China setting

up special

tourism

zone

China's first special tourism

zone will be set up in southern

China and many more are

awaiting permission from the

central government, it was re-

ported here Monday, reports

similar tax free incentives for

foreign investors to the coun-

try's special economic zones,

will be built in scenic

Zhaoqing, Guangdong pro-

vince, over five years starting

in May, the semi-official Hong

Kong China News Service

The first zone, which offers

HONG KONG, Mar 30

Dismal business hits Tory's popularity

LONDON, Mar 30 : Britain's ruling Conservatives suffered a new setback Sunday as figures were published showing that the number of company failures has continued to rise this year, on top of a huge rise already recorded in 1991, reports AFP.

The report, by the Dun and Bradstreet Financial Informa tion Company, said that 54 per cent more British companies went bankrupt during the first three months of this year than in the same period last year.

The first-quarter figures were also slightly higher, by 4.5 per cent, than the statistics for the last three months of 1991.

The report came just 10 days before a general election here, with the conservatives on the defensive over their handling of Britain's recessionhit economy

Dun and Bradstreet said that no less than 14,881 companies went bust in the first three months of this year, an average of more than 160 a

The worst-hit area was the southeast, the country's richest region, and small companies suffered proportionally more than large ones.

Dun and Bradstreet's last survey of the same kind found that a total of 47,777 firms went under in 1990, a huge 65-per cent rise over the 1990 figure. According to Gordon Brown, trade and industry spokesman for the opposition Labour Party, a total of over 100,000 companies have gone bankrupt, with the loss of a million jobs, since the current recession began two years ago.

The new figures made the election 'a referendum on conservative economic failure." Brown said.

The Labour Party will step up its economic campaign demanding a new deal for small businesses," he added.

Pakistan to buy power from Tadzhikistan

ISLAMABAD, Mar 30: Pakistan is to solve its power shortages by importing electricity from Tadzhikistan when the central Asian republic completes a mammoth hydroelectric project in 1997, the Associated Press of Pakistan (APP) said Sunday, reports

An agreement to buy 3,600 megawatts of electricity was signed in Dushanbe, capital of the former Soviet republic, by visiting Pakistan Finance Minister Sartaj Aziz and his counterpart Ismail Daulotove. APP reported.

The electricity, needed to cover Pakistan's current shortfall of 1,500 megawatts. will be provided on completion of the first phase of the Ragonstkaya Hydroelectric Project scheduled for 1997.

No mention was made of how the electricity was to be supplied to Pakistan and experts here said the deal depended on a solution to the conflict in Afghanistan, which lies between Pakistan and Tadzhikistan.

A delegation from Tadzhikistan's energy authority is expected to visit Pakistan next month to complete negotiations of the electricity sale, the official news agency said.

Pakistan produces around 7,000 megawatts but a shortfall has resulted in frequent power breakdowns, affecting industrial output and domestic consumers.

Officials from the two countries also discussed the export of Pakistani consumer goods and the import of power generation equipment from Tadzhikistan, APP said.

France's most famous auto factory meets its demise

"the workers' fortress," France's most famous automobile factory closes down Tuesday after six turbulent decades as a symbol of industrial might and union militancy, writes AP Roughly one million work-

ers have put in shifts at Renault's Billancourt plant, a massive, five-story structure on an island in the Seine just outside Paris. Its history includes violent strikes, an era of power for communist unions and Allied bombing raids prompted by Renault's collaboration with the Nazis in World War 11. Billancourt was proclaimed

"the factory of tomorrow"

KUALA LUMPUR, Mar 30:

Malaysia's economic boom,

now entering its fifth year.

could be derailed because of an

acuté labour shortage, prompt-

workers, reports AFP.

bank, told AFP.

Zainal said.

ing moves to introduce foreign

and is increasingly becoming a

major constraint to growth,

Zainal Aznam Yusof, adviser to

Bank Negara, Malaysia's central

to open our doors to foreign

inputs for the short to medium

term as a stop-gap measure to

ease the labour bottleneck,"

the labour crunch will affect

growth, in December allowed

manufacturers to apply from

January 2 to hire foreigners.

Previously overseas workers

could only be hired in the

plantation and construction

It is also going to allow ille-

LOS ANGELES, Mar 30: The

US government has paid 360.7

million dollar to a bank partly

owned by the Iraqi govern-

ment - despite a presidential

order forbidding business with

Baghdad, according to a pub-

payments to Gulf International

Bank to honour loans on which

Baghdad defaulted after its in-

vasion of Kuwait, the Los

Angeles Times reported

records from the Agriculture

loan guarantees in the 1980s

and early 1990 to entice Gulf

banks to advance Iraq money

for American farm products.

Department.

The Times said it obtained

The US government made

The United States made the

lished report, reports AP.

gal foreign workers, estimated

The government, fearing

"It is now inevitable for us

The labour shortage is real

when it opened in 1929, but it has been overtaken by progress, Renault's factories elsewhere are more modern and more accessible than the island operation.

The closure comes at a time when France's leftist unions are struggling to cope with the decline of socialism and pressure from employers to streamline operations. The government remains an active player in many industries, including Renault, but now tends to encourage executives to make tough, profit-oriented decisions even when jobs might be lost.

A small ceremony was held Friday when the assembly line

Labour shortage may derail

Malaysia's economic boom

to be more than 500,000

mainly Indonesians, to remain

the end of June.

resources ministry.

provided they register before

4.3 per cent for 1991 means

that Malaysia has attained full

employment and it is

inevitable we have to depend

on foreign workers now if the

economy wants to maintain

growth at above eight per cent,

said an official of the human

Zainal, however warned that

"Malaysia needs to develop

dependency on foreign labour

its own human resources in

terms of vocational training

Last month, the Malaysian

and tertiary education to up-

manpower department pro-

jected that Malaysia would face

a shortfall of at least 580,000

workers by the year 2000 be-

cause only 9.13 million work-

ers could be deployed against

The Federation of Malaysian

Washington paid Baghdad-owned

bank \$361m after Kuwait attack

The US government guaran

teed a total of five billion dollar

in credits to finance Iraqi pur-

chases of agricultural products

Iraq has defaulted on two bil-

Gulf International Bank was

one of 10 banks getting resti-

tution from the first one billion

dollar in payments from the

Commodity Credit Corp. an

agency of the Agriculture

Gulf International — head-

quartered in Banrain with

branches from New York to

Singapore — is jointly owned

by seven Gulf countries — Iraq.

Bahrain, Kuwait, Oman, Qatar,

Saudi Arabia and the United

Department.

Arab Emirates.

lion dollar since the invasion of

Records showed that the

an actual need of 9.71 million.

grade skills," Zainal said.

was not a long term solution.

"An unemployment rate of

shut down and workers turned in their tools after completing a white Super-Cinq. The only tasks left were technical checks of the vehicles and dismantling of machinery.

"It was poignant and pathetic," said a union official, Daniel Labbe, 'you felt like you were attending a funeral."

The factory's death was foretold on Nov 20, 1989, when Renault's Chief Executive, Raymond Levy, announced in a videotape shown to workers that closure was planned within three years.

"The Crime" was the head line the next day in the Communist Party newspaper L'Humanite. The communist

Manufacturers (FMM) in

December said the sector was

short of 80,000 workers

estates need some 32 (100)

to more advanced production

technology and phasing out

labour intensive industries to

cope with the situation," FMM

executive director Tan Keok

director-general of the

Institute of Strategic and

International Studies (ISIS).

Malaysia's independent think-

tank, said the country was

coming to grips with the prob-

lem by also encouraging out-

ward or reverse investment

overseas to countries with

of the Malaysian International

Chamber of Commerce and

Industry (MICCI) said Malaysia

was going through the same

sort of problem that other

newly industrialised countries

Ernest Zulliger, president

lower labour costs.

had experienced.

Steven Wong, the assistant

"Manufacturers are shifting

more workers.

Yin said.

General Confederation Labour envisioned worker protests to stop the plans, but other unions signed an agreement aimed at protecting jobs and no strikes took place.

At its peak in the late 1930s, Billancourt employed 37,000 people and was France's biggest auto factory, churning out 50,000 cars. buses, trucks and tractors an-

The workforce dwindled to 3,844 by 1989 as Renault built new plants far from Paris. Only 1,100 workers were left as of this weekend

Many of these workers have obtained transfers or accepted early retirement. But union officials say about 200 were hav

Bush making

fresh plan

to aid

CIS

WASHINGTON, Mar 30:

President Bush said Sunday

he's readying a comprehensive

new plan to help the strug-

gling republics of the former

after church, declined to dis-

cuss the size of the plan but

Bush, talking with reporters

"I will have something to

say on that this week a

comprehensive comment.

said Bush, who has been ac-

cused by both Democrats and

former President Richard

Nixon of not doing enough to

help democracy and free mar

kets take hold in the former

considering a one billion dollar

contribution to a fund to

stabilize the rouble, as well as

fighting for a 12 billion dollar

increase in US support for the

until we get it all together, but

it will be good," Bush said as

he walked across Lafayettle

Park after attending a morning

service at St. John's Episcopal

Church.
While promising a major

announcement on the aid

package, he said was unsure

when it would actually he sent

need legislation and some that

announced a 14.3 million dol-

lar deal to buy space technol-

ogy and nuclear material from

Russia, and US officials antici

Australia

may slash

immigration

intake

Australian government is ex-

pected to cut next year's im-

migration intake by more than

10 per cent to less than

100,000, the lowest intake in

at least seven years, according

to the 'Sunday age' today, re-

would certainly be cut to below

100,000 for the first time

since the 1985/86 intake of

92,100 senior government

sources were quoted as saying.

cabinet debate next month

would focus on the composi-

The cabinet's decision is

likely to be within the upper

limit of the range proposed by

opposition leader John Hew-

he would support a net intake

of between 50,000 and 75,000

which, allowing for emigration

of around 30,000 would make

his upper limit of around

95,000 consistent with the

likely cabinet decision.

Hewson has suggested that

tion of the intake.

The sources said that the

This year's intake of 11,000

ports Xinhua.

CANBERRA, Mar 30: The

pate more such deals.

There are some things that

The White House on Friday

to Congress.

don't," Bush said.

"You'll have to wait and see

International Monetary Fund.

Bush is reportedly

communist superpower.

Soviet Union, reports AP.

promised "it will be good."

ing trouble finding new jobs. and the Communist Party has accused Renault of playing down the traumas faced by the workers and their families.

Renault's presence in Billancourt predates the island factory, Louis Renault created his first car in a workshop in the area in 1898, then built a factory along the banks of the Seine that produced France's first taxis in 1905 and made tanks for French forces in World War 1.

Renault was among the first French companies to adopt American-style assembly line techniques, including use of the time clock.

Needing expansion room,

Renault acquired 30-acre [12hectare) Seguin island after World War 1

The 1930s were marked by labour unrest. In one strike, workers scaled Billancourt's high walls and hurled down their lunch buckets. In 1938, police were summoned to clear away strikers protesting longer work hours.

During World War 11, Louis Renault collaborated with the pro-Nazi Vichy regime, and 80 per cent of the factory was destroyed by Allied bombing.

Because of the Collaboration, the post-way government took over Renault. which remains state-controlled today.

The zone, occupying some

(HKCNS) said.

9.4 square kilometers (3.76 square miles), will have theme parks, recreational centres. fishing and hunting grounds, an art gallery, nightclub, conference and exhibition halls, golf course, botanical and zoological parks.

in addition there will be movie theaters, a helicopter landing pad, cable cars, hotels and residential villas.

HKCNS said the two billion yuan (345 million U.S. dollar) project had so far attracted nearly 50 groups of investors in discussions with Chinese developers, following Beijings recent announcement it would pursue economic reforms to attract foreign investment, which would give the zone more autonomy.

Other privileges included the simpler issue of visas to investors and tourists on arrival.

Meanwhile, the pro-Beijing newspaper Wen Wei Po reported that Beijing was studying similar proposals submitted by five other provinces for areas of tourists attraction. The five were Shaanxi.

Jiangsu, Guangi, Zhejiang and Hainan provinces, the daily said, quoting authoritative sources.

Free trade makes headway in Tibet

LHASA, Mar 30: Some 130 free trade markets and fairs had been established in Tibet by the end of last year with annual business volume reaching 650 million yuan the same year, reports Xinhua.

An official from the Tibet Regional Industrial and Commercial Administration said that the governments at all levels in Tibet worked out regulations on market development and provided flexible and preferential policies to encourage establishment of trade markets.

According to the statistics from the Regional Industrial and Commercial Administration, Tibet invested more than ll million yuan in the construction of markets last

Tokyo stocks make a slight

TOKYO, Mar 30: The Tokyo

Unstable oil prices have prompted regional countries to diversify their sources of

desert, the GCC states of Saudi Arabia, Bahrain, Kuwait, Qatar, Oman and the UAE have focused their efforts on the industrial sector.

Exchange reserve \$5 billion

We're in no rush for IMF loans, say Indian officials

NEW DELHI, Mar 30 : With foreign exchange reserves a comfortable dollar five billion. India is in no rush to take out a new loan from the International Monetary Fund (IMF), officials and economists say, reports Reuter.

An IMF team will talk with Indian officials this week about how well the government has done in meeting conditions on the dollar four billion India borrowed last year from the Fund.

A new loan "is something we've kept open as an option and we will make our mind up about it during the course of the year," said Secretary of Economic Affairs Montek Singh Ahluwalia.

Ahluwalia told Reuters the current two-year loan could be converted to a 10-year Extended Fund Facility (EFF).

The decision about taking an EFF will be based on an assessment of whether we need the funds and whether we need them over a longer period," Ahluwalia said.

"A new loan would of course come with new conditionalities."

Finance Minister Manmohan Singh said last year at the height of India's balance of payments crisis that he would ask for a fresh loan under the EFF arrangement.

five billion in mid-March - up from dollar 900 million last July and dollar two billion over the IMF target - pressure appears to be easing. India's lending arrange-

But with reserves at dollar

ments with the World Bank and IMF have been savagely at tacked in parliament by leftist parties, who decried the conditionalities as a "sellout of India's economic sovereignty."

The right-wing Bharatiya

Janata Party has welcomed the government's moves to remove controls on the economy, but dislikes the steps to liberalise foreign investment and expose India's highly protected industries to global competition. Surendra Rao, director of

the National Council of Applied Economic Research, said a new loan was not needed right

"It'd be premature to go for a big loan now," he said.

"Money is just beginning to come in, things are going right, and the world economy is showing signs of improve-"A new loan would no doubt

create a new fuss in parliament. I'd see what happens first and not make myself a target. One can always go back to the IMF next year, if neces-

GCC plans to boost aluminium output ABU DHABI, Mar 30: Gulf

Arab states aim to boost their share of the world's aluminium production to 10 per cent by 2000 as part of efforts to diversity sources of income, reports AFP.

The six Gulf Cooperation Council (GCC) nations plan to offer competitive prices since the region has the lowest production costs in the world because of cheap energy, industrial experts said.

The Gulf - with two smelters in Bahrain and Dubai. United Arab Emirates (UAE) currently produces three per cent of the world's aluminium output of around 14 million

tonnes a year. According to the Gulf Organisation for Industrial Consultancy (GOIC), the region has bright prospects for alu-

minium output. "GOIC chalked out plans in the early 1980's aimed at enabling the region to reach an aluminium production capacity

of 10 per cent of the world's

output," the Bahraini-based

group said in a report this the current expansions in Alba

"Such plans are about to become a reality in the light of

(Bahrain) and Dubal (Dubai) and the setting up of two smelters in Saudi Arabia and Qatar, and new smelters in other GCC states."

The organisation, a government-run group that advises on industrial plans in the GCC, said the new projects would raise the regions aluminium production to about 1.5 million tonnes by 2000.

The report did not include a planed 1.6-billion-dollar smelter in Iran, which will produce 220,000 tonnes per

year when it is completed by According to Mahdi Sajjad of a partner firm, the Dubaibased international development company, Iranian pro-

duction would cost 1,065 dollar per tonne, compared to 1,390 dollar in other regions, because of cheap energy.

Since most of their land is

recovery

Stock Exchange's main index recovered slightly Monday after falling to a five-year low last week, while the dollar finished lower against the yen, reports AP. The 225-issue Nikkei

Stock Average gained 32.32 points, or 0.16 per cent, closing at 19.669.31. On Friday the average fell 248.50 points to 19,636.99, its lowest close since Feb. 16, 1987.

The Tokyo Stock Price Index of all issues listed on the first section, which fell 18.63 points Friday, rose 2.02 points, or 0.14 per cent to 1,430.15.

An estimated 170 million shares changed hands, down from Friday's 198 million shares.

Asia-Pacific currencies: Most gain against dollar HONG KONG, Mar 30: Asiaeconomic indicators, finishing Australian's improving eco-Greenback from 25.63 a week index is calculated against the

pacific region currencies had a mixed week against the US dollar, although there were more gainers than losers, re-

ports AFP. While the Japanese yen, Indonesian rupiah, Taiwan dollar and South Korean won lost ground to the Greenback, the Australia, Hong Kong, New Zealand and Singapore dollar all gained, as did the Malaysian ringgit and Philippine peso, the Thai baht remained unchanged.

Japanese yen: The Japanese yen eased to close the week at 133.85 yen to the dollar, down 1.30 yen from the previous week's finish of 132.55 yen.

After closing sharply lower at 134.20 yen Monday, the Japanese currency rebounded over the following three days, but lost steam on Friday, mainly because of investors' position-adjustment selling to buy dollars, dealers said

Australian dollar: The Australian dollar continued its rise on the back of improving at 76.45 cent up 0.45 of a cent from a week earlier.

Against the Japanese yen, it also performed strongly, trading Friday at 102.30 yen, following a steady rise from its level of 91.50 yen struck two months ago.

The unit reached a high of 76.70 US cent Thursday despite being hit by an aggressive reserve bank at about 76.45 cent Wednesday. Foreign exchange dealers forecast the Aussie should continue its

"Australia still has high yields and low inflation," said Japan Research Institute economist Simon Ito.

Tokyo-based Ito said the Australian dollar may ease slightly against the yen following a US dollar shakeout he has forecast for next month but after that the unit could climb as high as 108 yen.

Dealers agreed the local currency looks set for a strong. run, and pointed to

nomic fundamentals, notably a government commitment to maintaining low inflation.

One dealer said sentiment for the Aussie was bullish and it was now consolidating gains in preparation for a test of new highs at 76.90 US cent over the next couple of weeks and perhaps even 77 cent in the following weeks.

Hong Kong dollar: The Hong Kong dollar closed the week at 7.7387 - 7.7397 to the US dollar, up slightly from its level of 7.7455-7.7450 a week earlier.

The effective exchange rate index was 112.8 down from 112.9 at closing the previous weekend.

Indonesian rupiah: The Indonesian rupiah was down on the week, closing Friday at 2,018 to the Greenback from 2,016 a week earlier. It started the week's trading at 2,016 ruptah on Monday but went on to decline.

Malaysian ringgit: The Malaysian ringgit strengthened

man of the Senate Agriculture Committee, questioned the justification for payments to Gulf International.

Sen, Patrick J. Leahy, a

Vermont Democrat and chair-

"You have to wonder who made the decision to send millions of dollar, to an Iraqi owned bank at the same time the (Bush) administration is rattling sabers and complaining about an outlaw regime in Iraq," Leahy said.

The order bans "any commitment or transfer, direct or indirect, of funds or other fr nancial resources....by any United States person to the government of Iraq...its agencies, instrumentalities, and controlled entities, and the Central Bank of Iraq."



SYDENEY: A spectacular fireworks display celebrating the 60th birthday of the Sydney Harbour Bridge on Mar 29. - AFP photo

marginally on intervention by the central Bank Negara to close the week 25 points higher at 2.5875 against the US dollar, compared with

2.5900 the previous week. Dealers said the ringgit came under pressure earlier in the week on strong buying of the US currency, but Bank Negara's intervention Thursday helped the ringgit cut losses and regain strength.

Dealers anticipate restricted movement in the week ahead before the breaks off Friday for the Hari Raya festival marking the end of Islam's fasting month of Ramadan. New Zealand dollar: The

New Zealand dollar closed up

on the week at 55.01 US cent. Seven days earlier it had closed at 54.93. Dealers said the Kiwi may have some more climbing

Philippine peso: The

Philippine peso gained against

the dollar over the week,

closing at 25.56 to the

But International Monetary

Fund representative in Manila Cristopher Browne said Monday the strength of the peso was temporary and likely to be reversed as soon as the economy started picking up. The peso has hardened this year because of a stagnant economy and consequent lower demand for dollar to pay for declining imports, he said.

Singapore dollar: The Singapore dollar strengthened to close Friday at 1.6645 against the US dollar Friday, against last week's level of 1.6685.Dealers said the Singapore

major Asian currencies. The local currency was also stronger against the Hong Kong dollar and the Malaysian ringgit.

dollar rose in line with other

The OCBC Bank's trade weighted index for the Singapore dollar stood at 136.63, marginally down from 136.65 the week previous. The

currencies of Singapore's top 12 trading partners. South Korean won: The

South Korean won continued its slide against the US dollar, trading at 774.40 won to the Greenback on Saturday, a fall of 1.10 won in a week.

Continuing trade deficits are blamed for the weakening Korean currency.

Taiwan dollar: The Taiwan dollar continued its downward trend on the week, closing Friday at 25.54 to the US currency, down five Taiwan cent from the previous week's finish of 25.49.

After opening Monday at 25.562, the local unit drifted between 25.5 and 25.55 on increased trading amid seasonal demand for the Greenabck, dealers said.

Thai baht: The Thai baht remained unchanged, closing for the second consecutive Friday at 25.65 baht per greenback.

Business briefs

Taiwan to abolish monopoly on oil: Taiwan will abolish the Government's monopoly on the oil industry, allowing private companies to operate oil refineries and related businesses, Vice Economics Minister Chiang Pin-Kung said, reports Reuter from Taipei.

State-owned Chinese petroleum corp which now handles all Taiwan's oil imports and processing, will be privatised, Chiang told reporters on Saturday.

Coffee, cocoa markets cautious: The coffee and cocoa markets remained cautious this week over prospects of new mechanisms being introduced to support world prices, reports AFP from London.

Cautious sentiment kept prices weak on both markets. President Fernando Collor de Mello's announcement Thursday that Brazil would support reintroduction of export quotas at the next meeting of the International Coffee Organisation (ICO) in London in April did nothing to boost

Futures deal on wheat in China: A futures contract on wheat involving sale of 1,000 tons of wheat was purchased in Central China's Henan province

The deal was made between a food and edible oil company of Huazian county in Central China's Henan province and Nengshuitan Flour Mill in Hunan province on Mar 22, 1991 at

Zhengzhou grain wholesale market, the largest of its kind in China.

Saturday, reports Xinhua from Zhengzhou.