

### Tokyo shares plumb new depths

TOKYO, Apr 8: Tokyo shares plumbed new depths on Wednesday, sowing gloom and despondency across Far East markets, reports Reuter.

The 225-share Nikkei average has now fallen more than 12 per cent since March 30 despite last week's government emergency economic package and a hefty 0.75 per cent cut in the official discount rate to 3.75 per cent.

As Tokyo Stock Index futures also plummeted, one trader said: "There's a growing fear that the financial system is being destroyed."

Asked about the once almighty Tokyo market's seemingly unstoppable plunge, Finance Minister Tsutomu Hata indicated the government would not be panicked into stepping in.

As slumping bank shares undermined the Nikkei for second straight day, the average — which the day before fell below 18,000 — dipped as 18,892.31 before rallying slightly to close down 616.02 points, or 3.46 per cent, at 17,176.53.

The level is the lowest since November 1986. Most investors continued to shun the market while institutional selling and technical adjustments battered prices, brokers said.

"We're seeing a kind of selling climax, but what level that drives the Nikkei to is anybody's guess," said one Japanese broker.

"The market's not going to recover while volume is so depressed. There are signs, however, that investors are starting to creep back to poke among the rubble for bargains."

"Everyone has got accustomed to these drops, it's no big deal any more," said one weary dig four broker.

### JAL may stop unprofitable flights

TOKYO, Apr 8: Japan Airlines Co Ltd is considering withdrawing from some unprofitable international flights as a part of a cost cutting programme, a spokesman of Japan's largest airline said Tuesday, reports AFP.

The company will finalise details of the route reorganisation, which may also include cuts in some joint flight services, by the end of May, he said.

### Canadian bank shares plunge after Olympia misses payment

TORONTO, Apr 8: Confirmation that Olympia and York Developments Ltd missed a payment of 62 million US dollar on March 25 weakened Canadian bank shares, already reeling from the property giant's cash flow troubles, reports Reuter.

Olympia and York said it missed the coupon payment on a 800 million US dollar Eurobond although the building against which the loan is secured, in the Manhattan World Financial Centre, is fully let.

"It confirms that the guys have run out of money," said Kersi Doodha, a banking analyst with Matson Placement Canada Inc.

But many analysts, including Doodha, said the downturn was overdue and the bank shares, which recently broke short-term support levels, are prime for the picking.

"They're cheap now, I wouldn't sell a single one of them at these prices," said Roy Palmer, an analyst with Bunting Warburg Inc.

### Euro-parliament seeks 20pc cut in subsidy to grain farmers in '93

STRASBOURG (France), Apr 8: The European Parliament Tuesday called for a 20 per cent cut next year in subsidies for the European Community's four million grain farmers, reports AP.

This contrasts with a proposal by the EC Commission to slash cereal subsidies by 35 per cent over three years.

The parliament's action — a compromise by its Socialist and Christian Democratic groups — would leave grain subsidy cuts after 1993 up to the EC's decision-making Council of Ministers. The two political groups hold a majority of the assembly's 518 seats.

Proponents said Tuesday's vote gives the EC agriculture ministers political backing to

### 600,000 eastern Germans trapped into 'work-to-work' cycle

SCHMALKALDEN (Germany), Apr 8: It's 1:45 am when Leni Weishelt crawls from the warmth of her bed into the cold reality of work-a-day life for easterners in united Germany. Like tens of thousands of others, she heads west for a job she can't get near home.

The 40-year-old east German, born and bred in a Communist system, now commutes six hours a day by bus so she won't be among the roughly 2.2 million unemployed or underemployed east Germans, reports AP.

After nearly nine hours on the job, Weishelt will be home by 6 pm, traffic permitting. That leaves little time for much else but starting the cycle again.

"It's no way to live, but you get used to it," Weishelt says, sipping coffee in the tiny three-room apartment she shares with her 21-year-old daughter in this tumbledown eastern town.

"Sometimes I feel a little hopeless, but I have a regular income and that for me is comforting."

Long commutes, alien to most western Germans, have become a way of life for easterners in search of work.

The German Institute for Economic Research estimates 600,000 easterners commute to jobs in former west Germany, noting



PLUNGE PANIC: A floor dealer flashes a sign to his colleagues during the afternoon session at Tokyo Stock Exchange on Apr 3. In the morning session, the Nikkei Stock Average fell below 18,000 yen level for the first time in 64 months, 1.6 per cent from Apr 2 close. — AFP photo

## Taiwan bans Thai labourers

TAIPEI, Apr 8: Taiwan announced Tuesday a ban on the employment of Thai labourers to retaliate against Bangkok unilaterally raising basic salary scales for its nationals hired to work here, a top official said, reports AFP.

"We decided to impose a freeze on the importation of Thai workers effective today until the government there retracts its unreasonable salary scale," Chao Shou-Po, chairman of the Council of Labour Affairs, said.

"We have found their salary scale unacceptable," Chao said, adding if Thailand cannot respect the government policy here, there is no need for his council to continue its plan to hire Thai nationals.

Taiwan, which issued an ultimatum to Thailand last month demanding Bangkok retract its salary scale by last Friday, has said the move showed Thailand's disrespect for local authorities.

Without consulting Taipei, the Thai government announced in early March a basic salary scale policy, which required Taiwan firms to pay between 14,500 to 20,000 Taiwan dollar (580 to 800 US

per month for each worker they hired.

Taiwan later warned that such an act could result in the island barring the importation of Thai workers. In a response last week, Thailand agreed to trim its range by between five to 10 per cent, which is still more than Taiwan's basic monthly salary of 11,040 dollar.

"We cannot accept this either," said Jani Shiann-Low, vice chairman and spokesman of the council, adding the Thai scale is indeed a lot more than those Bangkok set on 12 other countries which hire Thai workers.

Tsai said this is unfair to Taiwan. He added that his council is evaluating the possibility of importing Bangladeshis, Vietnamese and Cambodians to replace the Thais.

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port market, was also responsible for the boost, they said.

Industrial products accounted for 95.2 per cent of Taiwan's total exports in March period while agricultural and industrial raw materials took a 71.5 per cent share of overall imports, it said.

The United States, Taiwan's biggest trading partner, took 27.5 per cent of the island's exports in March followed by Hong Kong with 18.4 per cent and Europe with 18.1 per cent.

Japan, the export-oriented island's leading supplier, sold 1.7 billion dollar worth of products to Taiwan, or 29.9 per cent of Taiwan's total imports in the month, followed by the US with 21 per cent and Europe with 16.6 per cent.

Taiwan's trade surplus with the US edged up 29.5 per cent to 1.73 billion dollar for the three months out of a 9.21 billion dollar two-way trade total.

The long-standing trade deficit with Japan surged 21.9 per cent to 2.53 billion dollar out of a total 7.07 billion dollar trade for the January-March period.

### Trade surplus balloons

Meanwhile, Taiwan Economic officials attributed the expanded overseas demand in the past few months to widened indirect exports to China via Hong Kong as more local manufacturers are investing in the mainland.

A recovery in the United States, the island's largest ex-

### Germany blasted for announcement of plan

Germany are completely different," Foreign Minister Michio Watanabe told parliament, noting that Germany attacked the former Soviet Union during the war while Moscow declared war on Tokyo.

"If the G7 countries and Russia understood the Japanese position, Japan would take a flexible attitude," he said.

Finance Minister Tsutomu Hata was meanwhile quoted by Kyodo News Service as saying that the Japanese "still have political restraints" in providing large-scale financial support to the former Soviet Union. But he added that the G7 countries had agreed that "we cannot allow the economic reforms to regress."

Foreign Ministry spokesman Masamichi Hanabusa meanwhile told a news conference that Japan "shares the goals and direction of these discussions" but added that "details were not agreed upon." He said the announcements by Germany and the United States last week prompted by "various motivations."

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### Ukraine gets IMF seat

WASHINGTON, Apr 8: The executive board of the International Monetary Fund has given its approval for Ukraine to become a member of the institution, Ukraine's finance minister said here Tuesday, reports AP.

An IMF officials predicted board approval for other former Soviet republics could come within a matter of days.

The board's approval for Ukraine followed similar endorsement of membership by Russia in the international lending organization last week.

IMF officials, who declined identification, said that the executive board was wrapping up review of the applications for the other 13 former Soviet republics and that approval of their membership requests could come as soon as Wednesday.

Ukrainian Finance Minister Hryhorii Pylyachenko said he was pleased with the prompt handling of his country's membership request and believed approval would come quickly for the country's economic reform programme, the step that would qualify the nation for loans.

## Japan denies G-7 accord on aid to CIS

TOKYO, Apr 8: Japanese officials reiterated Tuesday there was still no agreement among the Group of Seven (G-7) industrial countries on how much aid to give the former Soviet Union and how to finance the assistance, reports AFP.

Constrained by a long-standing territorial dispute with Russia dating back to the end of World War II, Japan also continued to criticize Germany for announcing last week that the G7 had reached an accord on the issue.

"The positions of Japan and

Germany are completely different," Foreign Minister Michio Watanabe told parliament, noting that Germany attacked the former Soviet Union during the war while Moscow declared war on Tokyo.

"If the G7 countries and Russia understood the Japanese position, Japan would take a flexible attitude," he said.

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Germany announced last week that the G7 had reached

an agreement to provided 24 billion dollar in aid to Russia. US President George Bush later confirmed the existence of a plan, mentioning a six billion dollar rouble-stabilisation funds and Washington's intention to take part.

Japan believes the announcements were partly motivated by the desire to send a sign of support to Russian President Boris Yeltsin who faces mounting opposition in parliament to his economic reforms.

But Japan, a leading creditor nation, does not expect to extend any major additional support to Russia.

An official in charge of aid to Russia at Japan's Finance Ministry noted, however, that the 2.5 billion dollar pledged by Japan to Russia in October had still not been disbursed and might be included in the future G7 package. We are not sure that it's necessary to extend new credits this year," he said.

Japan, which wants any future aid package to be extended through multilateral agencies, meanwhile reaffirmed Tuesday its support for the rouble stabilisation fund

and Russia joining the International Monetary Fund (IMF).

But officials said they still don't know how to finance the remaining 18 billion dollar announced by Germany which corresponds to Russia's expected balance of payments deficit this year.

Hata said he expected to discuss the issue in Washington later this month followed by further talks in Europe coinciding with Prime Minister Kiichi Miyazawa's expected visit to Germany and France.

### 4,500 Japanese women head for Australia to sell underwears

TOKYO, Apr 8: The Japanese passion for travelling abroad in groups broke new ground Tuesday as a company subsidised tour of Australia by more than 4,500 sellers of ladies underwear got underway, reports AFP.

The massive undertaking, believed to be the biggest group of tourists ever to travel anywhere, is being sponsored by Charik Co Ltd, a Kobe-based women's underwear wholesaler with a rapidly growing door-to-door sales system.

A company spokesman said the first group of about 200 women left Narita Tuesday morning while another 300 ladies were scheduled to leave later in the day.

Most of the rest of the women have been booked on another 33 regular flights out of Narita, Osaka, Nagoya and Fukuoka over the next few days. The entire operation — involving Qantas, Japan Airlines, All Nippon Airways and Northwest Airlines — is scheduled to last until Monday, the company said.

Charles said it contributed 450 million yen (3.4 billion dollar) to the cost of the trip and, according to the Australian Tourist Commission, the ladies are likely to spend some six million dollar during their five-day stay in Sydney.

The 4,512 women are being rewarded for boosting door-to-door sales of women's underwear by 26 per cent from a year earlier to more than 14 billion yen (105 million dollar) in October and November.

### Pindi flies food to Kabul

KABUL, Apr 8: Another Pakistani plane ferried emergency food into the hungry capital Tuesday as the UN's envoy briefed key leaders on efforts to unite the warring factions behind a peace settlement, reports AP.

The C-130 Hercules transport plane was the third to land in the Afghan capital in four days, carrying 15 tons wheat to help feed Kabul's poorest. Each bag was stamped "gift from the people of Pakistan."

Later, the special representative to UN Secretary-General Boutros Boutros-Ghali, Benon Sevan, flew to Kabul for meetings with President Najibullah, Prime Minister Fazle Haq Khalilqar and Foreign Minister Abdul Wakil.

Sevan met earlier Tuesday in Tehran with Iranian Foreign Minister Ali Akbar Velayati and discussed the UN's efforts to end the nearly 14-year-old war. Tehran Radio said Sevan briefed Velayati on his discussions with the diverse Afghan groups and other recent developments.

Sevan was to return late Tuesday to Pakistan, which like Iran supports the Muslim resistance trying to topple the Communist-style government.

## EC tightens up supervision of multinational banks

BRUSSELS, Apr 8: The European Community has tightened up supervision of multinational banks and other financial organisations operating in more than one country, the EC's Executive Commission said here Tuesday, reports AFP.

A commission spokesman said the EC's Council of Ministers had passed a new law for the consolidated surveillance of banks to prevent scandals such as that of the Luxembourg-based Bank of Credit and Commerce International (BCCI).

The new law requires supervisors of a local credit

company which is part of a multinational to probe the entire multinational rather than just the company itself when imposing legal safeguards such as prudential and solvency ratios.

The EC's Commissioner for Financial Services, Leon Brittan said: As the BCCI case and other recent examples have shown, there is a pressing need for rules to ensure effective supervision of complex multinational banking.

The law also obliges supervisors of all kinds of financial companies such as banks, in different countries, to exchange information with each other.

It specifies that where a parent company is based in one EC country but the bulk of its activity is carried out in another, the various national authorities must decide which country bears responsibility for regulating it.

The BCCI, which was closed down last July after massive fraud disclosures, was based in Luxembourg but did most of its business in Britain. The new law would have prevented ambiguity over who should police its activities.

The new banking directive will take effect on January 1, 1993 — the official launch date of the EC's single market.

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## Sale of children in Asia, Latin America rising

MANILA, Apr 8: The illegal trafficking and sale of children in Latin America and Asia is rising sharply and some infants are being sold for as much as 50,000 US dollar each, a senior official of a children's advocacy group said Monday, reports Reuter.

Nigel Cantwell, Director and founder of the Geneva-based Defence for Children International, said countries around the world must do more to reduce the illegal sale of children across their borders.

"Up to 97 per cent of children adopted abroad came from Latin America and Asia," Cantwell told reporters before a week-long international conference on Children's rights opened in Manila Tuesday.

"Child trafficking is growing... (and) these children are being used in child prostitution or child labour, for

## IMF enlarges the list for concessional lending

WASHINGTON, Apr 8: The International Monetary Fund (IMF) announced Tuesday it has added 11 countries to the list of members eligible for concessional low-interest loans, reports AP.

The Enhanced Structural Adjustment Facility (ESAF) will provide medium-term assistance to Albania, Angola, Ivory Coast, the Dominican Republic, Egypt, Honduras, Mongolia, Nicaragua, Nigeria, the Philippines and Zimbabwe.

The ESAF is used by the IMF for developing countries with low per capita incomes, high debt burdens and long-term deficits and is conditioned on their economic reform programmes, according to an IMF statement.

ESAF financing is available at a 0.5 per cent annual interest rate, repayable between 5-1/2 and 10 years after disbursement.

Currently, 17 countries, mostly in Africa, have loans under the ESAF programme and 19 have made use of them to date, the statement said.

## NAFTA talks resume

Senior trade officials from Canada, Mexico, and the United States resumed talks Monday on the proposed North American Free Trade Agreement (NAFTA), reports AP from Montreal.

"There are certainly a number of issues that need to be addressed across the board and we will put forward our best efforts to bridge further differences," US Trade Representative Carla Hills said as the three-day session got underway.

## US lifts ban on ex-Soviet ships

The Bush administration on Tuesday dropped many restrictions against merchant ships of the former Soviet Union, reports AP from Washington.

Seven ports which were previously closed because of sensitive military operations were opened, subject to the filing of a request seven days in advance. The ports are Charleston, S C; Hampton Roads, Va; Portsmouth, NH, Honolulu (with the exception of Pearl Harbor); and Port St. Joe, Panama City and Pensacola, all in Florida.

## Japan concerned over US moves

Ministry of International Trade and Industry (MITI) is very concerned about US moves to extend anti-trust laws to foreign cartels that lock out US exports MITI minister Kozo Watanabe said.

"I reiterate my strong concern about the US attitude," Watanabe told a regular press meeting. "I'm sure the American side knows my basic idea that America should not extend its anti-trust laws to foreign cartels."

But Watanabe denied a local daily Nihon Keizai Shimbun report that MITI is studying legal changes to counter US extension of antitrust laws to foreign business practices.

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## Business briefs

**\$250m needed to raise oil demand:** Investment of 250 million dollar is needed to prepare for an increase in demand for oil to 58 million barrels per day by the end of the century, OPEC Secretary General Subroto has said.

But his forecast could be upset by instability caused by political and economic developments in the former Soviet Union and in the Middle East, Subroto said.

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