We must iron out differences or risk serious impact on world, warns Bush

TOKYO, Jan 8: President Bush opened crucial trade talks with Japanese Prime Minister Kiichi Miyazawa on Wednesday, warning that world's two biggest economic powers must iron out their differences or risk a serious impact on the world, reports AP.

Bush said his trip was not only about business relations but about a global partnership, security issues,and the "big picture."

"To guarantee that this big picture continues to unfold in a positive way, we must make dramatic progress on the business side," Bush said after he and Miyazawa met privately and then were joined by a delegation of U.S corporate executives that Bush brought to Tokyo.

"We've got to lead it. We've got to iron out these differences between us so we can go forward without tensions mounting and dividing up the world into trading blocks," Bush said.

We've got to follow through. We've got to be specific. We got to get as much as we can - set tables, times."

Miyazawa, noting Bush had brought with his enough U.S business leaders to make two baseball teams, said he hoped the two sides would " be throwing balls with imaginative and creative ideas back and forth."

President Bush and I are working hard to advance our bilateral relationship,including its economic aspect, not only for the sake of our two countries but also for the rest of the world," he told the business leaders.

Switching subjects, Bush, seeking to allay year-old criticisms that Japan had not committed itself fully to the U.S led effort in the Gulf War, said he had no such thoughts."Japan stepped up and did what it was asked to do," he said.

Bush declared Tuesday before meeting Japan's Prime Minister that the United States will not be satisfied with "piecemeal trade agreement" in its campaign to open Japanese markets. Beleaguered American automakers angrily denied they wanted favors from Tokyo.

"We don't have to apologize to anybody," Chrysler Chairman Lee Iacocca said. Nor do they want " Miyazawa's sympathy," added General Motors Chairman Robert Stempel in a reference to Prime Minister Kiichi Miyazawa's statement of "compassion" for the struggling U S auto industry.

AFP adds: President George Bush began bargaining over trade with Japan's Prime Minister Kiichi Miyazawa Wednesday as Washington said it was seeking a firm commitment from Japan but not charity.Asked when the hard bargaining would begin, Miyazawa told reporters at the outset of the talks: "Whey you go".

The two leaders held a one-on-one discussion in English for about half an hour which Japanese source said focussed on bilateral issues such as trade, including cars, as well as business cooperation and the Uruguay Round.

"We've had talks about world security problems... world partnership",said Bush afterwards.

A senior administration officials said before the talks began "We're looking for a recognition on the part of the government of Japan that they've gotten the message. And That means doing more than they have to date to see that an effective open market exists."

As Bush met with Miyazawa, separate talks were held between Japanese trade officials and 21 American executives accompanying the president. The delegation includes the heads of the big three US carmakers,notably Chrsler Chairman Lee Iacocca, an outspoken critic of Japan.

"We're waiting to see what the government of Japan comes forward with as a concrete tangible set of actions," the senior administrations official said.

"We want much more of what we've suggested over the last three years," he said, adding that Washington sought a " much stronger commitment" from Tokyo.

Robert Stempel, Chairman of General Motors which recently announced it was getting rid of 74,000 workers, said " we're not asking them to give us anything, we're asking them to let us compete."

UK suspends beef aid to Russia

LONDON, Jan 8: The British government has suspended delivery of 2,000 tonnes of beef in aid to Russia while it tries to persuade Moscow authorities the meat is free of so-called mad cow disease, officials said, reports Reuter.

Britain chief veterinary officer Keith Meldrum flew to Moscow on Monday for talks after a first consignment of 118 tonnes was rejected at the weekend.

The beef was eventually accepted by the northern Russian city of Murmansk, but a UK agriculture ministry spokesman said the rest of the consignment had been put back in cold storage pending Meldrum's return later this week.

European Community (EC) and British officials had assured Moscow that the meat was free of the disease, Bovine Spongiform Encephalopathy.

Hong Kong will double guest workers quota

HONG KONG, Jan 8: Hong Kong is likely to double the quota of foreign manual labourers to 25,000 a year despite strong protests by unions, government sources said here Tuesday, reports AFP.

Executive councillors endorsed the scheme to more than double the quota in a meeting Tuesday, however details of the plan were not disclosed, sources said.

The scheme, which mostly affects construction workers from China, is expected to be formally announced next week.

Some 50 labour unionists had staged a noisy rally outside the government secretariat office to protest against the proposal.

Trade unionist Lee Chuk-Yuen said, "We are opposed of the importation of foreign workers...we feel the public should be consulted first before any decision should be made in allowing more foreign workers".

They claimed there were no shortage of labour affecting the British colony. Under the new scheme, the two-year contract will be extended to a maximum of six years.

The government has earlier allowed 12,000 workers to be imported since 1989, however business and industrial sectors said the numbers were insufficient due to low unemployment rates in the territory.

Bad weather pushes up oil price

LONDON, Jan 8: Oil prices rose on Tuesday amid concern about North Sea supplies which have been disrupted by bad weather and related platform closures, traders said, reports Reuter.

Recent bad weather in the region has resulted in a backlog of tankers waiting to take on cargoes of Brent Crude at the Sullom Voe terminal in the Shetland Islands of Scotlands.

Two British North Sea oil platforms were shutdown last Friday because of weather damage, depriving the market of 80,000 barrels per day of Brent blend crude production.

At 1815 GMT Brent futures for February loadings stood 11 cent higher at 18.23 dollar a barrel.

In New York, light US crude oil futures for February delivery were also firmer, up eight cent at 19.29 dollar.

Meanwhile, Saudi Arabia, the Organisation of Petroleum Exporting Countries, biggest producer, has cut its February price formulas to European and US buyers to take account of weakness in the prices of refined products, oil industry officials said.

And a Reuter survey of OPEC oil production showed that the cartel had made no effort to reduce output despite a five dollar fall in oil prices since last October.

OPEC pumped 24.14 million barrels per day (BPD) in December, an increase of 40,000 BPD from the November total, the survey showed. Saudi Arabia kept output steady at 8.35 million BPD and is unlikely to trim production ahead of OPEC's next meeting in February, industry sources said.

"Saudi Arabia will keep pumping where they are until the February 12 OPEC meeting," one US oil company executive said.

Latest oil futures prices (dollars per barrel) at 1815 GMT

	Jan 7	Jan 6 (close)
North Sea Brent (Feb)	18.25	18.12
New York Wti-type (Feb)	19.32	19.21
Singapore Dubai (Feb)	15.20	15.05

Japan giants agree to raise autoparts import

TOKYO, Jan 8: Japan's big five motor manufacturers — Toyota, Honda, Mazda, Nissan and Mitsubishi — have announced they are raising their procurement targets for US autoparts to around 18 billion dollars within three years, reports AFP.

Toyota, Honda, Mazda and Mitsubishi made their announcements today the second day of US President George Bush's visit to Japan in which he has already discussed the crisis-hit US automobile industry with Prime Minister Kiichi Miyazawa.

Nissan said Tuesday it was setting itself a target of 3.7 billion dollars for fiscal 1994, a 2.5-fold increase from fiscal 1990.

Toyota estimated its US purchase for fiscal 1994 which ends in March 1995 could total 5.28 billion dollar-up from the current target of 4.6 billion dollar set for that year.

Honda said it planned to purchase around 4.94 billion dollar-worth of US made automotive parts over the same period, a 1.8- fold increase on 1990.

Mazda set itself a new target of US auto supplies of 2.3 billion dollar for fiscal 1994, an increase of 1.1 billion dollar over 1990. Mazda also said it would aim to increase its imports of Ford model cars in fiscal 1992.

Mitsubishi said its local Chrysler parts purchases in fiscal 1994 would be worth 1.2 billion dollars., a 2.3-fold increase over 1990. The company would also increase US parts imports to 400 million dollar in 1994 from their 155 million dollar level in 1990.

Wednesday's announcement came within 48 hours of disclosures from the big three US car markers that their sales last year had collectively plunged more than 10 per cent. General Motors announced recently it was shedding 74,000 jobs and closing 21 plants.

Toyota also announced Wednesday that it was to open a supplier support center in the United States in mid-1992. The company will begin shipping cars to Japan from its Kentucky plant, with total imports expected to reach 20,000 units in fiscal 1994.

The company, which is soon to start marketing Volkswagen and Audi vehicles in Japan, said it was ready to negotiate with General Motors about the possibility of retailing its vehicles in Japan.

Honda also announced it was tripling its sales of Chrysler Jeep Cherokee and Wrangler models and doubling imports of its US- made Accord models.

In setting is parts purchases target for 1994, Honda warned its US suppliers that they faced tough competition in areas such as quality, cost and meeting specifications, delivery and technology.

Mitsubishi also said it was increasing the number of US-made vehicles to be sold in Japan to 6,000 units in fiscal 1995. It imported 2,543 units in 1990.

AP adds: Japan already voluntarily restricts annual car exports to the United States at 2.3 million units a year, but actual exports have fallen below that ceiling since 1987.

Instead, Miyazawa reported is considering a pledge that the government will buy more US cars for its own use.

But industry officials say US car makers must begin marketing the right products if they went to take advantage of the concessions won during Bush's visit.

Japanese auto dealers will be happy to sell American cars, "if and when the products fully meet the needs of the demanding Japanese consumers," Ueno said. "However, quite frankly speaking, I can not help wondering whether US car manufacturers have made serious efforts in conducting research.... on Japanese consumers' preferences."

He said virtually none of the association's 2,000 dealers has been contacted by US automakers, and called on the Big Three to work harder in Japan.

"There's a strong image that American cars break down easily, like the power window gets stuck or some small part comes loose, and that they get terrible gas mileage," said Akihiko Yoshida, an editor for Car Sensor magazine. "When you think American cars, you think huge Lincoln."

It's market mechanism, we can do little : MITI

TOKYO, Jan 8: Governments can play only a limited role in correcting international trade imbalances, a senior official of Japan's Ministry of International Trade and Industry (MITI) said Wednesday, reports Reuter.

Speaking at a news conference on the first day of US President George Bush's visit, Vice-Minister for International Affairs Noboru Hatakeyama said the imbalances were a reflection of market mechanisms which governments could not reduce by dictating to companies.

We have to be modest, he said. We have to admit that what both US and Japanese governments can do is very limited."

Hatakeyama produced a summary, expected to be presented to Bush in talks later this week, of plans by 23 of Japan's leading companies to boost annual imports in 1993 by a total 10.2 billion dollar from their 1990 levels.

Bush has turned his four-day Japan trip into a campaign to create American jobs by praying open the Japanese market.

The plans are in response to MITI's call in November for companies to boost imports in a global business partnership intended to deflect criticism of Japan's large trade surplus.

Hatakeyama emphasised that the import-boosting plans were voluntary and companies were not bound by them.

Failure to reduce trade imbalances could lead to protectionist sentiment gaining strength around the world and would limit Japanese access to foreign markets.

MITI plans a number of new tax, loan and insurance programmes to encourage foreign firms to export to Japan.

Lanka seeks to satisfy donors

COLOMBO, Jan 8 : Sri Lanka met its foreign aid contributors on Tuesday and sought to reassure them the government was doing everything possible to resolve the country's conflicts, a senior treasury official said, reports Reuter.

A government team, led by Finance Secretary R Paskaralingam, told donor countries it was seeking a peaceful solution to the Tamil separatist campaign and heard concerns about human rights.

The briefing was a traditional prelude to the annual Paris Aid Group meeting scheduled for February 7. Colombo is seeking 860 million dollar in aid this year.

The treasury official reported that efforts were being made to find a peaceful solution to the Tamil crisis through a parliamentary committee and a conference of political parties.

In answer to a query on the human rights situation by the German envoy, he said the government had several committees investigating violations and complaints.

India plans to buy 2m tonnes crude

NEW DELHI, Jan 8: India is approaching Iran and Malaysia for two million tonnes of crude to make up for a disruption in supplies from the former Soviet Union, the Press Trust of India (PTI) news agency said, reports Reuter.

PTI quoted oil industry sources as saying that oil supplies to India from the former Soviet Union stopped in December and Delhi was uncertain when they will resume.

The Soviet Union, now replaced by the Commonwealth of Independent States (CIS) used to supply nearly five million tonnes of crude and three million tonnes of oil products under a bilateral trade agreement.

The agreement expired in December. India bought three million tonnes of crude and 1.5 million tonnes of products in the current financial year (April/March) from the Soviet Union before it expired PTI said.

The agreement allowed India to pay for Soviet goods in Indian rupees.

Replacing Soviet oil from the spot market will put more pressure on India's fragile balance of payments. Delhi nearly defaulted on its 71 billion dollar foreign debt in June after overseas banks refused to extend credit. India at the time only had enough foreign exchange to pay for two weeks of imports.

Western diplomats say India will probably have to pay hard currency in future if it wants to continue buying oil from Russia or other former Soviet republics.

About a quarter of India's oil imports used to come from the Soviet Union. The petroleum ministry estimated India would import 20 million tonnes of oil and 10 million tonnes of products in the current fiscal year ending in March.

But the diplomats say well management problems in India's biggest oil-field, Bombay high, mean India could fall four million tonnes short of its projected production of 32 million tonnes and oil imports could increase to compensate for the shortfall.

Dollar regains against yen

TOKYO, Jan 8: The US dollar bounced back against the Japanese yen in morning trading Wednesday a day after its plunge to a three-year low, while share prices fell in thin trading, reports AP.

At late morning, the dollar was changing hands at 124.07 yen, up 1.07 yen from Tuesday's close and higher than its overnight finish at 123.95 yen in New York.

Agreement on geological study signed

By Staff Correspondent

An agreement for joint study on geophysical, geological and geochemical review was signed Tuesday between the Bangladesh government and the Bangladesh Oil, Gas and Mineral Corporation (Petrobangla) on the one side and BHP Petroleum (Asia-Pacific) Inc and Amoco Overseas Exploration Company on the other.

The agreement covers approximately 13,390 square km in block 22 and provides for BHP Petroleum, as the coordinator, and Amoco, with the assistance of Petrobangla, to carry out the study.

Gold may glitter late this year

LONDON, Jan 8 : Gold is hovering above five-year lows at around 349 dollar an ounce, but the market is likely to challenge 400 dollar later this year, analysts said, reports Reuter.

"We're still in a weak market and while there has been an increase in physical demand outside the US and Europe, we'll probably have to look to economic recovery later in the year for an upturn in gold," Robert Guy, Chairman of the London Bullion Market Association, said.

Last year's disclosure that Soviet gold reserves had plunged was likely to help underpin prices in 1992, analyst said.

The average price for gold in 1991 was 362 dollar with the metal hitting a five-year low of about 342 in September on an array of factors ranging from poor investment demand to forward selling by producers generally.

Analysts commented on prospects for 192 as follows—

Pricear-

"I've generally been a gold bear, but the fundamentals have rally changed this year and should filter through into the market in late 1992, early 1993", A gold analyst from a major mining company said.

"The selling will really come in from the mining companies at 370 dollar and scale up to 400 dollar but beyond that the producers don't expect the price to go further. So you may get a vacuum with the possibility of a further sharp upward spike," he added.

Wiktor Bielski of Brokers W I Carr said, "the fundamental outlook for gold in 1992 is the best for three to four years and technically it is well oversold."

"The critical resistance is at 380 dollar and if we get through that level, we could move up to 400 dollar and possibly 425 dollar very quickly in the second half of 1992."

Andy Smith of Union Bank of Switzerland (UBS), said, "prices will be much more lively this year in better two-way trade provided we don't get a one-way disaster like the Gulf War in 1991. The trend should be choppy and slightly up."

He put the lower end of gold's range at 350 dollar.

Rhona O'Connell of Brokers Williams De Broe took a slightly different view. "I'm not a gold bull, I'm broadly neutral. I would be surprised if gold sustained any period below 320 dollar, but if it can't rally beyond 372 dollar in the third and fourth quarters of 1991 when jewellery demand is at its strongest I don't give much for this year's chances."

Petrobangla Secretary Atiqur Rahman and BHP representative signing the pact.

Kuwait limits residence permit for expatriate dependents

KUWAIT, Jan 8: Kuwait has issued new rules which will drastically limit the number of dependents which expatriate workers can bring into the country, reports Reuter.

Foreigners working for the government will be able to bring a wife and three children provided they have a monthly salary of over 450 dinars (1,580 dollars), the Kuwaiti news agency quoted Interior Minister Sheikh Ahmed Al-Jaber Al-Sabah as saying.

Foreigners employed by private firms will be allowed residence permits for a wife and two children as long as they have a salary of more than 650 dinars (2,290 dollars) a months.

For each additional child both categories will have to pay the government 100 dinars (350 dollars) a year, the minister said.

Only a minority of skilled workers, mainly westerners, would have salaries above these levels.

Kuwait's population has dwindled to around half the 2.2 million people it had before Iraq invaded in August 1990. Only about 27 per cent were Kuwaitis.

The government wants to keep the total at 1.5 million, with the number of Kuwaitis roughly equal to that of foreign workers. Government bodies have been instructed to restrict the number of non-Kuwaitis they employ to about 35 per cent of pre-invasion levels.

Most of Kuwait's Palestinians, once the largest foreign community, have left the Emirate because they were laid them off.

Some Palestinians supported Iraq during the occupation.

The government has extended by five months a deadline for residence permits for the remaining 50,000 Palestinians, the remnants of what was once a 400,000-strong community, but it is not clear whether they will be allowed to stay.

Tokyo most expensive city

WASHINGTON, Jan 8: A food price survey conducted by the Foreign Agricultural Service indicated that prices in Brasila are the lowest among 18 capitals surveyed, reports AP.

The cost of the 15-item market basket surveyed in November was 27 dollar in Brasilia, with Pretoria and Mexico City next at 41 dollar and 42 dollar respectively.

Tokyo increased its lead as the most expensive city, at 155 dollar, outdistancing second- place Stockholm by 42 dollar.

Correction

In the item headlined 'BTC trainees awarded certificates' in our yesterday's issue the word should read 'graduates' in place of 'recruits'. The mistake is regretted.

War puts 25 per cent Yugoslavs below Poverty Line

BELGRADE, Jan 8: Civil war in Yugoslavia has wrecked what was already a shaky economy, plunging a quarter of the population below the Poverty Line, throwing hundreds of thousands out of work and bringing in galloping inflation, reports AFP.

More than six million of the federation's 24 million inhabitants are now classed as impoverished. Two million people are jobless and 60 per cent of firms are operating at a loss, while prices continue to soar out of reach for many people.

Discontent with growing hardship could "develop into a movement that no-one can channel," the federation's trade union leadership warned recently.

Industrial production last year was more than one fifth down on 1990 and below the level of 1976, with salaries — at an average of 130 dollars a month - 17 per cent down in real terms, official figures showed.

A child's jacket or a girl's dress in the Belgrade shops — still well stocked, for the time being — currently costs the equivalent of around 80 dollars.

Hardest hit of the various social categories are the farmers, 40 per cent of whom are living below the official poverty line.

However they were likely to be joined by others as inflation in December hit an annual rate of 290 per cent, with economists expecting a resumption of hyper-inflation in 1992, optimists predicting a year-on-year rise of around 500 per cent and pessimists fearing 5,000 per cent or event more.

Shoppers face an incessant round of price hikes. In Serbia last month, no fewer than 17,000 items rose in price : Heating by 90 per cent, bread by 35 per cent, flour by 50 per cent, phone bills by 66 per cent, fuel by 30 per cent and then by another 15 per cent, transport by 40 per cent, and so on.

In Montenegro, one of Yugoslavia's poorest republics, electricity rose by 47 per cent this month, and trade unions are offering their supporters a choice of not paying their bills or staging a general protest strike. The average wage in Montenegro is 110 dollar, with many workers earning only 70 dollars.

In the ethnic Albanian province of Kosovo, the scene of communal fighting in recent years, salaries are being paid three or more months late, Tanjug news agency has reported. Workers in many parts of Yugoslavia, including Belgrade, are complaining bitterly about the late payment of their salaries.

Some workers are receiving payment in kind : The Vecernje Novisti Daily reported the case of a wage-earner in Serbia whose 120-dollar "pay-packet" consisted of 60 dollar worth of food-vouchers, 50 kilogrammes (110 pounds) of flour, 25 kilogrammes (55 pounds) of sugar and eight litres of cooking oil.

In the northern Serbian province of Vojvodina, where banknotes are in short supply, workers are apt to receive part of their pay in whatever product their factory supplies, which may mean nails, concertinas, bicycles, slippers or food items.

Trade unions in Bosnia-Herzegovina have warned of famine if food is not imported rapidly. The situation there is aggravated by the influx of thousands of refuge fleeing the fighting in neighbouring Croatia.

In Croatia, where war damage is estimated at 21 billion dollar and rising, unemployment is 58 per cent up on a year earlier, with 77,000 firms declaring bankruptcy.

Eighty per cent of Yugoslavia's 1992 budget, largely financed by the expedient of printing banknotes, is to go on military expenditure.

Yugoslav Prime Minister Ante Markovic resigned last month to protest at Serbian insistence on adopting the budget in its present form, warning that the country was heading for an "economic and social catastrophe."

Business Briefs

Dollar smuggler held in Madras: Indian Customs arrested a Singapore bound passenger who tried to smuggle out 52,000 US dollar by swallowing the money he packed in condoms, the Indian Express reported Wednesday, according to AFP from New Delhi.

The man confessed to interrogators that he had swallowed 260 "capsules", each containing two 100-dollar bills, after he was detained at the Madras International Airport by customs officials who acted on a tip.

China to boost gold prospecting: China's gold output increased 13.4 per cent last year and a new contract system will be implemented stating this year to boost gold prospecting, the China Daily reported Wednesday, according to AFP from Beijing.

Targeted growth for this year was 10 per cent, the newspaper said. It did not give actual production figures, which are a closely guarded secret. Investment this year would be channeled mainly into the construction of 11 key state projects, including seven new mines and four extensions

Sharif to attend Davos confce: Pakistani Prime Minister Nawaz Sharif will attend the annual Davos World Economic Forum Conference in Switzerland, officials said in Islamabad Tuesday, reports AFP.

He will deliver a speech and also meet with world leaders and businessmen present at the conference from January 31 to February 3, they added. Representatives of three leading Pakistani business houses Munnoo Saigol and Habib-have also been invited to the conference.

Subic workers demand job : Representatives of Pilipino civilian workers who will be laid off after a US military pullout from Subic Naval Base this year, called on President Corazon Aquino in Manila Tuesday to provide them with jobs, reports AFP.

Union leaders told Aquino of the "urgent need" to rush through new projects in Subic, said Roberto Flores, President of the Federation of Filipino Civilian Employees at Subic, which represents about 45,000 workers.