

## Possibility of Iraqi oil export

# World market threatened

LONDON, June 21: Crude oil prices traded quietly this week as market players awaited the result of talks between UN and Iraq officials, due to start later Friday, on possible resumption of Iraqi oil exports, reports AFP.

Traders, however, doubted that agreement could be reached, as Baghdad has already twice in the past rejected UN conditions for a partial lifting of the embargo in place since the August-1990 invasion of Kuwait.

A mood of expectancy also dominated the coffee market. The world's producer and consumer countries will resume negotiations together, on price-supporting measures next week in London, for the first time since the suspension three years ago of international export quotas.

On the London Metal Exchange (LME), zinc prices fell sharply as the exchange's authorities acted to end the technical shortage which had boosted spot prices over recent weeks.

Other base metals continued to match for signs of economic recovery in the states, with copper boosted by fears of supply disruptions and a better outlook for US copper-consuming car and construction industries.

**Gold:** Firmer. Gold prices reached a two-and-a-half-month high early in the week

on continued short-covering and as potential sellers-producers and Middle East speculators held off in hopes of seeing further gains.

News that the Belgium central bank had sold 202 tonnes of gold, or about half of its total reserves, then briefly pressured prices. Although the sale has been completed over a period of time without disrupting the market, there were fears of similar selling by other European central banks.

In the long term, however, analysts thought that a weaker dollar and mine closures that could begin to construct supply should help prospects. Prices resumed their rise ahead of the weekend.

**Silver:** Firmer. Silver prices moved in line with gold prices, supported early in the week by improving US economic prospects.

**Platinum:** Irregular. Platinum was initially supported by a better economic outlook in the United States but then fell back on fears of lower Japanese imports this year.

At an emergency board meeting, the LME decided to impose a daily limit on the backwardation. The technical shortage of nearby supply, which had boosted cash prices, is thought to have been related to manipulation and not to fundamentals.

**Coffee:** Firmer. Copper prices were supported by fears of supply disruptions and

by better consumption prospects. Traders GNI said that early June US car sales and strong US housing starts, together with signs of a pick-up elsewhere in American copper-consuming sectors, all augur well for the copper market in the medium-to-long term.

On the supply side, negotiation are still underway across Asarco operations in the US which include 450,000 tonnes per year of copper refining capacity, and could lead to strike action if they fail. Agreement had been reached at Noranda's operations in Canada, which have a capacity of 370,000 tonnes per year.

**Zinc:** Lower. Zinc prices fell following the LME's decision to end the squeeze in the market, which had taken the premium for cash metal over three-month prices (backwardation) to nearly 200 dollar per tonne recently despite record stocks on the exchange, high producer inventories and subdued demand.

A United States Department of Agriculture (USDA) report forecast a 1.8 million tonne growth in world sugar consumption in 1992-93. "Of particular note is the rise in Indian demand to 14 million tonnes impair its export potential", traders GNI said.

## Japan rules out any change in monetary policy

TOKYO, June 21: Bank of Japan Governor Yasuhiro Mieno ruled out any immediate change in monetary policy Wednesday while a top ruling party leader reiterated his call for further fiscal measures to stimulate the economy, reports AFP.

The central bank Governor's stand came despite mounting concern about the fragile state of the Japanese economy, as evidenced by a sharp plunge in local share prices Wednesday to their lowest level so far this year.

"There will be no change in our policy stance at all," Mieno said, describing the current phase of adjustment as the toughest.

"We have just begun front-loading public works and we will continue to watch how our policy bears fruit."

Mieno, speaking at his first news conference since the Bank's quarterly survey of business confidence last week, said the economy was likely to start recovering in the second half once inventories were fully adjusted. He said the survey's worse-than-expected outcome would not lead to a change in policy.

Shin Kanemaru, the influential Vice President of the ruling Liberal Democratic Party (LDP), meanwhile renewed his demand the government work out a large-scale supplementary budget to spur the flagging economy.

## Foreigners double investment in China

BEIJING, June 21: Foreign investors are setting up shop in the Pudong Development Zone in Shanghai at twice the speed they were last year, the China daily newspaper said Sunday, reports AFP.

It said 105 Sino-foreign joint ventures were approved in the first five months of this year for Pudong, more than the total for all of 1991.

The newspaper did not say how much the investment capital put up by the foreign parties was.

In the month of May alone, it said, Sino-foreign joint ventures were being approved at the rate of one a day.

Some 275 joint ventures, with a total of 472 million dollar in foreign investment, have so far been given the green light to set up in Pudong, across the Huangpu River from Shanghai's famous Edwardian waterfront.

Shanghai is tipped by the Chinese authorities to become a showcase of modern China, with the Pudong district specialising in high technology and financial service industries.

Chinese enterprises have also been setting up in Pudong at a clip similar to that of joint ventures, with 104 approved in January through May this year.

China daily said that, in order to meet the demand, a fourth zone within the Pudong Zone, known as Zhangjiang, is to be created. It is to specialise

in high technology. The Chinese government is finding high hopes on Shanghai at a time when its economic liberalisation policy is picking up speed.

Industrial growth in China's largest city from January through May was 19.8 per cent, nearly two percentage points higher than the national average, the Xinhua news agency reported Sunday.

However, as in other parts of China, many state-run industries are finding themselves in a precarious situation.

"Profits are still declining for textiles, light industry, building materials, medicines and computers," the state-run news agency said.

## Privatisation of Malaysian rice board opposed

KUALA LUMPUR, June 21: Malaysian consumers Friday strongly opposed a government proposal to privatise the National Paddy and Rice Authority, arguing the move would lead to spiralling prices, reports AFP.

Hamdan Adnan, President of the Federation of Malaysian Consumers Association, said the National Rice Board should not be privatised because it was the sole agency dealing with the production of the country's staple food.

## BRIEFS

### Pak money market rates plunge

KARACHI (Pakistan), June 21: Pakistani money market rates plunged ahead of the auction of the T-bills, dealers said, reports Reuters.

Most of the banks were involved in Repo transactions till the T-bills settlement date on Tuesday, said a dealer at KASB and Co Ltd.

He said the seven-day maturity repurchase agreement (Repo) rates fell to 8.75/8.50, compared with 11.00/10.50 and the interbank call rates to 7.75/7.50, compared with 10.75/10.50.

### UN-Iraqi talks on oil sale

VIENNA, June 21: UN and Iraqi officials on Saturday continued talks on a possible one-time dollar 1.6 billion sale of Iraqi oil to finance the purchase of food and humanitarian supplies, reports AP.

A UN Security Council plan to allow the oil sale, which would also finance war reparations, requires stringent UN monitoring.

Iraq insists the monitoring impinges on its sovereignty. Two previous rounds of negotiations on resumption of Iraqi oil sales have foundered.

### Kuwait, Spain talk latest situation

MADRID, June 21: Senior Kuwait investment office officials met Economy Minister Carlos Solchaga to discuss the group's new situation following a recent change in its management structure, reports Reuters.

An Economy Ministry spokeswoman said the 45-minute meeting was a courtesy visit and he could give no details.

Kio's Spanish agent, Javier De La Rosa, has announced he is stepping down and a Torres Board meeting last week reshuffled management with Kuwait's taking more direct control.

### Financial scandal hits Indian stock market

BOMBAY, June 21: India's worst ever financial scandal is taking its toll on investors, big and small, with trading at a virtual halt on the Bombay Stock Exchange (BSE), where 70 per cent of India's stocks are traded, reports AFP.

A recent government ordinance to appoint a special court to try those involved in the billion dollar scam, also empowered the court custodian to cancel and nullify any stock transactions that Mehta, the prime accused in the case, could have entered into after April last year.

### Biggest summer harvest likely

HONG KONG, June 21: Chinese officials expect this year's summer harvest to be one of the biggest ever despite earlier fears of a poor crop because of adverse weather and a drought, the Xinhua news agency reported Tuesday, says AFP.

### Mitsubishi to explore oil in Vietnam

TOKYO, June 21: Japan's Mitsubishi Oil Co Ltd said Wednesday it planned to produce oil in southern Vietnam after obtaining exploration rights from petro-Vietnam in August, reports AFP.

A Mitsubishi spokesman said, the oil company has reached a basic agreement with their Vietnamese authorities on the development of an offshore oil field, off the southern Vietnamese city of Vung-Tau.

### India accused of abusing villages

WASHINGTON, June 21: A human rights group on Wednesday accused India of abusing villages who are losing their homes to the rising waters of a giant dam and urged the World Bank to defend their rights, reports AP.

Asia Watch accused Indian police of arresting, beating and threatening villagers opposed to the Narmada Valley project, and it said the government failed to pay them for their lost homes.

It warned of possible clashes during the next few weeks as police evict residents from the area that will be covered by the dam's reservoir.

### Phone call with unfriendly states

NEW YORK, June 21: An upstart phone company said Friday it will allow customers to make calls between countries that aren't speaking terms, reports AP.

International Discount Telecommunications Corp said that starting next week, it will provide connections between such countries as Israel and Syria, North and South Korea and the warring former Yugoslav states. Such calls are usually blocked by these nations.

## Release of hostages to bring aid for Lebanese

ISTANBUL, June 21: Syrian Foreign Minister Farouq-al-Shara said he hoped the freeing of the last two Western hostages in Beirut would prompt the European Community to release frozen economic assistance to Lebanon, reports Reuters.

"We hope that with his latest and final release of German hostages the international community, and in particular the EC, would help the Lebanese government in its efforts for reconstruction," Shara told Reuters in an interview.

"In the past financial aid to Lebanon was withheld because of the Western hostages. Now there are no longer Western hostages in Lebanon and I hope this will remove the obstacle to financial assistance made by the EC towards Lebanon."

The European Commission said on Tuesday it expected to resume financial cooperation with Lebanon worth 166 million ECU following the release of the two Germans.

## Trading craze may collapse security market in China

BEIJING, June 21: A banking official has warned that the craze over trading stocks and bonds could cause the collapse of China's two fledgling securities exchange, official media reported Thursday, according to AP.

Media reports said the unnamed official with the People's Bank of China, China's central bank, called the market fever a "blind craze on stocks and bonds."

The reports did not elaborate on how the markets could collapse, but the bank official's comments highlighted the Communist government's concerns over financial speculation and Beijing's desire to tightly control trading.

# Women hardest hit in former workers' paradise

WARSAW (Poland), June 21: The new market economy ended the lines Christiana Lipack had to stand in for everything from food to shoes, but put her on another one — at the unemployment office, writes AP.

It is a bad time to be a former worker in this former workers' state, and much worse for a woman.

Employers do not want to pay the liberal benefits still on the books from the communist "protection" of women, and in a new capitalist system with no rules against sex or age discrimination, they don't have to.

Had communism not fallen, Lipack probably would have spent the next 20 years as she had the last 14: pushing television components around a warehouse and, for most of her other waking hours, hunting necessities and small pleasures for her family.

The want is over, but so are the jobs. Unemployment is perhaps the most frightening

## Indian billion dollar bond scam CBI asked to frame specific charges against Mehta, others

NEW DELHI, June 21: An Indian Judge ordered detectives probing a billion-dollar bond scam Saturday to bring specific charges against "big bull" Harshad Mehta, the alleged mastermind, and 10 others suspects, reports AFP.

Special Judge S N Variava asked the Central Bureau of Investigation (CBI) to come back to his court Monday with charges "pinpointing" the role of Mehta and the other 10, the Press Trust of India (PTI) said.

The Bombay-based judge delivered the order after Mehta's counsel argued for bail on grounds that investigators had brought no specific charges implicating his client in the scam, which has shaken Indian banks and stock markets.

Variava remanded Mehta, his two brothers and three employees and five bank officials to CBI custody until Monday when the court reconvenes to decide whether or not they should be given bail,

PTI said. The 11 suspects have been charged under a range of laws dealing with cheating, breach of trust, forgery and corruption.

The scam surfaced in April with revelations that bankers and brokers had colluded to siphon money from the government securities market to a booming stock market.

A central bank probe found one billion dollars in bank funds had been diverted illegally.

Mehta's attorney, K M Desai, argued Saturday that the banks and not his client were to blame. Brokers only followed "established business and market practices," he reportedly said.

Sixteen banks including the State Bank of India (SBI), American Express, Bank of America, and the Standard Chartered Bank had provided current account facilities to Mehta for share transactions, Desai said.

## Marcos's \$5b Swiss gold deposit unearthed Another \$14b stash likely

MANILA, June 21: The late dictator Ferdinand Marcos spirited 5 billion dollar in gold out of the Philippines and deposited it in Switzerland, the Chairman of a body tracking down Marcos's alleged ill-gotten wealth said here, reports Reuters.

David Castro, Chairman of the Presidential Commission on Good Government (PCGG), told reporters his office had confirmed reports by industrialist enquire Zobel that Marcos had recovered gold and jeweller left behind by Japanese forces in the Philippines after World War Two.

"I reported to President Corason Aquino that report has been confirmed," Castro said, adding that the government

should open talks with the heirs of Marcos and the trustees in charge of the deposit so Manila can recover the gold.

"It can be recovered with a settlement with them," Castro stated. "It is confirmed that it is in Switzerland."

When Castro was asked if the gold was worth 5 billion dollar he said: "that is the estimate."

Zobel said in a television interview early this month that the gold was worth 35 billion dollar but the government has disputed that figure.

Castro added that a Swiss national working for the PCGG had recovered papers showing Marcos may have deposited another 14 billion dollar worth

of gold in Switzerland. Marcos, who died in Hawaii in 1989 after being overthrown in a 1986 popular revolt, had denied charges by Aquino's government that he looted the country's treasury.

He claimed he became rich when he found the fabled treasure of Japanese General Tomoyuki Yamashita.

There has been no independent confirmation that the Yamashita treasure has ever been recovered, officials say.

Castro said he would recommend to President-elect Fidel Ramos that he open talks with former First Lady Imelda Marcos, the 62 year old widow of the late President, to recover the gold.

## US to talk 'soybean war' with EC

GENEVA (Switzerland) June 21: The United States has decided to open negotiations with the European Community (EC) to try to settle their dispute over oilseeds known as the "soybean war", US Ambassador to GATT Rufus Yerxa said here, reports AFP.

But he added that Washington would not accept any compromise in such talks that would injure American soybean producers.

The envoy said that acceptance of the negotiation formally requested by the EC on Friday at a meeting of the General Agreement on Tariffs and Trade council would entail suspension of the legal proceedings initiated by Washington to put trade reprisals against the Community into effect.

Last week, Washington published a list of EC products, representing as much as two billion dollar in annual trade volume, that will be hit with prohibitive US duties as retaliation for what the United States considers unfair EC trading practices.

## Vietnam grants licences to two foreign banks

HANOI, June 21: Vietnam has granted banking licences to Frances' Banque Francaise du Commerce Exterieur (BFCE) and the Australia and New Zealand banking group (ANZ) officials said Saturday, reports Reuters.

State Bank of Vietnam granted BFCE a licence on June 12 to open a branch in Ho Chi Minh city. Nicholas du Pasquier, the bank's Hanoi representative said.

ANZ was given a licence on Wednesday to open up in the capital Hanoi.

Communist Vietnam has granted licences to six foreign banks since April, including three other French banks and a Thai bank.

## ADB to double borrowing

MANILA, June 20: The Asian Development Bank, which on Thursday launched a 500 million dollar 10-year Eurobond, said it plans to borrow 3.1 billion dollar in 1992, more than twice the amount of its 1991 borrowing programme, reports Reuters.

The Manila-based bank said its borrowing programme for the remainder of 1992 includes issues in the Yankee market and the Australian Matilda market, as well as a second tranche of the ADB's Dragon Bond issue, and a syndicated loan in yen.

It said the rise in its borrowing requirement had enabled the ADB to establish benchmark issues in yen and Swiss franc earlier in the year, and now in US dollar and Dutch guilder.

"The ADB intends to con-

tinue to bring to the market large sized and liquid issues," it said.

The ADB last year undertook eight borrowings totalling 1.29 billion dollar. The first Asian region US dollar Dragon Bond issue was launched simultaneously in the capital markets of Hong Kong, Singapore and Taipei.

Thursday's issue was its largest fixed-rate dollar Eurobond. It also marks a return to the dollar Euro market after an absence of three years. Its 300 million Dutch guilders issue also marked the ADB's return to the Dutch capital market for the first time in six years.

Pakistan's money market was inactive because of a curfew covering much of Karachi, a dealer said.

## China to ease procedure to adopt baby

BEIJING, 21: The government plans to make it easier for foreigners to adopt Chinese babies, an official news report said Wednesday, according to AP.

The newspaper China Daily said the Ministry of Civil Affairs plans to set up a special center to deal with the growing number of adoption applications from abroad.

"The government has to work out detailed adoption procedures so that prospective parents living abroad can go through the formalities in a shorter time," the newspaper quoted an unidentified ministry official as saying.

It gave no details of the planned changes. However, having a single office to deal with applications could be a boon for would-be parents who now have to visit numerous government offices without clear directions.

"It is obviously connected with the fact that, when the kids are sick, women get sick leave," said Bozena Marciniak, a single mother of two laid off from a glass factory. "This is what employers don't like."

Communist-era laws provide child-care leaves for mothers, bar women from 90 occupations in 18 industries and make them retire five years earlier than men. The lowest-paid fields — nursing, teaching and clerical work — are mainly female and virtually no women are in top positions at the huge state-owned industries.

The new private sector offers little hope. "Businessmen" has become a Polish word, but there is no female equivalent. Most of the jobs new companies advertise in newspapers are for people who can use computers and speak English.

"They are looking for young women, up to 30, pretty and speaking foreign languages," Lipack said. "There are no jobs

for women like us, who have worked 20 years."

Most Polish women lack the education, experience and connections necessary to enter the private sector easily. Renata Siemienska-Zochowska, a Warsaw University professor, said in a study. "They are more vulnerable than men to the wishes of new businessmen, who prefer to employ young men."

Employment discrimination is generally taken for granted in Poland.

"The market dictates conditions and employers decide who they want to employ," said Lidia Marlicka, director of a district employment office in Lodz, a textile center where women have been laid off by the thousands.

"When a given employer wants to hire a woman or a man, it is high right to do so. May be I am a traditionalist, but in my opinion, the only remedy would be better wages for men, the husbands. In that

case, women would not have to work at all."

Three-fourths of the men questioned by Poland's largest newspaper agreed that, "When material conditions allow, women should limit their activities to taking care of the house and looking after children." So did 60 per cent of the women.

The National Christian Union, part of the governing coalition, called the survey a warning to the "intellectually shallow feminist movement pretending to defend women's rights."

To Magdalena Boniecka-Nowicka of the fledgling movement, the response of the women illustrates the male domination in Poland.