

## Former Minister sentenced for tax evasion in Japan

TOKYO, Oct 1: Japanese prosecutors accused a former government minister today of betraying the people by misusing tax evasion and called for an exemplary prison term, reports Reuter.

Former Environment Minister Toshiyuki Inamura has pleaded guilty to evading taxes on an unreported 1.7 billion Yen (13 million Dollars) of income while in office.

"This is treason against his voters," a prosecutor told the Tokyo District Court in the final hearing before sentencing, expected early next year.

"It was a crime committed when the defendant was (also) a Member of Parliament, someone who should lead the nation in meeting tax duties."

In addition to demanding a three and a half year prison term, prosecutors called for a 500 million Yen (3.8 million Dollar) fine.

Inamura figured in one of the biggest tax crimes to surface in the Japanese political world. Since his arrest early this year, he has resigned his parliamentary seat.

Inamura, who served briefly as Environment Minister in 1986, amassed the unreported income by have stock market speculation using insider information.

His case was unrelated to recent scandals in which Japan's top brokers were accused of compensating big clients for investment losses while letting ordinary investors suffer.

## Algeria devalues currency 22 pc

ALGIERS, Oct 1: The Algerian Dinar is to be devalued by 22 per cent as of Monday, the Bank of Algeria announced here yesterday in an official communique, reports AFP.

The bank did not indicate the new value, but the currency was at 18 Dinars to the dollar before the announcement, so the new rate would be around 22 Dinars to the Dollar. Between June last year and June this year, it lost half of its official value.

The devaluation will have no effect on exports, 98 per cent of which consist of hydrocarbons sold and denominated in Dollars. But it should make imports of raw materials and semi-finished products considerably more expensive.

Inflation risks worsening. It was estimated at 25 per cent for the first half of this year, and independent sources put it at 40 to 60 per cent for the whole year.

In another move, the Bank of Algeria also increased the discount rate by a full point, from 10.5 to 11.5 per cent.

## New oil wells open in Yemen

SANAA, Oct 1: Yemeni President Ali Abdullah Saleh yesterday inaugurated new oil wells in the vast Hadramout field that are to be operated by Canadian firm Canadian Oxy, official sources reported here, reports AFP.

Saleh hailed recent discoveries in the field, located in central Yemen, as "excellent and encouraging."

The president last week estimated proven reserves in the region at more than 490 million barrels. Yemen currently produces 3,00,000 barrels of oil a day.

"Oil revenues must be used for development and not oriented toward consumption of luxury goods," Saleh declared.

Canadian Oxy obtained a 13,000 square-kilometer (5,200 square-mile) concession in Hadramout in July 1990 and has so far discovered eight wells.

## \$16.8 m German grant to Nepal

KATHMANDU, Oct 1: Germany is to provide a grant of 16.79 million US Dollars to Nepal for various development projects, the Ministry of Finance said here Monday, reports AFP.

Under an agreement signed by the German Ambassador and officials at the Ministry, Germany will provide 9.91 million Dollars for the purchase of fertilisers and the import of other goods.

The rest of the money will be used to pay for training programmes, German aid workers and a waste disposal project in Kathmandu Valley, the Ministry said.

## Bush concerned over economy

MIAMI, Oct 1: President George Bush said on Monday he was concerned about the US economy and urged the Senate to move quickly on his nominations to the central bank board, reports Reuter.

"I worry about our economy. These are tough times," he told a Miami business development group.

Bush urged the Senate to approve quickly his two nominees to the Federal Reserve board, saying its inaction on them is "just plain inexcusable" he also urged the Senate to approve Alan Greenspan as Chairman of the board, which oversees the central bank.

"We need a full and vigorous team on the Federal Reserve — and this is a matter on which the United States senate needs a loud wake-up call. Two of the seven seats on the FED sit empty right now," Bush said.

Last week Bush blamed the recession on the credit crunch and the slowdown in bank lending. He and Treasury

Secretary Nicholas Brady have said the banking industry is being overly cautious in approving loans and helping to stimulate the US economy, the world's biggest.

Economists said policy-maker at the Federal Reserve are likely to decide at a meeting on Tuesday that further interest rate cuts are needed to give the lackluster economy a boost and keep the recovery from faltering.

Several economists said they expect the Federal Open Market Committee — the central bank's policymaking arm — to agree at the meeting to lower rates if signs of economic weakness persist.

Some said the move could come as early as Friday when the government reports on September employment.

The Federal Reserve last cut rates in mid September in its latest bid to boost the economy by making credit more widely available.



PRETORIA (South Africa): ANC supporters march through Pretoria in protest against a new tax, 10 per cent Value Added Tax (VAT) replacing 13 per cent general sales tax (GST). Unlike GST, VAT will be applicable on all commodities including medicine and basic food-stuff. —AFP/UNB photo

## BCCI reduces staff in Abu Dhabi

ABU DHABI, Oct 1: A court-appointed receiver in the United Arab Emirates (UAE) has temporarily cut staff at the crisis-plagued Bank of Credit and Commerce International (BCCI) by sending many employees on unpaid leave, bank sources said Monday, reports AFP.

They said 178 out of 400 employees in BCCI branches in the country had received letters asking them to take three months' leave without pay starting on Tuesday.

Workers at BCCI's central offices in Abu Dhabi, where 500 people are employed, also face temporary or permanent job cuts, they said.

The letters cited a ruling from the UAE Federal Court allowing the receiver to impose

unpaid leave on the employees, whose return to service would depend on future job requirements by the bank.

Those suspended, mostly Pakistanis, Indians and Bangladeshis, have the option of continuing to live in bank-paid accommodation or collecting one-way tickets if they wish to return to their home countries, the sources said.

An Abu Dhabi public prosecutor is questioning 20 top BCCI executives detained since September 8 to determine whether charges can be brought against them in connection with the bank's collapse.

The executives were taken under heavy police guard over the weekend to search for documents in their homes

## Strike forces Indian bank to close in UK

LONDON, Oct 1: British branches of state-owned Indian banks were nearly all closed here Monday as a result of strike action by 500 members of the Banking Insurance and Finance Union (BIFU), a union spokeswoman said, reports AFP.

The action follows the breakdown of pay negotiations between BIFU and the four banks (State Bank of India, Baroda Bank, Bank of India and UCO Bank) on Friday.

"This series of selective strikes will continue every week until we reach a negotiated settlement," said BIFU official ray shutt-leworth.

Although the deadline for a new wage agreement passed on April 1, the four banks have failed to make any kind of offer on which negotiations could be based, the union said.

The dispute at the banks, which mainly serve Britain's Indian community, comes against a background of uncertainty about their future because of a proposed rationalisation currently being examined by the Indian parliament.

## Air India to make record profit

NEW DELHI, Oct 1: Air India, the country's international carrier, is expected to make record profits in fiscal 1991-92, its Chairman and Managing Director was yesterday quoted as saying, reports AFP.

The airline registered a net profit of more than 19 million Dollars in the first five months of the current financial year beginning April. S.R. Gupta told reporters in Bombay Saturday.

The Press Trust of India (PTI) quoted him as saying that it was a 42.4 per cent jump over the corresponding five-month period last year.

## Egyptian trade team calls on Mannan

A five-member Egyptian trade delegation led by Taufiq Mesheha, Chairman, Egyptian Cotton Cooperation Board, called on the State Minister for Textiles Abdul Mannan at Dhaka on Saturday, reports UNB.

The delegation exchanged views with the Minister about matters relating to cotton production, textile and garments.

The State Minister briefed the delegation about the various measures being taken by the government for development of textiles and garments. Mir Mahmud Sharif Ali, Chairman, BTMC, was present at the meeting.

## Indian economy reeling under strain

NEW DELHI, Oct 1: India's economy continues to groan under strain, upsetting hectic efforts at liberalisation after four decades of regimented trade and commerce, analysts here say, reports AFP.

A variety of factors have combined to virtually kill the initial euphoria sparked by the unprecedented economic reforms initiated by the three-month-old government of Prime Minister P.V. Narasimha Rao.

The economy has yet to recover from its downward spin, while inflation has already touched 15 per cent, and is still rising. Predictably, the political opposition in New Delhi has begun firing its first salvos.

India's stock market continues to boom, but experts claim that it is mostly due to speculation.

The silver lining was Commerce Minister P.

Chidambaram's announcement in Washington one week ago that the US computer giant IBM and the Ford Motor Co. had signed up to invest in India.

A string of other multinationals are also reportedly in the waiting.

But finance ministry officials here say that the dominant attitude among both foreign businessmen and Indian expatriates is still one of a cautious wait and see.

"Investors want to wait and see how the new system works, the changes in policy are encouraging, but the future is not yet certain," added John Simmons of the US Department of Commerce, who was recently in Calcutta.

Such attitudes are causing worry in New Delhi, which is reeling under its worst fiscal crisis since Indian independence.

## Gap between have, have-nots widened in Asia

BANGKOK, Oct 1: The Gap between rich and poor is increasing in much of Asia despite the economic growth of recent years, a United Nations report says, reports Reuter.

With little apparent hope of the situation improving, it says, civil strife and dissent could spread.

"Poverty, inequality, oppression, inadequate social infrastructure and related circumstances making for social distress continue to exist throughout much of the region despite economic development," said the survey by the Bangkok-based UN Economic and Social Commission for Asia and the Pacific (ESCAP).

The report is due to be presented to a ministerial conference on social welfare in Manila next week.

Traditional ills like drug abuse, prostitution, violence and illiteracy persisted while new problems such as AIDS, environmental damage and urban overcrowding made matters worse, it said.

The report said about three-quarters of the World's poor, a total of about 800 million people, lived in Asia, most of them in the Indian sub-continent.

"In some of these countries the number of people living in abject poverty has increased and the gap between 'haves' and 'have-nots' has widened," ESCAP reported progress in

some fields. Health care had improved life expectancy was longer and infant mortality reduced.

But migration to the cities by people in search of a better life meant that rural poverty had merely been transplanted to urban slums.

Drug abuse was reaching epidemic proportions in some countries and AIDS (Acquired Immune Deficiency Syndrome) would kill millions of men, women and children by the end of the century, the report said.

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## US biggest aid donor in '90

PARIS, Oct 1: OECD countries paid out official development aid worth 54.1 billion Dollars in 1990, with the United States recapturing the top donor status from Japan, the Organization For Economic Cooperation and Development (OECD) said Monday, reports AFP.

The total was up by 4.0 per cent in real terms from 46.7 billion Dollars in 1989, according to a preliminary report by the OECD's Development Assistance Committee (DAC), which groups the 18 major OECD donor countries.

This raised DAC countries' official aid as a share of their Gross National Product (GNP) to 0.35 per cent last year, half the United Nations target of 0.7 per cent from 0.34 per cent in 1989.

The report normally published around mid-year, was delayed this year for nearly three months, OECD diplomats said.

This was because of squabbling between the United States and other major donors over whether to allow including write-offs of military debt DAC statistics in Official Development Assistance (ODA).

The diplomats said Japan, Germany and smaller European donors including the Nordic countries strongly objected to a US attempt to include a major cancellation of military debt owed to it by Egypt in the US aid figure.

They said the embarrassing quarrel arose from a broader debate over aid "burden-shar-

ing" in the wake of the Gulf crisis.

In absolute terms, the United States topped the DAC donor list in 1990 with net disbursements of 11.366 billion Dollars, ahead of Japan with 9.069 billion, and France and Germany with 6.571 billion and 6.320 billion.

But while US aid as a share of its Gross National Product (GNP) amounted to 0.21 per cent, Japan's ratio was 0.31 per cent, the report showed.

Japan's ratio remained unchanged from 1989 despite its 1988-92 50 billion Dollar medium term aid programme intended to catch up with the DAC average.

Both the United States and Japan still remained well below the average of 0.35 per

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## Kuwait fighting to revive economy

KUWAIT CITY, Oct 1: With a government that is spending freely despite the loss of oil revenue, post-war Kuwait faces a tough job to revive the economy in what was one of the World's richest markets, reports AFP.

"Kuwait can not be in good economic shape before the end of 1992 or 1993. Until then, we will have difficulties," said Amer Al-Tamimi, Vice President of the state-owned company Kuwait Investment Projects.

The priority has been to extinguish the oil-well fires started by retreating Iraqi troops in the Gulf War. Work is ahead of schedule and could be completed by the end of the year, before the official target of March 1992.

More than 500 of some 790 fires have already been capped. Oil Minister Hammoud Al-Raqba, said Saturday.

But whereas oil accounted for 85 per cent of revenue in the July 1990 budget, a month before the Iraqi invasion, current income from the oil section is negligible, dealing a heavy blow to a country with no taxation.

Kuwait also has a shortage of both manpower and consumers, although the infrastructure is being repaired fast and the shops are brimming with merchandise from around the World.

Before the Gulf crisis, it had a population of 2.2 million, of whom two-thirds were foreigners. But new restrictions on immigration and the exodus of hundreds of thousands of Palestinians have thinned the figures.

The emirate aims to boost the Kuwaiti percentage of the population to 50 per cent, and has deported Palestinians accused of collaborating with the Iraqi occupiers before they were driven out by US-led coalition in February.

Almost half of the apartments in Kuwait City are empty, according to the only official figures available, and most of the building sites appear to have been abandoned.

Amid the uncertainties, the government has repeatedly postponed its presentation of the 1992 budget.

Analysts expect a reduction of around 20 per cent from the last budget, which forecast expenditure of 3.5 billion Dinars (1.14 billion Dollars) and revenue of 2.4 billion Dinars (7.6 billion Dollars).

## Kuwait gets \$3.3 m loan

ABU DHABI, Oct 1: An Arab fund recently set up to finance flagging inter-Arab trade yesterday approved a loan to Kuwait of 3.3 million Dollars to finance imports for post-war reconstruction.

Chairman of the fund, Osama Al-Faqih, signed the loan agreement with the Gulf-Kuwait Bank at the Abu Dhabi-based Arab Monetary Fund (AMF), which he also heads.

The loan will be used to acquire furniture from Egypt, electrical systems from Saudi Arabia and other items from Qatar and Oman.

"The loan is a contribution to rebuilding in Kuwait and efforts to encourage trade among Arab countries," an AMF statement said.

The Fund was set up by the AMF last year with capital of 500 million Dollars, supported by the AMF and other regional and foreign banks and financial institutions.

The Fund's operations, covering only national products, has received applications seeking financing for deals worth 54 million Dollars from Algeria, Morocco, Egypt, Kuwait and Sudan.

Inter-Arab trade does not exceed eight per cent of the 170 billion Dollars a year in total Arab trade.

## India's exports of cashew nuts rise

NEW DELHI, Oct 1: Indian exports of cashew nuts went up in fiscal 1990-91, and are expected to earn a record 211 million Dollars in the current financial year, the government said Monday, reports AFP.

A Commerce Ministry statement here said that exports totalled 53,294 tonnes in 1990-91 and fetched 167 million Dollars, up from 47,941 tonnes in 1989-91.

India's financial year begins April 1.

The statement said exports from April to August this year had already touched 22,046 tonnes, and the ministry had projected that earnings in the current fiscal year would be valued at 211 million Dollars.

The United States and Europe are the main buyers of Indian cashews.

## From day labourer to South Korean billionaire

SEOUL, Oct 1: The rise of industrialist Chung Ju-Yung from an impoverished rural childhood to the pinnacle of South Korean business success in one of the best rags-to-riches stories — and now he is telling it to the world, reports AFP.

In a series of autobiographical articles in the Donga-Ilbo newspaper, the 77-year-old Chung relates his rise as head of the nation's biggest business conglomerate, Hyundai.

The group, a mostly mix of 41 companies ranging from automaking, cement, construction, electronics, and general trading to heavy machinery and ships, has 1,73,000 employees and an annual turnover last year of 27.4 trillion Won (37.3 billion Dollars), almost equal to South Korea's national

budget this year.

The turnover includes six billion Dollars in exports, and this year Hyundai is pushing hard to raise the figure by 28 per cent with an export target of eight billion Dollars.

In the articles, Chung described how his father put him to work in the fields at the age of 10 so the family could grow enough to feed his five brothers and two sisters.

Diligence was all he inherited from his parents when he ran away from his home village east of Seoul six years later to find a job in the city, convinced that he would never make a living as a farmer. His only education was three years studying Confucius and five years in elementary school. Jokingly, he says he went to

the prestigious Korea University in Seoul, since he worked there as a manual labourer carrying bricks when he was 18.

But his hard work in a job as delivery boy at a rice store paid off when the owner turned over control of the shop to Chung when he retired.

In the articles, he said the would have become a big grain merchant in the country had the then Japanese colonial government not closed down all private rice shops to institute food rationing in 1939.

When the store was shut, he took over a small and ailing auto repair shop in Seoul, and turned it into a thriving business.

This humble start led to Hyundai motors, now the 10th

largest in the world, whose three plants produce one million motor vehicle annually.

With the US occupation forces arriving at the end of World War II he also went into the construction business, winning lucrative orders to build barracks.

The business thrived even during and after the Korean war of 1950-53 because of reconstruction work.

"I was confident of doing well in the construction business, since I was a hard-working manual labourer after all," he said.

His construction company spread abroad in 1965, building a highway in Thailand, and eventually hit it big by winning a 930 million Dollars seaport project in Saudi Arabia to be-

come a world-ranking construction firm 10 year later.

Chung said his biggest challenge was the building of huge shipyard on the barren and wind-swept Ulsan seashore in the early 1970s, when the project was dismissed by many and bankers refused him loans.

But even while the shipyard was still in the blueprint stage the proved himself by winning orders from a Greek shipping tycoon for two 2,50,000-tonne oil tankers, which led to a 50 million Dollar loan from a British bank.

He built the yard in record time and won orders from foreign shipowners, attracting their business by telling of Korea's famed iron-clad "turtle" battleships that defeated a Japanese invasion in

the 16th century.

What Chung says he hates most are lazy people and his reputation as a ferocious task master led to the nick name tiger.

The tiger trademark now adorns every bag of cement his plant produces.

Today, Chung is focussing his attention on the Soviet Union, which he has visited a dozen times in the past two years in a feverish attempt to break into coal, oil, gas lumber and marine products businesses there ahead of his rivals.

Despite the current economic crisis in the Soviet Union, Chung believes it could provide the resources to give another boost to South Korea's economy.