

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," his 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 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 communiqué, 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

SANA, Oct 1: Yemeni President Ali Abdallah 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-kilometre 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-makers 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.

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 Shattock.

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. Gupte 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.

Falling Soviet oil exports

the Gulf crisis and rising world demand has pushed virtually all other producers to pump flat out, Birwani said.

He said 42 officials and experts from the United

Big oil reserves to be tapped in ME, USSR

NICOSIA, Oct 1: Big oil and gas reserves are waiting to be tapped in the Middle East and the Soviet Union and the world should stop worrying about future supplies and Omani oil official said on Monday, reports Reuters.

The Middle East and the Soviet Union are among the areas richest in oil and that could be developed in future, said Rashid Bin Khaled Al-Birwani, director of the oil and gas marketing department at the Omani Ministry of Petroleum.

He told the Omani news agency a three-day seminar that ended in the southern Omani town of Salalah on Monday conclude that future oil exploration promised good results.

He said 42 officials and experts from the United

States, Europe and Gulf Arab states took part in the seminar "impediments facing the world's oil industry in the 1990s."

One of the problems identified by participants was the rising costs of exploration due to lack of equipment and technical expertise, Birwani told the agency, monitored in Cyprus.

Hamstrung by poor maintenance and political chaos, the world's biggest oil producer, the Soviet Union, has seen its output fall by nearly three million barrels per day (BPD) to below 10 million (BPD) in the past three years.

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Oil prices to improve, says Saudi minister

PARIS, Oct 1: The price of oil will "improve," Saudi Oil Minister Hisham Nazer told the Petrostrategies specialist review published here on Monday, reports AFP.

"We shall accept the price which will be set by the market, however high. We do not have a price ceiling to put on the free movement, he made this remarks after the Organisation of Petroleum Exporting Countries (OPEC) met on September 24 and 25 in Geneva.

Affirming his belief in OPEC, he said that the organisation had "an extremely useful function." While some questioned it on occasions, "everything depends on the

criteria used to judge the success of an organisation."

Minimising the importance of disagreements with other members during the meeting, he said that national interest could "vary from one region to another."

He said: "if sometimes you have to use strong words, it should not cause undue concern. Perhaps in Geneva we expressed our views in a rather frank manner. We respect everyone."

Different sources said that during the meeting Nazer threatened to leave OPEC. Saudi Arabia refused to reduce its output below 8.5 million barrels per day to open the way for Iraq and Kuwait.

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

Egyptian trade team calls on Mannan

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

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

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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 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.

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

"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 big by winning a 930 million Dollars seaport project in Saudi Arabia to be-

come a world-ranking construction firm 10 years later.

Chung said his biggest challenge was the building of huge shipyards 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 he 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 nickname 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.



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

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-Raqqa, 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 sector 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 (11.4 billion Dollars) and