BRIEFS

Sudan's steps to boost economy

KHARTOUM, June 8: Sudanese Finance and Economic Planning Minister Abdel Rahim Hamdi has announced several steps aimed at making the Sudanese pound and the recently created dinar convertible currencies, reports

He told a news conference here on Saturday that effective immediately. Sudanese and foreign travellers will be able to enter and leave the country without declaring the amount of foreign currencies they are carrying, thus making transactions in Sudanese pounds possible abroad.

Hamdi also announced a hike in bank interest rates, from 30 to 48 per cent for commercial transactions, and the term "interest" will be replaced in Sudan by "mutual profit" (Murabaha) in connection with the application of Islamic principles to banking. As to agricultural activities, the new rate is 36 per cent against the previous range of 12 to 24 per cent.

Recovery taking hold, says Bush

CAMP DAVID (Maryland), June 8: President George Bush said on Sunday he believes the US economic recovery is taking hold despite a rise in unemployment last month, and he expects to see growth pick up in the second quarter, reports Reuter.

He said he was surprised by the rise in the unemployment rate in May to an eight-year high of 7.5 per cent from 7.2 per cent. He noted that the employment rate is a lagging indicator and that the report released on Friday showed a 68,000 increase in payroll jobs.

More tourists visit Iran

TEHRAN, June 8: Nearly 250,000 foreign tourists visited Iran in 1991, a 53 per cent increase over the previous year, Iranian Deputy Culture Minister Morteza Hadji disclosed Sunday, reports AFP.

Tourism earned Iran 100 million dollar last year, he said, adding that 100 hotels were now under construction in the country.

Iran is anxious to revitalize its tourist industry through private sector investment to modernize ageing infrastruc-

Sino-Cuban pact

HAVANA, June 8: A Cuban-Chinese joint venture company, the first of its kind between the two socialist coun tries, will produce high-technology medical equipment in China, Cuban state media reported Sunday, reports Reuter.

The company, Neuke, would be inaugurated on June

It would initially produce a Cuban-developed digital electro-encephalography system known as "medicid", which analyses brain activity using computers.

'US investment prospect in Iran nill'

TEHRAN (Iran) June 8: Parliament speaker Ali Akbar Nateq Nouri said Monday anti-American sentiment was still running high in Iran, preventing the return of US investment, reports AP.

He said the Western media were "hasty and mistaken" in expecting a change in Iranian foreign policy after the April-May parliamentary elections in which moderates routed radi-

Nouri was elected speaker of the 270 member Mailis, or parliament, last week.

At a news conference, he said: "I believe that it is not in their (American companies) interest to make investments in Iran.

"As long as the United States maintains an aggressive spirit, the people of Iran don't even like to look at the United States," he said. "With such a spirit existing in Iran, suitable grounds for American in-

vestors don't exist." The new Mailis is composed mostly of followers of President Hashemi Rafsanjani, a so-called pragmatist seeking to open up Iran to the West

and revive the dormant private sector.

The government recently lifted restrictions on foreign investment in Iran, scrapping a law which limited foreign ownership to 49 per cent.

Hard-liners led by Ali Akbar Mohtashemi, a former Interior Minister who lost his parliament seat in the elections, say the motion violates the constitution of the Islamic Republic.

Resource adjustments needed for the purpose: Camdessus

Rich nations are able to sustain development in Third World

RIO DE JANEIRO, June 8: The industrialised nations have the resources to support sustained development in the Third World but must cut down on waste, International Monetary Fund Managing Director Michel Camdessus said here, reports AFP.

"The resources are there and it is possible to meet mafor challenges as long as the resources are put to better, he told AFP in an interview.

"But the adjustments must not be only for the poor countries, but must be universal."

Camdessus, before addressing the Earth Summit on Monday, said that the World Bank estimates that between 75 billion and 100 billion dollar is needed each year to guarantee sustained development in the Third World.

"An improved environment is not contradictory to growth and they can go hand-in-hand,

if good policies are applied, he said. Whereas in the past the motivation for helping developing nations was the threat of communism, new reasons now would have to be

"Now we must ask ourselves : We have lost the motivation of communism, so with what will



FOR A SAFER EARTH: Children signing a giant quilt called the Earth Flag on June 7 at Rio de Janeiro. The quilt contains thousands of signatures of people supporting the proenvironmental measures implemented in the Earth Summit. The quilt was created by Canadian ecologists.

Camdessus also joined in what has become a chours of criticism of the United States, which has steadfastly refused to sign a treaty protecting endangered species and insisted that rigid deadlines be climifound. Camdessus said. nated from the global warming

convention. "It's very difficult to be the super power of the moment, he said." They have to adapt, to make adjustments."

Since they have not ad fusted their policies they are having problems assuming their global responsibilities."

Camdessus said he supported a European proposal to impose a global surcharge on fossil fuels, particularly oil.

As for the pirckly subject of financing environmental projects in the developing world. Camdessus said he would like for the four regional development banks to join with the Global Environment Facility, a fund administered by the World Bank.

Alternatively, each of the banks could work separately to come up with its own proposal for sustainable growth, he said.

The IMF, Camdessus said would ensure that macro-economic policies are compatible with support for environmental efforts.

Another despatch adds Michel Camdessus called for less spending on defence and less protectionism.

Most other nation have al ready signed or are planning to sign the convention.

Reforms bring wrath in China

BEIJING, June 8: The latest menace to China's economic reform does not come from communist hardliners, but from the people it seeks to benefit, reports AFP.

Chinese managers trying to implement market-oriented labour reform are meeting resistance from disgruntled workers and face beatings and even murder, according to dozens of reports in the official press this

Mu Huining, 38, was laid off during the Hefet Chemical Industry factory's drive to break the "Iron Rice Bowl," China's system of guaranteed lifetime employment.

Mu retaliated by stealing an oil tanker and running over plant manager Chen Naili as he rode his bicycle to work on March 21. The worker was later executed for intentional homocide. The Anhui Legal News

A month later, the Xinchang Synthetic Fibres Factory in Zhejiang province had to relocate its managers and their families after the plant director provoked the wrath of an entire village by firing two women for incom-

In Liaoning province, northeastern China, Jinxhou Petroleum Refinery worker Wang Fuging was executed this month for stabbing a leading cadre in his home.

The official survived, but the case "shook the refinery and the Jinzhou region," the provincial legal journal said. Other disgruntled employees began hurling insults and threats at their bosses and shattered windows in the residences of more than 10 managers.

Replying to senior leader Deng Xiaoping's February call to act boldly, communist cadres throughout China are trying to speed up reforms aimed at overhauling inefficient factories bloated with excess labour.

The boldest reformers have sent thousands of workers home with a fraction of their wages, linked pay with productivity and ousted incompetent managers from their "Iron Chairs" or what once were guaranteed lifetime posts.

There are just too many people in industry," Vice Premier Zhu Rongji said in March, "If we were to cut out half of them, I am cer tain efficiency and profits would rise." But after eating from the 'Iron Rice Bowl' for

four decades, many of China's 580 million workers find labour reform a hard pill to swallow.

The main problem, economists said, is that under the communist system nearly all social services are distributed through work units. Workers displaced by layoffs have no unemployment insurance and little chance for job retraining.

The most far-reaching example of the consequences of China's lack of a social safetynet occurred in Tianjin, an industrial port city just southeast of the capital.

The Tianjin Watch Factory, manufacturer of Seagull brand wristwatches, tried to streamline by laying off half its 5,000 employees, but had to call in the police after workers tried to storm the plant, sources said.

Rumors spread that the factory was burned to the ground and its manager killed. While the national press was quick to deny these accounts, it stressed that underlying discontent with reform had allowed the rumors to spread so quickly in the first place.

used to think reform would bring us good, but now all I see are a lot of people retrenched, unemployed and taking lower salaries. Is this what they meant by reform ?" The Beijing Youth Daily quoted one Tianjin women as asking.

According to a western diplomat closely watching the situation, the Chinese leadership appears to have a no-win situation on its hands.

"One the one hand, they have to shut down factories and fire millions of workers if they want the economy to improve. On the other hand, they can't for fear of social unrest," the diplomat said.

The government's official line on solving the problem is to expand social services and channel redundant industrial workers into growing service trades.

"(Society) must give people awaiting jobs necessary conditions for living, help them tide over difficulties and enable them continuously to improve themselves (in order) to find new jobs," The People's Daily said May

The Communist Party organ also called for "painstaking efforts to conduct ideological education among the workers on matters of public concern.

The effect of these policies will be difficuit to gauge. Following the earlier reports, propaganda departments ord-ered newspapers to refrain from going overboard on plugging labour reform, an official said.

Abu Dhabi rejects demand for increased compensation

statement.

ABU DHABI, June 8 Majority shareholders in the closed Bank of Credit and Commerce International (BCCI) have rejected increased compensation for creditors, saying they themselves were victims of fraud, reports AFP.

The United Arab Emirate, Abu Dhabi which owned 77 per cent of BCCI, had offered to pay 1.7 billion dollar to creditors worldwide as part of a compensation deal reached with provisional liquidators

But depositors rejected the sum and a British member of parliament came to Abu Dhabi late last month to seek almost double the proposed compen-

Keith Vaz made the request for four billion dollar in a letter signed by 150 British MPs on behalf of creditors, it was dc-

livered to UAE President Sheikh Zayed ibn Sultan al-Nahayan, the ruler of Abu

But in a statement Friday in London, a copy of which was received here by AFP, majority shareholders in BCCI rejected any increase in compensation, saying the offer was not open for re-negotiation.

"The majority shareholders are the largest victims of the

fraud, having lost billions of dollar in misappropriated funds. If the arrangements are implemented, the majority shareholders will be waiving their claims in respect of these funds," according to the

While shareholders had no legal responsibility, they had tried to help the creditors, added the communique, issued in London by Lowe Bell

Financial Limited on behalf of the majority shareholders. BCCI was shut down worldwide last July for massive

The closure has also delayed release of the 1991 balance sheet by the Union National Bank(UNB), which was 40 per cent owned by

Bankers said the 40 per cent share had not been totally

sold. They noted that the bank also had a direct deposit with BCCI, which has yet to compensate its depositors. "I think the UNB made

profits from last year's operations but final results are not clear," commented one UAE banker.

'We don't know how much it has in BCCI or how much it will get in compensation."

Dollar falls against yen

TOKYO, June 8: The dollar fell against the Japanese yen in slow trading Monday as share prices on the Tokyo Stock Exchange continued to ebb, reports AP.

The dollar closed at 127.20 yen, down 0.35 yen from Friday's close of 127.55 yen. It opened at 126.75 yen and fluctuated between 126.72 and 127.25 yen.

Consumer goods crisis hits Belgrade after ban

Sarajevo people fear starving to death

BELGRADE, June 8: The terrified people of Sarajevo, besieged and shelled by rebel Serbs for two months, are starting to lose hope and fear they could starve to death while the world sits by, reports Reuter.

About 300,000 people, trapped by a ring of Serb forces in the hills around the Bosnian capital, spend most of their days and night in basements or cellears because of almost constant bombardments by rockets, mortars and artillery.

Food and medicine are running out, power cuts are frequent and running water was cut off all day Sunday. Fears of an epidemic are growing. Food supplies vary from house to house but the few

ing of substance. Going out to try to buy bread mean running a gauntlet of sniper fire.

shops still open contain noth-

"I haven't been out for 20 days," said a middle-aged housewife who declined to be named for fear of reprisals. "My husband goes out and buys bread when possible. People do venture out because they just can't take it anymore." Most people are surviving

on bread, pasta, flour and rice. Milk is a parity, meat has disappeared.

"We haven't seen any meat in over 15 days," said Esree Hodzic, a Muslim journalist." The local shop has an enormous amount of mustard, some pastry, tea, soap and some boxes of cookies.

An AFP despatch adds : Belgrade has been hit by shortages of some ordinary conthe start of a trade, air and oil embargo on what remains of Yugoslavia - Serbia and Montenegro - by the United

"Don't look for sugar, flour or cooking, oil. There aren't any more, and we don't expect any in the next few days," one salesman at a central Belgrade store warns. Among his customers, dis-

appointed but not really surprised, is one elderly lady pleased as punch at having found several kilograms of sugar at Banovo Brdo, in the Belgrade suburbs.

Sugar, cooking oil, flour, buyer.

detergent and canned items have mostly vanished, while gasoline is doled out "by the sumer products a week after teaspoon" in Serbia, as Tanjug news agency puts it. Gasoline is to be rationed in

> Montenegro starting Tuesday, and individuals will be entitled to a mere 30 litres a month. A similar step is expected in Serbia within a few days, according to Belgrade daily

Many service stations are closed, and drivers wait for hours, day and night, at the ones still open, Serbia has already cut inter-urban bus traffic in half to save fuel.

"Pretty soon, there won't be much left in the stores - but what does remain will cost an arm and a leg," sighs one

Delhi moves to stabilise stock prices

BOMBAY, June 8: India's government-owned financial institutions moved into the troubled stock market in a big way to help stabilise prices this week, reports AFP.

The Bombay Stock Exchange (BSE) Sensitivity Index gained 80.6 points to close at 3,086.7 points, while the BSE National Index moved up by 8.3 to finish at 1,339.4.

The financial institutions made heavy purchases, obviIndian Finance Ministry which feared a crash in prices as the law caught up this week with those involved in the country's biggest financial scandal.

Early in the week, the Reserve Bank of India (RBI) accused four of India's leading brokers of siphoning away, in collusion with bankers, nearly one billion dollar from the government's securities market to invest in shares.

10 suspects, including "Big Bull" Harshad Mehta, the country's most high-profile stockbroker, and a top official of the state-owned State Bank of India.

The high drama was expected to lead to a crash in prices which was avoided by the support of the financial institutions. Institutions, chiefly , the Unit Trust of India and the Life Insurance Corp of India.

Associated Cement Co's shares gained 190 rupee at 4,550 rupee. Bombay Dyeing's shares went up by 15 rupee at 520 rupee, while those of Century Textiles remained steady at 7,600 rupee.

Reliance Industry's shares lost five rupee at 275 rupee. Tata Steel also lost five rupee at 387.5 rupee.

Tata Engineering's shares gained 20 rupee at 427.5 ru-

Gorby elected Green Cross head

RIO DE JANEIRO, June 8 Mikhail Gorbachev, who was President of the former Soviet Union, has been elected head of an International Green Cross being set up at his own suggestion to fight damage to the

environment, reports Reuter. A so-called Parliamentary Earth Summit of spiritual leaders and legislators from around the world voted unanimously for Gorbachev on Saturday, a spokesman for the event said on Sunday.

The forum — grouping per-

sonalities as diverse as Tibet's spiritual leader the Dalai Lama, US Senator Al Gore and singer John Denver — is being held in parallel with the official Earth Summit of world leaders here on the environment and development challenges facing the Spokesman Tarzie Vittachi

the International Green Cross was to do for the earth and its resources "what the Red Cross was founded to do for people on the battlefield." The idea was proposed by

said in an interview the goal of

Gorbachev himself at a previous meeting of parliamentary and religious leaders in Moscow in 1990, he said.

African Vow

AFP adds: African nations told AFP they would fight hard to obtain a convention on desertification, opposed by the United States, Australia and other developed countries as unnecessary and likely to in-

Jakarta hopes to cut current account gap JAKARTA, June 8: The

Indonesian government expects that its policies will be able to limit the current account deficit this year to around 4.3 billion dollar, central bank Governor Adrianus Mooy said here, reports AFP.

Mooy said after attending a monthly cabinet meeting on the economy at the presidential office that the government's efforts to maintain economic stability at home were expected to show a slight improvement in the figure from between 4.4 and 4.5 billion dollar in 1991.

He also said the policies would keep inflation at around seven per cent this year, down

from nine per cent in 1991. Included among the policies cited by Mooy was an easing up of high bank deposit interest rates through monetary measures by the central Bank

Indonesia. A tight money policy begun in June 1990 to curb inflation to below two digits had led bank deposit rates to soar from around 22 per cent to as much as 30 per cent.

Mooy said Bank Indonesia certificates and capital market securities - instruments to contract and expand liquidity - had been lowered to between 15 and 19 per cent by June compared to the 20.17 to 24.83 per cent in March 1991, when the government said tight money policy had ended.

Current deposit rates in state banks stand at 18 to 19 per cent while those in private

banks are about the same, said

Mooy also said that foreign exchange reserves held by Bank Indonesia stood at 11.31 billion dollar in May, enough to finance 5.2 months of imports. Bank Indonesia's May reserves were up 188.40 million dollar

from April, he said. Between 1.4 and 1.5 billion dollar in foreign exchange reserves held by other state and private banks and another 1.85 billion dollar in committed foreign loans were further strengthening the country's reserves, Mooy added.

Economic issues worry HK people

HONG KONG, June 8: Problems relating to crime, housing and economy are on the top of a list of concerns of the Hong Kong people, according to a recent survey by the city and new territories administration (CNTA).

reports Xinhua. The 3,715-telephone call survey carried out between 18:00-22:00 hours from 9 to 13 March this year was based on a systematic random sample of residential telephone numbers contained in the cur-

rent telephone directories. The survey showed that 21 per cent of the respondents said crime-related problems were of the most concern to Hong Kong people, 16 per cent picked up housing-related problems and 16 per cent more economy-related

problems. Issues mentioned by the less respondents as the most concerns included Hong Kong's future, personal tax allowance, labor importation and traffic congestions.

The survey indicated that 82 per cent of those mentioning crime problems complained about too many robberies or armed robberies, while 84 per cent of those mentioning economic problems talked about inflation and high cost of living.

The percentage of people who were concerned about high rental and rental increase in public housing was 25 per cent, according to the survey.

more people have become confident in Hong Kong's fu-

crease the need for financing. In trading this week, Investigators later arrested ously at the behest of the Asia-Pacific units witness another mixed week against \$

Currencies of the Asia-Pacific intervention. region countries had a second straight week of mixed results against the US dollar, with the yen, Thai baht and Australian, Hong Kong, Singapore and New Zealand dollars all making

gains, reports AFP. The Indonesian, Malaysian, Philippine, South Korean and Taiwan currencies all lost ground, however.

Concern over a possible slowing in the US economic recovery and a tighter US money supply put downward pressure on the American currency against some in the region, while the yen also moved higher as a deliberate policy of Japanese central bankers.

Japanese yen : The yen gained ground to close the week 0.78 yen higher at 127.55 to the dollar on the Tokyo market, helped by the

central bank of Japan's market

drop in US money supply also helped push up the yen, dealers said.

Japanese Finance Minister Tsutomu Hata told reporters that he welcomed the recent appreciation of the yen against other currencies, but the Finance Ministry said later that Japan's current account surplus jumped 22.1 per cent from a year earlier to 9.8 billion dollar in April.

Hong Hong dollar : The Hong Kong dollar gained on the week to close Thursday (Friday was a holiday in the colony) at 7.7375-7.7385 to the American dollar, compared to 7.7420-7.7430 at the end of the previous week. The effective exchange rate

index was unchanged at 111.4.

Indonesian rupiah slipped

Indonesian rupiah : The

down from the previous week's finish of 2,028. It had started trading Monday at 2,027. Malaysian ringgit : The Malaysian ringgit closed lower at the end of the week's trading at 2.5220 to the

Friday at 2,029 rupiah against

earlier, after a recent firm run. Limits imposed by the central bank Negara on currency swaps saw the ringgit fall sharply Monday to 2.5320 before regaining some ground.

Greenback, shedding 100

points from 2.5120 seven days

positions by surprise, triggering frantic trading early in the week.

Some dealers said the ruling, limiting bids and offers in swaps to four million US dollar, took many offshore banks holding long ringgit

New Zealand dollar : The New Zealand dollar was

dominated by speculative trading through the trading Dollar selling prompted by a the US currency, one point week, influenced by events outside the country, to close marginally higher Friday at 53.68 US cent. It had closed by 30 at 53.64 US cent.

Philippine peso : The value

of the Philippine peso fell

slowly but steadily through the

week, from 26.32 to the US

unit on Monday to 26.35 on

Tuesday through Thursday, before falling further to close Friday at 26.52. Singapore dollar : The Singapore dollar strengthened against the Greenback to close at 1.6285 to the US unit Friday, against last week's level

of 1.6330.

Dealers satd the US currency weakened in Singapore in line with other Asian markets on fears of an interest rate cut and a tighter money supply situation.

The Singapore dollar was, however, weaker against the British pound and the yen. The OCBC trade weighted index for the Singapore dollar

stood at 136.04, unchanged

is calculated against the currencies of Singapore's top 12 trade partners. South Korean won : The South Korean won weakened during the week to close at an average 787.30 against the dollar Friday, down from the previous week's 783.50.

The currency fell as demand for dollar increased to pay oil import bills and local and foreign banks began buying Greenbacks after securing the required amount of won reserves in advance.

Taiwan dollar : The Taiwan currency declined slightly to close Thursday at 24.9165 against the Greenback, down 0.65 Taiwan cent from the

After opening Monday at

previous week's finish of

24.905, the Taiwan dollar drifted in a tight range between 24.90 and 25.00 against the Greenback amid from a week earlier. The index intervention from the central bank of China during the holiday-shortened week, traders said.

Dealers predicted that it would continue its downswing in the coming week.

Thai baht : The Thai baht

gained slightly over the week to close Friday at 25.42 to the US dollar, after finishing a week earlier at 25.48. Dealers said the US currency's weakness resulted

from a tighter money supply in United States, the discouraging Gross Domestic Product figures there, and the Bank of Japan's dumping of Greenbacks to support the yen.

The survey indicated that