HE Caribbean is not being spared the drama-tic changes which have swept through political structures all over the world. Fears that new trading blocks in Europe and North America will marginalise the Caribbean economy have prompted regional leaders to develop their own plans for economic and political union.

The next concrete move in that direction will probably come in January, when reprethe four Windward Island countries ---Grenada, St. Vincent, St. Lucia and Dominica - meet in Grenada to approve a planned referendum aimed at ratifying plans for a federal political

Delegates to a regional constituent assembly representing all four countries held three meetings earlier in the year to prepare for the January talks. At the first they concluded that some form of political union was needed. At the second gathering, most indicated they wanted a federation rather than a unitary state. Last September, they finally got down to debating the distribution of powers under a new regional constitution.

Despite formal progress, many delegates worry that their citizens are still in the dark about the regional unity plans. Live broadcasts of the constituent assembly sessions helped educate some about the project. But there is widespread agreement among delegates more grassroots education is needed.

The move toward political unity has become a partisan issue on some of the Windward Islands. In St. Lucia, for ex-

Caribbean Leaders Debate Regional Unity Plans

Caribbean countries have been trying to come to terms with recent changes in the international economic environment. A growing realisation that the emerging economic blocs in Europe and North America might economically marginalise the Caribbean along with other developing regions has led to new attempts to strengthen regional co-operation. But as Gemini News Service reports, Caribbean governments will have to surmount many a hurdle to achieve that goal. by Nancy McGuire

ample, Prime Minister John Compton has said he intends to make unity plans an issue during that country's national election campaign, while his main opposition, the St. Lucia Labour Party, has stated it will campaign against the regional plan. The Labour Party says it prefers to work within the wider Caribbean Community (CARICOM). The St. Lucia election must be called before July 1992, but there has been growing speculation it will be called before year's end.

Many analysts and politicians view the unity of the Windwards, the seven-member Organisation of East Caribbean States (OECS) or even the wider Caribbean as an eventual necessity. They point to developments elsewhere in the world, particularly formation of a single European market by the end of 1992 and a free trade deal between Canada and the US which may soon include Mexico.

Such concerns have prompted CARICOM to set up a series of public forums organised by the West Indian

Commission, an independent entity established at the urging of Trinidadian Prime Minister A. N. R. Robinson.

Robinson has warned fellow leaders that changes in Eastern Europe, the Canada-US free trade agreement and European economic integration could threaten the Caribbean economy.

*Against this background of historic change and historic appraisal, he said, the Caribbean could be in danger of becoming a backwater, separated from the main current of human advance into the 21st Century.

in July 1990, the commis-

sion began touring the Caribbean. It is to issue a formal report to CARICOM in July 1992. Still, a heated tariff dispute among CARICOM members has shown that discussion of unity will be much easier than its actual implementation. The debate revolves around the so-called common external tariff, a measure designed to boost production within CARICOM countries. The tariff would impose a surcharge on

products imported into the region which compete with lo-

cally-produced goods. The initiative has run into trouble. Small CARICOM countrics with limited manufacturing sectors have sought exemptions or have simply failed to put it in place, arguing that it will favour the region's larger, more developed countries at their expense.

St. Lucia, for example, has refused to implement the tariff, which is expected to be an issue in the forthcoming election campaign. Prime Minister V. C. Bird in Antigua also argues that the proposal will hurt his country's economy. A deadline to implement the tartff has been extended several

Islands and all 13 CARICOM members face pressing problems which include faltering currencies, growing government debt, soaring taxes and inflation. Compounding these problems is a drop in the rate

The tariff debate - indeed

the whole unity debate - come

at a time when the Windward

CARICOM trade grew by 20 per cent in 1989 but by only seven per cent in 1990; the figure for 1991 is expected to

increasingly, government in the region seem to be looking to the harsh, market-oriented policies of the International Monetary Fund (IMF) for solutions. Many West Indians regard association with the IMF with trepidation, pointing to serious economic problems faced by Jamaica, Trinidad and Guyana -- which have all had long relationships with the

Jamaica still has a fundamental imbalance of payments after 14 years of IMF programmes. Moreover, privatisation of public utilities and services by governments which have adopted IMF measures has led to increases in the cost of living, job losses and social service cutbacks.

Despite that record. Barbados Prime Minister Erskine Sandiford, whose Democratic Labour Party was re-elected in January 1991, announced in September that his government was seeking \$58.1 million in loans from the IMF under an 18-month economic adjustment program.

In a nationwide broadcast he said the nation faced two al ternatives: higher taxes and an eight-per-cent salary cut for public workers or a devaluation of the Barbados dollar. Sandtford legislated a salary cut but this has not alleviated fears of a currency devaluation.

In Antigua too Prime Minister V. C. Bird, who must go to the polls by January 1992, has introduced ecoCaribbean: regional co-operation



nomic measures based on IMF polices, although his government has not formally sought

IMF assistance. Jamaica has liberalised its foreign exchange system, a move criticised by Dominica Prime Minister Mary Eugenia Charles, who says it is time CARICOM members began trading in local currencies rather than the US dollar.

In Grenada, meanwhile, the government the appointed a committee of academics. bankers and regional representatives to provide recom-

mendations on structural adjustment. And those recommendations are expected to be presented, for discussion, to the IMF.

One buffer Grenada and the six other countries of the OECS have in their favour is the East Caribbean dollar, which has fared well in relation to the US dollar, at least compared with other Caribbean currencies.

While a formal, full-fledged trading arrangement has cluded the Caribbean as a whole, some sectors in the re-

gion are seeking to co-operate in order to survive.

One such sector is tourism. Last September in Venezuela. the highly-motivated Caribbean Tourism Organisation (CTO) adopted a policy through which the region will market itself as a single destination in a three-year \$9-million program. The region's two main airlines have also joined forces, along with hotels throughout the area, to promote specialised travel packages and inter-regional tourism.

GEMINI NEWS

storm was brewing, and the foaming waves vehemently rocked a ship from the Yantai Salvaging

Her mission : to locate Maya-8, a Japanese ship which sunk in the Bohai Bay and determine its posture, damage, the configuration of the sea bottom and so on - all within 12 days.

Operators on board were frowning at the two-metre waves - it was the worst weather for an underwater

Three days later, they were all delighted men. A robot called Recon-IV plunged down 18 times at a depth of 60 metres and emerged with a lot of data including video pictures.

Standing 4.7 metres high and weighing 1,200 kilograms, the bulky machine is the darling of the Shenyang Robot Research and Development Centre (SRRDC) in northeast

comparable to their counterparts made in the United States while ours costs much lower," says Jiang Xinsong, director of the Shenyang Institute of Automation, which supervises the SRRDC.

Composed of over 10,000 separate parts, 90 per cent of which are locally made, the robot can dive 300 metres deep. It approaches underwater targets guided by a sonar and radar system. Its TV camera eye has a 13-metre-wide vision. And its multi-purpose arm can, for one thing, cut 25-

m steel cables. Since 1987 the SRRDC, located in northeast China, has turned out three Recon-IVs using technology from the American company, Perry Tritech Corporation. In September 1990, Xu said, the Perry Tritech checked the

Chinese Industry Starts Using Hi-tech Robotics

There are about 200 robots in China, not including the simple industrial manipulators. And 90 per cent of them are imported. by Jiang Min

Chinese Recon-IV and qualifled the Chinese robots to use the Corporation's trade mark for export. The US corporation then decided not to produce anymore underwater robots of the same type.

"We export a set of Recon-IV at the price of US\$300,000. while a Perry-made of the *Our Recon-IV robots are same type costs around US\$500,000." savs Fenglan, director of SRRDC's Underwater Robot

Engineering Department. A robot industry, however, is yet tot take form in China. According to you Yiping, a section chief in charge of robot development in the Ministry of Machinery Building and Electronics, there are about 200 robots in China, not including the simple industrial manipulators. And 90 per cent of them are imported.

Between 1986-1990, Mr You said, 'we developed six kinds of robots and all of them reached the mid-1980s' international level or better. Till 1995 we plan to turn out five more intelligent kinds of robots. This time the SRRDC is responsible for three of them, namely, the telerobot, untether underwater vehicle and

mobile-robot for hostile environment.

China started to develop robots in the early 1970s. Yet it was not until the mid-1980s that robotics research became a part of the national development strategy, when the country's 7th Five-Year Plan (1986-1990) set out to develop six kinds of robots. One of them and the most sophisticated — the underwater robot assigned to the

Shenyang Centre. The idea to establish the SRRDC was raised by Mr Jiang in 1982 and approved by the State Planning Commission in 1984. Completed in 1989, the 58-million-yuan (US\$5.1 miltion) complex covers an area of 70,000 square metres and consists of four research departments, 11 laboratories, an engineering department and a computer centre.

"It is the first of its kind in China," said Mr Jiang, who is also the leading scientist in automation in China, chairing the National Automation Expert Commission.

In the past few years, according to Mr Jiang, the SRRDC performed about 30 research projects, including

studies on industrial robots, robot vision system, robot path planning, natural language comprehension, and so on. "Some of the results have reached advanced international levels," he said.

of the region's trade growth:

China now has about 40 institutions engaged in developing robots, involving some, 1,000 scientists and technicians. Mr Jiang said the SRRDC leads others in intelligent robots. "Our current concern is about the so-called second-and third-generation robots, which have tactile and visual sensors and, to some extent, the ability to make judgement," he said.

Since it developed China's first underwater robot in 1985, the SRRDC has developed independently eight types of underwater robots.

All the three Recon-IV robots have made underwater missions in the South China Sea and Zhujiangkou offshore drilling area, and were involved in sea salvages and navy weapons tests.

"It rally pays to use our underwater robots," Mr Xu said. "A work week for a human diver at least costs 600,000 yuan (about US\$113,000). while a Recon-IV consumes only one-fifteenth of the cost, and it is safer, quicker and more reliable and can work round the clock." He said the three Recon-IVs have been yielding an annual profit of over 100 million yuan (about US\$19 million).

So far, the Shenyang Institute of Automation has exported two Recon-IVs via Perry Tritech. Another two will be delivered to the United States by the end of this year, Mr Xu said.

He is also optimistic about the domestic market.

- Depthnews Asia

THAT do Gurmukh Sing Sachdev, Kirit Shah. ▼ Gurstt Chansrichawla and Shivnathrai Bajaj have in common?

They are Indians doing profitable business in Thailand. Discuss India, and on is tempted to think of the widespread poverty in the world's second most populous country. It is in fact the world's tenth most industrialised country.

In Thailand, Indian businessmen are described as closet capitalists, because not too many people know who they are. Indeed, it is hard to distinguish between a nonresident Indian and a Thai Indian because many of them have adopted Thai names.

According to the Indian Ambassador in Bangkok, Vijay Verma, there are at least 20,000 Indian millionaires in Thailand and a few Indian billionaires, too. As one looks out of the Indian Embassy, he sees a cluster of buildings and apartments owned by Indians.

There are about 100,000 Indians in Thailand, which has a total population of 57 million. The first Indian migrants came about 100 years ago from Uttar Pradesh, Bihar and Punjab. The next major migration was in 1947 during India's partition.

The immigrants worked mainly as cattle breeders and dairy merchants, then gradually turned to the retail trade, mostly textiles.

Today there are people like Gurmuk Sing Sachdev, an arms manufacturer who specialises in supplying hardware to the That military. Then there is Gursit Chansrichawla who controls one of Thailand's 15 private banks, the Laem Thong Bank, which earned over 21 million bath (US\$820,000) in Or take Kirit Shah, 37, who

is a trader, shrimp farmer,

Indian Millionaires Make it Big in Thailand's Boom

They are described as closet capitalists, for not too many know who they are. But in Bangkok, there are at least 20,000 Indian millionaires and a few Indian billionaires, too. By Prakash Chandra.

manufacturer of rubber. chemicals, pharmaceuticals and steel. He also happens to be Thailand's biggest shipowner.

Mr Shah already has 10 medium-sized ships (totalling 160,000 dead weight tons) and plans to buy another 10 ships. The new acquisitions will cost his US\$50 million. But his trading volume in 1990, he says, was over US\$1 billion and the turnover of his manufacturing companies about a tenth of that.

He is worth US\$6 billion, by some estimates. But Mr Shah's business interests pale beside that of Shivnathrai Bajaj, 77. "I am the biggest Indian capitalist in Thailand," Mr Bajaj admits but would not give a figure of his own worth.

Like many Indian businessmen in Thailand, he is low-profile. Mr Bajaj sits before a simple desk in a small shop on Rajawongse Road - where he and older brother Kundanlal began a partnership firm in 1938, dealing in

His second so sits before another unimposing desk, and so do a couple of others. Not much there, it would seem. But Mr Bajaj is certainly one of the ten richest Indians in

He joined his brother's firm in 1938 where they imported textile from Japan. He split in 1958 and built up his own textile factory in 1968. He joined hands with Teiki, a well-known Japanese textile maker, and set up a polyester factory which was 49 per cent Japanese-owned. In just ten years, Mr Bajaj earned his first

Not content with textiles, Mr Bajaj launched his fifth factory, Usha Siam. It makes steel, in collaboration with an Indian firm, Usha Martin Black.

Now Mr Bajaj is in hotels. luxury apartments with swimming pools and mini-golf courses. His annual rent from just one building alone is about US\$2.2 million. He will open his 415-room Rembrandt Hotel next April. He also owns office complexes in Osaka, Singapore and Dubai.

"Many Indians have gone from textile trading into property in a big way and also in gems and jewellery," says Hassa Kanwani, president of the Thai-Indian Chamber of Commerce. But he says the That economy is dominated by the locals (including Chinese Thais), the Japanese and

Still, Indians are welcome

nonetheless by a country which constantly encourages foreign investment. And as former That Prime Minister Prem Tinsulanond put it, "Indians are good taxpayers."

Now the question is whether these Indians will also invest in India. Undoubtedly, there is some interest in the newly announced deregulated market. But there are still areas of doubt, for example, the bureaucratic delays which are so frustrating.

According to Mr Shah, the Indian who is Thailand's biggest shipowner, he had planned two shrimp farming projects for both Thailand and India. But while the Thai project is already in production for two years, the Indian venture will not start until three more years. "We are five years behind schedule," he says.

Most Indian businessmen are so cautious about New Delhi's over-regulated economy that they prefer to deal with Southeast Asian countries like Thailand. Malaysia and Singapore.

In Bangkok, they say, they do not have to seek help from a long list of government agencies once a project is cleared. All that an entrepreneur has to do is to go to the Board of Investment, which is a one-window clearance agency. And the clearance comes fast, within three months.

One interesting thing about Indian businessmen who have settled in Thailand is that it is difficult to tell who is a nonresident Indian and who is a a Thai. This is because most of the non-resident Indians have adopted Thai names, an essential requirement of Thai

ENSION is building between the two sides of a 16-year-old trade and aid pact between the European Community and its former colonies in Africa, the Caribbean and the Pacific.

The latest instalment to the deal, known as the fourth Lome Convention and signed a year and a half ago, has been in operation for only one month. Even before coming into force, it had a bumpy start due to a two-month delay caused by the failure of Belgium and Portugal to meet a ratification deadline.

Now two rows have broken out in Brussels, where the EC and the association representing countries in Africa, the Caribbean and the Pacific (ACP) both have their headquarters.

The battles bring into question the very spirit of the original Convention, which was first signed in the Togolese capital, Lome, in 1975 to develop aid and trade flows between the two groups. The original Lome pact was updated by new five-year treaties signed in 1979 and 1984. Lome Four is to last 10 years.

The first dispute over Lome Four surfaced in early October when the EC's Commissioner for Development, Manuel Marin, suffered a humiliating defeat over his proposal to turn a new leaf in EC/ACP re-

lations by cancelling old debts. The new Lome Convention provides for grants only, and Marin wanted the EC to forgive 1.5 billion Ecus in debts. (The Ecu, or European Currency

New Troubles Shake Foundations of Lome Deal

Unit, is the monetary unit used since 1979 for all EC business. One Ecu is worth about US\$ 1.20).

The debts in question had been accumulated by ACP countries under previous conventions in the form of special loans, capital lent for high-risk ventures and reimbursements

Some — notably Britain and Germany - argued that the proposal ran contrary to the debt strategy of world financial institutions such as the World Bank and the International Monetary Fund, and that the Commission should deal with each ACP case on its own merits. They were, as one

Disputes between the European Community and former colonies in Africa, the Caribbean and the Pacific are calling into question the very spirit of the Lome Convention, signed 16 years ago to develop trade and aid links between the two groups. As Gemini News Service reports, latest rows concerning debt cancellation and export subsidies have left some wondering whether the EC's new interest in Eastern Europe comes at the expense of developing world partners, by Hilary Clarke

under an agricultural export income stabilisation scheme called Stabex. Marin also supported requests to write off a further 1.5 billion Ecu in loans to ACP states, loans not yet due for repayment.

But in a rare show of unanimity, EC governments said they were only prepared to wipe out the 825 million Ecus owed under Stabex. The loans would still have to be repaid.

The EC governments offered many reasons for their rejection of Marin's proposals.

Commission official put it, "afraid to be seen giving prizes to bad pupils."

Other government, notably France, said that because the Lome Convention had been ratified by the EC countries individually, Marin's proposals should be a matter for each EC government to decide. The Commission suspects that by invoking this argument, some EC: countries were shying away from moves for which their individual governments could not later take individual credit.

Lome agreement under strain



A spokesman for Marin defended the proposals against the criticisms levelled by EC

member countries: "The money we are talking about only really exists on paper," he

said. 'The EC knows that it is unlikely to ever get the money back. It would have been a political gesture to show to the ACP countries that Community wants to see them get back on their feet."

The spokesman added: "Lome is more than just a financial instrument. We even hold joint annual parliamentary sessions so it is ridiculous to compare the EC's actions to those of the IMF."

At the meeting of EC finance ministers where the Marin proposal was rejected. aid of 2.5 billion Ecus was granted to the Soviet Union, fuelling fears among developing countries that the collapse of communism in Eastern Europe will leave Europe's Lome partners out in the cold.

However, more worrying to ACP countries than the failed debt-cancellation initiative has been a deadlock in negotiations over how much money the Community owes them for 1990 under the Stabex programme, set up to cushion ACP economies against fluctuations in commodity prices on the world market.

Under Stabex, the EC compensates ACP countries for lost earnings on more than 40 primary export products when world market prices are low, then claws back that money when the market picks up

But the EC says that only 384 million Ecus are left in its coffers for 1990 Stabex reim-

bursements - less than a third of the 1,241 million Ecus requested by ACP countries.

The ACP's Secretary General, Ghebray Berhane, in visibly angered by the dispute.

"Since Stabex was started 15 years ago, this is the first time that the EC will cover less than 50 per cent of our losses," he told journalists on October 12 after a meeting between EC and ACP countries collapsed in disarray.

"And this comes at a time when ACP states are going through unprecedented economic and social dislocation. Problems of debt, desta-

programmes and deteriorating terms of trade, and above all a collapse in commodity prices."

bilising structural adjustment

Raymond Charles, veteran ambassador of Mauritius to the EC, said:

"Our worst fears expressed in the past over the EC's preoccupation in Eastern Europe seem to be coming

Deals are being struck

with the old Communist countries outside the scope of contracted negotiations. While we appreciate the need for certain systems to be set up with Eastern Europe the EC doesn't seem to respond to our requests with the same kind of urgency." -- GEMINI NEWS