

London, Paris bourses hit new records

LONDON, Dec 25: In a last hurrah before the Christmas shut-down, the London and Paris bourses yesterday hit new records, but in thin trade; after a spending spree in Hong Kong and New York pushed stocks there to new highs, reports AP.

Paris made its 37th closing high, rising almost two per cent amid euphoria in the high-tech, media and telecom sectors, London also ended at a record close, up 0.4 per cent.

The dollar bounded more than a yen on the strength of intervention by Tokyo authorities to buy dollars to show resolve in keeping the yen from rising to levels that could threaten Japan's fragile economic recovery.

The stage was set for a last-minute surge in European stocks by New York, where the three major stock indices ended at all-time highs. London and Paris hit records within minutes.

Paris touched a new intraday high to 5,861.69 points, though business was slow. "The market has topped the 5,800 level pulled up by the Nasdaq and Dow Jones performances overnight," a trader said.

An exception to the French market's obsession with technological stocks was Credit Lyonnais which ended with a gain of around eight per cent.

Its stock had earlier reached a record of 52.90 euros and was suspended limit-up twice. The bank had climbed over 14 per cent on Thursday on speculation rival bank BNP was buying

its shares.

Construction-to-telecoms group Bouygues was up three per cent on speculation of Deutsche Telekom's interest in its Bouygues Telecom unit.

Just across the Channel, a dose of strong drugs and some volatile pricing lifted Britain's FTSE 100 to a new closing high.

Even though London trading was reduced to a half day on Christmas Eve, by the 1230 GMT curtain-fall the FTSE 100 was up 0.4 per cent at 6,806.5, its highest close to date, with pharmaceutical stocks contributing nearly 13 points.

The record close on the third last trading day of 1999 leaves the FTSE around 15.9 per cent higher than this time last year.

Stock markets in Frankfurt and New York were closed on Friday.

But champagne corks were popping overnight along Wall Street as the Dow, Nasdaq and S&P 500 finished the day in record territory.

Analysts in New York, however, said that trade the day before a holiday is normally strong with volume tending to be light as many traders take an early vacation. "You have got the Santa Claus action," said Arthur Hogan, chief market analyst at Jefferies & Co.

Hong Kong stocks, too, vaulted to record levels. The Hang Seng Index closed at an all-time high, imitating overseas markets' record-setting rallies and propelled by galloping local technology shares.

G20 states give their nod to crises averting steps

BERLIN, Dec 25: The newly-established Group of 20 — the world's seven riches nations (G7) and 13 major emerging economies — held its first ministerial summit in the German capital last week, agreeing to general steps to avert global economic crises such as the Asian crisis sparked off in 1997, says IPS.

The group's finance ministers and central bank governors ended their inaugural meeting in Berlin after identifying four priority areas for immediate attention to help stave off a crisis erupting in emerging markets.

The G20 was set up at a meeting of the International Monetary Fund in September this year, after several groupings mushroomed in the wake of the Asian financial crisis, making it clear that emerging market economies needed to be included in discussions about the global financial system.

The G7 countries are — the United States, Japan, Germany, France, Italy, Great Britain and Canada. In the G20 they are joined by Argentina, Australia, Brazil, China, India, Indonesia, Mexico, Russia, Saudi Arabia, South Africa, South Korea and Turkey and representatives from the European Union.

The 13 new members make up only 22 per cent of the world's gross domestic product — compared with the G7's 65 per cent. But the emerging

economies represent 54 per cent of the world's six billion people, far more than the 12 per cent living in the seven richest countries.

European Central Bank Chairman Wim Duisenberg attended along with World Bank President James Wolfensohn and outgoing IMF Managing Director Michel Camdessus.

Officials from countries attending the meeting said signs of recovery in emerging markets did not reduce the need for preventive measures. "The Asian crisis is now behind us. But there could be another crisis around the corner," said Australian Treasury Secretary Peter Costello said.

Summers wants the IMF to move away from providing structural aid to emerging economies — which the US believes is better left to the World Bank, and instead use emergency short-term loans to avert crises like the Asian financial crisis sparked off by Thailand's evaluation in mid-1997 and widened by South Korea's devaluation a year later.

Summers said there had been "a number of cases" where countries had come to rely too much and for too long on IMF funds to keep their economies afloat, although he did not name the countries.

However, Canadian officials denied that the new forum was dominated by the G7. "It was not just the G7 talking," Canadian Finance Minister Paul Martin said, adding that other countries had also played a part in the talks.

Developing country finance ministers in particular mentioned the need for greater transparency and less volatility in the operations of highly leveraged investment institutions of the G7.

And there was disagreement on the abandoning of pegged exchange rates. Some countries including China and India, as well as some European countries objected to Summers' view that too much short-term borrowing was encouraged by the

pegged exchange rates.

The Canadian finance minister, who which holds the presidency of the G20 for the first two years said the work of the group would not tread on the toes of other bodies set up in the wake of the Asian crisis such as the Financial Stability Forum which includes financial regulators, finance ministries and central banks of the G7.

During the talks which began Wednesday evening and continued to Thursday, the G20 discussed financial regulation, exchange rate mechanisms and debt management topics which are neither new nor uncontroversial.

Indeed finance ministers from several countries said in advance that expectations in terms of concrete decisions should not be set too high.

Ministers from both industrialised and developing countries were keen to show a harmonious atmosphere, after the bitter break up of World Trade Organisation (WTO) talks in Seattle.

But Martin insisted in response to journalists' questions that the G20 was "not just another talking shop."

Delegates also agreed the new group should pinpoint the reasons why economies suddenly turn sour, as they have recently in Mexico, South East Asia, Russia and Brazil.

Brazil opens \$70m Catholic theme park

APARECIDA DO NORTE, Brazil, Dec 25: A town that was built on miracles now is expecting another — a tourism bonanza, says AP.

Brazilian and Italian entrepreneurs just inaugurated the country's first religious theme park, a \$70 million (reals 130 million) venture linked to the shrine of Brazil's patron saint, Nossa Senhora Aparecida, Portuguese for Our Revealed.

The Aparecida Magic, Cultural, Religious and Recreational Park is aimed at the pilgrims who flock each weekend to this town on the Pariba River, 250 miles (400 km) west of Rio de Janeiro. From thrill rides to a computer-controlled moving Nativity, the park promises something for everyone.

Tickets prices for the park, which opened Dec 12, are a modest 12.5 reals, or about \$6.50.

A giant cross-shaped mall of 700 shops offers all kind of religious objects, from bibles to Spanish and Italian porcelain figurines. The paved parking lot can hold up to 4,000 buses and 6,000 cars, and is listed by the Guinness Book of Records as the world's largest.

There's even a McDonalds. The young pilgrims especially were happy with this, says Helene dos Santos, an attendant. "For many it was the first hamburger they ever ate."

Backed by the park Inn group of Italy and Brazil's Banco do Brasil pension fund, the park seems a sure winner in a country where 80 per cent of the 165 million people are declared Catholics.

The Church is not part of its whatsoever. But we consider it one more cultural and entertainment option for pilgrims," says Nicoli, the basilica administrator.

The timing also is good. A 37 per cent devaluation of Brazil's currency since January has reduced travel abroad and made domestic tourism a better deal. Instead of heading for Disneyland, more Brazilians today are going to the local Wet 'n Wild Parks or to Beto Carrero World in southern Santa Catarina state, built by Brazil's version of Roy Rogers and billed as the world's fifth-largest theme park.

The black statue today is housed in a monumental basilica, second in size only to St Peter's in Rome, and Aparecida has become the second most-visited shrine in the world after the Guadalupe Shrine in Mexico.

"By the end of the year, the number of visitors may reach eight million," says the basilica's administrator, Rev. Darel Jose Nicoli. "That's one million more than in 1998, which already was a record. And in 2000 we may welcome 10 million. I doubt any other sanctuary can bring in so many."

Now, Aparecida is offering something extra. When worshippers finish praying, they can jump on a small diesel-powered train that whisks them to the park.

In five minutes, the train arrives at the Miniature World. Here, visitors can tour 98 models of wonders from 31 countries, including the leaning tower of Pisa, the Arch of Triumph, the Jefferson Memorial, Independence Hall, Canada's Parliament Building, Stonehenge, Egypt's Pyramids, and Machu Picchu.

"For kids, it's a great out-of-school lesson. They simply love it," says grade school teacher Santos.

Other parks are in the works, among them reportedly projects by Steven Spielberg and Michael Jackson. In the past five years, a dozen parks have come to life with more than \$500 million (reals 925 million) in investments.

Still, the management is taking no chances.

"We are going after visitors," says marketing director Arnaldo Rebello. Trained teams go to schools and factories to explain what the park is about, and offer discounts for visiting groups so that when they come to the shrine, they also have the park in mind."



Passengers wait in line in front of a check-in counter at the Narita International Airport, suburb of Tokyo, Saturday. The number of Japanese travellers during the year-end and New Year holidays is expected to drop by 5.5 per cent for domestic destinations and 12.3 per cent for overseas trips, possibly as a result of work commitments relating to measures against the Y2K computer bug.

—AFP photo

Most LatAm airlines cancel flights on Dec 31, Jan 1

MONTEVIDEO, Dec 25: Weighted down by lackluster ticket sales and uncertainties stemming from the year 2000 computer problem, most Latin American airlines will sit out the arrival of the new millennium on the ground rather than in the friendly skies, airline officials reported, reining in.

It imposes looser listing requirements on companies than the traditional board and emphasizes transparency over finances, the officials said.

This will allow the entry of companies whose liabilities exceed their assets and which have been operating for less than a year.

The new market intends to start trading by the end of the year.

Most Chilean airlines have also rescheduled their flights to avoid being in the air as midnight strikes.

The last flight of 1999 will take off at 10:00 pm local time on New Year's Eve followed by a time-out that will continue until 8:00 am the next morning.

In Brazil, airlines have asked for cancellation of 168 out of 462 flights scheduled for New Year's Eve citing poor demand, according to the Brazilian Civil Aviation Ministry.

There is a possibility that no plane will take off in Brazil 15 minutes before and 15 minutes before and 15 minutes after the arrival of the millennium due to the fear of the Y2K bug.

The Y2K problem stems from some computers' inability to distinguish between the years 2000 and 1900, which experts say could lead to shutdowns of computers that help operate utilities, transportation systems and other services.

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