

ROK presses Japan to cut trade gap

SEOUL, Jan 17: South Korea stepped up pressure on Japan to take concrete steps to narrow Seoul's huge trade deficit with Tokyo...

South Korea's efforts to reduce its trade deficit with Japan by boosting exports and diversifying import sources...

The shortfall with Japan accounts for nearly 90 per cent of South Korea's total trade deficit.

\$ slides against yen

TOKYO, Jan 17: The U.S. dollar slipped further against the Japanese yen at the end of Friday's morning session...

The U.S. dollar was changing hands at 127.83 yen at late morning. The currency opened at 128.05 yen...

The 225-issue Nikkei Stock Average was down 431.91 points, or 2.00 per cent, to end morning trading at 21,180.28.

The Tokyo Stock Price Index of all issues listed on the first section, which fell 6.02 points Thursday...

Benchmark No. 129 10-year Japanese government bonds were lower at 105.65 points on Thursday's 105.66-point finish.

The Nikkei's drop below the 21,500-point level early in the morning session boosted fears of further declines...

There was very little buying incentive in spot trading, and selling invited more selling, Morimoto said.

On the currency exchange, the dollar continued to slip after it eased in New York overnight on profit-taking...

But many investors were reluctant to make major moves ahead of the release of the U.S. merchandise trade deficit for November...

Yukun Saito, an exchange dealer with Fuji Bank, said the dollar's weakness was helped by the yen's relative strength against the German mark.

Debt burden of developing nations falls



BAGHDAD: Iraqi women protesting against US policy Thursday on the occasion of the first anniversary of the Allied bombing on Baghdad during the Gulf war.

BASLE (Switzerland), Jan 17: External debt of developing countries fell in the first half of 1991 after rising sharply in the previous six months...

Semi-annual figures issued jointly by the Bank for International Settlements (BIS) and the Organisation for Economic Cooperation and Development (OECD) showed the liabilities of developing countries contracted by 10.7 billion dollars to 743.7 billion in the six months to June 30, 1991.

The indebtedness of these countries had risen by 30.7 billion in the second half of 1990, after shrinking by 14.2 billion in the first half of that year.

The statistics include two main elements of external debt notified to the BIS and OECD—the total external claims of banks in the BIS reporting area, and official trade-related claims of banks and non-banks in 20 OECD countries.

The latest data showed the external debt of East European countries fell by one billion dollars in first half 1991 to 109.0 billion, after declining by 4.3 billion in second half 1990 and shrinking by 6.2 billion in first half 1990.

The following table shows total bank and trade-related non-bank external claims on selected groups of countries (in billions of dollars).

Table with columns: Stocks, Changes, June '91, 2nd half '90, 1st half '91. Rows include Developing countries, Financial centres, Other Dev'g countries, North Africa and Middle East, Sub-Saharan Africa, Latin America, Asia, Memorandum items, 15 heavily indebted countries, Eastern Europe.

US, China reach trade accord

WASHINGTON, Jan 17: The United States and China reached agreement late Thursday in a contentious trade dispute involving protection of American copyrights and patents...

The agreement came only hours before the Bush administration had said it would begin imposing tariffs of up to 100 per cent on a range of Chinese exports to the United States.

As a result of the successful negotiations, US Trade Representative Carla Hills said she was terminating the threat of higher tariffs on up to 1.5 billion dollars worth of Chinese imports.

Hills said that under the agreement, China will make significant improvements in its patent and copyright laws.

This agreement demonstrates that in an area of critical importance to the US economy, China is willing to

take important steps toward bringing its trade regime closer to international norms, Hills said in a statement.

"Principal beneficiaries will include pharmaceutical, entertainment, computer and agricultural industries," she said.

US trade officials have called China the "single largest pirate worldwide of US copyrights," and American business say they have lost 430 million dollars annually from Chinese copyright violations on everything from drugs and computer programs to clothing and records.

In the settlement Thursday, China agreed to join an international convention that protects copyrights and said it will begin providing patent protection for drugs and agricultural chemicals on Jan 1, 1993.

The agreement, reached only hour before a midnight deadline, followed a week of lengthy negotiations and

averted a threatened trade war between the two countries. Earlier talks had broken off before a November deadline, but the United States allowed an extension.

Chinese officials had said last week that if the Bush administration went ahead with tariffs of up to 100 per cent on selected Chinese imports, they would retaliate by imposing sanctions on up to 1.2 billion dollars of American goods sold in China.

A senior US trade official, who briefed reporters on condition that his name not be used, said that the final hang-up in the negotiations involved protection for pharmaceuticals and farm chemical products such as pesticides and fertilizers.

He said the United States achieved all of its goals and that US industry representatives were happy with the outcome.

He refused to put a dollar figure on how much in increased sales would be achieved but he said American companies should begin seeing positive effects almost immediately.

"Ask IBM and other companies with copyrighted products. There should be an immediate payoff," he said.

The copyright dispute is just the latest in a series of frictions between the United States and China. Relations between the two nations have deteriorated since Chinese troops crushed a pro-democracy movement in June 1989.

While the administration insisted that the higher tariffs would go into effect without an acceptable agreement, many American retailers contended the higher tariffs would end up hurting US consumers the most, driving up the cost of many goods and creating shortages.

US oil drilling hits 50-yr low

NEW YORK, Jan 17: US oil drilling fell last year to its lowest level in nearly 50 years as volatile prices and other factors pushed firms to move exploration overseas, the American Petroleum Institute (API) said, reports Reuter.

Production in the nation's lower 48 states fell to its lowest level in 40 years to stand at 5.6 million barrels per day (BPD), according to API's annual report.

"Volatile oil prices depressed natural gas prices, limited access to public lands, and impediments in US tax laws all are believed to have contributed to declines in US drilling activity during 1991," the API said in a statement.

"These factors helped to depress returns on domestic drilling, and along with incentives offered to US companies by producers abroad... facilitated a further migration of upstream capital investment abroad," the API said.

US oil production is falling at a rate of 300,000 BPD, with one-third of the drop occurring in Alaska, the API said.

"Drilling has also been significantly hindered by a lack of access to those areas where oil and gas are most likely to be found, increasingly, acreage both onshore and offshore has

been put off-limits to oil and gas drilling," the API said.

Oil's share of US energy consumption fell below 41 per cent in 1991 for the first time since 1951 due to improvements in vehicle fuel efficiency, conservation, and fuel substitution in other industries, the API said. However, overall energy consumption

was steady from 1990 levels, the report said.

Overall oil deliveries, a gauge of demand, fell two per cent in 1991 while gasoline deliveries fell 0.7 per cent, the API said.

"In short, the stagnant economy, combined with continuing improvement in the average efficiency of cars on

the road, have kept gasoline deliveries on a lackluster course over the last year or two," the API said.

Distillate fuel deliveries fell 3.2 per cent in 1991 to a five-year low of 2.9 million BPD due to the effects of the sluggish economy on transportation and industrial consumption, the API said.

Colder weather than in 1990 contributed to an increase in heating fuel demand, but declines in other sectors were more than compensating, the API said.

Deliveries of residual fuel fell five per cent to the lowest level since 1942 due to declines in demand from the utility, industrial and shipping industries, the API said.

Deliveries of kerosene jet fuel dropped 2.8 per cent in 1991, marking the first decrease since 1982, according to the API.

The decline was attributed to a comparable drop in commercial air traffic, the API said.

Total oil imports, which rose by more than 60 per cent between 1985 and 1989, fell 5.1 in 1991 to 7.6 million BPD, partly due to weak domestic demand, according to the API.

Refined products imports dropped 15 per cent in 1991, accounting for most of the drop in imports, the API said.

Move to save sharks

WASHINGTON, Jan 17: The United States plans to curb shark fishing within 320 km of its shores to ensure the future survival of the feared fish, the National Oceanic and Atmospheric Administration (NOAA) said Thursday, reports Reuter.

Heavy demand in Asia for expensive shark-fin soup and other shark potions sparked a major upsurge in commercial fishing and exports of U.S. shark products. Many Asians believe that shark delicacies improve virility and health.

The NOAA is publishing a plan to protect 39 species of shark found in US waters of the Atlantic, Caribbean and Gulf of Mexico.

The agency said 34 other fish species such as dogfish and deep-water sharks that are not overfished will be

monitored under the plan, but not protected.

The government will require federal permits for commercial fishing and sale of shark meat, establish quotas for both commercial and recreational fishermen and eliminate finning in which fishermen remove sharks' fins and return the live fish to the sea where they are nearly helpless.

Although sharks have survived atop the food chain for over 400 million years, overfishing has threatened the survival of some species in less than a decade," said William Fox, Assistant Administrator at the National Marine Fisheries Service, which drafted the plan.

He said sharks are vulnerable to extinction because of low reproductive rates and slowness in maturing.

Rs 13b Pak plan to raise liquidity

KARACHI, Jan 17: Pakistan's central bank will release 13 billion rupee (525 million dollar) to banks on Saturday to ease a liquidity crunch that bankers said had hit sales of treasury bills, reports Reuter.

The State Bank of Pakistan (SBP) said it would release the amount, mopped up in October after ordering banks to deposit with the central bank an extra seven per cent of outstandings above their cash reserves.

Banker Maqsood Ahmad said the squeeze set off a chain reaction including a cut in T-Bill sales and early discounting of government paper.

In the last auction on January 8, the sale of T-Bills dropped to 4.16 billion rupee at an average rate of 12.73 per cent, compared with 5.42 billion at 12.19 per cent on January 1.

In a statement, the bank

said the special cash deposit had been reviewed. In the light of emerging developments it was decided to withdraw the deposit requirement on Saturday, it said.

Stockbroker Mohammad Musa said the released amount would help the secondary market in government bonds and bills inaugurated last year when the central bank began weekly auctions of government paper.

The government has announced plans to largely lift credit ceilings on the banks from the beginning of fiscal 1992/93 in July and to control credit through open market operations.

Stockbroker Mohammad Siddiq said most of the released money was likely to be invested in the booming stock market and would help push prices higher in coming weeks.

Fund to protect world environment unlikely

BRUSSELS, Jan 17: The world's wealthy nations may need to spend up to 150 billion dollars a year if they are serious about stopping environmental destruction, the organisers of the UN-sponsored 'Earth Summit' said on Thursday, reports Reuter.

Michael Strong, Chief Organiser of the first world summit on environment and development, said over 150 industrial and Third World states were unlikely to agree the huge sum when they met in June but that commitments of that scale were needed.

"Despite some success stories conditions in the global environment and have continued to deteriorate," Strong told a news conference in Brussels. The leading trade powers had to bear the burden of a problem which they had

caused and developing countries were set to inherit.

The former Canadian oil executive applauded proposals for a tax on energy and Carbon Dioxide (CO2) across the 12 European Community nations, saying it was good to see the EC taking a lead in the effort to combat global warming.

The United States looked much like the straggler in Strong's book. He said the EC and Japan were stealing the lead in the environment campaign.

Europe and the Japanese had realised a sound environment could be a product of good economics rather than a shackle. Japan, he noted, could produce goods using only half the energy required in the United States to produce the same goods.

Russia to free oil price

HOUSTON, Jan 17: A Russian oil official believes restraints on state-controlled oil prices in the former Soviet Union will be lifted in April by a new government agency trying to stimulate the severely depressed industry, reports Reuter.

But Renat Muslimov, Deputy General Director and Chief Geologist of Tatneft, an oil pro-

duction amalgamation in the Tatarstan oil fields, also said he believes the new ministry of fuel will initially allow some controls to remain.

Muslimov's remarks to a graduate student seminar Tuesday at Texas A & M University in college station, Texas, where released Wednesday by the University.

US Senate leader likes defence cuts to help economy

WASHINGTON, Jan 17: Senate Majority Leader George Mitchell on Thursday called for 100 billion dollar in US defense cuts and said the savings should go to heal the economy rather than to lower the deficit, reports AP.

"The cold war is over. It's time to take down the artificial budget walls which prevent us from shifting our priorities from abroad to here at home," Mitchell said in a speech to the National Press Club.

US troops, including those abroad, should be reduced, the B-2 Stealth bomber should be eliminated, the Star Wars anti-missile program should be reduced, and other strategic programs should be cut in order to invest in education and infrastructure at home, Mitchell said.

"We need to turn our high-tech capabilities to the civilian challenges of tomorrow—in areas such as communications, transportation and health technologies," said the Democrat from Maine.

With the Congress set to return to session next week, Democrats and Republicans alike have been proposing defense reductions.

President Bush is expected to include a Pentagon cut in his budget later this month. Conservative Sen. Phil Gramm, a Texas Republican, has suggested 74 billion dollar over five years, 26 billion dollar less than Mitchell.

Mitchell said he would support deficit spending beyond the 350 billion dollar already projected for this year, in order to bail out state and local governments. Deficit reductions could take place later, making up the difference within five years, he said.

Nigeria cuts crude output by 50,000 BPD

LAGOS, Jan 17: Nigeria has cut its crude oil output by 50,000 barrels per day (BPD) and appealed to other OPEC members to make cuts in order to shore up world prices, Nigerian Oil Minister and OPEC President Jibril Aminu said, reports Reuter.

"Every member should on a voluntary basis cut the production level and this should be maintained until our meeting in February" Aminu said at a news conference in Lagos.

He said the decision to lower output followed consultations between OPEC members.

Aminu said Venezuela had already agreed to cut its output by 50,000 BPD and Libya had decided to cut by 30,000 BPD.

"We are going to continue talking to other ministers and I expect more of them will make announcement of cuts in the next few days" Aminu said.

BCCI-linked law suit dismissed

LOS ANGELES, Jan 17: A lawsuit accusing U.S. banks, accountants and others of covering up wrongdoing by Bank of Credit and Commerce International (BCCI) was dismissed by a federal judge, reports AP.

In dismissing the class-action suit Wednesday, U.S. District Judge Consuelo Marshall invited lawyers for BCCI depositor Akhtar Hamid to amend the suit and refile it. She scheduled a motions hearing for March 30.

Marshall concluded the suit was speculative and improperly prepared. Hamid and other depositors lost billions of dollars in the collapse of Luxembourg-based BCCI, the biggest bank failure in history.

The dark underside of long working hours

TOKYO, Jan 17: The hottest-selling beverages in the Japanese market today are nicotine-laced drinks that promise to keep the buyer working 24 hours with no sign of fatigue, reports IPS.

It is not unusual to see Japanese men and women gulping them down at train kiosks at all hours of the day before rushing off for their next appointment.

But the pressure to keep to long work hours and busy schedules has triggered a rising number of deaths among Japanese family breadwinners, most of them in the prime of their lives some in their thirties.

A spate of recent court cases in which widows have taken the unprecedented step of suing companies for forcing their husbands to work long hours, has highlighted the dark underside of Japan's well-known tradition of long working hours and short holidays.

The world wants to emulate Japanese management method, but that is because most countries don't know the awful truth," cried a young widow interviewed on television.

Lawyers dealing with work related deaths, called "Karoshi," in the auto industry, Japan's

leading exporter, say low-paying long-hour jobs have supported Japan's international competitiveness.

A 'Karoshi' report released last year said the employees in the auto industry work around 2,400 hours, 250 days annually and most often are on irregular work patterns. There is also a 'service overtime system' where workers donate to the company by not recording it on their time cards.

The survey also showed over 60 per cent of the workers polled said they were chronically fatigued throughout the year.

A suit that was widely publicised recently concerned the death of a 37-year-old engineer at Hino Motors, a large company producing trucks, who died from a brain haemorrhage after collapsing at work.

His widow said her husband used to leave home at 6:50 in the morning to avoid the rush-hour traffic and returned only to sleep after midnight. In a year he clocked around 1000 hours of overtime.

When he died, his 10-year-old son said: "You were stupid, dad. You just worked too hard."

Data compiled by lawyers and doctors in

June revealed that one out of four Japanese workers fear they will succumb to 'karoshi' in their forties.

The fight to get companies and the labour ministry to accept deaths brought on by overwork is proving difficult for bereaved families and their lawyers.

Most Japanese companies refuse to recognise overwork as the cause of death and give no special compensation or relief to the survivors.

The government stipulates that overwork can be considered the cause of death only if the victim worked "continuously for 24 hours preceding death" or "worked at least 16 hours a day for seven consecutive days leading up to death".

But as the number of men and women dying from stress and overwork keep increasing, the fight for better work conditions has gathered steam.

In May, the Tokyo High Court ruled that a 24-hour shift was responsible for the 1977 death of a Dai Nippon Printing Co. worker and ordered that compensation be paid to the

victim's family.

Teizo Miyazaki, 58, was found dead from a cerebral haemorrhage in a company locker room where he worked as an attendant on 24-hour shifts.

He had no regular holidays except a few days of following the 24-hour shifts, a typical pattern in the many 'karoshi' cases reported.

At least 10 cases of 'karoshi' are being fought in the courts and lawyers have started hot lines all over Japan and in two foreign offices to answer calls from victims of overwork.

"If we want to win, we have to monitor the victims lives carefully," said lawyer Hiroshi Kawahito. Almost 2,000 calls have been received in the past two years.

The labour ministry is pushing a campaign to reduce working hours closer to western standards of up to 1,600 hours annually.

Critics remain skeptical, however. "The Japanese corporations demand long working hours as a prerequisite for advancement," said Kawahito. "Unless this changes, the Japanese will continue to be poor in a rich Japan," he said.

Business briefs

WB loan for Chile: The World Bank will loan Chile 320 million dollar in 1992 for agricultural development, infrastructure and environmental programmes, the Bank's Vice President for Latin America, Shahid Husain, told a news conference here, reports Reuter from Santiago.

He said 130 million dollar will go to assist small farmers, 170 million dollar will finance public health improvements and 20 million dollar will be used to fund environmental protection projects.

Former BCCI executive held: The former head of the Bank of Credit and Commerce (BCCI) office here has been arrested so that federal investigators can question him about allegations that BCCI bribed US officials and received bribes from US corporations, the FBI said Thursday, reports AFP from Washington.

Sani Ahmad has not been charged with any crime but was detained as a material witness last Friday in Williamsburg, Virginia and is being held without bail for questioning by the Federal Bureau of Investigation (FBI).

Prices in US up: Retail prices in the United States rose 0.3 per cent in December following a 0.4 per cent increase in November, the Labour Department announced Thursday, reports AFP from Washington.

For 1991, prices rose 3.1 per cent against an increase of 6.1 per cent in 1990. Experts had generally expected prices to rise 0.2 per cent in December and 2.8 per cent for the year as a whole.