=Feature

Banking and Finance

Japan Concedes Long Boom is Over

TOKYO- Now it is official: The time has come to say say onara to Japan's supercharged economic growth of the late

In its annual forecast, the government's Economic Planning Agency projected that Japan's economic growth rate will slow to 3.8 per cent in the fiscal year starting April 1. after four straight years in which growth has been above or close to 5 per cent.

Many forecasters are more pessimistic. A number of private economists believe that the Japanese economy, which is currently growing at about à 5.5 per cent pace, will decelerate to a growth rate of about 3 per cent in fiscal 1991.

But whatever the precise amounts, Japan's economy is clearly on the verge of weakening as high interest rates, a bank-lending squeeze and this year's stock-market plunge take their toll. Government projection puts officialdom's stamp on that widespread ex-

THILE the rest of the

world and the top

people in Zimbabwe

are preoccupied with the Gulf

crisis, the average person in

Bulawayo, second city of the

country, is more worried about

how to survive, not because of

the war -but because of

duced on January 15, limiting

families to 600 litres a day.

Six days later there was no

beef. The sole supplier in ur-

ban areas, the Cold Storage

Commission, cut allocations to

40 per cent, had no beef for

several days, and then re-

sumed 40 per cent supplies on

and beef are baffling. The city

council said the dams had only

92 million cubic metres - just

enough to last till February

1992. Yet it is the middle of

the rainy season and in the

past few days, although falls

have been reasonable, water

to claim that the council in-

troduced rationing not because

there was not enough in the

supply dams, but because it

does not have the pumping ca-

The city can or 's supply

This has prompted sceptics

rationing goes on.

154,000 cubic met

Although consum;

pacity.

The shortages of both water

January 28.

Water rationing was intro-

conditions here at home.

Until now, Japan's recent economic performance has been spectacular. Corporations have increased their spending for plant and equipment at double-digit rates for three straight years. Jobs are so plentiful that during the current Christmas season, de partment stores have experienced difficulty hiring enough part-time workers to workers and deliver presents.

But during the past year Japan's financial environment has undergone a fundamental change. The easy-money days of the late 1980s are gone.

Since mid-1989, interest rates have risen by between two and four percentage points. The stock market has fallen by about 40 per cent the year. Japan's mighty banks. shaken by stock-market losses and worried about softening real estate prices, have consed shoveling out loans as the once did and are serution g prospective borrowers and

The result: Signs of an imminent slowdown are emerg ing. Companies are trimming their sails—a recent survey by the Ministry of International Trade and Industry showed that businesses are planning to increase capital spending by just 25 per cent next year. Corporate profits edged lower in the six months ended Sept

happened since 1986. Hankrupicies started rising this autumn, after declining for years. On Nov. 27, Japan's third-largest bankruptcy in history occurred when Kyowa Co., which had borrowed about \$1.5 billion to speculate in property filed for court protection in a 1's creditors.

30, the first time that has

For the slowdown thay prove beneficial Indeed. many policy-makers and private economists contend that the economy ought to be seed of the excesses of the . 19F s. when stocks and land

prices soured. The Bank of Japan has deliberately sought to cool the economy to below a per cent growth rate by driving up interest rates, to prevent a rekindling of infla-

The impact on the United States and the rest of the world is unlikely to be nearly so favorable.

The United States in par

ticular has depended on a steady stream of Japanese capital to help sustain growth. Now not only are dapanese banks much less wiling to expand in the American market. but other sources of Japanese capital, such as life insurance companies, are pulling back from overseas investment. bringing their money back to Japan to earn high interest rates. Recently released government figures show that Japanese investors were net sellers of foreign boulds to the

The charges underway in the Japanese economy mean

that "it is just going to be a lot harder for the U.S. to raise money form Japan," said Robert Feldman, an economist at Salomon Brothers's Tokyo office. That, in turn, means that any U.S. recession will be "all the longer." Mr. Feldman

The outcome for both Japan and other countries could, of course, be significantly worse. Some analysts fear that the Japanese economy could be destined for a crash rather than a mere slowdown.

The danger most often cited is the possibility that land prices could plunge as steeply as stock prices did and that this would cause serious problems-perhaps even failures—at major banks that have lent heavily using real estate as collateral.

Top Japanese officials dis miss such secuarios as remote. saving the more likely outcome is a gradual decline in real estate prices of perhaps 20 per

Mystery of the Disappearing Beef

Zimbabweans in the south are suffering from rationing of water and beef. The disappearance of both is something of a mystery. It is the middle of the rainy season and falls have been reasonable. And only recently butchers had plenty of beef to sell. The Cold Storage Commission blames low slaughter bookings caused by stiffer competition from private abattoirs. As for water, reports Gemini News Service, the local council says the supply dams are running low. By Charles Rukuni

ages 102,000, it has gone up to 180,000 in hotter months, putting the city on the verge of

supplying raw water. As for beef, only in October the Cold Storage Commission had a surplus and was giving butchers 105 per cent of their needs. The country was concentrating on local supplies because from June 1989 exports to the European Community had been banned after an outbreak of foot-and-mouth

The ban was lifted last November and by the beginning of December supplies to local butchers had been cut by 30 per cent. In early January another 30 per cent cut was imposed. The cut became 100 per cent on January 21.

The Commission says exports stopped in December and the shortage has nothing to do with sales abroad. The problem, it says, is due to low slaughter bookings which dropped from 18,200 in December to 9,844 in January. To meet local demand and remain viable the Commission has to slaughter 33,000-40,000.

It complains of stiff competition from private abattors which can buy eattle at higher prices as they normally have their own butchery outlets and can therefore still sell the meat at a profit.

The Commission, on the other hand, has to buy beef and sell it at wholesale prices to

outlets that include butcheries owned by private abattoirs. To case the problem the Commis sion has let butchers bring in their own cattle for slaughter

at Commission abattoirs

throughout the country.

it charges these butchers a lee of \$245 a beast and in ad dition keeps the skin, offal head, hooves and tail. Most butchers operating in highdensity suburbs where the ur ban poor stay have said they cannot afford this service strice their clients can afford only cheaper cuts like offal and the head. The move therefore helps only the well-to-do.

The cheapest cuts, ration meat, which sells for \$24.50 and offals, which are much cheaper are now hardly avail able. More expensive cuts like fillet which . If for \$210 kg are widely available, but ordinary people can only gape at the meat

They can spare 822 or 823 for meat a day. With ration meat this would mean at least half a kilo and guarantee at least a small piece for each member of the family. With meat at \$2110 this is reduced to nothing. The butcher will not even bother to cut it.

When families cannot afford criough beef they usually supplement it with vegetables grown in their backyard garden. Now water rationing makes it difficult to grow things. Execeding the limit costs 825 a kilolitre which most cannot afford.

For the Storage Commission the alternative is to increase the producer price of beef to lure farmers to sell their cattle to the Compussion. While this will inevitably bring more beef on to the market, it will still benefit only the better off. GEMINI NEWS

Exchange rate : \$1 = \$2

About the Author: CHARLES RUKUNI is the former Haraneditor of Moto, a Zimbabwean weekly and is now deputy news editor of the Bulaway Chronicle.

Junta Propped up by Thai and Chinese Trade

in Myanmar (formerly international community after muzzling the voices of discontent against its rule by putting pro-democracy leaders

The West has already expressed its displeasure with the junta's refusal to hand power to the duly elected civilian government, lift martial law or release political prisoners. As a result, the country could face UN

Some analysts believe that unless China and Thailand interpations endorse sanctions and rigidly no attempt a smell " "Fillian " Her is he.

many seems de Charles Cittleto Admise support nesters an the our roat of the reality and the time and Orner Pesturature renneral

Franc between China and Mysternal across their 700-Biometic land border is gon or anively estimated at 91 bill is a year Thaffand "ar other And block market trade with Measures of nearly st bill on

liv contrast? Myanmat s trade with developed nations. including the US, accounts for only 8 per cent of its exports. Direct trade with the US is pegged at \$17 million a year and trade with the European community is at_roughly the same level.

And that is the principal reason Myanmar has been able to creak along, despite a ban on bilateral trade imposed by most western hallons and Japan in 1988 That was the year the army killed more than 3,500 unarmed pro democracy demonstrators in Rangoon (now Yangon).

General elections in May that overwhelmingly elected the opposition civilian party have not been recognised by the junta, and opposition leaders have been thrown to jail or put under house arrest.

in the two years since the Yangon shootings. Myanmar's economy has been operating at such a low level that it can survive international sanctions so long as trade goes on with China and Thailand.

The cash-strapped government has also been bending its nationalist policies to bring in foreign exchange. The 1988 decision to allow per cent foreign ownership in some firms scens to have paid off.

Foreign reserves in Myanmar stood at only \$10 million in 1988, just enough for a month's imports. Today they are estimated to be about \$560 million, despite the drying up of international aid

The government decision to

China exports a wide range of products to Myanmar. including beer, bicycles, petrol and heavy machinery. Myanmar pays for these commodities with timber, jade and genge Unofficial sources add optute to this list.

By throwing open the country's world-famous teak forests to That companies the SLORC has shown how far it is willing to go to secure foreign

Since logging is banned in thatland due to the devastation of its forests, Theiland's 400 major furniture

Myanmar - the country the world used to know as Burma - has been unpopular with the international community since the shooting of hundreds of prodemocracy protesters in 1988. This year the ruling military junta has rufused to recognise o duly-elected civilian government, tossing opposition leaders in Jail But, as Gemini News Service reports, attempts at sanctions to push Myanmar toward democratic reform are likely to fail without the support of China and Thailand, the country's main trading partners.

by A. J. SINGH

allow foreign investors to exploit the country's vast of reserves lestimated at three billion barrels), timber and other natural resources has stepped up foreign reserves.

Signature bonuses from oil exploration companies brought the SLORC \$50 million last year. Last April, Petronas of Malaysia took a 15 per cent stake in a project run by Identitsu of Japan in Burma PTT Exploration and Production, a Thai government orporation, has a 10 per cent stake in a concession run by US owned Ungcol and Petro Carricles Other deals include a \$3

million bottling venture in Yangon by the US giant Coca-Cola, renovations to Yangon's historic Strand Hotel and two other inns by an overseas company and an influx Singaporean retail firms specialising in electronics.

The latest contracts are with Thai firms interested in setting up a brewery and distillery, gem-cutting, and polishing factory and tin

exporters are how completely dependent on Myanmar forests. The lumiture dealers export goods worth 880 million a year to the US alone.

Government cash for natural-resources deals are having the expected result overfishing and indiscriminate stripping of forests. Few in Myanmar dare criticise the SLORC-that is left to the foreign press and Burmese expatriots. -

The key to bringing about change in Myst near through foreign pressure lies in the hands of China and Thatland and few expect either country would support international

China's at add toward democratic protest is well known. The SCORC is also China's best arms customer in Southeast Asia, furthering even for heavy and suphisticated wenpons GEMINI NEWS

About the Author : " A. J. SINGII is a free lance Journalist based in Dharmsala, northern India, who specialises on Myanmar (Burma), Bhutan and India's northern states.

Sabah govt to impose ML on liberated Kuwait

CAIRO, Feb 13 : Kuwait's extled government on Monday. ruled out recalling its parlia ment dissolved by the Emir in 1986 and said early elections would be impossible in a liberated Kuwait.

Opposition leaders said they would soon form a broad coalition to demand the constitution's immediate implementation and the leturn of the parliament ones Iraqi forces are driven out of Kuwait.

"We are entering a country torn and destroyed by aggression in which everything has been burnt," exiled Information Minister Badr Jassim Al-Yaqoub told Reuter in a telephone interview from Taif. Saudi Arabia.

He said the elections could not be held immediately and a period of Martial Law might be needed first but the government would adhere to Kuwait's 1962 constitution guaranteeing democracy.

"(The timing of elections) is up to the political leadership

according to the circumstances," Yaqoub said. "I believe that in these circumstances all efforts should be combined to liberate Kuwait.

Kuwaiti pro-democracy ac tivities declared a truce in their long struggle with Kuwait's ruling Al-Sabah family after Iraq's invasion of the Emirate, saying that all efforts must be focused on getting the Iragis out.

Breaking their silence, they told Reuter they were forming a new 60-member forum, the national constitutional front, to fight to restore democracy.

The opposition wants the government to recall the last parliament, elected in 1985. as soon as Iraqi forces are ex-

The activists, who led thousands of Kuwaitis on to the streets a year ago to demand democracy, accused the govcrnment of monopolising power at a time when most Kuwaitis wanted a greater say in their country's affairs.

"It seems the Sabah family has withdrawn it's intention of

implementing the constitution when it returns to Kuwait." said Ahmed Al-Khatib, a lead ing opposition leader and a member of the country's dissolved parliament. Kuwaiti pro-democracy activists last week walked out in

government to help min their country when it is liberated. The committees were agreed in October at reconciliation talks between government and opposition in Jed

protest from at least two of

four committees set up by the

dah, Saudi Arabia. "They wanted the Jeddah meeting only for a show of allegiance, not to share power, Khatib said.

The activists said the government had stalled on setting up the committees - the first meetings came only on January 7 -- and then refused to coopcrate with them.

"Absolutely no information was submitted to the commitces. It was impossible for them to continue their work. said former Speaker of the parliament Ahmed Saadonn.

Time not right for solution to war: Li Peng

BEIJING, Feb 13 : China's Premier Li Peng believes the time is not yet right for a peaceful solution to the Gulf war, but he welcomes the efforts towards peace not being made, reports Reuter.

"Li said that because of the differing attitudes of countries involved in the war, the time is not right for acquiring a peaceful settlement to the Gulf crisis." the official New China news agency reported late on Tuesday.

"At a time when the war is on the verge of expansion and escalation. China welcomes the calls for peace and mediations which are being made by an increasing number of countries and international organisation," the agency quoted Li as telling a visitor from the Palestine Liberation Organisation (PLO).

The agency said Li believed continuing effort "might create conditions resulting in a peaceful solution to the crisis. China sent on Monday a Vice Foreign Minister as a special envoy to Syria, Turkey. Yugoslavia and Iran to try to find a peaceful solution to the Gulf conflict.

Iraq yet to use deadly arms

WASHINGTON, Feb The Scud is not the unity in intouched and caused three deadly missile in Saddam Hussein's arsenal. The Iraqi president has yet to introduce his French-made Exocet missile, which nearly sank a US warship four year ago.

reports AP. He also has Chinese made Silkworm missiles.

Military experts say both the Exocet and the Silkworm have been grounded so far in the Gulf war by US and allied control of the air over Iraq and Kuwait. But Allied forces should expect to see the missiles at some point.

"We assume they have a fairly good supply and they will attempt to use them during the conflict." Col. Ralph Cossa of the National Defence University said on Tuesday. "They need to get at least a moral victory."

Like the Scuds that have terrified the people of Israel and Saudi Arabia, the Exocets Silkworms and surface to air Rolands are overmatched by US defence systems and have limited military capabilities. The US-made Patriot anti-

missile rocket has compiled a good record in downing Scuds. despite Tuesday night's failure heart-attack deaths and 96 injuries near Tel Aviv. Analysts don't know how

in Israel, when a missile sailed

many Exocets Iraq possesses. but it could easily number more than 100. The French arms contractor Acrospatiale sold more than 2,000 of them worldwide after the air-to-ship AM-39 version was put in production in 1980, and Iraq has been one of its best customers.

The Exocet became a darling of the international arms market after Argentina used it to sink the British frigate Sheffield and cripple other shipping in the 1982 Falklands War.

The 636-kg missile. delivered from jet fighters. flies by radar 2 to 1-2 metres above the surface of the sea, is difficult to detect and is extremely accurate. It is designed to hit the operations room, or nerve centre, in the side of a ship.

Exoects were used extensively against Iranian shipping the 1980-88 Iran-Iraq war. In May 1987 and Iraqi F-1 Mirage jet mistakenly fired an Exocet into the side of the guided-missile frigate USS

Stark in the Gulf, killing 37 The Stark, not expecting an

attack and with its radar system on "remote automatic." failed to get off a single round at the Exocet. This time. however, the US side will be better prepared. Cossa said the military has a three-layered defence against

Exocets and Silkworms: Aircraft, ship-based missiles and ship-based guns. So far, the lragi air force has not challenged US air

superiority, but no one is discounting the possibility the Iraqis will one day bring their war-planes out of the bunkers and go on the attack. "I don't think the Iragis are kamikazes." Cossa said.

referring to Japanese suicide missions against the Allied forces in World War II. "But they are willing to take what they assume will be heavy losses" to inflict damage on allied positions and the US fleet in the Gulf region.

He said their tactic in the Iran-Iraq war was "to fire at maximum range and hope it hits something."

If they get past the AWACS reconnaissance planes and Navy F-14 Hornets, Iraqi

missile carriers would be immediately picked up by Acgis radar systems of US

The Exocet has a range of only 56 km, well within the 80-km, radius covered by the Aegis. "They can't get within range of us and he (Saddam Hussein) can't do a damn thing about it," said one Navy officer. speaking on condition of anonymity.

As a third line of defence. US warships have the Phalanx system, consisting of radarcontrolled 20mm Gatling guns designed to hurl 3,000 rounds a minute at incoming missiles.

An Exocet, with its 164-kg warhead, would cause minimal damage to a battleship protected by 16-inch armour. The Silkworm, with a 80-km range and a warhead three times as large. is more dangerous, but it flies at a slower speed and is less accurate than the Exocet.

Among other missiles in Iraq's armoury in the FROG-7 (Free Rocket Over Ground). "baby Scud" with a range of 72 km. Cossa said the unguided missile, which dates back to the 1950s, works like a slingshot" and is mainly a harassment weapon:

NAM will send peace missions to US, Iraq

BELGRADE, Feb 13: The Non aligned Movement (NAM) has said it will send missions to Iraq and the United States to explore ways of ending the

The Foreign Ministers of 15

Non-Aligned countries agreed

Gulf war, reports Reuter.

to undertake the peace initiative at talks in Belgrade on Tuesday. The countries Represented included Yugoslavia, the eurrent Chairman of the 102 member NAM, Iran, Algeria and Egypt, which are key players in the Middle East, and

member of the movement. Delegates of the Palestine Liberation organisation (PLO). which is widely seen as close to Iraq. also attended the

India, an influential senior

meeting. The Foreign Ministers said a three or four-member peace team would leave for Baghdad within days and envoys would be dispatched to Washington afterwards. But they did not come up with a formal peace plan to put forward.

"It is possible that through dialogue in Baghdad... solution will be found," Yugoslav Foreign Minister

Budimir Loncar told a news conference:

"Our goal is overcoming the deadlock through a subtle well-conceived dialogue which will begin in Baghdad and move to Washington and end in the Middle East and finally be formalised in the U.N. Security Council," he added.

"The NAM represents

be allied to any superpower. It includes Iraq and Kuwaii. which Iraqi forces invaded on August 2, but neither country attended the talks in Belgrade. Delegates said they has agreed that Iraq's invasion of

Kuwait was the root cause of

countries which do not want to

the Gulf war. Some NAM member state also criticised the United States, which leads the allied forces fighting to evict Iraqi forces from Kuwait.

Officials at the Belgrade

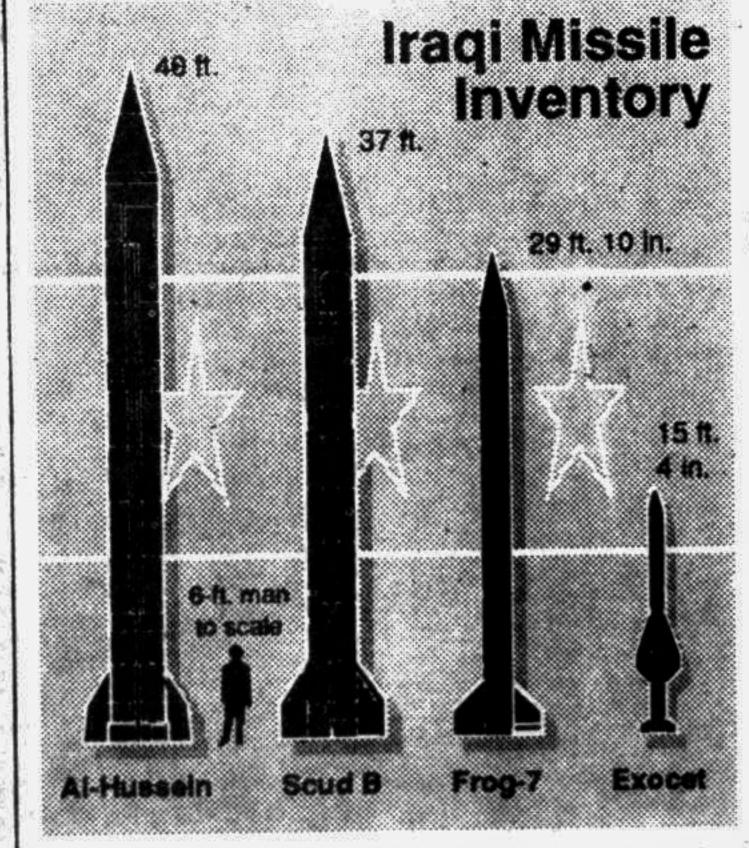
meeting said they would strive

for peace even if the chances

of success were slim. It was a

time for action, not declaration of peace plans, they said. "The situation is dramatic and does not tolerate papers. appeals or words," the Yugoslav

Foreign minister said.



Iraq's answer to massive bombings by the allies has been missile attacks on Israel and Saudi Arabia. Here's a look at the missiles* in Saddam Hussein's arsenal:

Al-Hussein

Type: Modified version of the Scud B missile (modifications by Iraq) Length: 40 feet Diameter: 2 ft. 10 in. Range: 400 miles

Frog-7

Type: Surface-tosurface, spin-stabilized unguided tactical missile Length: 29 ft. 10 in. Diameter: 1 ft. 9 in. Propulsion: Single solid-propellant motor Range: 43 miles

Scud B Type: Medium range

surface-to-surface missile Length: 37 feet Diameter: 3 feet Launch weight: 7 tons Range: 186 miles

Exocel (AM39) Type: Air-to-surface missile

Length: 15 ft. 4 in. Diameter: 1 ft. 1.7 in. Wing span: 3 ft. 3 in. Propulsion: 2-stage solid rocket motor Range: 31-43 miles Flight speed: High subsonic

Soviet advisers still helping Iraq

PARIS, Feb 13. The Allies have picked up exchanges in Russian on Baghdad's military airwaves, indicating that Soviet military advisers could helping Iraq in the Gulf war. according to military and diplomatic sources quoted by the French daily Liberation, reports AFP.

The nature of the exchanges and the networks involved implied that the .idvisors might be with the Iraqi forces on the ground, liberation said in a report from

Rivadh. Moscow has withdrawn-ifs 4,000 advisors who were in Iraq at the time of the war. But some sources say 155 stayed behind.

According to a military sources quoted by Liberation. some may have stayed put despite being ordered back by their government.

Liberation commented that the monitored conversations

also raised questions about Moscow's real role in the con-French sources told the daily that Iranian pilots on

speaking to their teachers in Russian. Liberation said there could be an exchange of advisors between Tcheran and Moscow, which could camou linge some indirect assistance to Bughdad. U. S. military officers in Riyadh on Tuesday said they

training missions had been

were not aware of any month ing of Russian-launguage transmissions from inside Iraq. Asked about the Liberation report, one officer said: "I would even be inclined to say

year we've seen it, but I haven't seen a thing on that, no fool-The Soviet Union was one

of frag's main suppliers of military hardware prior to the August 2 Iraqi invasion of Kuwait.