

ROK govt issues ultimatum to striking Hyundai workers

SEOUL, Aug 14: The government on Friday gave Hyundai Motor Co workers until next week to end their month-long strike or be forcibly removed from the company's plants, says AP.

The nation's largest automaker has been idle since July 20 when thousands of workers began picketing the company's main plants in Ulsan, 280 kilometres (175 miles) southeast of Seoul, to protest rising layoffs.

The government's ultimatum was issued after senior security officials met behind closed doors to discuss the dispute, which they said was negatively affecting South Korea's troubled economy.

Almost simultaneously, Hyundai's management announced an indefinite shutdown of its main plants — a move seen as signaling a government intervention.

Tension grew around Hyundai's car plants in Ulsan as thousands of riot police were deployed. Workers prepared for a police raid by burning more barricades, news reports said.

"We can not let this illegal work stoppage drag down the economy forever," said Kim Soo-min, a senior prosecutor in charge of public security. "A police raid is inevitable."

Authorities have ruled the strike illegal, noting that the union did not seek mandatory government mediation.

Kim refused to give a target date for a raid. To "minimise violence," he said, the government needed time to remove flammable materials and other dangerous items from the grounds of the plants and persuade elderly workers to move out.

Union leaders said they were "prepared for the worst." About a dozen Hyundai union leaders barricaded themselves atop an elevated platform, set up inside the plants' grounds.

Hyundai's union is known for its militancy. Previous police intervention in Hyundai's disputes resulted in violent clashes with workers.

The Korea Confederation of Trade Unions, an umbrella group which claims 500,000 members in key industries, has already warned that police intervention in the Hyundai dispute will result in violent clashes and more strikes.

Hyundai's 26,000 unionised workers want the company to take back 1,600 workers it fired July 31 because of sharply falling domestic sales.

'Yugoslavia on brink of economic chaos'

BELGRADE, Aug 14: Yugoslavia is on the brink of "economic chaos" because of its policies and the crisis in Kosovo, according to a US economic report cited Monday by the independent Belgrade news agency Beta, says AFP.

The office of the US Treasury Secretary had made an "exhaustive" analysis of the Yugoslav economy in a report sent recently to President Slobodan Milosevic. The report said Yugoslavia "does not seem to understand the need to undertake radical reforms," according to Beta.

The analysis claimed that Yugoslavia was already "well down the road to economic chaos" and would "soon be faced with the choice of another devaluation of the dinar with the inflationary consequences this will entail" or a policy of restrictions "reduce" the amount of money in circulation.

Insights of devaluing the dinar in April, the Yugoslav national currency "remains under strong pressures, due to a shortage of foreign exchange and because of trade and fiscal deficits and the costs incurred in Kosovo."

According to the analysis, the report said it was likely that the German mark would soon be changing for 9.0 dinars on the black market against 6.4 dinars at present.

In 1997, the report noted that Yugoslavia which is made up of Serbia and the smaller Montenegro had made up its deficit by selling for 925 million dollars, 49 per cent of its stake in the Serbian Telekom

Saudi share prices slip

RIYADH, Aug 14: Saudi stocks fell in the week ended yesterday as investors remained cautious in the face of a decline in global markets, a specialist financial institution said, reports AFP.

Bakheet Financial Advisors (BFA) said the NCFEI all-share index closed at 170.97 points, down 0.25 per cent on last week's close of 171.4 points.

Trading volume during the week reached 430 million riyals (114 million dollars), down 48 per cent on last week, while trading volumes reached 2.9 million shares, down 52 per cent.

Twenty-three stocks rose, 23 fell, 11 remained unchanged and 15 did not trade.

US, European and Asian stocks all took a battering this week as global stocks went into a tailspin, prompted by fears of continued weakness in Japan's ailing economy.

The NCFEI index has fallen 12.6 per cent since the start of the year. In 1997, the index grew by 28 per cent.

Malaysian work-permit deadline looms over foreign workers

KUALA LUMPUR, Aug 14: Clutching passports and eyeing their watches, throngs of foreign workers spill into the street outside the cavernous Immigration Department in a final rush to renew work permits, reports AP.

"I have until Saturday. After that, this Indonesian must go back to Indonesia," said restaurant owner Abu Bakree Bakar, flashing the passport of an employee whose work permit — along with those of 237,000 other immigrants — expires Saturday.

With time ticking against the government deadline, tension can be felt throughout Malaysia. Rumours circled the country last week that foreign workers, mostly Indonesians, were buying up machetes to prepare for a violent protest.

One rumour even had a riot under way in the capital last Friday, prompting workers to leave early, stock up on staples and lock themselves indoors.

Authorities quickly dismissed the hearsay, which spread over the Internet, and jailed three alleged rumormongers. People wonder, however, if the falsehoods weren't grounded in some truth.

"A lot of Indonesians are going to have to go home, and they don't want to," said Richard Yap, owner of a debt-ridden manufacturing company that had to let go of 10 Indonesians, effective Saturday. "I'm not ruling out that there could be trouble."

At the last roundup there was, March 26, rioting broke out at four detention camps throughout Malaysia; eight were killed in one camp outside Kuala Lumpur when illegal Indonesians resisted deportation.

Since then, joblessness has soared in neighboring Indonesia, where more than half the 202 million population is expected to sink into poverty by the end of the year.

During Asia's boom years, Malaysia imported millions of foreign workers to build its modern cityscape. Now, with rising unemployment and a plunging economy, the welcome mat has been yanked from beneath their feet.

Earlier this year, more than 30,000 undocumented Indonesians were deported, in addition to Thais, Bangladeshis and others. Saturday, some 200,000

foreign workers in the construction industry and 16,000 in the service sectors will become illegal aliens when their non-renewable permits expire.

It is unclear what will become of the discharged masses.

When the deadline was announced months ago for employers to renew their workers' permits, the government said 200,000 illegal immigrants would be deported by Aug 15. But that hasn't happened.

"They will leave on their own as far as immigration officials are concerned," said department spokesman Sabri Zainal.

Authorities have vowed Sunday to swoop down on workplaces known to employ foreign workers, particularly restaurants, factories and plantations.

The warning has spurred a mini exodus. More than 100,000 foreigners have registered to leave the country. Several airlines are reporting all economy-class seats booked to Bangladesh and Indonesia through the end of the month.

This prompted authorities to provide foreign workers a "grace period" of up to three weeks to find a way home.

To free up jobs for Malaysians during the economic slump, the government recently ruled that foreigners were only eligible for service-sector jobs shunned by locals.

Work permits would be extended for up to six years for those undesirable jobs in canteens, retirement homes, restaurants, laundries, orphanages and gas stations.

The government, however, would not renew permits for positions at beauty salons, health clinics, supermarkets, karaoke lounges and furniture shops.

"Bosss everywhere are cutting, cutting, cutting," said Abdul Awala, who moved from Bangladesh three years ago for a job at an auto plant paying 400 ringgit (95 dollars) a month.

His boss refused to renew his work permit or fund his ticket home, as the law requires. Abdul, one of nearly a thousand waiting his turn outside the Immigration department on Thursday, said he fears for his future.

"There are thousands in Malaysia like me."

IMF says in a sharply-worded report

Worst may happen to yen unless govt takes bolder steps

WASHINGTON, Aug 14: The International Monetary Fund warned Japan yesterday that the worst may not be over for the yen, unless the new government took bolder steps to revive its moribund economy and fix its banking systems, reports Reuter.

In a sharply worded report issued two weeks after Prime Minister Keizo Obuchi took office, the IMF complained that Japan had not done enough to stimulate its recession-hit economy, the world's second largest.

It said that the new government would put the yen at risk of further depreciation and undermine the economies of other crisis-hit Asian states unless it acted decisively.

IMF officials, like those in the United States and other countries, have long expressed concern about Japan's sluggish economy performance.

"While the government has taken a number of welcome initiatives, the overall response thus far has fallen short of the timely, comprehensive and forceful programme that is required, given the seriousness of the present situation," said the IMF report, which summarised an Aug 5 review.

Admitting that conditions had deteriorated since it last studied Japan, the IMF said it expected the economy to contract by 1.7 per cent in 1998. In April, it forecast zero growth for the year.

The IMF said the Japanese economy could start to recover later this year, assuming that the proposals would take two years to implement.

The IMF called for broad tax reform, and said tax cuts for Japanese companies and workers were warranted. The government might also consider temporarily cutting the consumption tax to stimulate short-term demand.

The IMF sought a more ambitious deregulation effort, urging authorities to press ahead with plans to liberalise the telecommunications and energy sectors.

In its report, the IMF warned against letting the yen depreciate further.

It said intervention by the United States and Japan to support the yen in June had helped

the Japanese economy, and equally essential to underpin a turnaround in the Asia region more generally," the IMF said.

"The desired recovery in confidence and activity would not be forthcoming without decisively addressing the challenge of banking sector reform," the fund said.

Obuchi last Friday announced plans to cut taxes for firms and individuals, but said the proposals would take two years to implement.

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Sinha criticises critics Indian economy shows sign of improvement

NEW DELHI, Aug 14: Indian Finance Minister Yashwant Sinha hit back at his critics and said the economy, in the grip of a continuing slowdown, would start to turn around next month, says AFP.

Sinha said economic figures for the first quarter to June had shown signs of improvement, with overall industrial growth at an annual 5.4 per cent compared to 3.7 per cent a year earlier.

He also stressed that India was enjoying a "good" growth rate compared with other markets in the Asian region.

"The Southeast Asian nations are facing a major downside and we had a five per cent growth rate in the year to March 1998, this is good," Sinha told a conference for financial leaders yesterday.

"Still our aim is to have a higher growth," he said.

"India will weather any storm by September, the economy will look up as the first quarter figures are encouraging, next year it will be even better," India's economic slowdown started in October 1996, when political instability shook New Delhi's then ruling centrist-leftist government.

The 5.0 per cent growth rate for the last fiscal year was down from 7.5 per cent in 1996-97.

"Is the slowdown deepening or are there signs of revival? In the light of the figures I feel it is not deepening," Sinha said, without elaborating.

Sinha said the prophets of "gloom and doom", who had predicted the worst after US-led sanctions were imposed on India because of its May nuclear tests, had been proven wrong.

"Now nobody mentions that. The fundamentals of the economy are sound. There is no reason for despondency," he said in response to questions from executives of India's top firms, who argued the slowdown was gathering momentum.

S K Birla, Chief of India's Birla Group, said the slowdown was "of unprecedented magnitude and strength. I am not pleading for protection but economic growth needs to be brought back to the political agenda."

Other executives called for faster privatisation of state-owned firms, opening the insurance sector and addressing the demands of capital markets by allowing companies to buy back their shares.

Renewable energy may generate 50pc of UK power by 2025

LONDON, Aug 14: Renewable energy could generate half Britain's electricity by 2025, according to a government study leaked to the New Scientist magazine, says Xinhua.

The magazine said that an internal briefing by the Department of Trade and Industry (DTI) predicted power from the sun, wind, waves and biomass could rise from 3.2 terawatt hours in 1997 to 180 terawatt hours in 2025.

Britain's total electricity consumption last year was 345 terawatt (345 billion kilowatt) hours.

The prediction is the most optimistic yet from any (UK) government on the future of Britain's 'green' energy," said New Scientist.

The magazine said the briefing was given last month by the DTI's head of renewables, Godfrey Bevan, to the department's 14-member energy advisory panel.

The briefing outlined the preliminary conclusion of the British government's review of policy on "green energy," which is to be published in the autumn, New Scientist said.

Brazil's export to Asia falls

RIO DE JANEIRO, Aug 14: Brazilian exports to Asia went down 20.39 per cent in the first half of this year compared to the same period of 1997, down from 3.672 billion dollar to 2.923 billion dollars, says Xinhua.

Exports to Malaysia, Indonesia, South Korea, Philippines and Thailand dropped 48.1 per cent.

Sales to Japan, Brazilian biggest importer in Asia, registered only 1.157 billion dollars in the first half of the year, against 1.467 billion dollars in the same period of last year.

Brazilian imports from Japan also dropped, from 1.712 billion dollars to 1.558 billion dollars.

Brazilian trade with Asian countries (except the Mideast) amounted from January to June of this year to a little more than 6.53 billion dollars against 8.023 billion dollars in the same period of 1997.

Cendant reduces earnings

NEWARK, New Jersey, Aug 14: Cendant Corp. reduced its earnings from last year by 392 million dollar or 28 cents a share, because of fraudulent revenue reported by one of the two companies that merged to create Cendant last year, says AP.

The revision, announced Thursday, was in line with Cendant's announcement last month that it would reduce 1997 earnings by 22 cents to 28 cents a share to account for bogus revenues posted by the former CUC International Inc.

Cendant also said it would lower 1996 results by 18 cents a share and 1995 results by 14 cents a share.

The company has ended its investigation of the accounting fraud and will release a full report later this month, as well as fully restated financial results.

Cendant also reported a 52 per cent rise in 1998 second-quarter earnings Thursday and said it won't revise its results for this year. Earnings rose to 20.19 million, dollar or 23 cents a share, in the quarter ended June 30, from 132.4 million dollar, or 16 cents a share, in the same period last year.

The company's shares were up 25 cents at 16.75 dollars in afternoon trading on the New York Stock Exchange.

Cendant, the combination of Parsippany-based HFS Inc. and Stamford, Connecticut-based CUC, has said that CUC employees made up revenues for 1995 through 1997 for businesses that sold membership to travel discount, entertainment and shopping clubs.

Arabs lifting Egypt out of tourism doldrums

CAIRO, Aug 14: Last November's massacre of 58 foreigners at an ancient temple left Egyptian tourism in tatters. No the country is getting a crush of visitors, most more drawn to shops and nightclubs than Pharaonic monuments, says AP.

Arabs from the oil-rich Gulf — men in their white dishdashas robes and women swathed in black — are crowding into Cairo hotels, restaurants and shopping malls.

While Gulf Arabs usually come in the summer to escape scorching heat at home, tourism officials say this year's numbers are far greater, in part because of Egypt's first Shopping and Tourism Festival that started in mid-July.

"Thank God, I am on my feet again. I thought it would take years to see tourists back," said Mohammed Osman, owner of Amarcos Travel in Cairo.

Osman, deputy head of Egypt's Chamber of the Tourism Industry, said that hotel occupancy is high in Cairo despite exceptional heat here and that most hotels are booked through September.

The shopping festival — an idea the Gulf emirate of Dubai originated two years ago — includes sales in stores and discounts of up to 40 per cent on EgyptAir flights and up to 50 per cent in hotels. It lasts until Aug 20.

Egypt also used other ways to draw Arab tourists.

After the killing of 58 foreigners Nov 17 by Muslim radicals at Luxor in southern Egypt, the government quickly pleaded with fellow Arab states to encourage visits. It also ran promotions in Saudi Arabia, Kuwait, Oman and the United Arab Emirates.

Tourism Minister Mamdouh el-Beltagui repeated a simple message to his Arab neighbours: To help us, you must come as an example to Westerners that Egypt is safe. But there are other reasons to visit Egypt.

While the Middle East is having a heat wave, this week's highs of 38 degree Celsius (100 Fahrenheit) in Cairo are well below the 43 degree temperatures (109 Fahrenheit) in Dubai or 46 (115 Fahrenheit) in Mecca.

Life in Egypt "is more free-wheeling than in conservative Gulf states which enforce strict Islamic rules.

In Egypt, men and women swim together at beaches and hotel pools. Many restaurants serve alcohol, and nightclubs along Cairo's Pyramid Road are famous for belly dancers and other entertainments for male customers.

Dollar down in Tokyo

TOKYO, Aug 14: The US dollar fell against the yen early Friday, following an overnight decline in New York, reports AP.

The dollar bought 145.07 yen, down 1.49 yen from late Thursday in Tokyo and also below its late New York rate of 145.16 yen.

Traders said the dollar carried over from its overnight weakness in New York, where the currency moved lower on profit-taking after recent gains.

Fears among investors that Japanese monetary authorities may intervene to stem the yen's slide also supported the current.

Swiss banks agree to pay \$ 1.25 b to Holocaust survivors

NEW YORK, Aug 14: State and local governments began lifting sanctions Thursday after Swiss banks agreed to pay 1.25 billion dollars to Holocaust survivors as restitution for lost assets, reports AP.

A day after the settlement was announced, some Jewish groups said the money should go first to the neediest survivors.

"We've sought to get the funds as rapidly as possible ... to get the money to those who are in the last days of their lives," said Elan Steinberg, executive director of the World Jewish Congress.

"We are aging and want to see justice done," said Daniel Chanouch, a 66-year-old survivor who lives in Israel.

Among the governments that lifted sanctions Thursday were New York City and New York state, whose penalties were to go into effect next month, and California, where they had been imposed on and off since a year ago.

State treasurers in Vermont and Pennsylvania dropped plans for sanctions on Thursday, and officials in Florida scheduled a meeting August 31 to discuss the issue.

"It is unfortunate that it was necessary to threaten sanctions 53 years after World War II to bring justice to the survivors of the Holocaust," said New York City Comptroller Alan Hevrest, who heads a panel of government finance officials monitoring Swiss efforts to return the wartime deposits.

The agreement, reached in New York, calls for the money to be paid out by the two largest Swiss commercial banks — UBS AG and the Credit Suisse — against whom most of the claims have been filed. The settlement will cover all claims against them, plus all other Swiss banks, the Swiss government and Swiss industry.

The banks said they would continue to cooperate with former US Federal Reserve Chairman Paul Volcker's committee that is trying to identify dormant accounts.

Among those who shipped their money to a Swiss bank was Joseph Sapir, who expected to retrieve it later. Later never arrived for him. He died in the Maidanek concentration camp in 1943.

His daughter reached an individual settlement in May with Credit Suisse, ending her participation in the class-action lawsuit representing tens of thousands of Holocaust victims who deposited money in Swiss banks.

Still, Estelle Sapir was among those celebrating the agreement Wednesday at the federal courthouse.

"This is not charity from the Swiss," she said. "My father deposited money there."

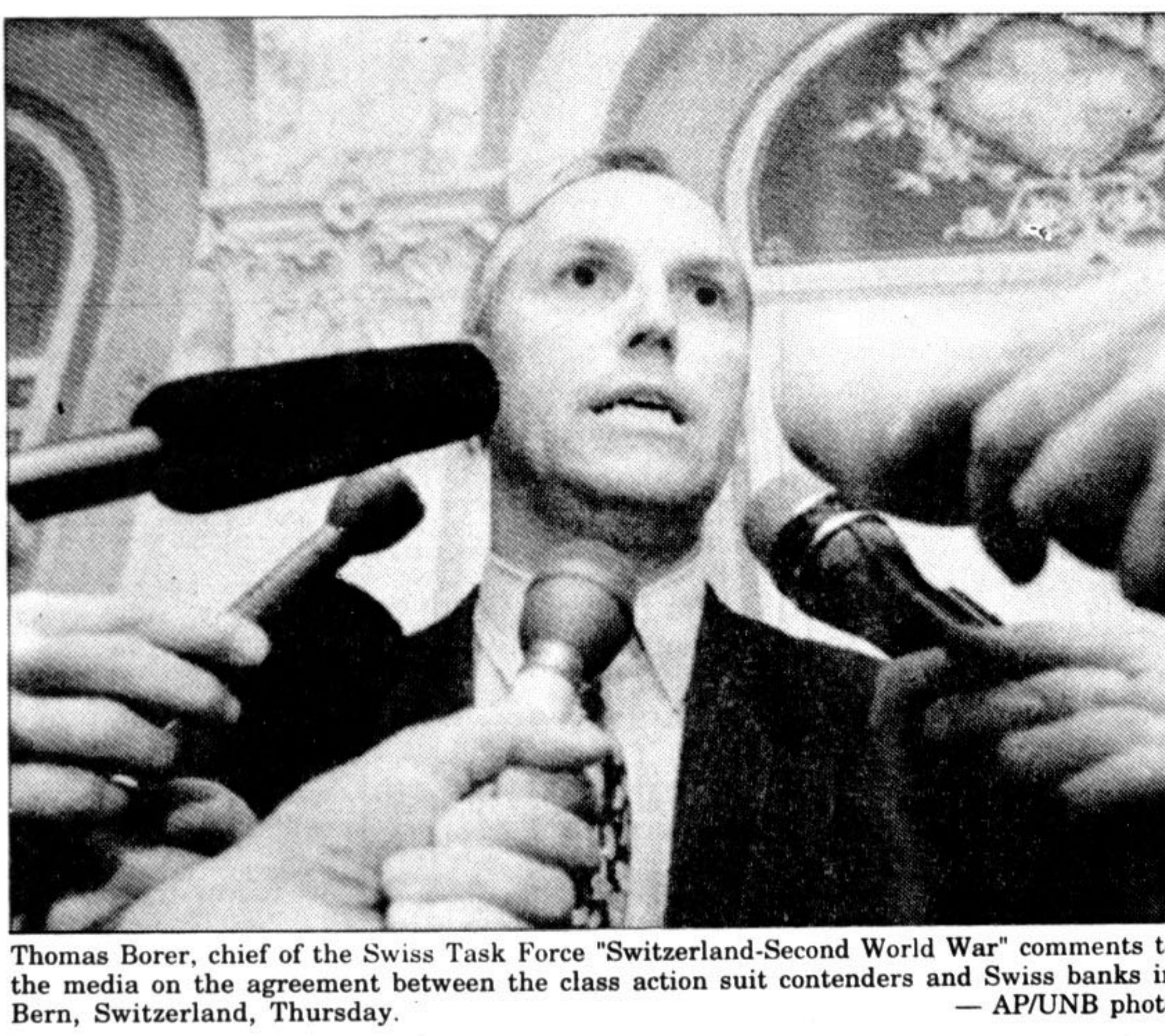
In recent years, Swiss banks told Holocaust survivors they could not find the accounts or demanded death certificates from relatives of victims.

One of them, survivor Gizella Weisshaus, originally sued the banks on October 2, 1996. Litigation grew into class-action suits representing 31,500 plaintiffs worldwide after Swiss bank guard Christoph Meili rescued Holocaust-era documents from a shredder room at Union Bank of Switzerland in Zurich the following January.

A number of cities and states in the United States had threatened to impose sanctions on UBS AG and the Credit Suisse group if they did not agree to an acceptable settlement.

The first payment of 250 million dollars will be made 90 days after US District Court Judge Edward Korman grants his approval. Korman did not indicate when that would be. The next payments, totalling 333 million dollars, will be paid on the first, second and third anniversary of Korman's approval.

Although more than 31,000 survivors have been identified as plaintiffs in the lawsuit, more could come forward to seek restitution, making it impossible to predict how much each beneficiary will get.



Thomas Borer, chief of the Swiss Task Force "Switzerland-Second World War" comments to the media on the agreement between the class action suit contenders and Swiss banks in Bern, Switzerland, Thursday. — AP/UNB photo

HK share prices surge; Tokyo's Nikkei index falls sharply

HONG KONG, Aug 14: Share prices staged a dramatic turnaround Friday, with the key index soaring 8.5 per cent, a day after it fell to a new five-year low, reports AP.

After shedding 16 per cent of its value and falling to a five-year low in the first two weeks of August, the Hang Seng Index rose 564.27 points to close at 7,224.69. On Thursday, the index slumped 199.06 points, or 2.9 per cent.

Turnover amounted to 8.55 billion Hong Kong dollars (US 1.1 billion dollars), up from Thursday's 5.14 billion Hong Kong dollars (658 million dollars).

The surge took many traders by surprise after weeks of gloom and doom predictions.

Traders said it appeared that a few buyers had moved the market to buy up blue-chips and suggested they were trying to cover short positions.

Short-selling is essentially a bet that the market will drop. An investor borrows stocks and sells them, betting he can buy them back at a lower price, repay the lender and pocket a profit.

There were also rumours that the Hong Kong government was propping up the market by buying shares through the Land Fund, which manages proceeds from government land sales and is allowed to purchase shares.

Tokyo's Nikkei index fell sharply. Markets in Singapore

and Kuala Lumpur were suffering further from what traders said was an overall meltdown in confidence.

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However, short-sellers may be burned badly if they bet wrong, and analysts said Friday's buying may have been in order to cover short-selling before a long holiday weekend.

Analysts said none of the market's fundamentals had changed, and they weren't sure who was doing the buying. Steve Chiu, a trader at Sassoon Securities, said it appeared the market's sudden move upward was temporary.

"The market as a whole was very short," said Gilbert Wong, managing director at BNP Prime Peregrine Securities. He reported a wave "of panic short-covering."

In Tokyo, the Nikkei index closed down 258 points to 15,123.93, a drop of 1.7 per cent. There was no dramatic movement in the yen, which has been under severe selling pressure.

In Singapore, the Straits

Exchange Rates

The following are the **Sonali Bank's** dealing rates (BD Tk for one unit of Foreign Currency) to public as on 13th, 14th & 15th August '98

Name of Currency	Buying		
	TT Clean	OD Sight Export Bills	OD Transfer
US Dlr	46.9500	46.7602	46.6803
GB Pound	76.0104	75.7031	75.5414
D Mark	26.0888	25.9634	25.9079
F Franc	7.7781	7.7466	7.7201
C Franc	30.7256	30.6014	30.5360
S Franc	31.2748	31.1484	31.0819
J.P Yen	0.3175	0.3162	0.3156

Name of Currency	Selling		
	T.T. & O.D.	B.C.	
US Dollar	47.3096	47.3492	
GB Pound	77.2173	77.2819	
D Mark	26.5473	26.5695	
F Franc	7.9178	7.9244	
C Dollar	31.2824	31.3086	
S Franc	31.8631	31.8998	
J.P Yen	0.3265	0.3268	

A) TT (DOC) US Dollar Spot Buying Tk. 46.8551
 B) Usance Rate
 30 60 90 120 180
 Days Days Days Days Days
 46.8675 46.9782 46.8860 46.8997 46.8112
 C) US Dollar sight export bill 3 months forward purchase: Same as OD sight export bill buying rate.
Indicative Rate

Currency	Selling	Buying
Saudi Riyal	12.6135	12.4394
UAE Dlr	12.8807	12.7036
KuW Dlr	153.9525	151.7902
D Guilder	23.6040	23.2743
S Krona	5.8249	5.7474
Malay Ringgit	11.2374	11.0308
Sing Dollar	27.0449	26.6432