Busing Star Busing Star

Vying for heading WTO 'Support for Thai candidate gains momentum'

BANGKOK, Oct 31: Support for Thailand's Deputy Prime Minister Supachai Panitchpakdi to head the World Trade Organisation is gaining momentum, but more has to be done to convince Western nations, a senior Thai economic advisor said Saturday, reports

Supachai, who also serves as the Southeast Asian nation's commerce minister, is currently on a trip to Japan, United States, Europe and Latin America to gather support for his bid for the director-generalship of the WTO, a Geneva-based global trade watchdog.

"We are gaining strong momentum in Asia, although more has to be done to convince Western nations. The support from Japan is very encouraging and has given Thailand a big boost, said Arporn Chewakreng, an advisor to Prime Minister

Chuan Leekpai. "Dr. Supachai has great understanding of the problems and needs of developing countries," Arporn said.

Arporn also said he doesn't think a trade dispute between Thailand and the US over intellectual property protection issues will derail Supachai's candidacy.

The Thai deputy premier and US Trade Representative Charlene Barshefksy were scheduled to meet in Washington on Tues-

Thailand is one of the 32 countries on a US "watch list" because it does not according to Washington, properly safeguard intellectual property rights.

Prior to his departure

Thursday. Supachai told the Foreign Correspondents Club of Thailand that he still could not assess his chances of attaining the WTO post.

Other candidates include former New Zealand Prime Minister Michael Moore, former Canadian Trade Minister Roy MacLaren and former Moroccan Trade Minister Hassan Aboyoub.

Sales slump sinks Sony earnings

TOKYO, Oct 31: Sony Corp.'s earnings slipped 5.4 per cent in the first half of the fiscal year, hurt by falling prices for consumer electronics products such as computer monitors and cellular phones, the company said Wednesday, reports AP.

The consumer electronics giant also substantially lowered its profit forecast for the full year, citing the yen's rapid rise against the dollar and expected fallout from the global financial crisis.

Sony's group net profit for the six months ended Sept. 30 was 86.05 billion yen (\$731 million), down from 90.93 billion yen (\$773 million) in the same period a year earlier, the company said.

Sales climbed 9.8 per cent to 3.37 trillion yen (\$28.6 billion) from the previous year's 3.07 trillion yen (\$26.1 billion).

Best known for TVs and its Walkman stereos, Sony has branched out in recent years and now makes computers, cellular phones and semiconductors. Its subsidiaries make the PlayStation video game ma chine, produce music CDs and sell insurance.

Profits dropped in three areas for Sony: electronics, music and insurance.

Sony's electronics business slumped due to intense price competition and sluggish sales in Asia, Russia and Latin America - areas hurt especially hard by the global financial crisis.

AT and T reports 68 pc rise in profit

NEW YORK, Oct 31: AT and T Corp. the largest telecommunications company in the United States, reported a 68 per cent rise in third-quarter profits Monday, easily beating Wall Street expectations amid costcutting and stronger revenue from wireless and business services, says AP.

The increased sales offset a further drop in the company's core long-distance business. with revenues from consumer service falling three per cent in the quarter.

AT and T said it earned 1.96 billion dollars, or 1.09 dollars a share on a diluted basis, in the three months ended Sept 30. That was up from a profit of dollars 1.16 billion, or 65 cents a diluted share, in the year-ago results. For comparison purposes, AT and T calculated its prior-year results as if its acquisition of local phone service provider Teleport Communications Group, completed this

year, had already occurred. Excluding various one-time gains. AT and T would have earned one dollar a diluted share, beating the 95 cents a diluted share forecast by analysts

surveyed by First Call Corp. AT and T said its overall revenues rose 4.3 per cent to 13.65 billion dollars from 13.09 billion dollars, fueled in part by a 4.7 per cent increase in revenue from business services due to increased demand for highspeed data services, and a 19.4 per cent rise in revenue from wireless services.

However, AT and T said revenue from its core consumer long-distance business fell by 171 million dollars to 5.81 billion dollars amid continued strong competition from lowcost providers of long-distance service. The company was particularly hit by so-called "dialaround" services, which sell cheaper calls to people who dial extra phone numbers.

AT and T cut its overhead costs in the period by 14.5 per cent in a continuing cost-cutting drive.

G7 agrees to boost IMF power to fight financial turmoil

WASHINGTON, Oct 31: Trying to curb a global economic crisis, the world's seven richest industrial countries endorsed new proposals that President Bill Clinton said should provide needed assurances to jittery markets, reports AP.

"The world's leading economies have linked arms to contain the financial turmoil," the president said Friday at the White House. He also hailed news that despite the global turbulence, the US economy grew at a healthy 3.3 per cent annual rate from July to September.

The package's key element is the endorsement by the Group of Seven countries of a Clinton proposal that would allow the International Monetary Fund to provide loans to countries before foreign investors begin fleeing.

US officials say the new IMF loan idea will probably play a role in a expected \$30 billion rescue package being put together for Brazil, the latest country to be threatened by investor flight that has already

hurt Russia and several nations in Asia.

"This line of credit gives us a powerful new tool that can be used when it will do the most good at the lowest cost, before the trouble starts," Clinton

In a flurry of activity four days before US mid-term elections, the Clinton administration produced both a joint statement from G-7 leaders and a declaration by G7 finance ministers and central bank presidents that is the most detailed blueprint to date of how the current economic crisis can be contained — and how future crises can be averted.

The G-7 leaders also endorsed a new emergency lending facility at the 182-member World Bank, which could be used to provide support for poor people and loan guarantees for businesses that are endangered by economic turbulence.

Wall Street and other markets rallied on the new-found resolve among the G-7 countries - the United States, Japan, Germany, France, Britain, Italy

Dick C B Den Haas (3rd-L), Ambassador of the Netherlands in Bangladesh, called on R

Maksud Khan (2nd-R), President of the Dhaka Chamber of Commerce and Industry (DCCI)

at the DCCI office Thursday. They discussed issues related to economic and business

cooperation between the two countries. Senior Vice President Masudur Rahman (1st-R)

and Vice President Zafar Osman (2nd-L) of DCCI and Desiree M Ooft, Commercial

Secretary of the Royal Netherlands Embassy, are also seen in the picture. - DCCI photo

Albright warns crisis-hit nations

against turning to protectionism

But with the financial crisis

that began in Southeast Asia.

spread of Russia and now

threatens the western hemi-

tested," she said.

sphere, "these policies are being

"There remains a risk that

2 Russian airlines

cutting flights

two largest airlines. Aeroflot

and Transaero, are cutting back

flights by at least 25 per cent be-

cause of the country's economic

troubles, a newspaper reported

sive Soviet state airline, re-

duced flights last week by 25 per

cent because of dwindling de-

Transaero, Russia's largest

private airline, said it would

slash its flights by 30 per cent

and may cut more in the next

two months, the English-lan-

guage Moscow Times reported

to 130,000 passengers this year

because of the country's finan-

cial problems that hit in Au-

gust, chairman Alexander Pale-

shakov was quoted as saying.

The company flew 1.6 million

passengers in 1997.

Transaero expects to lose up

Aeroflot, formerly the mas-

Saturday, says AP.

Saturday.

MOSCOW, Oct 31: Russia's

VANCOUVER (United ture," she said.

States), Oct 31: Secretary of

State Madeleine Albright Fri-

day defended free trade and

warned nations hit by the

Asian financial crisis against

turning to the "false gods of pro-

tectionism" in a search for eco-

nomic revival, reports Reuters.

In a speech, she pressed in-

ternational financial institu-

tions to help countries do more

to cope with social hardships

created by the financial melt-

annual George C Marshall lec-

ture at Hudson Bay School,

where the gym was packed with

more than 5,000 students, dig-

nitaries and other citizens who

applauded her speech more

tour of the West Coast ahead of

the Asia-Pacific Economic fo-

Albright said that over the

rum summit in Kuala Lumpur.

past 25 years, the vision of ex-

panded trade and free markets

embodied in the European re-

covery plan authored by Mar-

shall, Secretary of State from

1947-49, has helped spread

American Northwest "where the

economy is an export power-

house and the boom in trade

with Asia has provided good

jobs in everything from com-

puters to shipping to agricul-

This is especially true in the

prosperity around the world.

She is on a two-day speaking

than a dozen times.

Albright delivered the 10th

and Canada. The Dow Jones Industrial Average ended the day up nearly 100 points. Brazilian share prices rallied strongly on growing optimism about inter-

national support. A Brazilian finance team also was headed to Washington for talks with IMF officials.

Private economists said the G-7 statement was a welcome change from meetings earlier this month in Washington that produced more discord than agreement. At the time, other G-7 countries agreed only to "explore" Clinton's ideas.

"This is a belated attempt by the G-7 to support markets and ease fears," said Allen Sinai, chief economist at Primark Global Economics.

"The critical point is that the G-7, which had for some time appeared divided and fragmented, has now pulled together with a strategic plan,' said Robert Hormats, economist at Goldman Sachs in New York.

But analysts say much work still needs to be done to implement vague pledges to promote

greater openness in the release of financial data and stronger

financial regulation. Clinton administration officials took note of several positive developments in recent weeks, including Congress' approval of \$18 billion to replenish IMF resources, passage of a plan to deal with insolvent banks in Japan and interest rate cuts in the United States and other countries, which should help ward off the threat

of global recession. But Treasury Secretary Robert Rubin refused to declare the 15-month-long crisis at an end, saying "I think there will be ups and downs."

The G-7 nations also pledged to work toward reforms at the IMF, which has been criticized for its handling of the Asian crisis. Those reforms, including less secrecy in dealings with member countries and more efforts to promote free-market reforms, had been conditions attached by Congress to the \$18 billion US contribution toward a \$90 billion increase in IMF resources.

Clinton accuses Republicans of advocating tax cuts

NEW YORK, Oct 31: President Bill Clinton waded Friday into one of the nastiest and costliest Senate campaigns of the year, accusing Republicans of advocating tax cuts that would bene-

fit the wealthy and jeopardise

efforts to preserve Social Security, reports AP. Clinton said the Republican programme would deplete America's budget surplus "before we did anything to fix Social Security and before we

knew what it would cost." The president flew to New York to campaign for Democratic Rep Charles Schumer, who is in a neck-and-neck, noholds-barred race to unseat Re-

publican Sen. Alfonse D'Amato. Clinton opened his New York trip at the Saint Sebastian Parish Centre in the woodside section of Queens, addressing elderly citizens. Republicans have accused Clinton of trying to prey on the fears of older Americans about Social security - the federal pensions system - in a blatant political pitch for votes.

The president said Democrats beat back tax-cut proposals in Congress but Re-publicans plan to revive them next year. "Sometimes you can't do the easy thing," the present said. "We shouldn't take the money and run. We should save this money, save the surplus and fix Social Security."

As part of Clinton's concerted get-out-the-vote effort aimed at black voters, he scheduled a round of broadcast interviews with black media outlets starting to days before the midterm election Tuesday, and was appearing Sunday at a church in Baltimore at the invitation of a black congressman, Rep Elijah Cummings.

Clinton adviser Paul Begala said the president was trying to structure his efforts to energise Democrats while encouraging all Americans to vote, regardless of political affiliation.

Vietnamese coffee exports up 43.5 pc

HANOI, Oct 31: Vietnam's coffee exports in the past year have risen 43.5 per cent to 594 million dollars thanks to stronger world prices, a report said today, according to AFP.

The volume of exports in the 12 months to October 1998 grew nearly 13 per cent to 390,405 tonnes, the Nhan Dan Daily newspaper said. The rise has been achieved

despite crop destruction in a prolonged drought in the central highlands earlier this year. Almost all Vietnamese coffee exports are made up of ro-

busta beans, which are much

and 1987, as well as a 554-point

per cent was the biggest since

the Dow rose 13.8 per cent in

January 1987. The monthly

point gain was the biggest ever.

more than 1,100 points, or

about 15 per cent, from the bot-

tom of a steep selloff that cli-

maxed on Oct. 8, when the blue-

chip barometer was sliding

back toward its summer low of

Standard and Poor's 500 rose

12.74 to 1,098.67, up 28.00 for

rose 14.20 to 1,771.39, up 77.53

for the week; the New York

Stock Exchange composite rose

In other trading Friday, the

The Nasdaq composite index

The one-month gain of 9.6

The Dow has now bounced

plunge last Oct 27.

7,400.

the week.

less expensive than the Arabica variety.

Iraq accuses US of blocking oil spare parts contracts of the hampering of the Ameri-BAGHDAD, Oct Iraq is

Bid to revive economy

of bad loans'

WASHINGTON, Oct 31:

Japan needs to dispose of non-

performing loans and imple-

ment public works and tax cuts

to reactivate its flagging econ-

omy, the Chairman of Japan's

top private business group, Kei-

danren, writes yesterday's

Washington Post, reports AFP.

Japanese Federation of Eco-

nomic Organisations, said in a

commentary that with proper

measures "the economy can re-

cover enough to achieve a

growth rate of about two per

cent.. during the latter half of

Imai welcomes the end in

1993 of the liberal democratic

party's 40-year domination of

Japanese politics, saying that

the country's shift toward

multi-party rule and a policy-

oriented political system, was a

lators to promote "such struc-

tural reforms as streamlining

sus-building that has been guid-

He called on Japanese legis-

He said the spirit of consen-

move "in the right direction."

administration.

Takashi, Imai, head of the

ing the diet should lead to the

design and implementation of a

The primary obstacle in

Without the immediate dis-

financial stabilisation scheme.

Japan's economic recovery is

the problem of non-performing

posal of these bad loans, the

Japanese economy cannot be

revitalised. The economist said,

calling for stabilisation

schemes to include "measures

for coping with the bankruptcy

of financial institutions ...

(and) a measure for injecting

necessary public money into

is to implement public works

and tax cuts as announced by

Prime Minister Keizo Obuchi,

corporate and income tax

should be brought in line with

counts for two thirds of Asia's

economy and a 15 per cent

share of the world economy, the

economist writes, it is Japan's

responsibility to revitalise its

economy as soon as possible.

Since Japan's economy ac-

international standards.

The following step, he said,

loans, Imai said.

the solvent ones.

vet to receive "a single spare part" for its ailing oil industry even though the UN allocated 300 million dollars for the purchases four months ago, the oil ministry said in a statement published Friday, reports AP.

A ministry spokesman ac-cused the United States of blocking approval at the United Nations for many contracts that Iraq signed with international companies to purchase the spare parts.

The statement, issued Thursday, was published in government newspapers, al-Iraq and al-Thawara.

The United States is a member of the UN sanctions committee, which must approve every deal that Iraq signs for im-porting goods. The system is aimed at preventing Iraq from buying material that can be used to make weapons of mass destruction. "Iraq has not received a sin-

gle spare part till now because

can representative in the 661 (sanctions) committee," said the statement. The committee itself makes

provals for the contracts related to the oil industry," it said The accusation echoes similar Iraqi complaints in the pasi that the United States and Britain deliberately hold up contracts for most items,

charge that two countries deny.

no "efforts to speed up the ap-

Iraq was banned from sell ing oil freely under UN sanctions imposed after its 1990 invasion of Kuwait. But acknowledging the hardships caused by the loss of revenue, the United Nations allowed Iraq to sell limited quantities of oil to buy food, medicines and other humanitarian goods since December 1996.

In July, the UN also agreed to let Iraq use dlrs 300 million of its oil revenue to buy spare parts for its oil industry that has fallen into disrepair.

2 Japanese banks 'Japan needs to dispose may form alliance

TOKYO, Oct 31: Two of Japan's largest banks said Saturday that they may form a strategic alliance in a key business area to cope with increased deregulation and spur bad loan write-offs, says AP.

Dai-Ichi Kangyo Bank Ltd and Fuji Bank Ltd, both among the top ten largest banks in Japan, said that they have begun considering a plan to merge their trust banking operations into a jointly owned venture.

But in separate statement released Saturday, the two banks denied any plans for a full-scale merger.

The proposed venture, unusual in that it would link major banks from industrial groups with few traditional ties, would specialize in asset-management, a business field recently deregulated under Japan's "Big Bang" program of opening financial markets to greater competition.

It comes as just the latest example of restructuring in Japan's ailing banking sector, which has been hurt by massive bad loans and a prolonged

slump in the overall economy. Of Friday, Mitsui Trust and Banking Co said it would close its overseas banking operations and Sakura Bank Ltd, another core company of the Mitsui group, said it would slash 3,000 jobs, or 20 per cent of its work force within three years.

Belgrade may offer food to Russia

in exchange for fuel oil

MOSCOW, Oct 31: The Yugoslav capital may offer Russia food supplies and construction services in exchange for fuel oil, a Russian news agency reported Sunday, reports AP. A delegation of Belgrade of-

ficials just visited Moscow and the two capitals expect to reach an agreement within a month on future cooperation, the ITAR-Tass news agency quoted Spasoje Krunic, head of Belgrade's city council, as saying. Officials from both cities

discussed supplies of 100,000 tons of Russian fuel oil to Yugoslavia, and Yugoslav food shipments and construction efforts in Moscow, he said. Yugoslav contractors have

built or renovated many buildings across Moscow in recent years, including Russia's Central Bank headquarters, ITAR-Tass said.

Metal: Weekly Roundup

Global crisis keeps on taking heavy toll on prices

LONDON, Oct 31: Base metals kept sinking this week as the global economic slowdown continued to exact an exceptionally heavy tool, reports

Three-month copper plunged to an almost 12-year low on the London Metal Exchange, while three-month lead fell to a 4-1/2 vear low.

The metals have already been hit by the recession in key Asian economies, but now it is feared that demand is also falling off in the formerly strong western economies, especially the United States.

Even worse, the Russian situation is increasingly uncertain and despite the Brazilian government's assurances, investors still fear a devaluation of the real, which would trigger devaluations across Latin America and hit more developed economies.

Elsewhere in the commodities markets, gold was stable in responses to the calming of foreign exchange markets. COPPER: Heavy. Copper

prices tumbled this week on the London Metal Exchange to 12year lows as LME warehouse reserves rose 16,225 tonnes to 457,675 tonnes. Three-month cooper fell

26.5 dollars to 1,589.5 dollars a

LEAD: Sinking. Lead prices followed copper lower, in trading dominated by technical fac-Three-month lead fell 12.5

dollars to 488.5 dollars a tonne after hitting a 4-1/2 years low at 488 dollars a tonne. LME stocks were stable, up just 650 tonnes to 110,675 tonnes. ZINC: Flat. Zinc prices were

flat in a "moribund" market. ignoring investor fears over financial difficulties in Russia and Brazil, said Rudolf Wolff brokerage. Three-month zinc closed at

946.5 dollars a tonne, down eight dollars.. LME reserves rose 575 tonnes to 347,575 GOLD: Stable. Gold prices

were unchanged this week, reflecting the calmer situation in the financial markets, ending on the London bullion market at 293.45 dollars an ounce. The more stable dollar-yen

fluctuations calmed the foreign exchange market, which is closely linked to the gold mar-

SILVER: Shiny. Silver prices rose in London by 12 cents to five dollars an ounce in calm

Silver benefited from a tightening of supply in Europe due to massive buying of five to 10 million ounces initiated by an industrial brokerage.

INUM: Flat. These precious metals were little changed in calm trading. Palladium closed in London at 277.50 dollars an ounce, up from 274 dollars, but platinum lost 50 cents to 337.50 dollars.

PALLADIUM AND PLAT-

ALUMINIUM: Dull. Aluminium prices fell victim to expectations of poor metal consumption in 1998 and 1999 in Europe, which had been seen as compensating for the rapid de-

cline in demand from Asia. Three-month aluminium closed at 1,315.8 dollars a tonne down 9.2 dollars, while London Metal Exchange reserves rose 4.825 tonnes to 528,000 tonnes.

NICKEL: Loss. Three-month nickel lost 115 dollars to 3,920 dollars a tonne, and LME stocks rose 900 tonnes to 60,672 tonnes, as investors braced for possible new blows to the world

TIN: Flop. Three-month tin fell 32.5 dollars to 5,472.5 dollars a tonne after being hit by a rise in LME stocks of 270 tonnes to 8,105 tonnes.

Too much good may prove bad for Wall Street conclusion to a month best ployment costs such as wages known for the crashes of 1929

NEW YORK, Oct 31: A few more surprises, and Wall Street could find itself rooting against sense that the economy is the economy again, says AP.

The Dow Jones industrial average jumped 220 points Thursday and Friday amid reports that showed a summer of financial tumult didn't have the expected dampening effect on two key forces behind inflation: what people make or spend.

But this is the same stock market that has been riding higher on the image of an economy down on its luck. And so it probably wouldn't take much to restore the stock market to its traditionally warped attitude about seemingly good news, that a healthier economy can be a reason to sell.

It's not that the economic vital signs are suddenly flush with vigour. The pulse remains suspect, the contagions hardly in remission.

It was the severity of the situation, however, that had prompted a swift response from the Federal Reserve, which lowered interest rates twice in less than a month to spark new bor-

rowing and spendings. While the two rate cuts helped pave the way for October's turnaround in the stock

market, the rally might have

died quickly if not for the belief

that the Fed would continue to

defibrillate the economy with

If the central bank were to strong enough to be removed from the intensive care unit, or that certain inflationary complications may arise from the treatments, Wall Street could find itself without the level of care on which it was depending.

ready factored in two additional (Fed) easing moves," said Ned Riley, chief investment officer at BankBoston. "Any deviation from this scenario would be devastating." Judging from the market re-

"The equity market has al-

action, the latest economic data dealt no such blows to investors' sense that more rate cuts are forthcoming. Still, there were enough signs of continuing inflationary pressure to make a central banker's ears perk up. Buoyed once again by the American consumer, the na-

tion's gross domestic product grew at a 3.3 per cent annual rate in the July-September quarter, the Commerce Department reported Friday. The data represented a sharp improvement from the subdued 1.8 economists.

per cent rate of the April-June period, and was well ahead of finish in two months. The adthe 2.0 per cent forecast by most vance gave the Dow a gain of A day earlier, the Labour Department reported that em-749.38 for October, a happier

and benefits - which typically account for two-thirds of a product's price - rose 1 per cent in the third quarter, topping forecasts by a small margin. The news wasn't all good.

panic and turn to the false gods

of protectionism or the impos-

global economy," she added.

sible goal of isolation in today's

US officials and other experts

have expressed concerns about

Malaysia, Russia and Indone

is "determined to get the pros-

perity train back on track" and

that is why President Bill Clin-

ton put forward a plan to re-

store growth and contain the

undertaken sounder and more

transparent financial practices

and praised Thailand, Brazil

to the crisis with a deeper

commitment to democracy.

fighting corruption and eco-

International financial in-

stitutions "must do more to help

countries cope with the socia

hardships created by the cur-

rent crisis and develop better

strategies for preventing future

and Cambodia to undertake

democratic reforms, saying "no

society can reach its potential

unless its people are free to

choose their leaders, publish

their thoughts, worship their

god and pursue their dreams."

She urged Indonesia, Nigeria

and South Korea for responding

Albright pressed countries to

financial crisis.

nomic reform.

ones." she said

Albright did not names but

She said the administration

The GDP report revealed that exports dropped for the third consecutive quarter of decline. Likewise, companies turned more cautious, with investment on new equipment increasing at the slowest pace since 1991 and spending on new buildings posting the biggest drop in 4 1/2 years.

Meanwhile, in two of the earliest hints of business conditions in October, the University of Michigan said its consumer sentiment index fell and a survey of midwestern factory executives showed a drop in manufacturing activity.

waning, spending growth will slow (pointing) to slower production growth," said Sherry Cooper, chief economist at Nesbitt Burns Securities of Chicago, asserting that the GDP report "does not change the message that more (Fed) rate cuts are coming. On Friday, the Dow rose

139.81 points for the week and

7.04 to 543.35, up 13.53 for the "With consumer confidence week; and the American Stock Exchange composite rose 7.93 to 645.41, up 17.20 for the week. The Russell 2000 index of

smaller companies rose 3.68 to 378.16, up 11.11 for the week. The Wilshire 5000 index - which represents the combined market value of all NYSE. American and Nasdaq issues ended the week at 10.032 tril-97.07 to 8,592.10, the highest lion dollars up 281.7 billion

trillion dollars.

dollar from last week. A year

ago, the index stood at 8.764

Chinese bid to woo more Taiwanese investments BEIJING, Oct 31: To further

encourage investment in the Chinese mainland, the government plans to relax controls on visits by businessmen from Taiwan, the official newspaper China Daily reported Saturday, says AP.

The report said that visitors from Taiwan who have had "big" investments in China for more than five years and whose companies have performed well could have travel documents stamped with a permit allowing unlimited entries into the coun-

The looser controls would allow such business owners to live in China for up to five year, it said.

Technical and managerial staff of such enterprises from Taiwan and their families could stay in China for up to three years, compared with the current limit of two years, the report added. The report did not provide

further details. Although China and Taiwan

have been politically estranged since Nationalists fled the mainland after losing a civil war to the communists in 1949, the Chinese government has actively encouraged investment by Taiwan businesses.

Russian Cabinet meets to debate anti-crisis plan MOSCOW, Oct 31: Prime gestions, First Deputy Prime

Minister Yevgeny Primakov convened Russia's government Saturday in a special session to finalise the first comprehensive plan for pulling Russia out of its two-month-old economic troubles, reports AP. The programme relies on as-

yet-unreleased loans from the International Monetary Fund to plug revenue gaps, Economics Minister Andrei Shapovalvants said — even though the IMF has promised no such aid. . IMF officials failed to reach

agreement with Russian officials this week on resuming a \$ 22.6 billion bailout package, reached this summer but frozen after Russia defaulted on some debts and devalued the rouble

Aug. 17. The government, named after Yeltsin fired its predecessor in the fallout of those events, has been criticised for dragging its feet on a blueprint for solving the crisis. The IMF has demanded to see Russia's anti-crisis plan and signs it is being implemented before resuming

payments. The plan, calling for a "softer social policy" amid Russia's worst economic crisis since the 1991 Soviet collapse, took into account the IMF's sug-

Minister Yuri Maslyukov's office said, according to the Interfax news agency. The version discussed Sat-

urday foresees lowering profit taxes and VAT. Shapovalyants said, Interfax reported. Versions of the plan released this week included measures to

control prices of some food and medicine, stabilise the financial system and prop up the rouble. It would streamline the budget system, restore production and improve tax collection.

The Cabinet ministers were

also expected to discuss a rehaul

of the banking sector. Primakov has said the government would approve the plan Saturday, though it was

unclear how effective it would be or how many of the measures would be carried out. The IMF said Friday the two sides made progress in talks,

but the government hadn't yet made up its mind on key issues such as its budget for 1999. Deputy Finance Minister

Mikhail Kasyanov said Friday that Russia had come to "mutually acceptable" terms with holders of the country's de-

faulted treasury debt.