

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 AFP.

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 infrastructure.

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

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 major challenges as long as the resources are put to better use," 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 found, Camdessus said.



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 environmental measures implemented in the Earth Summit. The quilt was created by Canadian ecologists.

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

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.

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.

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.

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 year.

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

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

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.

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

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 incompetence.

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

In Liaoning province, northeastern China, Jinxhou Petroleum Refinery worker Wang Fuqing 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.

"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.

Abu Dhabi rejects demand for increased compensation

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 Emirates, 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 last year.

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

Keith Vaz made the request for four billion dollar in a letter signed by 150 British MPs on behalf of creditors, it was delivered to UAE President Sheikh Zayed ibn Sultan al-Nahayan, the ruler of Abu Dhabi.

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 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.

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 cellars 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 shops still open contain nothing of substance. Going out to try to buy bread mean running a gauntlet of sniper fire.

An AFP despatch adds: Belgrade has been hit by shortages of some ordinary consumer products a week after the start of a trade, air and oil embargo on what remains of Yugoslavia — Serbia and Montenegro — by the United Nations.

"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, disappointed 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.

Current deposit rates in state banks stand at 18 to 19 per cent while those in private banks are about the same, said Mooy. 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.

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.

Indian 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.

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.

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.

Asia-Pacific units witness another mixed week against \$

HONG KONG, June 8: Currencies of the Asia-Pacific 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 banks.

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 intervention.

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.

The Singapore dollar was, however, weaker against the British pound and the yen. The OCB trade weighted index for the Singapore dollar stood at 136.04, unchanged from a week earlier. The index 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.