

\$560b Japanese budget likely

TOKYO, Aug 27: Budget requests by Japanese Ministers and Agencies for fiscal 1992 are expected to total 76.18 trillion Yen (560 billion Dollars), up 8.3 per cent from the original fiscal 1991 budget, officials said Monday, reports AFP.

The Finance Ministry is to compile the government budget for fiscal 1992, which starts next April, after accepting requests from each Ministry and government agency until August 31.

The new budget will be finalized at a Cabinet meeting in late December.

Floods strain China's budget

BEIJING, Aug 27: Severe summer flooding will force China into the red by an additional 1.5 billion Dollars this year, a government spokesman said Tuesday, reports AP.

The floods killed at least 2,891 people and by Aug 1 had caused 68.5 billion Yuan (12 billion Dollars) of economic losses and destroyed crops on 1.2 million hectares (3 million Acres) of farmland.

Yuan added that revenues had fallen because most of the provinces that suffered from flooding in the south and east had been major contributors to state coffers.

The result will be a budget deficit of 7 billion-8 billion Yuan (1.3 billion Dollars-1.5 billion Dollars) more than expected, Yuan said at a news conference. He did not elaborate how that figure was reached. China receives more than 300 billion Yuan (56 billion Dollars) in annual revenues, he said.

The 1991 national budget, released this spring, had projected a deficit of 13.3 billion Yuan (2.5 billion Dollars).

However, in the first six months of 1991, China recorded its first budget surplus since 1985, taking in 2.9 billion Yuan (562.8 million Dollars) more than it spent.

Green tea has anti-cancer properties

NEW YORK, Aug 27: Green tea, a drink popular in Japan and elsewhere in the Far East, has demonstrated strong anti-cancer properties in tests conducted in mice, scientists said on Monday, reports Reuter.

The growth of tumours of the skin, intestine, and stomach was as much as 53 per cent less in tea-drinking mice than in their water-drinking counterparts. Dr Hirota Fujiki of Japan's National Cancer Institute reported at a meeting of scientists here.

He was one of three scientists presenting papers on the anti-cancer properties of green tea.

Dr A H Conney, Director of Rutgers University's Cancer Research Labs, told the meeting his research group found that skin cancer caused by ultra-violet light was reduced by 64 to 82 per cent among female mice who drank green tea extract.

Dr Fung-Lung Chung, Associate Chief of the American Health Foundation in Valhalla, New York, said his research group observed a 30 to 45 per cent reduction in lung tumour formation among the tea-drinking mice.

Brazil closer to oil workers' strike

RIO DE JANEIRO, Aug 27: Unions cancelled pay talks with the Petrobras state oil company on Monday, moving Brazil closer to its second national oil strike this year, reports Reuter.

Oil workers will be consulted on whether to stage a nationwide strike against Petrobras that could start on September 11, said Manuel Cancella, President of the Rio De Janeiro Oil Workers Union. Petrobras said it had asked the unions to return to the negotiating table on Wednesday but Cancella said the company should first improve on its "ridiculous" 35 per cent pay offer.

Unions are demanding a pay hike of 370.62 per cent, saying the money, is needed to compensate for high inflation since President Fernando Collor De Mello took power in March 1990.

Petrobras, one of the world's top 20 oil companies by size, employs 51,000 people and has a monopoly over oil exploration, production, import and refining in Brazil. Domestic production is running at about 670,000 Barrels Per Day.

Gorbachev, Yeltsin invited to urgent EC summit

PARIS, Aug 27: France is proposing the European Community urgent meeting and invite Mikhail Gorbachev to attend, Premier Edith Cresson said Tuesday, reports AP.

Cresson proposed to Ruud Lubbers, Prime Minister of the Netherlands, which holds the EC's rotating presidency, a meeting on "the relations we are going to have with the Soviet Union, how we can aid Eastern Europe, and the burning problems of Yugoslavia," she told Europe-1 Radio.

All require joint action from the 12-member Community, rather than individual responses by member states, she said.

"We will work for the cre-

ation of European policy that was singularly absent during the Gulf war," Cresson said.

Yeltsin, President of the Russian Federation, the largest Republic, rallied opposition to the right-wing putsch and has emerged as the country's strongest leader in its aftermath.

France has urged that the EC foreign ministers jointly establish diplomatic relations with the Baltic Republics of Latvia, Estonia and Lithuania, which have declared independence from Moscow.

Cresson cautioned the West against forgetting who instigated the rapid changes sweeping the Soviet Union since the coup failed. "We must not forget that without Gorbachev there would not be

Yeltsin today, and there would not be this very rapid collapse of the Soviet system and communism in the USSR," she said.

AFP adds from Bonn The Soviet Union cannot expect any "very short-term" international economic assistance because of the fast-moving developments in that country, a German government spokesman, Dieter Vogel, said today.

Vogel also said that although the relationship between the Soviet Republics and the Central authorities was presently unclear, "more and more, the partners for economic cooperation will be the Soviet Republics."

As for aid from Germany, Vogel said it would depend on a visit to Moscow.

US grain loan to USSR soon

KENNEBUNKPORT (Maine), Aug 27: President George Bush advanced the timetable on Monday for providing credit guarantees of the Soviet Union to buy livestock feed and grains faster, reports Reuter.

At a news conference, Bush said he was making 315 million Dollars in agricultural credit guarantees available immediately to help the Soviet Union replenish food supplies.

Canadian Prime Minister Brian Mulroney, who was visiting Bush and also appeared at the news conference, said the United States and Canada support food aid to the Soviet Union to help it through the dismantling of its Communist government.

The President and I agreed today to support very actively initiatives for food aid to ensure that basic needs are met in the Soviet Union throughout what is clearly a difficult and challenging period", Mulroney said.

Moscow, which has used 1.6 billion Dollars worth of US government-backed credit guarantees so far this year to buy food, had asked that more credit be made available quickly, US Agriculture Secretary Edward Madigan said in a statement.

Originally, Moscow was not slated to receive more credit guarantees, under which the US government backs 98 per cent of private bank loans to the Soviet Union, until October.

The Agriculture Department said Moscow will use 150 million Dollars of the credits to buy foodgrains, 90 million Dollars to buy soyabean meal, 45 million Dollars to buy wheat of flour and 30 million Dollars to cover shipping costs.

The department said it was not increasing the amount of credits Moscow will receive, just making some available sooner than originally planned.

The Soviet Union is to receive another 585 million Dollars in credits after October 1, the start of the next fiscal year, the department said.

US farm groups had lobbied the White House to advance or increase the credits in hopes of selling more grain quickly and boosting grain prices.

Soviet and US officials had been meeting over the last couple of weeks to discuss changing the timetable for the credits, although last week's attempt to oust Soviet President Mikhail Gorbachev interrupted the meetings.

Moscow had difficulty earlier this summer obtaining bank loans under the credits, even though the United States covers most of the risk.

Some analysts said Moscow should have an easier time as the failed coup improves the chances for Soviet market reform.

Asian stocks drop, Dollar up

TOKYO, Aug 27: Technical selling pulled down Asian share prices today as investors chose to divert their attention away from the collapse of the Communist state in the Soviet Union, reports Reuter.

The Dollar was slightly higher than other major currencies at the close of Tokyo trading.

The Tokyo stock markets Key Nikkei average close below 22,000 for the first time in four trading days, with much of the selling concentrated on futures-related profit-taking, brokers said.

The 225-share Nikkei closed down 473 point or 2.14 per cent at 21,592 after losing 450 points on Friday.

"We're sort of forgetting about what happens internationally," said broker Daniel Marull at Sanyo Securities Co Ltd, "people are concerned about what happens domestically."

On the Tokyo Currency Market, the Dollar fluctuated

narrowly all day before closing slightly higher, with London and Hong Kong markets on holiday on Monday, dealers took a wait and see attitude, unsure of how to react to the developments in the Soviet Union.

The Dollar closed at 137.20 Yen and 1.7493 Marks in

Gold prices rise in New York

NEW YORK, Aug 27: The Dollar stabilized Monday in New York in lackluster trading, while gold gained almost two Dollars, reports AFP.

Gold climbed 1.80 Dollars to close at 355.20 Dollars an ounce.

The Dollar traded at 1.7480 German Marks and at 136.85 Yen, unchanged from Friday. The US currency had opened at 136.90 Yen and 1.7510 Marks.

Tokyo against 136.87 and 1.7477 in New York on Friday. Australian stocks closed lower as a negative mood took hold of investors the all ordinaries index closed 7.7 points lower at 1533.1.

The Taiwan Stock Index finished slightly lower in the thinnest trade for seven months but dealers said a limited rebound might be on the horizon some institutional buying emerged in the last half hour.

The weighted index closed at 4,516.52 down 9.62 points from Saturday's 4,526.14 finish.

In Singapore, share prices ended the morning session mixed in thin trading, with investors largely sidelined awaiting fresh factors.

The key Straits Times Industrial Index edged down 0.56 points to end at 1,388.31 the index gained 4.81 points initially as Wall Street's 30-point gain on Friday encouraged some buying interest.

Debts hit non-oil Arab states

ABU DHABI, Aug 27: Growing debts in non-oil Arab states are hindering economic growth, discouraging investors and threatening the shift to market economy, regional experts said Monday, reports AFP.

"Debts are considered the main reason for economic difficulties in non-oil Arab countries as they are obstructing any improvement in most sectors, a Gulf-based Arab economist said.

But it is the fault of their governments, which have not taken enough measures to tackle this problem. As a result, such debts continued to increase in most countries, he added.

A recent report by the Abu Dhabi-based Arab Monetary Fund (AMF) estimated Arab debts at 136 billion Dollars at the end of 1988, up from 134

billion Dollars in 1987 and 86 billion Dollars in 1983.

Bankers said the figure could now be lower after the oil-rich Gulf nations, the United States and other Western governments wrote off nearly half of Egypt's debts in recognition of its anti-Iraq stand during the recent seven-month-old Gulf crisis.

Before the crisis, Egypt's debts were estimated at 55 billion Dollars, which together with Algerian, Sudanese and Moroccan debts accounted for nearly 83 per cent of the total Arab debts.

The AMF report did not mention Iraq, which is believed to be saddled with about 70 billion Dollars, mostly in military debt.

The other Arab debtors listed by the AMF were Syria, Somalia, Oman, Jordan, Tunisia, Mauritania and Yemen.

The report said their debts in 1983 formed 56.7 per cent of their Gross National Product (GNP) and as high as 84 per cent in 1988.

Annual debt growth reached 8.8 per cent during the 1980s and debt servicing rose to 12.2 billion Dollars in 1988 from less than 10 billion Dollars annually in the previous three years, it said.

The burden of debt servicing on available resources poses a serious threat to the Arab countries which need foreign financing to support reform programmes, it said.

"It also dissuades the return of capital from abroad and foreign investment and undermine the credibility of reforms, it said, adding that with a decline in revenues, it would be difficult for these states to meet their commitments to debt servicing.



ISLAMABAD: Pakistani Prime Minister Nawaz Sharif (R) delivers a letter of authority to an unidentified businessman (L) in a ceremony 26 Aug where 10 industrialists and businessmen were granted the authority to open private banks; a practice banned for 20 years. — AFP photo

Ban on bank opening goes in Pakistan

ISLAMABAD, Aug 27: Prime Minister Nawaz Sharif, lifting a ban of nearly 20 years, Monday authorised the opening of 10 private banks in Pakistan as part of his economic liberalisation programme, reports AFP.

Sharif handed over authorisation letters to prominent industrialists and businessmen at a special ceremony asking them to help Pakistan's "economic transformation" initiated after he assumed office 10 months ago.

Chosen from among 41 applicants, the banks have six months within which to begin operating. With capital of 300 million Rupees (more than 10 million Dollars), each bank can open five branches in the country.

The late former Premier Zulfikar Ali Bhutto banned the opening of banks in the private sector in January 1972 when he nationalised Pakistan's four commercial banks.

Bangladesh Bank bills

Star Economic Report
Twentyeight bids for a total amount of Tk 44.00 crore were received at the 9th auction of the 91-day Bangladesh Bank Bill, held on Monday, a Bangladesh Bank press release said on Tuesday. In all, 23 bids were accepted. The total face value of the Bills accepted was Tk 26.00 crores. The weighted average price of the accepted bids was Tk 97.71. The corresponding yield is 9.39 per cent per annum.

Algerian price hike plan rejected

ALGIERS, Aug 27: The Algerian Parliament rejected Monday a government proposal to increase the prices of a number of basic foodstuffs, as called for in an agreement with the International Monetary Fund (IMF), reports AFP.

Speaking shortly after the vote, Economy Minister Hocine Benissad said the rejection of the price hikes by Parliament "will not make by job any easier."

He added that he would "do everything possible to reduce external pressure", a reference to an April agreement with the IMF to implement the price hikes.

A number of Deputies in the National Assembly, dominated by the sole legal political party, the National Liberation Front (FLN), said they were reluctant to approve unpopular price hikes so close to the end of their mandate, which runs out in February 1992.

The Speaker of the Assembly, Abdel Aziz Belkhadem, urged the government to ask the IMF for permission to put off the price hikes at least until the end of the year.

Hispanic children's poverty rate rises in US

WASHINGTON, Aug 27: The number of Hispanic children living in poverty in the United States rose by one million during the 1980s as a Washington advocacy group reported on Monday, reports Reuter.

Although the poverty rate of Hispanic children rose by one third to 36.2 per cent in 1989 — the most recent data available — it was still 7.5 per cent points lower than the rate among black children a report by the Children's Defence Fund said.

More than half of poor Hispanic children live with parents who worked for at least part of the year, the report said.

Hispanic families with children both immigrant and US born remain disproportionately poor as a result of declining earnings continued employment discrimination, and decreasing government help said Leticia Miranda, the principal author of the report.

But 1989 a total of 2.6 million of the 7.2 million Latino children in the United States were living in poverty, the report said. The figure represents an increase of one million since 1980.

Latino children represent 11 per cent of all children in the United States. Hispanic children of all national origins face poverty rates two to four times that of non-Latino whites, the report said.

Children of Puerto Rican descent had the highest poverty rate nearly 50 per cent. The poverty rate was 37.1 per cent for children of Mexican descent 28.1 per cent for those of Central and South American descent and 28.4 per cent for those of Cuban descent, the report said.

World Bank to fund India's anti-pollution projects

NEW DELHI, Aug 27: The World Bank has agreed to extend a loan of 155 million Dollars to help India fund projects to combat industrial pollution, Parliament was informed Monday, reports AFP.

Minister of State for Forest and Environment Kamal Nath said the World Bank loan would be in three components to help India upgrade Central Pollution Control Boards and the development of similar units in industrialised states.

The third component of the credit would be utilised to set up affluent treatment plants in areas where clusters of industries have mushroomed, Nath told Parliament's lower house.

The Minister did not give details of the credit terms or when the World Bank will provide the assistance to New Delhi.

Abu Dhabi may inject money to rescue BCCI

LONDON, Aug 27: Abu Dhabi shareholders in the Bank of Credit and Commerce International (BCCI) are ready to inject four to five billion Dollars in a rescue package if asked by British authorities, a lawyer said on Monday, reports Reuter.

BCCI was shut down virtually worldwide on July 5 to end what investigators say was the biggest financial fraud in history. Many Britons had money in BCCI in which Abu Dhabi's ruler, Sheikh Zaid Bin Sultan Al-Nayayan, is a leading shareholder.

Lawyer Sarosh Zaiwalla, who has been involved in attempts to reconstruct the Bank said on Monday that he had a briefing from a British Labour Party member of Parliament Keith Vaz, who has just visited Abu Dhabi.

Vaz, trying to help Britons with cash in BCCI, now says

Prime Minister John Major should send a minister to Abu Dhabi.

Zaiwalla said Abu Dhabi owning some 77 per cent of BCCI is prepared to invest four to five billion Dollars in a rescue package which could include a reconstructed bank.

But protocol demanded an invitation by the British government and central bank, the Bank of England.

Zaiwalla quoted Vaz as saying that if Major were to make a request to the ruler of Abu Dhabi he got the impression the ruling family would rush in.

Clive Russell of Accountants Hapern and Woolf acting with Zaiwalla's firm for creditors owed some 42 million Dollars, said they want a sign of friendship.

Taiwan seeks airlinks with 12 nations

TAIPEI, Aug 27: Taiwan is seeking to establish air links with 12 nations in a bid to develop the island's international status, Communications and Transportation Minister Eugene Chien said Monday, reports AFP.

Extending our international air routes is our priority work goal," Chien said, adding the Civil Aeronautics Administration (CAA) here is negotiating with the 12 nations to achieve the goal.

They are Hungary, Poland, Czechoslovakia, Greece, Turkey Italy, France, Germany, Britain, Belgium, Madagascar and Malawi, Chien said.

Taipei also plans to negotiate setting up air links with the Soviet Union and Spain, CAA officials said.

The officials said expanding Taiwan's air links were one way for the island to promote its international status.

Hanoi opens door to foreign banks

HANOI, Aug 27: Vietnam's Council of Ministers has spelled out capital requirements for foreign banks wishing to open branches or enter joint ventures here, the Vietnam News Agency (VNA) reported Monday, says AFP.

A bank from a country that has "cooperative relations with Vietnam in investment" may open a branch office here with a minimum capital of 15 million Dollars, and enter a joint venture with 10 million Dollars, VNA said.

Gilles Rollet, Hanoi Representative of the Banque Francaise De Commerce Extérieur (BFCE), said the Cabinet Decree would open the way for foreign banks to formally apply to the Central Bank to open branches in Vietnam.

"It's a preliminary step," he said, adding that his bank had been informed of the new

statute in June. Western bankers and diplomats here said Hanoi was expected eventually to authorise between one and six foreign banks to open branches in Vietnam.

Seven foreign banks currently have representative offices in Hanoi or Ho Chi Minh City — five French banks, Standard Chartered of Britain, and the Thai Military Bank.

But the only non-Vietnamese bank allowed to engage in commercial transactions is Indovina, an Indonesian-Vietnamese joint venture set up after Indonesian President Suharto's visit here last November.

A Western diplomat here said the statute would boost the confidence of some foreign bankers who have been wary of involvement with Vietnam.

Peugeot unveils latest car

PARIS, Aug 27: French automaker Peugeot unveiled its latest passenger car on Monday, the 106 model, which is to go on sale in France next month and will be available across Europe by the end of the year, reports AFP.

Peugeot plans to produce 300,000 of the small, two door hatchback cars a year, Peugeot officials said, with plans to produce a four-door hatchback model next year.

Peugeot President Jacques Calvet said the company hopes to capture between 15 per cent and 20 per cent of the European market for small of "B" model cars through the 106 and the other competitive Peugeot model the 205 which has been on the market for eight years.

"B" series cars make up about one-third of the total number of cars sold in Europe each year, some 4.2 million vehicles and account for 43 per cent of the French market.

Nissan introduces electric car

DETROIT (Michigan), Aug 27: The Japanese automaker Nissan Monday introduced an electric car with batteries that can be recharged eight times faster than its main competitor, the General Motors Impact, reports AFP.

The Nissan Future Electric Vehicle (FEV) rechargeable in just 15 minutes, puts Japan's number two car manufacturer in the race to develop an electric car.

General Motors (GM) had taken the lead when it announced it would build an electric-powered automobile at its plant in Lansing, Michigan by the mid 1990, Nissan did not announce plans for its new line.

GM Ford Motor Co, and Chrysler have joined forces to launch the United States advanced battery consortium a

research group formed to develop electric car technology.

The new vehicle's biggest handicap is its limited range, GM's Impact, the prototype for the car to be produced in Lansing, can travel at 88 kilometers an hour for 200 kilometers (55 miles) before needing a recharge which takes two to eight hours.

The FEV has a range of about 160 kilometres at 72 kilometres an hour (100 miles at 45 miles an hour) but Nissan officials said the batteries can be recharged in just 15 minutes.

Neither manufacturer has put a price tag on the new vehicle both said their cars could seat two people in front and two in the rear, the FEV is 86 kilos (210 pounds) lighter than the Impact.

First specialised condom shop raise awareness against AIDS

LONDON, Aug 27: Britain's first specialised condom shop aims to give the contraceptive device a fashionable, fun image and increase national awareness of the need for safe sex with protection against AIDS, reports Reuter.

Martin Foreman, Managing Director of "Condomania", said his shop could also help some Britons overcome their traditionally repressed attitude to sex.

"We're not health education specialists. It's not our job to promote safe sex — but we actually think we're doing a lot for sex education simply by saying that condoms are fun," Foreman said at the launch of his shop.

Only the United States, the Netherlands and Norway have similar shops devoted to condoms, the shop stocks about 50 varieties of condom but will soon have more than 100.

They range from the plain to ones with different flavours. There is also a "no more fumble before you fondle" glow-in-the-dark variety.

Buying condoms in Britain has been traditionally associated with trips to grumpy barber shops or embarrassing purchases in chemists' shops, Foreman aims to dispel both these images.

"It's on the high street, anyone can walk in and see almost a hundred different types of condoms. That's what

takes the embarrassment out of it," he said.

Foreman also wants more heterosexuals to use condoms.

Fear of Acquired Immune Deficiency Syndrome (AIDS) among homosexuals has already led to the increased use of condoms by gays.

But a recent government report said AIDS among heterosexuals in Britain was rising faster than in other groups.

Heterosexual AIDS in Britain increased by 63 per cent to the year ended June 30, said the report.

Although the number of cases was still small, at 150, the rise outstripped by far the 17 per cent increase among

homosexuals.

These figures are despite a government campaign targeting the heterosexual and homosexual communities. Some 4,758 people have AIDS in Britain, the report said.

The global total of officially reported AIDS cases was 371,082 in 163 countries by June, according to the World Health Organisation.

Foreman's shop will also give advice on how to use the different types of condoms on sale.

"Some people are still very confused about condoms," said one of the shop's assistants, Rich Anglin. "We're able to tell them about the kind of condoms there are."

He and Foreman both agreed that Britons as a whole were less open about sex than other nations.

"In comparison with other countries, I think Britons are both more reserved in terms of how often they have sex and in talking about it," Foreman said.

"But the more this kind of shop exists ... the more people will overcome their embarrassment," he added.

Foreman expected most of his customers to be heterosexual women, buying joke condoms for their sexual partners and friends. The next largest group would probably be gay men.

Condoms to the gay community. For the last five years there has been a strong campaign, by gay men for gay men, to use condoms," Foreman said.

The sale of prophylactics in the United Kingdom has been increasing since the 1980s. Last year some 144 million condoms were bought in Britain, according to a report by the London Rubber Company, manufacturers of a best-selling make.

Foreman has links with an AIDS help group called the Panos Institute. He said some of the profits from the sale of condoms in his shop would go to this and other help groups.