

# Advisors tell Miyazawa to allow guest workers, ministers oppose

TOKYO, Dec 26: Asians and other foreigners are flocking to Japan in search of jobs but the government is locked in a dilemma over who to admit, reports Reuters.

A government advisory panel gave Prime Minister Kiichi Miyazawa a controversial report this month, proposing that Japan liberalise its laws on admitting foreign workers.

It argues that Tokyo could reduce a worsening labour shortage, meet its international obligations better and regularise the situation of more than 100,000 illegal workers.

But several powerful ministries, including Labour, Construction and Justice, strongly oppose lifting the present ban on unskilled foreign workers.

They say it would lead to rising crime and the severe social problems caused by large-scale immigration in Germany, France and Britain.

In the first six months of this year, Japan caught and deported 12,265 illegal foreign workers 31.7 per cent above the same period in

1989, the last year for which comparable figures are available.

Immigration officers at Tokyo's main airport barred a record 16,600 people from entering in the first 10 months of this year, against the previous record of 9,700 for all of 1990.

The arrivals were seeking to enter as tourists but suspected of looking for work. Of this year's total, Thais and Iranians each accounted for 5,500, with the figure for Iranians three times higher than last year.

As one of its arguments, the Justice Ministry points to a record crime rate among foreigners. The National Police Agency (NPA) says 3,227 non-Japanese committed 4,814 crimes in the first nine months of this year, more than in all 1990.

The list included 21 murders, 34 robberies with violence and 21 rapes.

According to police records, Asians accounted for 30 per cent of crime committed by foreign nationals in the first nine months of 1991.

Chinese topped the list at 1,212.

In late November, customs officers at Narita Airport arrested three Iranians, two of them Iran air security guards, who arrived from Tehran with 3.4 kg of opium worth 27 million yen (208,000 dollar). It was the largest seizure in Japan.

In other recent incidents, two Southeast Asian men robbed a cab driver and set his taxi on fire, a South American was picked up with almost two kg of cocaine and three Chinese robbed a Chinese student of 630,000 yen (4,850 dollar).

Comparable figures for all crimes in the first nine months of the year were unavailable but between January and June 1991 police recorded a total of 783,845 criminal cases.

Although crimes committed by foreigners are only a fraction of the total, an NPA spokesman has said that combating crime by this group has now become a priority for his agency.

One government official

who declined to be named said the NPA was raising the issue now because while foreigners previously committed crimes mainly against other foreigners, now they were targeting Japanese.

He said the Justice Ministry and the NPA were publicising crimes by foreigners as part of their campaign to oppose the 'legalisation of unskilled foreign workers.'

Advocates of liberalisation also have a strong case. They say it would please Asian countries pressing Japan to admit their workers.

Thousands of people, they add, are now working without proper legal or medical protection creating an underclass outside the law.

The advisory panel stops short of opening the door completely to unskilled workers. It proposes a quota for the total number, that they stay for a maximum of two years, receive a minimum level of training and work under the same labour laws as Japanese once trained.

Iranians are the most conspicuous newcomers to Japan.

In January-September 1991 police charged 356 Iranians with crimes, a near four-fold increase over the same period in 1990.

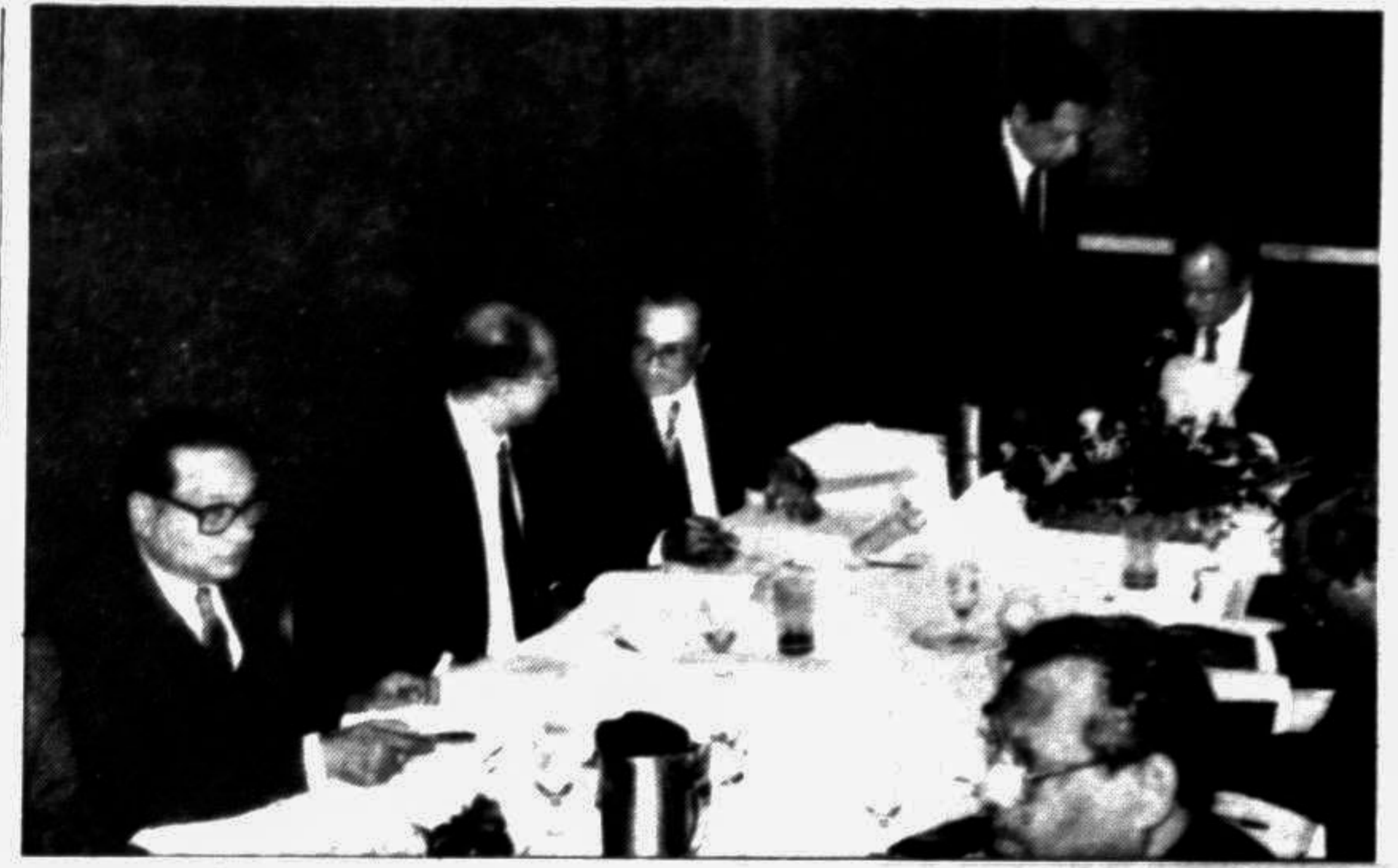
Saïde, one of hundreds of Iranian workers enjoying a day off at a Tokyo park, denied that foreign workers created serious problems and said Japanese media presented only negative images of Asians.

"This gives most Japanese a bad impression of us. We want to work for one year or two and earn money. We do not want to stay long-term," he said.

Jun Mohammad, one of Iran's top labour-brokers, said his minimum 1,000 dollar fee for arranging a job in Japan included a return air ticket. He receives about 40 phone calls a day at his Tehran office from Iranians wanting to work in Japan.

Jun Mohammad said all 150 people he sent to Japan had entered without a hitch.

"You need workers to do jobs Japanese will not do," he told a Japanese newspaper. "We provide excellent workers. You should welcome them."



The 13th annual general meeting of Hotels International Limited in progress at the Sonargaon Hotel on December 24. The meeting was presided over by Habibur Rahman, Additional Secretary in-charge, Ministry of Civil Aviation and Tourism & Chairman, Hotels International Limited — owner of Sonargaon Hotel.

## Habib Bank's move to buy BCCI branches

ISLAMABAD, Dec 26: Pakistan's state-run Habib Bank Ltd (HBL) has applied to buy the three branches of scandal-hit Bank of Credit and Commerce International (BCCI) in the country, a government source said, reports Reuter.

The liquidators are examining our proposal but no decision has yet been taken by them," the source said.

He said solicitors had applied to a London court for permission to sell the BCCI branches in Karachi, Lahore and Rawalpindi to Habib Bank and hoped a decision would be made after the Christmas holidays.

The source said Touche Ross, the BCCI liquidator appointed by the Bank of England, would need another 15 to 20 days to get a no-objection certificate from the court where actions against BCCI are pending.

"Technically BCCI branches will merge into HBL and all its account holders will become the account holders of HBL but these branches will maintain their separate identity as we want to provide the same high standard of service to the clients," the source said.

Tough Ross representatives visited Pakistan in November

for talks with officials of Habib Bank, which is keen to take over the BCCI operations before its own planned sale to the private sector.

Islamabad had last month offered Habib Bank and three other institutions for sale but bids were not encouraging. It now plans to float shares in the institutions on the stock exchange.

The amount bid for BCCI's Pakistani branches was not revealed. But Islamabad daily the Muslim reported on Wednesday that State Bank of Pakistan, which is supervising the deal, had offered liquidators 15 million dollar.

## Recession unlikely in Japan

TOKYO, Dec 26: Japan's economy is slowing down but is very unlikely to slip into a deep recession, the Economic Planning Agency (EPA) said in a report on Thursday, according to Reuter.

The agency said easier monetary policy from the latter in the world economy should prices and an expected recovery in the world economy is only heading towards a more sustainable rate of growth from high growth in the past," an EPA official said.

The report said the current economic slowdown was moderate and economic activity was still at high levels. However, more balanced macro-economic management was needed to stop business confidence weakening excessively.

The report said declining investment in buying and building houses and apartments played the biggest role in Japan's economic slowdown in 1991. The drop was due to the delayed impact of high interest rates in the past, it said.

Growth in personal consumption and corporate capital spending, the main engines of Japan's recent economic expansion, has been slowing but both are still firm, the report said.

The EPA expects personal consumption to prop up the overall economy as long as personal income continues to rise steadily. It said capital spending will grow more slowly after double-digit gains in the last three years.

# US scientists find clue to better understanding of ocean wealth

HONOLULU, Dec 26: Large undersea landslides and a huge sea floor lava flow off the Hawaiian Islands have been discovered by a seven-year mapping project that scientists say will lead to a greater understanding of America's ocean resources, reports AP.

The 35 million dollar project completed the first mapping of the entire 322-kilometer exclusive economic zone of the United States—the area extending around the nation's perimeter where only American interests can make use of ocean resources for economic benefit.

Scientists made several significant discoveries, mostly around the Hawaiian chain, but also along the East and West coasts and Alaska. The maps to be used in studies scientists hope will lead to more efficient and environmentally compatible uses of the ocean.

An underwater sonar system transmitted electronic pulses that were converted into mosaic images resembling satellite photographs. The photos are being used to make maps for inclusion in atlases that government, science and industry can use to better assess the ocean's resource potential.

"Before we can make intelligent decisions on how to use the ocean from an economic and environmental standpoint, we need to understand what's there," said Dave Cacchione, chief of the marine science branch of the US Geological Survey.

The maps provide that, said Colin Jacobs, a geologist with the Institute of Oceanographic Sciences, Deacon Laboratory, part of the Natural Environment Research Council in Britain.

"If you want to do some detailed work you need to have a road map to see where you're going," Jacobs said. "That's what we're doing, building a

road map."

The USGS, with the help of the British scientists, began work in 1984, after President Reagan ordered the mapping. The mapping was done with the GLORIA side-sonar system, developed in the 1960s. GLORIA stands for Geological Orog Range Inclined ASDIC. ASDIC is a British term for sonar first used in World War II.

The mapping, completed in late October after 50 cruises, discovered previously unknown features and looked at already-known topography, particularly around the Hawaii.

A sea floor lava flow hundreds of kilometers long was found 161 kilometers north of Oahu Island, where Honolulu is located. The flow isn't near the "hot spot" that spews the magma that formed—and continues to form—the island chain. Scientists next will try to learn how and when the flow originated.

One theory, Jacobs said, is that the weight of the islands is bending the Earth's crust, causing cracks that allow lava to escape from undersea volcanoes. The flow was discovered in 1987.

Scientists said the most significant work was the detailed mapping of huge undersea landslides, land that once was part of Oahu. The landslides were discovered previously but never had been mapped in detail, said Dave Clague, who supervised the mapping and now is scientist in chief at Hawaii Volcano Observatory.

"We would like to understand better when the landslides happened and how they happened so we can tell whether we have to worry about them," said Clague. "If one were to happen today, it would be a major disaster, a catastrophe."

Future projects will seek

answers to those questions, said Cacchione, who thinks most of the landslides occurred when volcanoes were active on Oahu millions of years ago. Parts of the island continue to fall off, but in very small amounts.

Smaller lava flows buried beneath 30 meters of sediment were found near Kauai Island and the Northwestern Hawaiian Islands. Scientists also discovered the Molokai Fracture Zone, a rift that stretches from California beneath the island chain and at least as far as Johnston Atoll, 1,336 kilometers south of Hawaii, Jacobs said.

The fracture zone may extend farther, but mapping of other Pacific islands has progressed only as for Johnston and Palmyra atolls. Future trips will map zones around Guam, Northern Mariana Islands, Marshall Islands, Palau and other central Pacific islands.

Other significant finds along both coasts, the Gulf of Mexico and Alaska include:

Deep undersea channels carved by turbidity currents that extend for hundreds of kilometers (miles) off the Atlantic Coast.

A string of dormant undersea volcanoes off California, Oregon and Washington.

A 1,609-kilometer-long 8-kilometer-deep trench that stretches along the Pacific Rim side of Alaska's Aleutian Islands.

Maps of these areas will allow submarines to navigate better, prevent cables from being laid in hazardous places, and help oil companies keep offshore rigs away from unstable locations. Many telecommunications cables become useless when they are damaged by strong currents or laid in deep trenches that block their signals.

The channels and trenches also are biologically abundant, Cacchione said.

The USGS already has produced atlases of the Atlantic Coast mapping work, and is completing atlases of the West Coast and Gulf of Mexico. It will be two to three years before maps of the Hawaii features are available.

### Sterling costlier in India

BOMBAY, Dec 26: The British currency has become costlier by another twenty six paise following a further downward revision of the rupee by 0.53 per cent in relation to the pounds sterling, as announced by the Reserve Bank of India RBI here Thursday, reports PTI.

The new middle rate now works out to Rs. 48.89 per sterling as selling and buying rates for spot delivery are 2,0404 and 2,0506 sterling per Rs. 100, corresponding to Rs. 49.01 and Rs. 48.77 per sterling respectively.

## \$ in Tokyo falls further

TOKYO, Dec 26: The US dollar fell for the fourth consecutive trading day Thursday, hitting a 14-month low against the Japanese yen, while Tokyo share prices edged up in thin trading, reports AP.

The dollar closed at 126.65 yen, down 0.35 yen from Wednesday's close and its lowest finish since 126.25 yen on Oct. 22, 1990. It now has fallen 2.05 yen in four trading days.

After opening at 126.70 yen, it ranged between 126.55 yen and 126.90 yen. Spot trading totalled 4.50 billion dollar, down from Wednesday's 5.12 billion.

Dealers said pessimism about the U.S. economy continued to depress the dollar.

Last Friday, the U.S. Federal Reserve Board cut its key lending rate from 4.5 per cent to 3.5 per cent in an attempt to stimulate the sagging economy.

Lower interest rates tend to make a nation's currencyless attractive to investors.

On the Tokyo Stock Exchange, the 225-issue Nikkei stock Average gained 93.90 points, or 0.42 per cent, closing at 22,555.07. The index, up by more than 300 points at one point in the afternoon session, fell back on profit-taking, traders said. On Wednesday, the average rose 796.64 points in its fourth biggest single-day gain of the year.

The Tokyo Stock Price Index of all issues listed on the first section rose 10.22 points, or 0.61 per cent, closing at 1,675.33. It had gained 37.27 points on Wednesday.

Thursday's first section volume was estimated at 200 million shares, down from 240 million Wednesday. Advancing issues outnumbered declines

608 to 370, with 179 unchanged.

Traders said the Nikkei was mainly supported by arbitrage buying, in which investors seek to profit from price gaps between the spot and futures markets.

"Because volume was so small, prices were easily affected by arbitrage deals," said Keiji Arai, an analyst with Sanyo Securities Co.

Last Friday's cut in the Key U.S. lending rate prompted expectations among Japanese market players that Japan's key rate also may be cut soon, and this supported buying, Arai added.

The benchmark No 129 10-year Japanese government bonds closed at 105.37 points, up from Wednesday's 104.98-point finish. Their yield fell to 5.450 per cent from 5.515 per cent.

## Business Briefs

### US failed to aid Gorbachev

The United States failed to give enough aid to Soviet President Mikhail Gorbachev despite pleas from France and Germany last July, French Finance Minister Pierre Berégovoy said Tuesday, reports Reuter from Paris.

Asked in a television interview about the level of US aid to the Soviet Union while Gorbachev was in control of the country, Berégovoy said: "What is certain is that America did not help the Soviet Union sufficiently."

President Francois Mitterrand and Chancellor Helmut Kohl also pleaded, particularly at the London summit, for aid to be given to Gorbachev more quickly.

### China exports more grain

China exported slightly more grain than it imported this year, an official from the country's most important trading company was quoted as saying Thursday by the China daily, reports AFP from Beijing.

"Imports and exports increased greatly over last year to reach three billion dollar," said an executive from China National Cereals, Oils and Foodstuffs Import and Export Corp.

Exports slightly outdid imports, he said, adding that China had boosted rice and corn exports while wheat imports rose.

### Thailand to export 4 lakh tons rice

With advance rice orders pouring into Thailand, the country is expected to export between 380,000 and 400,000 tons of rice per month over the next few months, Thai Rice Millers Association President Nipon Wongtrangan said here Tuesday, reports Xinhua from Bangkok.

Indonesia, which this year suffered successive natural disasters, has ordered 300,000 tons of Thai medium-grade rice, and is negotiating to buy an additional 300,000 tons, the Thai news agency reported.

### Vietnamese rice export continues

Vietnam exported rice for the third consecutive year in 1991 after many decades of shortages, the official Vietnam News Agency reported, according to AP from Bangkok.

The report said the country exported more than one million tons of food during the year. It was not clear how much of that was rice.

The news report, dated Wednesday and seen in Bangkok Thursday, said Vietnam produced 20 million tons of food in paddy equivalent in 1989 and exported 1.4 million tons of it. Production increased to 21.5 million tons in 1990, of which more than one million tons was exported.

# 1991: Hong Kong led recovery of Asian shares

TOKYO, Dec 26: Asian share prices in 1991 largely recovered from the previous year's losses, led by sharp gains in Hong Kong where a Sino-British accord on a future airport made it one of the world's best-performing bourses, reports AFP.

The surge in Hong Kong, where prices jumped more than two-thirds from the end of last year, was mirrored in most of the other major markets in the region. Share prices in Australia and Singapore rose by around a quarter while smaller gains of around 10 per cent were posted in Taiwan and Malaysia.

The big exception was Japan where prices fell almost 10 per cent as the economy slowed and corporate profits plunged. The South Korean market suffered a similar setback while share prices in Indonesia, one of the best-performing markets in 1990, tumbled more than two-thirds.

Japan: The market's malaise was accentuated by a series of scandals which dragged through the mud the names of many of the world's top stockbrokers and banks, prompting some overdue reforms in Japan's opaque securities laws.

The fall in Japanese share prices, on top of the previous year's collapse of almost 40 per cent, the steepest plunge since the war, was also accompanied by a sharp contraction in turnover on the Tokyo Stock Exchange.

But the volume decline was matched by an explosion in futures and options trading, leading to rumblings of "unfair" price manipulation and new requirements forcing brokers to disclose their arbitrage positions.

"Institutional investors in particular have turned increasingly to the derivative markets," New Japan Securities Research Institute said, not-

ing that futures and options trading was eight times trading in actual stocks in August.

But the institute also noted that the ratio of stocks changing hands to the number of shares listed had since fallen below 30 per cent, a 35-year low and similar to low points in 1975 and in 1982 after previous stock market slumps.

"These precedents show that the bottom comes a year or two following a big historic plunge in the market," it said, adding that the long-awaited recovery in Japanese stock prices may now be just around the corner.

Australia: Share prices leapt 23 per cent although mining stocks were coming under pressure as the year drew to a close market following Japan's success in securing lower prices for imports of Australian iron ore and coal.

News of a 50 per cent decline in the half year earnings of oil and mining giant Broken Hill Proprietary Ltd. Exerted further pressure on the sector ahead of the Christmas recess although Paul Keating's replacement of Bob Hawke as Prime Minister had little impact on the market.

The lifting of almost 30 per cent of the government owned Commonwealth Bank of Australia one of the country's four biggest banks proved to be a major highlight of the year with the stock rising 40 per cent from its issue price.

Hong Kong: A 37 per cent surge in share prices helped the British colony's bourse to overtake South Korea and Taiwan to become the region's third biggest exchange in terms of market capitalisation.

The boom started in July when China and Britain reached agreement on a mammoth airport project, propelling the Hang Seng Index to a series of all time highs, peaking at 4,271.34 points on November 15.

The government tightened controls after an ethics scandal erupted in May when the exchange's ruling council approved a controversial resolution allowing members to accept allotments of preference shares. Six former officials of the exchange meanwhile went to trial in October on corruption charges.

In December the exchange allowed Jardine Matheson to switch from a primary to a secondary listing putting an end to a year long dispute in which the colonial trading house threatened to delist its shares.

Taiwan: Prices rebounded 12 per cent after tumbling more than 50 per cent in 1990 although volume was halved to an average of 1.5 billion dollar a day and prices generally moved in a narrow range. It's very boring to research tight fluctuations in share prices, said an analyst at Pacific Securities Co. Ltd.

Seventeen foreign institutions invested some 670 million dollar in local stocks after restrictions were lifted in January. Taiwan also had its share of scandals authorities raided in a major crackdown on under the table trading and index-linked gambling.

South Korea: An export slowdown, rising inflation and high interest rates helped to depress stock prices by 10 per cent although analysts predict a modest improvement in the coming year.

Malaysia: Share prices rose 10 per cent and 31 companies were added to the main board of the Kuala Lumpur Stock Exchange, boosting the number of listed companies to 323 some two years after a split with Singapore.

But rising interest rates, concern about the country's current account deficit and global economic uncertainties are clouding the market's outlook.

Investors should be defensive and selective in their investments in view of these uncertainties," said KN Kenang Senior Research Manager Lum Min Jang.

Singapore: Prices climbed 24 per cent although Barclays de Zoete Wedd (Asia) Ltd, a unit of Britain's Barclays Bank, reckons they are still "substantially underpriced" offering excellent value to longer-term investors.

The Stock Exchange of Singapore censored trading company United Industrial Corp, during the year for failing to disclose fully a major transfer of shares to an Indonesian group. The exchange also announced new regulations in December requiring companies to disclose details of their directors and senior managers.

India: The Bombay Stock Exchange's main index soared more than 80 per cent as the new government initiated the most radical economic policy changes since independence in 1947. Foreign investors were allowed to hold controlling stakes in Indian companies, almost all areas of the economy were opened to the private sector and steps to privatise the mammoth public sector were taken.

Will the boom last? "The effects of the current restructuring will become visible in the coming months and that might not be something that the bulls are really looking forward to," warned Bombay broker Vallabh Bhasani.

Thailand: Share prices rose 14 per cent despite political uncertainties and declining corporate profitability. The Stock Exchange of Thailand companies from selling shares in their company for up to 12 months.

A securities and exchange commission bill was meanwhile submitted to parliament. The bill, designed to protect

investors and paving the way for futures trading, is expected to become law in the new year.

Philippines: Prices surged almost 80 per cent, recovering swiftly from unfavourable developments such as the eruption on Mount Pinatubo in June, the rejection of a US bases treaty in September and several devastating typhoons.

The listing of 96 million shares in real estate giant Ayala Land was the year's main new offering. The long-delayed prospect of unifying the Manila and Makati stock exchanges meanwhile remains remote.

New Zealand: Stock prices advanced 20 per cent despite a continued recession. Improved investor confidence enabled a surge of new issues including the float of the former government telecommunications concern privatised two years ago.

Market support faded towards the end of the year, however, amid signs that the recession will last longer than expected. "Equities have been waiting to go up but they lack the encouragement needed from the domestic economy," said Don Turkington, a partner in Cavill White Securities.

Indonesia: Prices plunged 70 per cent ahead of the privatisation of the Jakarta Stock Exchange. BAPEPAM, the capital market executive agency, imposed new capital requirements on brokerages, cutting their numbers from 283 to 175.

"The public's bad perception of the market could only be changed by concrete actions on the part of BAPEPAM to carry out stronger law enforcement," economist Kwik Kian Gie said.

Pakistan: The Karachi Stock Exchange experienced a boom with the main index doubling over the year, boosted by government privatisation policies and the opening of the market to foreign investors in

February.

Some 50 new companies were listed during the year, helping to treble market capitalisation to six billion dollars.

Sri Lanka: Prices soared almost 60 per cent and several new issues came to the market as the government continued its ambitious privatisation programme.

Hong Kong investment funds were active and the year's largest deal took place in December when Hong Kong's Asia Investment Management Services acquired 51 per cent of the Colombo Oberoi Hotel operator for 15 million dollars.

China: The new market in Shenzhen and Shanghai seem to be popular one issue in Shanghai turned into a fiasco as thousands raced to buy shares, snarling traffic and forcing police to restore order. Similar scenes took place in Shenzhen, prompting the adoption of a lottery system.

The Shenzhen market is now capitalised at more than one billion dollars with the exchange's index up 1.1 per cent since its launch. The Shanghai Exchange, about a third of the size, has seen its index soar 180 per cent.

Other markets: The tiny Dhaka Stock Exchange hopes trading will pick up if the Bangladesh government's privatisation programme succeeds, while the Nepal Securities Exchange is considering its own liberalisation steps.

Vietnam is meanwhile planning to issue shares in regional state-owned companies in the coming year although an actual exchange looks a long way off.

If successful, officials say, such issues could be expanded to other firms, generally in light industry, although strategic sectors such as steel are expected to remain under state control.