Japanese MP

blames, this

time, US

ishihara, an outspoken law-

maker known for his hawkish

views, has blamed the United

States' economic troubles on

the poor quality of its corpo-

rate management, the Kyodo

news service said Saturday,

The quality of American

business executives is poor, al-

though productivity of

American workers is compara-

tively high," the agency

quoted Ishthara, a member of

the ruling Liberal Democratic

Party, as saying in an interview.

lar outburst Sunday by Yoshio

Sakurauchi, Speaker of Japan's

Lower House, who said that

"lazy American workers were

responsible for the yawning

trade gap between Japan and

Ishihara said Sakurauchi's

However, he added that

the superiority of Japanese

over US workers, but said the

US economy would recover if

Americans came to terms with

the gap in management quality.

Minister Tsutomo Hata tried to

put a good face Saturday on

Japanese US relations and

called President Bush's recent

controversial trip to Japan a

as humiliating. Soon after, a

leading Japanese parliamentar-

ian called American workers

lazy and uneducated, sparking

an uproar and a "Buy American

Sharif contends

privatisation

working, but

critics differ

ISLAMABAD, Jan 27

Pakistan Prime Minister Nawaz

Sharif said here Sunday that

his year-old privatisation pro-

gramme was succeeding, re-

first campaign in the US.

Many American saw the trip

AP adds: Japanese Finance

the United States.

The remarks follow a simi-

reports AFP.

TOKYO, Jan 27: Shintaro

Arabs still prefer foreign contractors

ABU DHABI, Jan 27: Arab governments are still giving priority to foreign contractors despite a large growth in local firms and complaints that hundreds of billions of dollars have been drained out of the region, reports AFP.

An Arab contracting conference held in Morocco last month found that the bulk of regional ventures had been awarded to foreigners.

Papers presented to the conference in Casablanca found that more than 70 per cent of the projects have gone to foreign contractors, an official of the United Arab Emirates

contractors union told AFP. Figures released at the Morocco conference showed that foreign contractors received about 443 billion dollars worth of projects in the Arab world during a 24-year span.

In 1985 construction in the Arab world was worth 44 billion dollar of which 75 per cent were won by foreign contractors.

Foreign companies have sapped 443.2 billion dollar from Arab money between 1963 and 1987. This accounts for nearly half the fixed capital formation in the Arab world, a report said.

It said such the future added to overseas Arab assets brought to more than 1,100 billion dollar the funds transferred out of the region.

The report gave no reason why Arab governments especially the oil rich Gulf states, prefer foreign companies in carrying out development pro-

Cairo urged to help halt trade in human organs

CAIRO, Jan 27: The authorities here have been urged to clamp down on a growing trade in human organs in Egypt, which has become the - crossroads for a Middle East and African commerce in "human spare parts," reports

The Egyptian Association of Nephrologists raised the alarm earlier this month and recommended the authorities put and end to the sale of kidneys by Egyptians and foreigners to potential local and foreign clients.

"We condemn the trade of human spare parts." Doctor Mahmoud Gaber, President of the Egyptian Medical Union, said recently.

G7 favours prevailing currency conditions

GARDEN CITY (N.Y.), Jan 27: The Group of Seven na tions are in favour of present currency conditions although they did not mention the issue in their communique Saturday, Japanese Finance Minister Tsutomu Hata said, reports Reuter.

Hata was responding to a reporter's question as to why the communique did not mention exchange rates.

It does not mean that we skipped this issue, but I understand it was not mentioned in the communique because (G-7 nations) are in favour of currency conditions, he told a news conference following a meeting of G-7 finance ministers and central bankers here.

Hata said it is important for Japan to monitor the effects of a recent cut in the official discount rate and implement a pledge to boost domestic de-

mand through fiscal measures. The Bank of Japan slashed the key rate to 4.5 pct from 5.0 on December 30.

The Japanese government has finalised a draft budget for the fiscal year starting April 1 that will drastically increase spending for public works.

World's spin into rival economic blocs feared

ASEAN leaders endorse free trade zone

SINGAPORE. Warning that the world might split into rival economic blocs, leaders of the six Association of Southeast Asian Nations on Monday called for the creation of their own free trade zone, reports AP.

The presidents, prime ministers and sultan from Brunet, Indonesta, Malaysta, Singapore, the Philippines and Thailand have endorsed the phasing in over 15 years of an ASEAN FREE TRADE AREA, known as AFTA.

"As the world breaks up into economic blocs, we must ponder deeply on what ASEAN should do to respond to what is perceived to be an emerging new world order," said Philippine President Corazon

do not have safe water or sani-

Up to five million children

die in developing countries

form diarrhoea every year.

Droughts hit Africa, floods

swamp Bangladesh, Latin

will cost a staggering 36 billion

By the turn of the century it

America is swept by cholera.

tation, reports Reuter.

She said this was necessary "to ensure against a world which, while renouncing war as an instrument of policy, adopts economic exclusion and

national defense." Singapore Prime Minister Goh Chok Tong said that if the Uruguay Round of integration trade talks fails, the United States and the Europe may "seek greater economic security, even if they do not call if protectionism or managed

attrition as a new strategy of

'Just as the Americans and the Europeans are expanding their economic links neighbouring countries, so we in ASEAN should expand our

economic links with other

25 pc world population have

no access to safe water

countries in Southeast Asia," Goh said in reference to Burma and the three countries of Indo-China.

Aguino said that "whereas Europe will revolve around itself, ASEAN can be the hub of a network of trade and political relations ... and the region of which we are the heart will be fueled by two powerful economic engines in Japan and the United States."

In his speech to the opening of the two-day ASEAN summit, Thai Prime Minister Anand Panyarachun acknowledged years of missed oppor-

For much of its early existence. ASEAN was preoccupied with the fighting in Vietnam and Hanof's occupa-

tion of Cambodia while doing little to encourage economic integration - the premise behind its foundation in 1967.

Anand, who is credited with reviving earlier proposals for a free trade zone, said past at tempts at intra-ASEAN coop eration accomplished little.

"This is because in most cases they were too complicated and cumbersome for both the government and the private sector to implement. Of more importance was the apparent lack of direction," he

Agreement on a Common Essective Preserential Tariffs(CEPT) system will mean lower tariffs on manufactured goods, processed agri cultural products and capital

Suzuki plans

\$230m new

plant in India

TOKYO, Jan 27: Japan's lar-

gest minicar producer Suzuki

Motor Corp said Saturday, it

would invest 30 billion yen

(230 million dollar) to build a

new plant in India to raise

annual output from 130,000

units to 200,000 in 1994,

largest in motorcycle produc-

tion, will also increase stake in

its New Delhi-based joint ven-

ture, Maruti Udyog Ltd. by 10

per cent to 50 per cent. The

Indian government.

remaining stake is held by the

A Maruti spokesman said in

New Delhi Wednesday that

Suzuki equity would rise to 25

million dollar as a result of its

move, part of a government

effort to selectively disinvest

parts of India's gigantic public

The automaker, third

reports AFP.

goods to a maximum of five per cent within 15 years.

ASEAN economic ministers agreed last week to accelerate tariff cuts for 15 specific items, among them pharmaceuticals, rubber products and vegetable oil.

Some fault the agreement for excluding basic farm products and the growing services sector, and offering too many loopholes for non-com-

Critics say the implementa tion period is too long, with the potential for amendments that could turn the plan into a patchwork of formulas and exceptions that reduces tariffs on some products but excludes many others.

Indonesia's President Suharto said the ASEAN con-

cept of Southeast Asia as a zone of peace, freedom and neutrality, known as ZOPFAN, remains of central validity and

relevance. "The Treaty of Amity and Cooperation has provided a basis for harmonious relations among ASEAN and other countries in the region. This treaty would serve as the first stage towards the realization of

ZOPFAN. Other countries were welcome to accede to the treaty. Suharto said.

Vietnam and Laos have been invited to sign the treaty which binds signatories to the principles of peaceful coexistence, the peaceful settlement of disputes as well as mutual respect and non-interference.

CEPT to attract remarks were 'half correct and half wrong," blaming the "inferior" quality of American business managers, rather than foreign business the workers. there was also no doubt about

SINGAPORE, Jan 27: A However, while welcoming proposal by the Association of Southeast Asian nations (ASEAN) to cut and harmonise tariffs leading to a Free Trade Area will attract more foreign business to the region, analysts said on Monday, reports Reuter.

The leaders of of Brunet, Indonesia, Malaysia, the Philippines, Singapore and Thailand began a two-day summit to discuss the proposal and formally endorse it.

Analysts said the perception has been that ASEAN nations have competed against each other for market share in exports and investment.

the common tariff move positive, analysts said much would depend on the political will of ASEAN leaders to implement the reforms.

Despite existing preferential tariff arrangement ASEAN. set up in 1967, has failed to liberalise regional trade, they

"With the proposed reduced tariffs, the manufacturing sector in these countries will expand and diversify, and their economies will be more divergent and also attract more foreign investors," said Sanjoy Chowdhury, Regional Economist at Merrill Lynch.

Pak govt bank joins the row to challenge Sharia Court verdict

ISLAMABAD, Jan 27: A state-owned bank has challenged a top court's verdict that interest is repugnant to Islam, Supreme Court sources said Sunday, reports AFP.

The appeal against the Federal Shariat Court (FSC) order was filed by the Agriculture Development Bank of Pakistan (ADBP), the court's Deputy Registrar Umar Deen

The FSC on November 14 deemed unislamic a set of 22 laws governing a wide range of interest-based activities including banking, insurance and

The Islamic court had given the government until June 30 to bring laws into conformity with Islamic teachings, failing which it said the laws would

become invalid

Court. ADBP's counsel S A Rehman

is seeking a Supreme Court decision on whether interest can be abolished in a capitalist economy in with interest induces savings and capital formation.

The FSC order, which came after the country's parliament last year adopted a Shartat (Islamic) bill to Islamise the country's laws including the fiscal system, posed an economic dilemma for Pakistan.

The government had already summoned religious scholars and technocrats to devise an alternative interest-

Court sources said the FSC order automatically becomes inoperative with the filing of the appeal in the Supreme

free system.

We are progressing towards our goal with success, Shartf said, defending his programme against opposition charge that the government had hastily sold state-owned industrial units to the private sector to

ports AFP.

benefit favorites. Of more than 100 units listed for transfer, a government privatisation commission has sold about a dozen, and 18 are due to be denationalized

Since assuming office in November 1990, sharif has introduced a package of economic reforms, lifting all controls on the flow of foreign exchange and offering tax holidays for new units and incentives for foreign investment.

Russia to build power plant in Pakistan

KARACHI, Pakistan, Jan 27: Russia will set up a power plant costing 630 million dollar in southern Pakistan, the leader of a visiting Russian trade team said, reports Reuter.

Russian Foreign Economic Relations Committee team leader V N Koptevsky told Pakistani industrialists that a protocol had been signed for installing four units of 210 megawatts each at Jamshoro near Karachi. Further details were not given.

The Commonwealth of Independent States had also agreed to expand trade with Pakistan, Koptevsky said. He said Pakistan would supply fabrics, textiles, garments and other items though he did not give details.

1.6550 the previous week. Excerpts from the Group of Seven communique

The newspaper, quoting what it said were confidential galley proofs of Bush's budget to be sent to Congress on Wednesday, said he will also propose doubling Federal spending to light tuberculosis, a public housing initiative and an increase in funding for a programme that places doctors where they are needed

Polish budget okayed: The Polish lower house adopted an austerity budget posting a deficit of 17,600 billion zloty (1.5 billion dollars) for the first quarter of 1992 after three days of stormy debate Saturday, reports AFP from

Solomon Island announces budget: The Solomon Islands government announced Monday its

Finance and Economic Planning Minister Colombus Abe said the Government's budget of 256 Solomon Islands dollars (92 million US) was well down on the previous year's 301 million dollars (108 million US).

reports AP from Tokyo.

dollar a year to give everyone what many may take for granted - water that does not Such depressing statistics are familiar to environmental experts from around the globe United Nations officials es-

26-31). They hope to come up with solutions that can be put to a

WASHINGTON, Jan 27

The government insists that

its long awaited growth pack-

age will be just what the doc-

tor ordered for an ailing econ-

Bush has opted for a minimal

package of spending cuts and

tax increases that will do little

to bolster the confidence of

months of talking about it,

Bush will go before Congress

and the Nation Tuesday night

to outline the details of his

HONG KONG, Jan 27: The

currencies except the

US dollar fell last week against

volatile Australian dollar, the

Indonesian rupiah and the

South Korean won, reports

Speculation over interna-

tional coordination to raise the

yen and stifle Japan's trade

surplus kept the Japanese cur-

rency up, while the Taiwan

dollar continued its onward

march, notching yet another

were the Malaysian ringgit.

surging to a 33-month high

against the US currency, and

the Philippine peso, which had

been strongly tipped to fall af-

ter the lifting of exchange con-

jumped against the dollar in

Tokyo this week to close

Friday at 124.57 against the

dollar, up 3.38 from the previ-

ous week's 127.95, buoyed by

speculation of international

policy coordination to raise the

Japanese yen: The yen

Other strong performers

all Asian

record high.

After more than two

recession-jarred Americans.

But critics say President

omy, reports AP.

which is nothing less than a treaty to save the world.

Maurice strong, a former oil executive and organizer of the Earth Summit, stresses the high priority of clean water.

"Five million children under five years of age die each year from lack of potable water and sanitary facilities. In general, 80 per cent of all diseases and more than 33 per cent of deaths in developing countries have been linked to consumption of contaminated water," he said in a message to dele-

Bush's package won't revive

people's confidence: Critics

plan to revive a stagnant econ-

which has already leaked, will

include income tax relief for

the middle class in the form of

an increase in the personal ex-

emption for families with chil-

dren, a tax credit for first-time

home buyers and a reduction

in the tax rate on capital gains,

income earned from the sale of

election-year budget will pro-

pose higher spending for such

popular programs as head

Most Asian currencies gain

Australian dollar: Volatility

ruled the Australian dollar

through last week, with panic

selling on Friday forcing the

Reserve (central) Bank to

spend about one billion dollar

(740 million US) to stave off a

dex, which measures the unit

against a basket of major trad-

ing currencies, the Australian

dollar closed at 54.9 points,

down from 55.7 the previous

Hong Kong currency closed

the week at 7.7595-7.7605 to

the dollar, up from its previous

change rate index stood at

110.5 against 111.1 seven days

rupiah opened trading Monday

at 1.999 to the dollar, one ru-

piah stronger than its close

the previous week, but fell

over the week to end at 2,001

git closed the week Friday at a

Malaysian ringgit: The ring-

The currency's effective ex-

Indonesian rupiah : The

week's 7.7620-7.7630.

previously.

Friday.

Hong Kong dollar : The

On the trade weighted in-

free fall, dealers said.

In addition, the president's

The package, much of

gathered for a UN-sponsored timate that by the turn of the conference on water being century there may be 22 held in Dublin this week (Jan "mega-cities" each with populations of more than 10 million people. Eighteen of those will

DUBLIN, Jan 27: More than massive "Earth Summit" in be in developing countries. a quarter of the world's people Brazil in June, the goal of The strain on water supplies is

The Food and Agriculture Organisation says the world's population will have grown 60 per cent by the year 2025. Land is getting scarcer, so are sustainable, renewable sources of fresh water.

In the midst of an interna tional recession-ecologists. politicians and businessmen face the big question __who is going to pay that 36 billion dollar a year to ensure clean water and sanitation?

But the United Nations children's fund offers another solution: "By shifting resources to low-cost technologies, 30 per cent of the total capital investment could provide for 80 per cent of the unserved.

start, environmental cleanup,

park purchases and space ex-

To keep the budget deficit,

projected to hit an all-time

high of 352 billion dollar this

year, from spiraling further out

of control, Bush wants to slash

defense spending by an extra

50 billion dollar over the next

five years, reflecting the col-

He also will propose repeal-

ing the 10 per cent luxury tax

on yachts costing over

1000,000 dollars saying it has

killed America's yacht indus-

33-month high of 2.6650 to

the dollar, up a sharp 120

points from its 2.7070 the

Dealers attributed the ring-

git's sudden burst of strength

to continued selling of the

Greenback for the currency by

offshore banks, particularly in

Singapore, due to widening in-

New Zealand dollar closed at

53.97 US cents, slightly up on

its close the previous week of

tumble Friday had unusually lit-

was light, with only local buy-

closed the week at 26.55 to

the dollar, up on its 26.60

recorded Friday the previous

week, but not as strong as the

Singapore dollar strengthened

against the US dollar to close

at 1.6395 Friday, up from

Singapore dollar: The

New Zealand dollar : The

The Australian dollar's

Trading through the week

Philippine peso: The peso

terest rate differentials.

tle affect on the Kiwi.

26.42 it hit Tuesday.

previous week.

53.86 cents.

ers interested.

lapse of the Soviet Union.

pioration.

Maruti Chairman RC Bhargava told the Press Trust of India news agency that the decision would send the 'right signals' to potential foreign investors whom the government is wooing with incentives.

He said Maruti, India's largest car maker, would now enjoy the 'best of both worlds _ it would no longer be subject to the government's administrative control, becoming a board-managed company. while at the same time it would retain state support.

Maruti is a recognised profit maker, with an annual turnover of about one billion dollar. It also export small passenger cars and expects to earn about 100 million dollar from overseas sales this year.

Suzuki also said Friday its new plant in Karachi, Pakistan, would begin production next month and raise local output from 20,000 units a year to 50,000.



A half-yearly conference on programme and policy planning at Bangladesh Steel and Engineering Corporation (BSEC) opened at its hall room on Sunday. BSEC Chairman Bazlul Ghani Patwari inaugurated the conference.

GARDEN CITY (New York), Jan 27: Following are excerpts from the statement of the 'Group of Seven' communique issued following a meeting of G-7 finance ministers and central bankers here on Saturday,

compiled by Reuter. 1. The finance ministers and central bank governors of Canada, France, Germany, Italy, Japan, the United Kingdom and the United States... agreed to intensify their cooperative efforts to strengthen world economic growth.

2. The ministers and governors expressed their concern that economic activity had weakened since their last meeting.

In some countries early signs of recovery had not been sustained, while other countries were experiencing a declaration from high rates of growth-raising the danger of renewed protectionism.

3. The ministers and governors are convinced... that the forces... inhibiting economic

activity in many countries are dissipating and that the conditions for improved global growth exist. 4. In order to reinforce the

recovery process, the ministers and governors agreed... there was a need to intensify their cooperative efforts to improve the conditions for non-inflationary growth in their economies, thereby strengthening the world economy... they believe strongly that the appropriate frame work is one of fiscal and monetary policies geared to sustainable growth with price stability over the medium term.

5. Ministers and governors reconfirmed their commitment to the policy coordination process which has contributed to the good performance of the world economy in the 1980s... they insisted strongly on the necessity of maintaining open and efficient global markets to assist the economies of both industrial and developing countries. They stressed that a satisfactory

conclusion of the Uruguay Round would enhance private sector confidence and make an essential contribution to global economic growth.

6. As to economic policies in their respective countries, ministers and governors agreed that each country would implement fiscal, monetary and structural policies to promote the conditions for sustainable growth with price stability.

The specific mix of policies would vary depending on the circumstances in each country.

7. On monetary policy, ministers and governors acknowledged the improvement in inflation performance in many countries over the past year. Monetary policies should be directed to preserving the gains that have been achieved in reducing inflation while providing adequate scope to finance sustainable growth.

8. Ministers and governors welcomed ongoing German efforts to lower public sector borrowing requirements and

expressed the hope wage moderation, thereby helping to mitigate price pressures in that country. 9. On structural policies,

ministers and governors emphasised the need to continue reforms in order to reduce rigidities, to strengthen market forces, and to improve the efficiency of their economies and the world economy gener-

10. The United States will announce in the President's State of the Union address a comprehensive programme to strengthen growth and competitiveness. The programme will include measures to improve consumer confidence, incentives for savings and investment and increased research and development expenditures. These measures will be financed in a manner consistent with the pay-as yougo requirements of the 1990 budget act.

The government of Japan submitted to the Diet the fiscal 1992 budget and the fiscal in-

vestment and loan programme aimed at strengthening domestic demand by increasing public investment through the central government and local governments and contributing to the world through its Official Development Assistance (ODA) and other measures, despite tight fiscal conditions. The Government of Japan expects an early approval by the Diet. The recent decision by the Bank of Japan to reduce interest rates is also intended to maintain sustainable growth with price stabil-

11. In the context of economic policy coordination, they noted that their efforts in recent years had contributed to more stable currency markets. They agreed to continue to monitor market developments and reassirmed their commitment to cooperate closely in exchange markets, thus contributing to favourable conditions for stable exchange markets and economic recov-

12. The ministers and governors discussed the situation in the former Soviet Union and the reform measures recently implemented in some of the independent states. They welcomed that the reform process had evolved peacefully while recognising that the transformation of the former Soviet economy would be a difficult and prolonged process. It can only succeed if the

independent states of the former Soviet Union cooperate with each other, maintain free trade and create efficient administrative structures economic reforms should be formulated and implemented in close cooperation with the IMF. In addition adherence to the MOU signed in November 1991 between the G-7 and eight republics, including continued payment of debt service obligations that had not been deferred, would be a precondition for maintaining creditworthiness and for further financial assistance.

Business briefs

Bush to raise fund for children: President George Bush wants to repeal the luxury tax on yachts in his budget for next year and will propose a big increase in Federal programmes for poor children, the New York Times reports in its Sunday editions, reports Reuter from New York.

The "crisis budget" was approved by 195 lawmakers while 135 voted against and three abstained.

1992 budget, which calls for a reduced deficit and plans to broaden the country's tax base, reports AFP from Honiara.

Yachtsman survives on rainwater: A Japanese yachtsman survived nearly a month on a diet of mainly rainwater and sea gulls as five fellow crewmen died one by one in the life boat they shared, officials said Sunday,