

China exports over 470,000 workers

HONG KONG, Oct 11: China has sent more than 470,000 people for overseas employment in the past 12 years under contracts worth 17 billion US Dollars, it was reported here Thursday, reports AFP.

The semi-official China News Service quoted Tian Ruzhi, assistant to Minister of Foreign Economic Relations and Trade Zhenzhen Tuobin as saying in a meeting in Quanzhou in eastern coastal Fujian province that China had a signed labour contract worth 1.6 billion US Dollars for the first seven months this year.

During the period, contracts amounting to 960 million US Dollars were carried out involving 780,000 people.

Tian also disclosed there were a total of 117 recruitment agencies in the whole country dealing in overseas employment to earn needed hard cash.

Most of these contract workers were sent to the Middle East, but the Gulf war last year has cut down sharply on the country's main foreign currency earning industry.

Tian, however, said China will continue to provide manpower to the United States, Japan, Western European countries, Hong Kong and Macau.

At the same time the country is exploring new markets in southeastern Asia, Africa, Latin America, the Soviet Union and Eastern Europe.

Unemployment in Australia breaks 10 p.c. barrier

SYDNEY, Oct 11: Unemployment in Australia broke the 10 per cent barrier in September soaring to its highest level since the last severe recession here eight years ago, according to data released Thursday, reports AFP.

Bureau of Statistics figures showed that unemployment jumped from 9.8 per cent in August to 10.2 per cent in September representing a record 872,100 people out of work as some 31,600 people joined the register during the month.

The latest figure, which is worse than financial market expectations, means unemployment levels under Prime Minister Bob Hawke's Labour Government are almost back to where they were when his administration came to power promising more jobs in 1983.

The government has tipped that unemployment will average 10.5 per cent this financial year and peak at 10.75 per cent.

The September figures the worst since September 1983 showed that 23,400 jobs disappeared over the month, after a record rise in jobs in August had raised hopes that the employment shakeout may not be as bad as feared.

Meanwhile, the number of Australians on the dole in September rose 8,947 or 1.3 per cent to 718,748.

'Damage to Kuwaiti oil wells to outlast fires'

KUWAIT, Oct 11: A special UN envoy said yesterday the environmental damage from burning oil wells in Kuwait would long outlast the fires themselves, making long term monitoring of the effects essential, reports Reuter.

Margaret Anstee, sent by UN Secretary General Javier Perez De Cuellar to report on the problem told a news conference, "when the last flames of the last well are put out we should not allow the interest in this problem to be extinguished."

There is a very long haul ahead and the next phase will be more difficult because it is less visible.

Kuwait says it has capped, nearly 80 per cent of the 732 burning or damaged wells sabotaged by Iraqi forces in the days before they pulled out of Kuwait in February. It expects all the wells to be capped by the end of the year.

The fires, which have spewed thousands of tons of toxic gas into the atmosphere, have been repeatedly described as one of the world's worst environmental disasters. The short-term effects are that people feel exhausted, constantly caught and complain of headaches.

In terms of longer term effects nobody knows because there has never been this kind of disaster before it's very important to keep monitoring the situation, Anstee said.

Anstee said Kuwaiti officials she has met including the Emir Sheikh Jaber Al-Ahmed Al Sabah have asked for Perez De Cuellar's help in mobilising diplomatic and financial help to determine the effects of the smoke.

Decisive action is needed not only by the government of this region.

Aid sought for LDCs in consistent manner

C'wealth ministers to act on IMF, World Bank terms

KUALA LUMPUR, Oct 11: Commonwealth Finance Ministers pledged to act in concert to persuade the IMF and World Bank to be flexible when attaching conditions to aid to poor nations, reports Reuter.

"We are not against things like democracy, human rights or the environment," Malaysian Finance Minister Anwar Ibrahim told a news conference at the end of the ministers' two-day meeting. "But if they are interpreted in a manner based on value judgements then it will be difficult," he added. "These are very sound conditions, but sometimes the manner it is being done does not consider the stark reality of situation in some countries."

"We have come to an understanding to act in concert on the key issues when we address to IMF and World Bank

next week," Anwar, who chaired the meeting, said.

The 46 ministers of the Commonwealth, which groups Britain and its former colonies, issued a communique which also touched on the international economic situation and debt relief.

Asked how the Commonwealth plans to act in concert at next week's meeting in Bangkok, Secretary-General chief Eneke Anyaoku said, "all the ministers who sit in various committees (of the IMF and World Bank) will express the views of the meeting here."

"We will also be forwarding a copy of the communique to the IMF and World Bank."

On debt relief, the Commonwealth called on industrialised nations to be consistent in dealing with debtor countries. It is pushing for lower-middle income debtor nations to be given similar terms to those given to Poland

and Egypt which had its debt halved by the Paris Club of Western creditor government.

"Many of these countries are much poorer than Egypt and Poland," Anwar said. "What we want is for the rich nations to help alleviate the problems faced by developing countries in a consistent manner and not based on political expediency."

The Commonwealth also called for an early agreement in the Paris Club on the Trinidad and Tobago terms proposed by Britain to slash the official debt of the poorest nations by 18 billion Dollars and reschedule the rest on more favourable terms.

Anwar said Britain, which was represented by its economic secretary at the treasury John Maples, assured the meeting that it would continue to support the Trinidad and Tobago terms.

Stocks, Dollar close lower in Japan

TOKYO, Oct 11: Share prices on the Tokyo Stock Exchange fell back in thin trading Friday, while the US Dollar finished lower against the Japanese Yen, reports AP.

The 225-issue Nikkei Stock Average fell 37.54 points, or 1.34 per cent, closing the week at 24,157.72. On Wednesday, the average rose 329.64 points, or 1.36 per cent.

Japan's financial markets were closed Thursday. The Tokyo Stock Price Index of all issues listed in the first section closed at 1,853.33 points, down 7.42 points, or 0.39 per cent.

The Dollar closed at 129.05 Yen, down 0.55 Yen from Wednesday's close and also below its overnight finish of 130.35 Yen in New York. After opening at 130.78 Yen, the US currency ranged between 129.75 Yen and 130.78 Yen.

As of 3 pm (0600 GMT), benchmark No. 129 10-year Japanese government bonds slipped to 102.26 points from Wednesday's 102.43-point finish.

2nd foreign bank to be hit over foreign exchange in Seoul

SEOUL, Oct 11: The South Korean government will take measures against the Seoul branch of US Manufacturers Hanover Trust Co for unauthorised import of 20 million Dollars in foreign exchange, officials said Thursday, reports AP.

Kang Man-Soo, Director General of the International Finance Bureau of the Ministry of Finance, told a luncheon that a final decision on the penalty to be levied against Manufacturers Hanover had not yet been reached.

A top official of the bank acknowledged by telephone that it had been audited late last month shortly after the Paris-based Banque Indosuez was found to have illegally introduced some 85 million Dollars in foreign exchange

Fund permits UN to run till Nov

UNITED NATIONS, Oct 11: Secretary-General Javier Perez de Cuellar on Thursday sounded the alarm bells on UN dues payments, saying he had just enough money to finance expenses until the end of November, reports Reuter.

Without mentioning the United States by name, he said contributions to the main UN budget were 528.5 million Dollars in arrears. Of this amount the United States owes 65 per cent or 344.5 million Dollars, according to UN documents.

Washington, in an effort to catch up in its payments, on Wednesday paid 181 million Dollars in a single check to the regular budget.

This payment, plus small contributions from other nations, made it possible to finance expenses until the end of November, he said in an address to the General Assembly's Administrative and Budgetary Committee.

But the Secretary-General pointed out that arrears for 1991 and past years equaled more than half of the 962.7

million Dollars in dues assessed members states in 1991.

Excluded from this calculation are peacekeeping expenses, for which the United States owes another estimated 100 million Dollars, as well as specialised UN agencies, which have separate budgets.

Perez de Cuellar appealed for a permanent solution to payments in the regular budget and peacekeeping activities.

"As you are aware, the UN financial rules and regulations call for the payment of assessments in full within 30 days of receipt of notice," he said.

"If the regulations are not adequate, an alternative framework for the sound financial planning of United Nations activities should be worked out."

Payments to the regular budget are based on a complicated formula depending on a state's national wealth. Eight rich nations pay for more than 75 per cent.

The United States is assessed 25 per cent of the budget new proposals.

EC proposes reforms in tobacco subsidies

BRUSSELS, Oct 11: The European Community (EC) proposed here Wednesday introducing production quotas for tobacco which it said would significantly cut current EC tobacco output of about 400,000 tons a year, reports AFP.

The EC's Executive Commission recommended a quota of 340,000 tons above which no subsidies would be paid. It allocated 38 per cent of the quota to Italy and 36 per cent to Greece.

The balance would be shared by the smaller producers — Spain, Portugal, France, Germany and Belgium.

The proposal forms part of the EC's current reforms of agricultural policy. It replaces export restitutions and intervention purchases with production subsidies related to quality.

The commission also proposed that producers of low-quality tobacco, mainly peasant farmers in Greece, should be helped to switch to other crops.

The EC's 200,000 tobacco farmers now grow about 400,000 tons a year, of which slightly more than half is exported. Total EC consumption is 600,000 tons a year, of which over 70 per cent is imported.

To justify subsidies for a product which is considered a health hazard the commission said that ending the subsidies would probably not lead to less smoking but simply to higher imports.

It added that many EC tobacco growers lived in poor areas where they had little chance to do anything else.

US businessmen see economy subpar in '92

HOT SPRINGS (Va), Oct 11: The US economy, while it appears to be emerging from the recession, is facing serious problems that are likely to make 1992 a decidedly subpar year, top American business leaders said Friday, reports AP.

The Business Council, made up of chief executives of 100 of the nation's largest corporations, began their fall meeting in a downbeat mood about economic prospects.

The executives called for bold action on the part of the Federal Reserve to slash interest rates by a full percentage point in an effort to bolster consumer confidence.

But they conceded that even a big rate cut might not do the trick in an environment where all sectors of the economy are facing a heavy debt burden left over from the 1980s and consumers remain fearful about continuing layoffs.

The pessimistic views of the Business Council come as President Bush and his top economic advisers, about economic weakness as an election year approaches, have been searching for ways to instill more confidence in businesses and consumers.

The council released an economic report that said the recession most likely ended in the spring. The reports forecast that growth next year, as measured by the Gross National Product, will be in a range of 2.5 per cent to 3 per cent.

However, the report said: "There is as yet no real feeling among many consumers and business managers that economic recovery is truly under way."

If anything, the business executives themselves were more pessimistic than their economists. They cited fears that cutbacks in defense industries, further weakness in the financial system and more layoffs in service industries, where 70 per cent of Americans work, will act as a severe drag on growth next year.

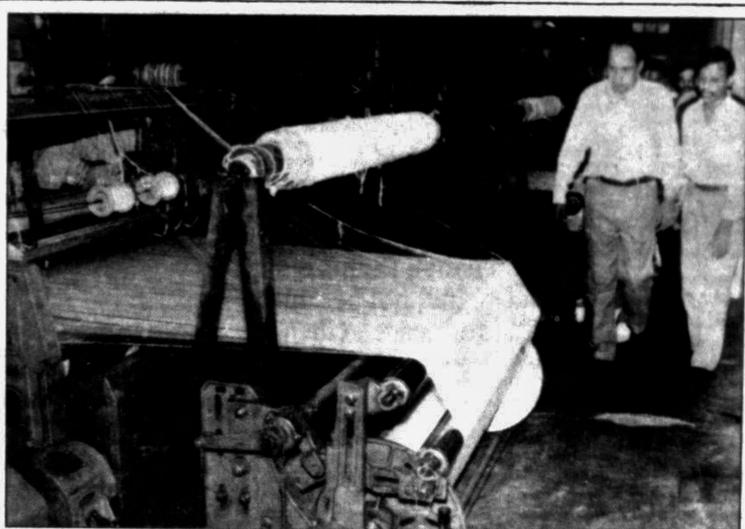
The business leaders said they were not looking for a double-dip recession, a period of weak growth is followed by a further downturn, but some said that was only because they were not convinced the first recession has ended.

Pakistan plans tea cultivation

ISLAMABAD, Oct 11: Pakistan, which imports 170 million Dollars worth of tea annually, has earmarked 150,000 acres in the country's mountainous north for tea cultivation, Prime Minister Nawaz Sharif said yesterday, reports AFP.

A board is to be set up to develop tea plantation on the specified land within two years, Sharif said during a visit to a tea research centre near Manachra in North West Frontier Province.

An official report said Sharif promised adequate loans and incentives to tea growers. Chinese experts were assisting the experimental tea cultivation at the research centre, officials said, adding that the results encouraging.



State Minister for Textile Maj (Retd) Abdul Mannan visited a specialised textile mills at Mouchak, Gazipur on Thursday.

Oil prices hit highest level

NEW YORK, Oct 11: Oil prices soared in New York yesterday to their highest levels since the Gulf war, propelled by industry data showing a drop in US inventories of crude oil and by predictions of even higher prices in the months ahead, reports Reuter.

On the New York Mercantile Exchange oil for November delivery shot up 17 cents to close at 23.16 Dollars a barrel, the highest since January 23, on London's International Petroleum Exchange, the Benchmark Brent oil price hit 22 dollars a barrel.

Analysts said the rally was ignited by a report by the American Petroleum Institute, a trade group, that US crude oil inventories fell by 1.25 million barrels to 338.3 million barrels in the week that ended on October 4.

But the market also focused on predictions that oil could climb further before the end of the year, against a background of falling Soviet output and a ban on Iraqi exports.

We're expecting oil prices to hit 25 Dollars some time during the fourth quarter — we're already ahead of schedule, said Mike Barry of energy market consultants in London.

With war ravaged Iraq out of the market and Kuwait only returning slowly to production, the Organisation of Petroleum Exporting Countries is severely stretched, experts said.

OPEC pumped 23.66 million barrels a day in September, but demand for OPEC oil is expected to exceed 24 million barrels a day in the fourth quarter.

"I'm still bullish at this level, over the next couple of months the market could add another couple of Dollars, said Geoff Pyne, oil analyst at

Stockbrokers Ubs Phillips and Drew.

All the background to the market means that the risks are stacked to the upside, he added.

Oil exports from the Soviet Union this year will be sharply below market expectations due to an ageing industry and political difficulties that have cut production.

Soviet oil exports will total 1.9 million barrels a day, down from last year's 3.2 million barrels according to Vladimir Arutunian, Chairman of Soyuznefte Export, the Soviet oil export agency.

In other New York prices, heating oil for November delivery ended 0.99 of a cent higher at 68.05 cents a gallon and unleaded petrol closed 0.29 of a cent lower at 63.20 cents a gallon.

In London the market rose close to the highs,

G-7 communique won't stress currencies: US

BANGKOK, Oct 11: A senior US official said he does not expect the Group of Seven Communique to put any emphasis on currencies, reports Reuter.

"I don't see it being a paramount issue," said the official who is travelling with the US delegation headed by Treasury Secretary Nicholas Brady to the IMF/World Bank annual meeting here.

"I don't expect the communique to include strong language on currencies," he told reporters.

Brady, accompanied by US Federal Reserve Chairman Alan Greenspan, arrived in Bangkok on October 10 after a brief stop in Tokyo for talks with financial leaders there.

Japanese FM to carry \$2.5b for Soviets

TOKYO, Oct 11: Japanese Foreign Minister Taro Nakayama will leave here Saturday for the Soviet Union armed with a 2.5-billion-Dollar package to help prop up its ailing economy, reports AP.

This is the first visit to the country by a Japanese minister since the attempted coup in August, which brought a turning point in Soviet history by leading to the collapse of communism there.

During his six-day visit, Nakayama is due to meet Soviet President Mikhail Gorbachev and Russian President Boris Yeltsin as well as his Soviet counterpart Boris Pankin and Russian counterpart Andrei Kozyrev.

The aid package, announced Tuesday, consists of

500 million Dollars in an export-import bank loan for food and medicine, 1.8 billion Dollars for trade insurance and 200 million Dollars in export credit from the bank.

Japan will also promote technical assistance in energy, distribution and nuclear safety, the government said.

A foreign ministry official said Japan wanted to send "a clear signal" that it valued the post-coup developments.

"This direction, to put it mildly, is in line with the resolution of the territorial issue," he said, referring to a dispute over four groups of islands annexed by the Soviet troops during World War II.

Japan has opposed any aid other than humanitarian or technical to the Soviet Union because of this dispute.

BCCI windup to hit UAE stocks

ABU DHABI, Oct 11: The burgeoning stock market in the United Arab Emirates (UAE) may crash if the troubled Bank of Credit and Commerce International (BCCI) is liquidated, local dealers said, reports AFP.

They said most of the 29 banks and companies trading their shares in the UAE market were believed to have deposits with BCCI.

"Let's wait until December," said one dealer, referring to the deadline set by the bank of London for BCCI shareholders to try and salvage the bank or it will be wound up.

"If BCCI is liquidated, and that's what I expect, then you might see a collapse of the shares of several institutions here."

The shares of all but three major institutions have declined in the past three

months after rumours that they have deposits with BCCI. The rumours did not affect the Dubai National Bank (DNB), the Emirates International Bank (EIB) and Etisalat, the UAE's sole telecommunication firm, according to the dealers.

The rumours have caused a sharp increase in demand for the shares of these three institutions, pushing their prices by more than 30 per cent, one dealer said.

The majority of the shares of DNB and EIB are held by the Dubai government while 60 per cent of Etisalat is owned by the federal government, which groups Abu Dhabi and Dubai with five emirates.

At the height of the BCCI crisis, Etisalat announced a first batch of cash dividend to shareholders of 25 per cent. A similar amount is expected to be distributed in January.

Etisalat share stood at 700 Dirhams (190.7 Dollars) on Wednesday and that of DNB at 640 Dirhams (174.3 Dollars), by far the highest in the UAE market, brokers said.

Both institutions have made substantial profits at a time when many local banks and companies suffered losses six years ago due to an economic recession and accumulating bad debts.

Etisalat is the biggest joint-stock company in the UAE, with a capital of three billion Dirhams (817 million Dollars), despite a series of cuts in fees on its services, its net profits have steadily grown over the past five years.

They stood at 852 million Dirhams (232 million Dollars) in 1990 and 786 million Dirhams (214 million Dollars) the previous year.

Nepal to get \$3.4m Swiss grant

KATHMANDU, Oct 11: The Swiss government on Thursday agreed to provide Nepal with a 3.4 million Dollar grant to help train instructors for the technical and vocational education, reports AP.

Part of the fund will also be used to repair of a mountainous highway.

The finance ministry said 1.72 million Dollar will be spent to set up, equip and operate a central technical instructors' training institute capital Kathmandu.

The remaining 1.7 million Dollar will be used to repair the 114 kilometres (72 miles) Arniko highway that links Kathmandu with the Chinese border in the north. The highway was built with Chinese assistance in 1966.

Soviet oil exports to decline sharply

LISBON, Oct 11: Soviet oil exports in 1991 are expected to total up to 95 million tons (1.9 million barrels per day) (BPD), Chairman Vladimir Arutunian of Soyuznefteexport (SNE), the country's oil export agency said, reports Reuter.

The forecast by the Soviet officials, in an interview with Reuter, was worse than expected and sharply below official Soviet figures for 1990, of around 30 per cent overall. But this is under two million."

Western analysts expect oil production to fall to under 10 million BPD by year-end, marking a three million BPD drop in as many years.

Arutunian said oil refinery operations in breakaway Soviet republics have started foreign marketing independently.

are not available. Last year oil exports totalled 158.5 million tons (3.2 million BPD), of which crude was 108.3 million tons (2.2 million BPD) and refined products 50.2 million tons (1.0 million BPD).

A London oil analyst commented, "It's even worse than we thought. We had been estimating they would export 2.2 million BPD this year, a fall of around 30 per cent overall. But this is under two million."

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Cheap food channelled to rich, 40 pc undernourished in India

NEW DELHI, Oct 11: Four decades of Indian socialism have ended famines but a labyrinth of subsidies and levies is now channelling cheap food to the urban rich, the World Bank says, reports Reuter.

The wealthiest 40 per cent of India's 850 million people claim their share of cheap food from subsidised "fair price" shops in towns and cities, the bank said in a confidential report on Indian agriculture, a copy of which was obtained by Reuter.

A further 40 per cent remain undernourished, half of these eating barely enough to survive even though most of

them work on the land, the bank told India's government and foreign donors.

The report is part of the bank's efforts to advise on how India can get out of a 72-billion-Dollar foreign debt trap without starving its poor, most of whom eke out a living by harvesting by hand or leading a bullock in a circle to thresh grain.

"Agricultural policy is in crisis," the report said. "Although famines have largely been eliminated, hunger remains a persistent problem for nearly 20 per cent of Indian households."

In a euphemistic reference to the thriving black market in

state-distributed essential goods, the report called the system "leakage prone."

"High levels of poverty.... argue strongly for retaining subsidies as a safety net," the report said. "Yet it is also clear that a significant proportion of benefits are being siphoned off by non-eligible Indians."

It advocated an urgent overhaul of India's bureaucracy-ridden farm sector, to parallel reforms which the three-month-old minority government of Prime Minister Narasimha Rao has already launched in other areas of the high-controlled economy.

The report, "agriculture, challenges and opportunities,"

take 200 pages to analyse the intricate warp and weft of curbs and incentives which governments have wrapped around rural India, where three-quarters of the population live.

When India won independence from Britain in 1947, it pursued socialist self-sufficiency to end the famines blamed on colonial exploitation.

It ploughed money into irrigation, fertilizers, new seed discoveries and buying up crops for redistribution. "This strategy paid off. It targeted the most obvious and pressing need of feeding the nation," the bank said.

But the system has got out of hand, the report said. India's government spent 7.8 billion Dollars on subsidising farmers in the year from April 1, 1989, with farm investment stagnating and no technological breakthroughs in sight to boost crop yields.

The bank said India could safely stop subsidising farmers in regions that have prospered from state investment and let them grow whatever crops they found most profitable.

It urged the government to switch subsidised food to the rural poor and get irrigation and roads running through regions which got left out of the "green revolution" of the