and other high-tech companies to work with the Redmond, Wash. company.

"I just love the idea of having this place that we can call home and bring in some of the most innovative companies in the world — and do it in their back yard," Microsoft president Steve Ballmer told a news conference.

The company currently has about 800 employees working in several different offices in Silicon Valley. The new satellite campus, expected to open in a year's time, will bring them together in a site near US Highway 101 and offer a lab for software development.

The new campus also underscores the increasing importance of the region, despite the growth of the high-tech industry throughout the country, an industry analyst said.

"It re-emphasizes how important Silicon Valley is in the world of technology — even to a Microsoft," said Tim Bajarin, president of Creative Strategies Research Inc. in Campbell, California. "For them to maneuver the digital waters in the future, they need a stronger presence in Silicon Valley."

Microsoft's campus is in the same town as that of Netscape Communications Inc. The two companies have competing Internet browsers and computer network software.

Mountain View also is where Microsoft rival and critic Sun Microsystems has much of its operations. The company, based in neighbouring Palo Alto, produces the Java computer language that could threaten the dominance of Microsoft's Windows operating software.

Sun and Microsoft are involved in a federal lawsuit over changes Microsoft made to the version of Java it licenses from Sun.

Ballmer, in response to a question, wasn't concerned that competitors might regard Microsoft's new satellite campus as a case of a bully moving into the neighbourhood.

Philippine budget deficit declines in July

MANILA, Aug 7: The Philippines' budget deficit for the first seven months of the year declined to 13.57 billion pesos (92 million dollars) from 24 billion pesos (571 million dollars) a month earlier, the government said Friday, reports AP.

The government hopes to limit the budget deficit to 40 billion pesos (952 million dollars) by the end of the year. It says, however, the deficit could balloon to 70 billion pesos (1.7 billion dollars) unless spending is cut and revenue collection is improved.

Strong revenue collections in July were largely responsible for the narrowing of the trade deficit.

Government revenue totaled 53 billion pesos (1.3 billion dollars) in July, while expenditures reached only 43 billion pesos (1.0 billion dollars). It was the first time since February that the government has posted a surplus on a monthly basis.

For the first seven months, revenues totaled 272.0 billion pesos (6.5 billion dollars) while expenditures reached 285.6 billion pesos (6.8 billion dollars).

A slowing of economic activity because of the Asian financial crisis has reduced corporate profits and therefore tax payments, while a drop in imports has lowered customs collections.



Bangladesh Bank Governor Lutfar Rahman Sarkar (R) signs the bank's balance sheet for the year 1997-98 at a function held in the BB conference room on Thursday. — BB photo

India slashes interest rates for boosting exports

NEW DELHI, Aug 7: The Indian government yesterday slashed interest rates by two per cent on shipment credits and offered more concessions to boost sagging exports, reports AFP.

It also appealed to India's business community to help achieve a 20 per cent export target during the current fiscal year ending March 1999.

Commerce Minister Ramakrishna Hegde told parliament he was doubling the period of tax exemptions to 10 years for export-oriented industries.

The package will stem the decline in exports, which shrunk seven per cent in the first two months of the year to March 1999 compared with the same period the previous year, Hegde said.

He also offered concessions to the software industry and a "special package" for the electronics sector would be unveiled soon to improve exports. The reduction in interest rates on shipment credit from 11 to nine per cent would be available to exporters until the

end of the financial year. Hegde said.

"This reduction is ordered as the exporting community had cited high cost of credit as a major reason for the difficult export performance which registered a negative eight per cent growth in the first quarter of this financial year."

Hegde said the government would pay interest to exporters in case government dues were delayed beyond two months, "this will come into operation from September 1."

He said the commerce ministry would also extend banking concessions to exporters "with a performance of over one year of unblemished record" in a bid to help them widen their working capital.

To give a boost to export of processed foods, horticultural and floricultural products, the duty on cooling equipment will be revised to reduce costs.

The minister noted that India's trade deficit widened to 2,100 million dollars in the first quarter of the current fiscal as against 1,400 million dollars during the corresponding quarter last year.

India's Hindu nationalist-led coalition government has said it would try and stop the downturn and achieve a target of 20 per cent growth in the current fiscal.

Hegde, meanwhile, in separate meetings with heads of the country's top 22 corporate groups appealed Wednesday for cooperation to boost India's overseas sales, officials said.

"We want the top corporates to increase their exports, there will not be any revision on our export target," Hegde told reporters after meeting some of the business leaders.

Officials said Hegde held talks with executives from groups such as Biralal Tatas', Reliance Industries, Bajaj and Essar.

Exports growth in the 12 months to March 1998 stood at 2.6 per cent, earning 33.97 billion dollars against a targeted 40 billion dollars.

Analysts blamed the regional financial turmoil for India's sinking exports. India's trade position has been further undermined by western sanctions following its series of nuclear tests in May.

Information Technology TIPS

PRINTING

Even Up Your Toner

You can quickly and easily clear up streaking and light print in certain types of laser printers. Try removing the toner cartridge and rocking it back and forth a few times. This will distribute the toner more evenly so that pages print more uniformly.

Particular Printer

If you have different configurations that you usually use for printing (you print on legal- and letter-sized paper, for example), you can avoid reconfiguring your printer by installing it multiple times and configuring each instance of the printer to suit a particular job. Go to Control Panel/Printers/Add Printer. The wizard will lead you through the process. If your printer is included on the list, choose the appropriate driver or, if it's not there, choose Have Disk.

Expert on Board

If your printer goes on the fritz, you aren't alone. Put a call into the Print Troubleshooter located in the Help menu of Windows 95. Go to Contents and click on Troubleshooting, then click "If you have trouble printing." You will then be led through a series of questions that will help you rule out or solve the most common problems.

Up-to-the-Minute Info

When you ask any application to print a document, a printer icon appears on the right side of the taskbar. Double-click on it to access a list of the documents that are waiting to print.

Tips from the top

Use the Net and Storage; Banish Paper and Noise

Ditch Dusty Development Tools If your company has already discovered the power of an intranet, try one more tool. Consider using Web-browser authoring tools for application development. These products are faster than traditional programming tools and offer many features necessary to build complete applications. New products let you build attractive hyperlinked pages, and some, like Microsoft FrontPage 97, let you embed programming logic or SQL statements.

Avoid a Web Disaster Don't rely on your Internet service provider (ISP) for backup Web access. Configure and maintain a backup access route with another ISP. You'll need to establish different DNS numbers and probably another name, which is a good idea from a security standpoint. Make sure both ISPs use different carriers, equipment and access points into your building. This won't make you 100 per cent disaster-proof, but you'll be a lot safer than you were before.

Follow The Paperless Path Instead of breaking office workers' addiction to paper cold turkey, offer them alternatives. Set up a system for managing certain types of documents. Make electronic files the permanent ones, and ban file drawers.

Carry Extra Disk Space External storage devices may extend the useful life of a notebook computer. Iomega's Zip Drive provides 100MB of convenient removable storage. For a smaller, lighter solution, DataFab's Mobile Disk family of enhanced parallel port hard disks connects to just about any desktop or notebook to exchange files at more than 800KB per second. If all you need is an extra CD or CD capability, EXP Computer's CD-620 kit consists of a small 6X CD-ROM drive connected to a proprietary PCMCIA Type I card.

Convert Your Notebook to an Answering Machine Don't depend on your hotels' inconsistent (or nonexistent) voice mail system. Instead, bring along your own. Equip your notebook computer with a voice-capable fax/modem and install telephony software. That way you can take your messages with you when you leave.

Help Your Help Desk Give help-desk workers a page on your intranet for answers to frequently asked questions. This page is also a good place to post service announcements, training opportunities and links to helpful Internet sites.

Encourage Open Office Etiquette Multimedia computers are increasing office din. The sounds may enhance one user's experience, but noise pollution will soon fill cubicles and threaten to disrupt colleagues. Include a set of headphones with each multimedia computer you introduce into the workplace.

Mesh Mishmash

Many TWIN drivers now come with a descreening function, an algorithm that removes the mesh-like artifacts that appear when you scan a photo-offset image. Some of these algorithms are not that good, and for comparison's sake you may want to try scanning the image at a very high resolution, then descreening the image and downsampling it to a smaller size. Descreening filters are included in Adobe Photoshop and in Paint Shop Pro.

Mouse Snaps to Attention in NT

Enable the "snap to default" feature in Windows NT 4.0 to make your mouse pointer automatically hover over any dialog box buttons that appear. To do this, go to the Motion tab of the Mouse Control Panel. Enable the check box that says "Snap mouse to the default button in dialogs," and your mouse comes running when you need to click on a button.

Printers

TASK	SHORTCUT
Moves	