China building largest bridge

SHANGHAI, May 29 : Two 208-metre-high towers for the largest bridge in Shanghai topped out Wednesday. The bridge, also the largest cablesuspended one in the world, will span the Huangpu river in Shanghai, China's leading industrial city, reports Xinhua.

The 7,658 metre Yangpu bridge, which is being built at an estimated cost of 1.3 billion yuan (23.6 million US dollar) is one of the ten major projects the city is building to develop the Pudong new area.

The bridge, which has a 602 metre main span, is tall enough to allow a 50-metre tall ship to pass underneath.

Beijing to issue 3 new coins

BEIJING, May 29: China will issue three new denominations of Renminbi coins on June 1 to ease automation of the service industry and banking, the official New China news agency said on Thursday, reports Reuter.

The move could pave the way for vending machines, which have yet to make an appearance in China because of today's small-denomination

The coins will have face values of one yuan(18 US cent). 50 fen (nine cent) and 10 fen(two cent) and will circulate along with banknotes of the same denominations.

Philippines' power crisis worsens

MANILA, May 29 : The Philippines' electricity crisis worsened dramatically after lightning knocked out two power plants, and officials said Friday daily blackouts of up to 10 hours may continue for a week, reports AP.

The Philippine capital was without electricity for 12 to 15 hours Thursday as crew worked to repair storm damage at the two plants, one of which was to go on stream Friday.

US jobless claims touch 7-month low

WASHINGTON, May 29 First-time claims for unemployment benefits dropped in mid-May to the lowest level in seven months, the government said Thursday in a report that reassured analysts the recovery is plodding forward, reports

The news fits in with other positive economic statistics released this week and with economists' belief the recovery, although slower than most rebounds since World War II, will avoid stalling as it did last

Fiat wins Polish car firm stake

WARSAW, May 29 : Italian automaker Fiat SPA acquired a 90 per cent stake in Poland's state-owned FSM car factory on Thursday in a two billion dollar deal that represents the biggest foreign investment to date in Poland, reports AP.

Fiat and the Polish government had disclosed the price last week when they signed a preliminary agree

The final contract was signed Thursday by Poland's Finance Minister Andrze Olechowski and Paolo Can tarella, general manager of Fiat Auto. Poland's Prime Minister Jan Olszewski and Fiat president Giovanni Agnelli witnessed the signing.

Bush orders new aid for Yugoslavs

WASHINGTON, May 29 President George Bush on Thursday ordered 13 million dollar in new US humanitarian aid for refugees from fighting in the former Soviet Union and Yugoslavia, the White House announced, reports Reuter.

The United States will give nine million dollar to help those fleeing the former republics of Yugoslavia, with six million dollar earmarked for United Nations relief efforts and three million dollar for the International Red Cross.

Pepsi goes plastic in ex-Soviet Union

MOSCOW, May 29 : Pepsi-Cola International brought another piece of Americana to the former Soviet Union on Thursday by announcing a venture to produce throwaway plastic bottles for its soft

drinks, reports AP. Pepsi, which pioneered the Western soft drink market in the Soviet Union 20 years ago. signed an agreement with Eastman Chemical Co., a subsidiary of Eastman Kodak, and two firms in the former Soviet republic of Belarus to manufacture two-litre plastic bottles.

Plastic packaging is relatively new in the former Soviet Union, which still depends on glass bottles and tin cans for most processed foods.

EC-US trade talks make little progress

dies on farm products by as daylong session on Thursday much as the United States and between American and Euother countries demand. Hope ropean negotiators, joined by for a breakthrough was raised Secretary of State James A Baker made only small prolast week by agreement among the 12 to make radical gress in trillion-dollar trade changes in policy that would talks but a European source cut some domestic subsidies to Thursday called it encou-European farmers. raging, reports AP.

"There's room for more

He added that it was a sign

of greater American commit-

ment that Baker had taken

part in the talks for the first

time and stayed through the

mained the unwillingness of

the 12 European Community

The main obstacle re-

TOKYO, May 29: The tone

of the Japanese economy re-

mains weak, but the pace of

the slowdown is abating, the

Economic Planning Agency

(EPA) said Friday in a monthly

report reflecting Tokyo's offi-

cial assessment, according to

slowdown," the EPA summa-

rized in an apparent softening

of last months report which

slowdown".

ports Reuter.

spoke of "an acceleration of

TOKYO, May 29: Japanese

policymakers may announce a

doubling of some types of aid

at next week's Earth Summit

in Brazil, aid officials said, re-

vironmental aid for the next

five years," a senior govern-

that rich nations will reach

agreement at the summit on

increasing a World Bank spe-

cial fund for Third World pro-

jects to benefit the global envi-

The Foreign Ministry de-

clined to comment on the total

amount Japan is prepared to

The United Nations Con-

ference on the Environment

and Development (UNCED).

commonly known as the Earth

Janeiro on June 3-14.

(ODA), the source said.

aid officials said.

habitats.

March 1992.

Summit, will meet in Rio De

a substantial enhancement of

its environmental Official

Development Assistance

than double the amount of en

vironmental ODA to approxi-

mately 1.3 trillion yen (US 10

billion dollar) over five years

to March 1997, in terms of av-

erage commitments per year,

aid to preserve forests and the

ozone layer, to prevent pollu-

tion and to improve human

yen 2.31 billion dollar in such

aid in the three years up to

Japan pledged 300 billion

"On a commitments basis,

Environmental ODA covers

The government may more

Japan is likely to announce-

ment source said Friday.

"Policymakers seem ready

to pledge large amounts of en-

But Tokyo officials doubt

The economy still exhibits

exploration now," he said.

But US Trade Representative Carla Hills made it clear Wednesday that she was not satisfied.

"We are trying to move into the other areas - the export subsidies and the barriers to market access," she told reporters.

Reduction of subsidies to European exports and a lower

Japanese Ambassador Yukio Imagawa exchanging documents with Cambodia's Supreme

National Council (SNC) President Prince Norodom Sihanouk in Battambang on May 28

marking the first bilateral aid project to be signed between Japan and the SNC. Japan will

donate 500,000,000 yen (25,000,000 US dollar) worth of farm equipment to Cambodia under the

"There is a sense of the

economy hitting the bottom."

Takeshi Noda, head of the

EPA, told reporters, citing a

recovery in housing starts and

"not optimistic", but hinted

that the economy may turn up

starts recovered while per-

sonal spending remained basi-

cally firm and construction and

environmental ODA is esti-

mated to have reached well

above the target to some 400

billion yen 3.1 billion dollar by

March 1992," said an official at

NEW DELHI, May 29: Russi

Mody stepped down Thursday

as Managing Director of India's

largest private sector firm, the

giant Tata Iron and Steel Co.

(TISCO), in a decision that

climaxed an ugly battle for

his Number Two J J Irani, 54,

but remained as Chairman of

TISCO, where he is overseeing

a 1.5-billion-dollar expansion

drive, the Press Trust, of India

at a meeting of the Board of

Directors of TISCO in the

western Indian city of Bombay

at a time when the Tata young

guard has been trying to as-

sume complete control of the

with Ratan Tata, scion of the

Tata family and Chairman of

the holding company Tata

Sons, who insisted that all

Chairmen of Tata companies

returne at the age of 75 and

Irani, is heir to the Tata em-

pire. Doubts have been ex-

pressed whether he can carry

with him people like Mody,

much older and more experi-

Ratan, the same age as

quit executive roles at 65.

Mody has been in conflict

800-million-dollar company.

The decision was approved

Mody, 74, was replaced by

succession, reports AFP.

(PTI) said.

An EPA official said he was

The report said housing

better business sentiment.

in the near future.

Japan's slowdown pace abating

Tokyo may double enviro-aid

Tata Steel MD quits in

ugly succession battle'

ing of barriers on imports would both increase sales of US farm products.

Her chief antagonist was Frans Andriessen, a Netherlander who is Vice President in charge of external relations on the Community's European Commission. The Commission serves as a joint executive for the 12 governments on trade.

Hills said she had made new proposals but declined to say what they were. The European source described them rather as old proposals in new forms 'designed to ease the pain." They dealt with subsidies both for European farmers and for their exports,

The source, who asked not to be named, said Andriessen still insisted on a point the Americans strongly oppose Adding fees on European imports of animal feeds to balance the cuts in subsidies.

The source said the atmosphere for further talks could be clouded if the US government, as expected, issues a list of European exports against which it intends to put up new barriers.

The barriers would be retaliation for European domestic subsidies which Americans say block European imports of US sova beans.

At dinner Wednesday night, the negotiators took up some

Singapore

disillusions

Filipino

workers

MANILA, May 29 : Sixty-eight

Filipino workers returned

home to the Philippines on

Friday complaining their

employers in Singapore et-

ther beat them, sexually

molested them, or did not

pay their salaries, reports

helpers, were flown back to

Manila by a Philippiner Air

Force plane after gathering

at the Philippine embassy in

Singapore where they

sought refuge after escaping

will never go back to

Singapore now that I've re-

alised how cruel employers

their can be. And I advise

my fellow Filipinos not to

dened by the fallout from the

bursting of the so-called bubble

Industry Minister Kozo

Watanabe argued against the

is not as easy as that explained

in the report," he told re-

porters. He said job offers

were falling from almost all in-

dustries, excluding the con-

World Bank's Global Environ-

mental Facility (GEF), Japan is

uncertain how quickly and by

how much the fund can be

said: China will express at the

coming environmental summit

in Rio de Janeiro the view that

the developed world should

foot the bill for ecological pro-

"The developed countries

have contributed much more

to the degradation of the envi-

ronment, they should take

greater responsibilities," said

Xia Kunbao, who heads the

National Agency for the pro-

speaking one week before the

opening of the summit said it

was unlikely that Third World

countries, of which China

obtain concessions.

considers itself a leader, would

The developed world, espe-

cially the United States, had

shown themselves reticent to

give in to demands to offer to

pick up the tab at the summit,

which opens June 3, they

Top leader Deng Xiaoping's

daughter Deng Nan, who was

recently promoted to Vice

Minister in charge of the envi-

ronment in a sign of the im-

portance that China attaches to

this portfolio, recently called

on industrialized countries to

transfer technology to China

ronmental situation in the

world's most populous country

has been termed as catas-

In the meantime, the envi-

on a non-commercial basis.

But European diplomats

tection of the Environment.

tection, officials here say.

Earlier AFP from Beijing

But International Trade and

The reality of the economy

speculative economy.

struction industry.

expanded.

aspire to go there."

their bosses.

- AFP photo

machinery orders increased.

There are also sings of im-

provement in the business

vestory adjustment levelled off

while capital spending slack-

ened, it added. Industrial out-

Hata said in a news conference

that the economy was gener-

ally in "a good condition," but

added that it was still bur-

the foreign ministry. It has ac-

counted for roughly 10-12 per

cent of Japan's total annual

enced, but in a company riding

The decisions was an

nounced in a press release

quoted by PTI which said

Mody himself offered to resign

like a virtuoso, will also be

head of the Tata group's

Overseas Development Depart-

ment "in view of the impor-

tance of globalisation of the

company," the release was

ating defeat for Mody, who

had insisted it would either be

him or Irani, Joint Managing

management levels in TISCO

and redesignated Irani from

joint to Additional Managing

Director, a notch lower. The

move drew a letter from Irani

calling Mody a "cowardly,

that became public in which

he accused Irani of sounding

the "opening shot in a coup at

and was forced to reinstate

Irani to the old slot.

Mody responded with letter

But he lost that battle too

vindictive, cruel manipulator.

Last year, Mody revamped

Director, in the company.

But it looked like a humili-

Mody, who plays the piano

on the Tata name.

as Managing Director.

quoted as saying.

But when it comes to the

However, the pace in in-

Finance Minister Tsutomu

scntiment, it said.

put also declined.

The workers, mostly domestic

of the 14 other kinds of trade - including trade in services that 108 governments have been also trying to regulate. They have spent more than five years in talks called the "Uruguay Round," after the

country in which they began. Hills has said that success could increase world trade by a trillion dollars in the next five

Andriessen was returning home Thursday. On June 15 the 12 governments will take up the issues again and there will be time for another European-American session before an economic summit early in July. President Bush is expected to attend.

Malaysia's debt hits 43b ringgit

KUALA LUMPUR, May 29

Mohammed Sheriff Kassim. Secretary-General of the Firinggit after the new 62.93 bil-

He said Malaysia's foreign debt had shrunk to 40.7 billion at the end of April from 1991 levels, partly due to the strengthening of the ringgit in recent months.

Malaysta's total foreign debt last March.

strengthening had caused for-

Malaysia would submit proposals within two to three months for a 15th soft yen loan from Japan which he said Malaysia hoped would be around the same level as that soft yen loan taken up by

tries Minister Lim Ken Yaik said at a luncheon talk to the chamber that more miners should diversify from tin mining to ensure their survival.

practicality, viability and survival," he said.

Kurdistan's newly elected parliament will ask the UN to modify sanctions Kurds say have crippled their economy, Kurdish leaders said, reports

"The UN sanctions are

Kurdistan is gripped by twin embargoes : United Nations Gulf War trade sanctions against Iraq and Baghdad's seven-month economic and administrative blockade on rebel-help terri-

The result is 90 per cent

liament will solve many of these economic problems, but the election was not a panacea," said Hoshyar Zebari, a senior official of the Kurdistan Democratic Party

signed today - the largest-ever

The notion of pessimism does not arise in this exhortation, it is made in the spirit of

Kurds will ask UN to modify sanctions

IRBIL (Iraq), May 29 : Iraqi

strangling our economy," said Mahmoud Osman, head of the Kurdistan Socialist Party. "If they aren't lifted it will be difficult to demonstrate the practical benefits of democracy to our people".

unemployment in Kurdish cities, soaring food prices, endless petrol queues, and civil servants, including teachers, doctors and engineers, working without pay.

Malaysia's total foreign debt has risen to an estimated 43 billion ringgit following a fresh yen-dominated soft loan from Japan, the country's top Finance Ministry official said, reports Reuter.

nance Ministry, told reporters that Malaysia's foreign debt would rise to about 43 billion lion yen loan, equivalent to 1.22 billion ringgit.

at end-1991 was 43.3 billion ringgit, up 1.8 billion from 1990, the central bank, Bank Negara said in its latest report

Asked if the ringgit's eign debt to fall between end-1991 and April, Mohammed Sheriff said: "Yes, yes, because

Malaysian Primary Indus-

tory in the north.

"People think our new par-

Russian economists slate reforms MOSCOW, May 29: A group Tass news agency this week-

of Russian economists says government reform is pushing the economy toward hyperinflation, reports Reuter.

Komsomolskaya Pravda newspaper quoted economists from the independent Epicentre Research Institute as saying western estimates of 1,000 per cent inflation were over-optimistic.

"Russia is irresistible being dragged into hyperinflation, the newspaper quoted them as

But Economics Ministry official Anatoly Goncharov said "Extreme measures are being taken to prevent hyperinfla-

Moscow-based epicentre is the think-tank of economist grigory Yavlinsky, one of the authors of a 1991 plan calling for massive western aid for the former Soviet Union. He has frequently criticised government economic reform plans.

The newspaper said Russia's April consumer prices were more than seven times higher than in December last

Inflation has been fuelled by the freeing of prices for most goods and services early this year and officials say a May 15 rise in energy costs will boost consumer prices another 50 per cent.

Russia sees price liberalisation, lower government spending and a convertible rouble as planks of its economic reforms.

It has forced through a series of unpopular moves on prices and economic policy. and plans to float the rouble on world markets from July.

Prices have risen sharply since the reforms got under way, bringing goods back into once-bare shops but leaving millions below the poverty line. Industrial output has plunged.

A survey published by Itarend showed only seven per cent of those questioned at a Moscow trade fair thought industrial production would establishes in 1992. Over 70 per cent thought the economy would weaken in 1992 and 33 per cent forecast improvement

in 1993. Tass did not say how many were polled. The government has toned down some tougher elements of its reforms in recent weeks, a doubling for trebling wages to make up for higher prices and increasing funds available

to companies. Yavlinsky's group said such moves would only fuel inflation.

Incomes in February rose 146.3 per cent while prices went up 138 per cent, Komsomolskaya Pravda quoted the group as saying. That means prices will rise even more sharply to catch up with

The paper said Yavlinsky had also criticised a government decision to double the volume of cash it prints from next month by issuing more high-denomination bank notes. This is all cash which will

boost consumer demand con-

siderably and will raise prices while production continues to fall," the paper quoted him as saying. Government officials say otherwise: 'Cash emission has

little to do with the inflation rate in this country," government Economic Advisor Alexei Ulyukayev said last week. He said the central bank

planned to raise monthly cash emission to 128 billion rouble (1.5 billion dollar at the bank's fixed "market" rate) from June, up from 64 billion rouble About 70 per cent of the

money will stay in Russia. The rest will go to former Soviet republies, all of which use the

\$5b illicit loans to Iraq

Italian bank manager will plead guilty equipment to Iraq in the late

ATLANTA, May 29: A key figure in a scandal involving offlions of dollar in secret loans that helped Iraq before its Kuwait invasion plans to plead guilty to 347 charges of fraud and conspiracy, a US court official said on Thursday, reports Reuter.

The planned guilty plea next week by Christopher Drogoul, jailed former manager of an Atlanta branch of the Italian state-owned Banca Nazionale Del Lavoro (BNL), would come 20 days before his trial was scheduled to open.

Several of Drogoul's former co-workers have already pleaded guilty and agreed to co-operate with prosecutors in scandal prosecutors say involves up to dollar five billion in illicit loans made for the benefit of Iraq.

"We've been informed by (Drogoul's) desence counsel that he intends to plead guilty to all 347 charges next Tuesday and that he'll make a detailed statement during the hearing" Elizabeth Daniel, an aide to US District Judge Marvin Shoob, told Reuters.

"We've been informed there's no plea agreement by the government ... the sentencing would probably come in two months," she added.

Drogoul, who was ordered jailed in April when his bail bond was revoked, was accused of plotting to make the illicit loans and concealing them from regulators and bank superiors in a secret set of

The indictment charges that billions of dollars in loans not authorised by BNL's parent office in Rome went to finance shipments of food and farm

Congressional democrats

have charged that the illicit leans enabled Iraq to build up its war machine before Baghdad's 1990 invasion of Kuwait at a time the Bush administration had been courting Saddam Hussein's government to counter Iran's Middle East influence.

Administration spokesmen have denied allegations by Democrats that the investigation of the scandal was slowed to avoid embarrassing Bush or subordinates.

The Atlanta constitution on Thursday quoted a lawyer involved in the case as saying Drogoul rejected a plea-bargain offer by the government of 20 years in prison if he would plead guilty.

"Mr Drogoul obviously aid, was quoted as saying.

Drogoul is not the mastermind behind this may be easier than convincing the Justice Department," he added.

Drogoul faces maximum possible sentences of several hundred years in jail by judge Shob, who has the option to reject the expected guilty plea and order the June 22 trial to proceed.

Sentencing for other BNL-Atlanta former executives and workers who previously pleaded guilty to charges in the scandal is not expected until after Drogoul's case is concluded, court officials said.

neously targeted and will not

He played down the impact

"Serbia has endured when

of a threatened oil embargo on

the republic of 9.8 million

EC ban to hit Serbia hard

succeed.

people.

he said.

BELGRADE, May 29 : Strict European Community sanctions could deal a blow to Serbia's already crippled economy and have quick and farreaching effects, reports "The imposition of a west-

ern economic sanctionary cordon around Serbia would have a devastating effect," Toma Popovic, Director of the private Yugoslav Institute for Economic Sciences, said.

The EC was considering trade sanctions against Serbia, the rump of the Yugoslav state reduced from six to only two republics by months of con-

Pressure is mounting for action against Serbia, which western countries accuse of supporting Serb irregulars and the Yugoslav federal army in Bosnia in their fight to size territory from the republic's Muslim and Croat communi-

her traditional oil suppliers could not guarantee deliveries and it found ways to import it. Our electric power transmission lines to Europe are cut off, and yet we still export it,"

Serbia exports electricity to

Romania, which in turn trans-

ports its won and other coun-

tries' oil at an average monthly rate of 300,000 tonnes, Politika said. Russia is Serbia's main oil supplier and diplomats say it may resist any efforts to im-

pose a United Nations oil embargo. But Serbia's economy, hit hard by conflicts in Croatia and Bosnia and the collapse of the

Yugoslav market, is recling. Monthly inflation is fast ap-

proaching 100 per cent and annual industrial out put has dropped by about a quarter.

A quiet revolution is sweeping India Indian Express, the largest said Manoj Joshi, a political

NEW DELHI, May 29: A quiet revolution is sweeping India, changing its politics, economy and perception of the world, writes AP.

In the year since Rajiv Gandhi was assassinated and Prime Minister P.V Narasimha Rao took office, politics has been freed from the dynastic grip of the Nehru-Gandhi family and is now wide open.

Rao -- who inherited a nation convulsed by social upheaval and election-related violence -- has begun pulling down the barriers that sealed India's vast market to foreigners. Foreign policy no longer has to trade carefully between Cold War adversaries.

Rao's Finance Minister,

Manmohan Singh, a former

economics teacher and free-

market advocate, has been

given full backing to launch re-

The government devalued the currency by 30 per cent and lifted a host of restrictions to entice investment from foreign companies and wealthy Indians living abroad.

Loss-making public companies are being shut down, overstaffed ministries are being steamlined and companies such as General Motors and Coca-Cola are planning ventures in India.

Officials hope the new economic course will encourage loans from the international Monetary Fund and World "The economy was like an

emaciated body, which needed blood. The blood was only available outside. Now we have to see if the blood group matches the body ", Prabhu Chawla, the editor of

chain of newspapers in the country. But hardships is still the rule for the vast majority of India's 844 million people. About 25 per cent of the population is below the poverty line, earning less than 10 dollar per month in villages and 12 dollar in cities.

On Thursday, the Indian and U S navies conducted their first Indian jealously held to its non-aligned status.

Rao 71, was elected as Congress Party leader because he was seen as a Gandhi loyalists and a grandfatherly figure who would be a transition Prime Minister. But he has proved surprisingly effective at running the minority government.

"The clerk of the Congress has finally become the master,

correspondent of an Englishlanguage newspaper Hindu. "Rao's success has proved wrong the indispensability factor of the Nehru-Gandhi fam-

ily," said T K Oommen, a sociologist at Jawarharlal Nehru University. India's first Prime Minister, Jawaharlala Nehru, his daughter Indira Gandhi and her son Rajiv held the country's top of-

fice for all but three years since independence in 1947. The dependence on the dynasty was reinforced after Rajiv Gandhi lost the 1989 election, paving the way for 19 months

of weak governments. Unlike Gandhi, who was criticized as contentious and arrogant, Rao has sought to govern by consensus.

Punjab. India was forced to re-think its foreign policy after the dis-

Pakistan.

established diplomatic relagovernments.

has realized that somebody else can also become the prime minister," said Oommen.

Although Hindu-Muslim violence has eased, Rao has been unable to quell secession uprisings in the northern states of Jammu-Kashmir and

integration of the Soviet Union, which supplied food and weapons to counter Indias-U S backed neighbour India has moved cautiously toward the United States, has

> Serbian Deputy Prime tions with Israel and has re-Minister Nikola Sainvoic, who conigsed the new Islamic govis in charge of energy, told the ernment in Afghanistan after Belgrade newspaper Politika long backing the Communist "Such pressure ... is erro-

thinks he can get a better sentence in telling his case directly to the judge than accept the 20-year plea-agreement that prosecutors have put on the table," Jack Martin, who represents a former Drogoul

"Convincing judge Shob that