

BRIEFS

UAE-German \$16.43b deal

ABU DHABI, June 9: The United Arab Emirates and the German company EBB signed a 16.43 billion-dollar contract for a power and desalination project, local daily Emirates News reported Monday, according to Xinhua.

The project, the largest infrastructure facility in the UAE, will secure the country's demand for electricity and water. It is expected to complete in 43 months.

Spain, Algeria sign gas contract

ALGERIA, June 9: Spain signed a contract on Monday to buy an annual six billion cubic metres (212 billion cubic feet) of gas from Algeria for 25 years starting in 1995, through a new pipeline, reports Reuters.

Algeria's state energy company Sonatrach said the deal was signed with Spain's national gas firm Enagás. The gas will come from Algeria's biggest field, Hassi Rmel in the Sahara, via Morocco and the Strait of Gibraltar.

Consumer credit in UK falls

LONDON, June 9: The amount of new consumer credit provided in Britain fell for the eighth time in nine months in April, confirming a trend of debt repayment by households even after the Conservative Party won the general election on April 9, official figures showed on Monday, reports AFP.

A treasury spokesman said that the figures for April were "not unexpected." The amount of credit provided was comparable to that made available during the same period of 1991, but that households were using a greater amount of disposable income to reduce indebtedness.

Tradeoff to keep country together

PRAGUE (Czechoslovakia), June 9: Conservative Finance Minister Vaclav Klaus, the driving force behind two years of swift privatisation, said in an interview published Monday it would take a Czech-Slovak tradeoff to keep the country together, reports AP.

Klaus, victor in the Czech lands in weekend elections, faces tough talks with Vladimir Meciar, the election winner in Slovakia, to prevent the country succumbing to the polarisation that has swept Eastern Europe since communism fell in 1989.

Watch smuggler fails to flee

HONG KONG, June 9: A man trying to smuggle nearly 600 watches was caught red-handed by police after trying to jump the queue while boarding a train in neighbouring Shenzhen, it was reported Tuesday, reports AFP.

The unnamed man panicked and fled Saturday when stopped by the police while trying to scramble aboard a train bound for Guangzhou with some 586 watches worth nearly 40,000 yuan (7,000 US dollars) strapped to his body, but was caught, the semi-official Hong Kong China News Service said.

Looting rampant in Somalia

WASHINGTON, June 9: Looting of emergency supplies arriving in Somalia is prompting concern the relief effort may have to be shut down to the hard-pressed African nation, where hundreds of children are dying daily around the capital, relief officials say, reports AP.

In one of two recent incidents at Mogadishu airport, one metric ton of medical supplies and six metric tons of fortified infant formula were stolen. The planes had been chartered by the British office of the Save the Children Fund and the International Committee for the Red Cross.

Dollar opens lower in Tokyo

TOKYO, June 9: The US dollar opened lower against the Japanese yen in Tokyo Tuesday, as share prices slid in early trading, reports AP.

The dollar started trading at 127.04 yen, down 0.16 yen from Monday's close at 127.20 yen. In New York, the dollar finished overnight at 127.15 yen. The 225-stock Nikkei Stock Average fell 82.90 points, or 0.47 per cent, to stand at 17,572.16 points in the first 30 minutes of trading. On Monday, the average lost 134.98 points, or 0.76 per cent.

Closed lower in New York

NEW YORK, June 9: The US dollar closed mostly lower Monday in extremely quiet trading, reports AP.

Gold prices were mixed. On the New York Commodity Exchange, gold settled for current delivery at \$388.20 a troy ounce, off 50 cent.

Business with India picking up

Japan blasts trading partners for unfair policies

TOKYO, June 9: Japan is being victimised by the unfair policies of major trading partners, especially the United States, Europe and South Korea, the International Trade and Industry Ministry said Monday, reports AFP.

In its first annual report on unfair trading practices to the General Agreement on Tariffs and Trade (GATT), the ministry particularly cited unilateral measures and violations of GATT rules such as anti-dumping measures.

The report, submitted to

the Uruguay round of global trade talks sponsored by the GATT, focuses on relations with 10 major trading partners — the United States, the European Community (EC), South Korea, Australia, Indonesia, Hong Kong, Canada, Singapore, Thailand and Malaysia.

The United States was found practising nine out of 10 unfair policies listed in the report while the EC and South Korea were both responsible for six.

Japan is especially opposed

to a law which allows Washington to retaliate unilaterally against trading partners deemed to be acting unfairly and a decision to tighten anti-trust laws against foreign companies.

Brussels was criticised for anti-dumping measures and quantitative restrictions on imports of certain Japanese products such as cars.

Other practices slammed in the report include country-of-origin policies applied to goods made by Japan companies outside of Japan, public

bidding procedures and new areas such as intellectual property rights.

Although ranking among Japan's top 10 trading partners, China and Taiwan were both excluded from the report as neither is a GATT member.

PTI adds: India-Japan trade which slumped during the year 1990-91 because of India's financial crisis has started picking up, Indian officials here said.

Officials told a news conference here Tuesday actually what affected the two-way

trade volume was India's inability to buy from Japan due to a cash crunch.

Japan's import from India continued to grow. As a result, while the volume of trade fell, the adverse balance India always suffered in its trade with Japan turned into a surplus balance the past two years, explained S. Tripathi, Minister, Economic Affairs in the Indian Embassy.

In the first three months of this year Japan's imports from India already rose by ten and

half per cent, even though Japan's overall imports shrank by six per cent.

In this atmosphere of optimism India is putting up its biggest ever textile fair in Japan. It opens in Osaka on June 22 for a three-day run coinciding with Prime Minister P. V. Narasimha Rao's official visit here.

According to R. K. Jain, East Asia Director of India's Trade Development Authority (TDA), 85 Indian textile manufacturers will show a wide range of their products.

Most Japanese for allowing unskilled foreign workers

TOKYO, June 9: Seven out of 10 people in Japan believe the country should accept unskilled foreign workers, according to an opinion poll published Tuesday, reports Reuters.

Currently, skilled foreigners are allowed to work in Japan, but unskilled labour is banned. Despite this, more than 100,000 foreigners — most from Asia — are believed to be working in Japan illegally.

The poll, conducted by The Daily Yomiuri Shimbun newspaper, showed that 70 per cent of those questioned believe Japan should accept unskilled foreign workers.

Those in favour said that foreigners eased the labour shortage and did jobs Japanese would not do. Those against said foreign workers would delay improvements to labour and welfare conditions, bring trouble to local communities and destroy traditional culture.

Of those polled, 66 per cent said there should be a limit on the number of foreign workers, their length of stay and categories of work.

The Justice Ministry said on Monday Japan arrested a record 32,908 foreigners in 1991 for working illegally, up

about 70 per cent from a year earlier. Most of them have been deported.

US snacks surge across the world

WASHINGTON, June 9: America's between-meal eating habits are catching on abroad as the US snack food industry pursues a booming overseas business in candy, salted peanuts and corn chips, reports AP.

Sweets seem to be the world's favorite snack. Since 1986, US exports of candy, cakes and cookies grew nearly fourfold, from 116 million dollars to 454 million dollars in 1991, according to the June issue of the Agriculture Department's Ag-Exporter magazine.

International tastes for potato chips, pretzels, peanut and popcorn also are growing rapidly. The 20.4 million dollar spent on such treats in the last quarter of 1991 is a 23 per cent increase over the same months a year earlier, said the magazine.

Kato alleged to have received cash from firm

TOKYO, June 9: A Cabinet Minister closely associated with Prime Minister Kiichi Miyazawa allegedly received 10 million yen (79,000 dollars) in political donations from a scandal-tainted company, news reports said Monday, according to AP.

Chief Cabinet Secretary Koichi Kato, the government's top spokesman, denied the allegations of personally receiving cash from Goro Moriguchi, former vice president of Kyowa Co., a now bankrupt steel-frame manufacturer.

But Kato said he was checking to see if the money had been received through his aides or any other channels.

The Asahi newspaper reported that Kyowa's lawyers administering the bankruptcy had documents showing that Moriguchi handed 10 million yen in cash to Kato at a Tokyo hotel in February 1990. Other media carried similar reports.

Moriguchi is now on trial on charges of bribing legislator Fumio Abe, who also is closely associated with Miyazawa. In April, Moriguchi admitted he gave 90 million yen (710,000 dollars) in bribes to Abe, a former head of the Hokkaido Development Agency, who also is on trial on the bribery charges.

The Kyowa scandal has proven costly for the Miyazawa administration, which lost two by-elections after the scandal broke.

Malaysian economy booming

KUALA LUMPUR, June 9: Malaysia's booming economy is expected to show a first quarter growth rate of at least nine per cent when figures for the January to March period are released, a report Monday quoted a top official as saying, reports AFP.

Jaffar Hussain, Governor of Bank Negara, the central bank, was quoted as saying that Gross Domestic Product (GDP) growth averaged 9.2 per cent in the first two months of the year, despite sluggish conditions worldwide.

"The forecast of 8.5 to 8.7 per cent growth in GDP for 1992 is reasonable," he told the Business Times daily in an interview.

Jaffar brushed aside criticism by some private-sector economists that the Malaysian economy, which grew by 9.8 per cent in 1990 and 8.8 per cent last year, may be overheating and headed for a crash if the government did not ease bottlenecks quickly.

He said the central bank's growth projection for this year was a natural rate based on a strong growth momentum, adding that economic expansion could be higher if not for tighter monetary policy to curb consumption and inflation.

Jaffar said that the Malaysian economy was expected to benefit from the improving performance of devel-

oped countries which buy Malaysian products.

"Monetary policy will ensure that the high growth will not result in high inflation," he said.

Jaffar said that while the current level of inflation of about 4.5 per cent was relatively low "we should aim for a lower rate of about two or three per cent."

The buoyant forecast was based on record government approvals for new private investments coming on stream and higher public spending to expand infrastructure, Jaffar said.

Though the inflow of foreign investments was slowing, some 68.2 billion dollars (27.3 billion US dollars) had been locked in from the large number of projects approved over the past two to three years, he added.

He said that it took between two and two and a half years before a project approved by the government was fully implemented.

"After taking into account the delay in project implementation and the amount of approvals in the past, our forecast is for aggregate private investment to moderate to about 15 per cent in nominal terms in 1992," Jaffar said.

Share corruption

Reuters adds: A minister accused of misappropriating

shares in Malaysia's largest listed company will be asked to explain his actions to the cabinet next week, Prime Minister Mahathir Mohamad said on Monday.

Energy, telecommunications and Posts Minister S. Samy Vellu will be asked to give details of the sale of nine million shares in telkom Malaysia, Mahathir told reporters.

Samy Vellu, President of the country's main India party, the Malaysian Indian Congress (MIC), has said the proceeds from the share sale went to a college he helped set up.

Opposition leader Lim Kit Siang accused Samy Vellu last month of "hijacking" nine million of ten million shares, originally allotted to MIC's investment arm Maika Holdings.

The nine million shares were later taken up by three companies and sold for a profit of 7.16 million ringgit (US 2.8 million). They would have been worth over 117.9 million ringgit (46.7 million) at Monday's prices.

Lim claimed in a statement on Monday that Samy Vellu's son was the managing director of one of the three firms.

Mahathir declined to comment on newspaper reports on Monday quoting Samy Vellu as saying that the Prime Minister was satisfied with his explanations over the matter.

Indonesia: Emerging model for LDCs

JAKARTA, June 9: Indonesia, one of the poorest nations on earth not so long ago, could be a showpiece for the developing world by 2000, the World Bank said in its annual report on the country, says AFP.

At the end of the century, per capita Gross National Product (GNP) could exceed 1,000 dollars, about 20 times more than the 50 dollar recorded in 1967, and nearly twice 1991's figure of 570 dollar.

"This is a realistic goal," the confidential report obtained by AFP said. But for it to be attained Jakarta must grapple with more difficult issues in the 1990s than it faced over the past 25 years.

Indonesia still has a long way to go to reach the ranks of Middle Income Countries, the nearly 200-page report said. The agenda is formidable and the effort required should not be underestimated.

"Indonesia is still classified as a poor country... but it is now within striking distance of joining the Middle-Income Countries."

The Bank said Indonesia needed to post annual growth

rates of five to six per cent to absorb its growing labor force and raise living standards of all Indonesians.

"At the same time, there is a need to ensure the long run sustainability of economic progress and reduce Indonesia's large debt burden," it said.

At the end of last year Indonesia's foreign debt stood at 63.5 billion dollars, a 6.3 billion dollar increase over the year, the Bank said.

The country needs investment to overcome "bottlenecks" in essential infrastructure such as electricity, telecommunications and transport, it said.

The world's fourth most populated country with 180 million inhabitants posted real Gross Domestic Product growth of 6.8 per cent in 1991 despite a drought. Real Gross Domestic Product grew 7.3 per cent in 1990.

Inflation persists, standing at 9.4 per cent in 1991 after recording a 7.9 per cent rise the previous year.

The growth in exports — excluding oil — was "encouraging" at 22 per cent in 1991-92 and swamped the

12 per cent jump in imports.

Indonesia's current account deficit was 4.5 billion dollars, about 4.3 per cent of Gross National Product, compared with 3.7 billion dollars in 1990-91. The worsening external balance was blamed on sagging oil exports, an import spurge and debt repayments.

The report said Indonesia would need in the year to March 31 about 4.3 billion dollar in foreign aid.

The availability of these funds will be discussed during the first meeting of Indonesian donors presided over by the World Bank, which will be held in July in Paris.

The World Bank predicted Indonesia would persist with high interest rate policies.

Despite measures taken in 1991-92 to control foreign debt, the current account deficit is "too large", the Bank said.

The task in 1992-93 is to set the current account deficit on a declining path to achieve a more sustainable level of about two per cent of GNP in the medium term, and to ease inflationary pressures.



COST-BENEFIT PARADOX: Thousands of trees make inroad to markets across Bangladesh everyday. The trading benefits both sellers and users but, unfortunately, costs the country's environment very dear.

— Star photo by Mohsin

US eyes \$300b enviro-tech market in East Asia

SAN FRANCISCO, June 9: US government officials and some of the country's largest engineering firms are organizing an unprecedented effort to tap a potential 300-billion-dollar-plus market in East Asia for environmental cleanup technology, writes AFP.

Proposed projects range from city sewers to high-tech toxic waste disposal facilities and involve countries such as Taiwan, South Korea, Hong Kong, Thailand, Indonesia, Malaysia and Singapore.

"The involvement of the US government is an unprecedented factor," said Lewis Reade, Director-General of the government-sponsored United States-Asia Environmental Partnership. "There are a lot of opportunities here."

The US government is funding the unique 100 million dollar programme, which begins in January under the auspices of the US Agency for International Development.

Pacific rim countries have expressed a strong interest in the project, and so far 31 nations have signed up.

Taiwan, for example, has a 60-year plan to spend 300 billion dollars on pollution control, solid waste management and toxic containment. Hong Kong also plans to spend 2.5 billion dollars over the next 10

years on environment projects. Assisting US companies in selling their environmental products and services to Asian countries is the goal of the five-year programme, which is expected to award its first contract in the next two months.

The contract will go toward the development of a computer database detailing the

environment needs in Asia, along with what US companies have to offer.

The market is estimated in the next 15 to 20 years in the several hundred billion dollar range for environment type products, said Aziz Metwally, manager of Pacific basin operations for the Bechtel Environment Inc. Headquartered in San

Francisco, Bechtel is the largest environmental engineering firm in the United States, posting 974 million dollar worth of environmental projects in 1990.

There are several countries, in the Asia-Pacific region that have a lot of need for this kind of service, Metwally said. "And because the US private sector had to deal with these kind of

problems before and develop technology for that, they are in excellent shape to capitalize on these opportunities."

Bechtel was awarded a 125 million dollar contract last December to design and construct a 125 million dollar chemical-waste treatment facility in Hong Kong, the first of its kind in the Pacific rim.

There are plans to spend a

considerable amount of money... especially from countries that have in incredible amount of cash... such as the Four Tigers, South Korea, Taiwan, Singapore and Hong Kong," Metwally said.

An explosion of population and industrial growth along the Pacific rim left many countries in the region with environmental problems that they are technically unable to cope with.

For example, only four per cent of the population in India is served by sewers, Reade said, while only 70 per cent of the solid waste is collected in Manila.

Bangkok, a city the size of Los Angeles, does not even have a sewer system while Taiwan's waste dumps are expected to be filled to capacity by the end of the decade.

"Over the last 20 years, the United States has engaged in a broad range of environmental," Reade said. "We have engineers who know how to do environmental impact studies and management programmes," he said.

Both Reade and Metwally said US companies hold a technical edge over their Japanese and European competitors because of more comprehensive environmental regulations in the United States.

Rao pledges prompt trial of BSE scam culprits

NEW DELHI, June 9: Prime Minister Narasimha Rao has promised a speedy trial of all suspects in India's worst securities scandal, saying no one will be spared, reports Reuters.

New Delhi's Hindustan Times newspaper quoted Rao as saying, "I have to doubt that there will be no cover-up, no shielding of anybody. Law will take its own course and at speed."

Several Indian opposition parties have hinted at high-level political involvement in the 30 billion rupee scandal.

The main opposition Bharatiya Janata Party has called on Finance Minister Manmohan Singh to resign on moral grounds over the scandal.

Indian President Ramaswamy Venkatarman has ordered the setting up of a special court to try the alleged culprits.

Rao said it will not be a slow course. It will be speedy course, as speedy as we can make it.

The Central Bureau of Investigation has arrested Bombay broker Harshad Mehta and nine other suspects, including five bank officials.

They have been remanded in judicial custody till June 19. An FIR (first information report) filed by the CBI said banks were cheated of 20 billion rupee through illegal transactions in securities.

CIA sees CIS economic gloom

WASHINGTON, June 9: The CIA predicted Monday that the pace of economic reform in Russia and the other former Soviet republics will fall victim to a steep increase in consumer prices and unemployment, reports AP.

The US Central Intelligence Agency also said military spending is at its lowest point since the early 1970s, with 1992 levels expected to be about half those of the Soviet Union's last budget in 1991.

The CIA and the Defense Intelligence Agency presented Congress with their last report on the now defunct Soviet economy, and their first assessment of the economic performance in the successor states. It was the first time the annual intelligence reporting to the Joint Economic Committee of Congress has been open to the public since it was begun 15 years ago.

The reports and accompanying testimony described the unraveling of the once mighty and feared Soviet defence and space system, with its 3,000 to 5,000 plants and 8-10 million workers.

Government purchases of weapons are dropping between 60 per cent and 85 per cent and space launches are at their lowest level in 25 years, according to the intelligence assessments.

The biggest part of the military purchasing decline — about 40 per cent — is in artillery and tanks; the smallest is in long-range ballistic missiles.

USA will help Russia in food marketing

WASHINGTON, June 9: Experts from the US agriculture Department and American companies will visit Russia this spring and summer to help modernize the country's food marketing system, Secretary of Agriculture Edward Madigan said Monday, reports AP.

"Such a system will be an important component in the federation's continuing progress toward developing workable free markets and a stable democracy," Madigan said.

Madigan said the four teams being sent are made up of specialists from the department's Agricultural Marketing Service as well as from the private sector.

He said the teams included experts in post-harvest handling and storage, wholesale food marketing, price discovery and information dissemination, and trading in commodity exchange markets.

Dan D. Haley, administrator of the marketing service, said the teams would follow up on problems identified by another group of marketing specialists sent to Moscow and Kiev by the department in mid-February.

The department said it received requests for assistance with food marketing systems in those cities.