Central bank

intervention

pushes dollar

higher

dollar closed sharply higher

Monday after the Federal

Reserve and other central

banks barreled into the market

Gold prices rose 1.60 dollar

to stop the US currency's de-

to 359.10 dollar a troy ounce

on the Commodity Exchange

in New York. Republic National

Bank of New York quoted a

later bid of 358.70 dollar up

plunged in recent weeks,

dipped close to historic lows

against the German mark

Monday, prompting the Fed to

buy dollars, dealers said. The

US central bank entered the

market when the dollar had

fallen to about 1.4525 marks, a

plennig above its record low of

.4425 marks, set February

N-plant

The Greenback, which has

1.20 dollar from late Friday.

cline, reports AP

NEW YORK, July 21: The

Malaysia's natural rubber output rises

KUALA LUMPUR, July 21: Malaysia's natural rubber production rose by 27.3 per cent in May to 82,228 tonnes over that of the 64,606 tonnes the previous month, the statistics department said. The output was also 11 per cent higher than the 74,333 tonnes produced in the corresponding month of last year, the department said in its latest monthly rubber statistics, reports AFP.

Guilin hosts trade talks

GUILIN, July 21 Thousands of businessman have gathered here to attend the current international trade talks which opened Monday The talks, part of the activities scheduled for Visit China '92, attracted businessmen from more than ten countries and regions including the United States, France, Germany and Canada, reports Xinhua.

Japan's household spending rises

TOKYO, July 21 : Japan's average household spending in May rose 2.0 per cent from a year earlier to 323,003 yen (2,500 dollar), recovering from a 0.5 per cent drop in April, a government report said Monday. It rose four per cent in nominal terms from a year earlier before adjusting for inflation, the management and coordination agency said in a preliminary report, according to AFP.

Britain to remain in European ERM

LONDON, July 21 : British Prime Minister John Major insisted Monday that Britain would remain in the European Exchange Rate Mechanism (ERM) and condemned as pessimists, defeatists" those who urge a devaluation. With the government hit by renewed economic gloom after the end of a brief economic rally, Major said in a speech to businessmen in London: "we are in the ERM and we are staying in the ERM," reports

Interest rate on US securities falls WASHINGTON, July 21

Interest rates on six month US Treasury securities fell in Monday's auction to the lowest level in 29 years, while rates on three-month securities dipped to a 20-year low. The Treasury Department sold 11.7 billion dollar in six-month bills at an average discount rate of 3.24 per cent, down from 3.31 per cent last week. Another 11.6 billion dollar were sold in three-month bills at an average discount rate of 3.16 per cent, døwn from 3.22 per cent last week, reports AP.

EC, US aircraft accord likely to be rejected

BRUSSELS, July 21: An accord between the European Community and the United States on aircraft subsidies is unlikely to be taken on in its current form by other aircraft manufacturing nations, the EC's negotiator Peter Carl said. He was referring to a proposal by Brussels and Washington last week to extend their accord worldwide through renegotiation of the world trade organisation GATI's code on civil aircraft, reports Reuter.

Early North-South dialogue urged

SEOUL, July 21: North Korea's top government economist urged an early resumption Monday of economic exchanges with South Korea as inter-Korean dialogue showed signs of movement after being stalled for months over nuclear issues. Kim Dal Hyon, North Korea's Deputy Premier in charge of economic affairs, made the request in talks with his South Korean counterpart, Choi Gak-kyu, on the first full day of a week-long visit to South Korea, officials said, reports AP.

Taiwan concerned for arrested businessmen

TAIPEI, July 21: The Taiwan authorities expressed concern Monday for three Taiwan businessmen arrested in the east-coast Chinese city of Xiamen for insulting a worker. Hsu Hui-You, Director of the Straits Exchange Foundation, said the governmentfunded organisation would soon send a letter to its counterpart in China, the association for relations across the Taiwan strait, about the case, reports AFP.

France declares aid plan for farmers

PARIS, July 21: Prime Minister Pierre Beregovoy on Monday announced a four-year plan to help farmers adapt to the European Community's new common agricultural policy, which has triggered months of costly protests around France, reports AP.

'Doubt exists about creditors' benefit'

Luxembourg Judge withholds ruling on BCCI compensation plan

LUXEMBOURG, July 21: A Luxembourg judge withheld a key ruling on Bank of Credit and Commerce International SA (BCCI. CN), saying she was concerned whether creditors would benefit from a proposed compensation plan, reports

A creditors' representative welcomed the move, which is expected to delay further the contested settlement for depositors who lost money when BCCI was closed down last

Adil Elias, a member of the UK BCCI creditors committee, called it a "slap in the face for the liquidator," accountants

operates.

KUALA LUMPUR, July 21

The Malaysian government

said Monday its economic

growth rate forecast of almost

nine per cent this year was

very much within reach, de-

spite lower projections by pri-

vate economists, reports AFP.

and sustaining power in our

economy today, much more

than some people are willing

to acknowledge," Finance

Minister Anwar Ibrahim said,

three days after an indepen-

dent think-tank predicted that

The Malaysian Institute of

Economic Research (MIER)

had said the economy was al-

WASHINGTON, July 21:

Canada, Mexico and the United

States have made substantial

progress in talks on creating a

North American free trade

zone, sources close to the talks

unlikely a final agreement

would be reached at a ministe-

rial-level meeting set for

Negotiators have reached

agreements on textiles, bank-

ing, insurance, stock markets,

computers, transport,

advertising, patents and

copyrights, according to

information gleaned from the

remain, and the upcoming

presidential election in the

United States has made it un-

likely the White House would

welcome a controversial com-

But some prickly topics

said Monday, reports AFP.

Saturday in Mexico City.

affected sectors.

7.5 per cent.

"There is much resilience

Touche Ross. Touche Ross is backing the compensation plan with BCCI's Abu Dhabi owners.

UK creditors had received a setback last Friday when their appeal for better compensation terms was rejected by three appeal judges.

The judge Maryse Welter, in a brief statement at the Luxembourg district court, said, "it is unclear whether there are advantages for creditors in the proposed settlement offered by the majority shareholders.

She ordered a new hearing in the case for October 7. Almost three days of hearings were held in late June and early July.

"We are very happy with the court judgement because now the creditors, who own the

WASHINGTON: US President George Bush (R) answers questions at the White House

July 20 from a group of youths attending the American Legion's Boy's Nation pro-

gramme. Bush used the session to attack Democratic candidate Bill Clinton's economic-

growth plan. Boy's Nation is designed to provide an education in the way government

Malaysia confident of 9 pc growth

ready "taking a breather" after

five years of robust growth that

had resulted in acute labour

Director, Kamal Salih, had

warned that attempts to keep

the economy growing at the

officially projected rate of

close to nine per cent could

derail long-term growth amid

mand had slowed consider-

ablely, savings should rise and

there was also evidence of shift

toward more capital intensive

ments, factors which could

give the export-oriented econ-

But declining import and a

N-American free trade zone

Talks on satisfactory progress

promise, according to sources

Hill is ominous. Representative

Richard Gephardt, a powerful

Democrat from Missouri, has

introduced a bill forbidding

agreement that clashes with

US environmental, labour and

health regulations or poses a

The bill has been co-spon-

sored by 212 legislators and

endorsed by some 100 asso-

ciations, including labour

unions and environmental and

consumer groups, which are

worried that a free trade

agreement could mean a mas-

sive flight of jobs across the

border because of more re-

laxed environmental regula-

tions and lower wages in

Unresolved issues centre on

threat to the US consumer.

And the mood on Capitol

who asked not to be named.

Anwar said domestic de-

a global slowdown.

omy a breather.

the growth rate would dip to and high technology, invest-

But the sources said it was Congress to ratify any trade

The MIER's Executive

shortages and rising wages.

bank, are able to express their views and expose the responsibility of the majority shareholder to the English court," said Dr Elias in a telephone in-

terview in London. Welter also criticised Abu Dhabi, BCCI's majority shareholders, saying it was difficult to evaluate figures concerning BCCI because many BCCI files had been removed to Abu Dhabi and were unavailable.

A similar criticism about Abu Dhabi's control of BCCI was made by Luxembourg's Bank regulator the Luxembourg Monetary Institute (LMI) in an opinion read out during the hearings.

The judge ordered that all unsecured, known creditors of BCCl in Luxembourg should be

UNB/AFP photo

strong export recovery would

once again see a comfortable

surplus in the country's nier-

chandise account of the bal-

ance of payments, and a re-

duction in the current account

Last year, Malaysia's mer-

chandise trade account slid

into a deficit of 700 million

Malaysian dollar (280 million

US) from a surplus of 5.2 bil-

lion Malaysian dollar (about

two billion US) the previous

widened to 12 billion

Malaysian dollar (4.8 billion

US) last year from 4.5 billion

Malaysian dollar (1.8 billion

the auto industry, foreign par-

ticipation in the Mexican oil

industry, agricultural tariffs,

government purchasing and

foreign investment, which

Mexico and Canada want to

limit, according to the New

agreements already reached

would allow advertising firms

to work in any of the three

countries without opening new

offices or hiring local person-

would be allowed to gain con-

trol of Mexican companies in

which they are already minor-

ity shareholders.

States or Canada.

US and Canadian firms

The newspaper said the

The current account deficit

deficit by the end of the year,

Anwar said.

US) in 1990.

York Times.

consulted by the bank's Luxembourg liquidators between now and October 1

The settlement package had to be approved by Luxembourg to proceed after winning clearance in UK and the Cayman islands.

BCCI, which was shut down last July, was headquartered in Luxembourg but had most of its banking operations else-

Under the terms, Abu Dhabi will inject an initial 1.7 billion cash which with proceeds of BCCI's liquidation, would pay back 30-40 per cent of creditor losses. Creditors must also give up legal claims against the Emirate to receive the cash payment

Taiwan second highest in trade surplus

China's economy stable

despite high growth

period.

vests.

BEIJING, July 21: China's

economy is still in the green

light zone and the macro con-

trol is in hand despite a sharp

10.6 per cent growth rate in

the Gross Domestic Product in

the first half of this year, ac-

cording to the state statistical

bureau here Tuesday, reports

concern, stood at five per cent.

The actual retail price increase

recorded 2.5 pre cent in the

past six months, deducting

price readjustment factors last

China's GDP jumped 10.6 per

cent to 950.1 billion yuan

while the investment for fixed

assets skyrocketed by 28.5 per

cent to 218.9 billion yuan in

for the state statistical bureau

said at a press conference that

Zhang Zhongji, spokesman

the first half of this year.

According to the bureau.

Inflation, which is a major

Xinhua.

TAIPEI, July 21: Taiwan export activities, the officials has accumulated a foreign said. trade surplus of 5.26 billion US dollar in the first half of 1992. the second highest in the world, economic officials said Monday, reports AFP.

The officials said the massive surplus, second only to Japan's 40 billion dollar, was the result of brisk foreign trade worth 76.6 billion dollar in the January to June period.

The export-oriented island outperformed Germany which is experiencing a growth in domestic demand but still maintaining a foreign trade surplus of five billion dollar, they said.

rise against the Greenback and the global economic slowdown, increased indirect trade between Taiwan and China helped the island bolster its

Booming indirect trade across the Taiwan strait mainly conducted via Hong Kong, ballooned 43 per cent in 1991 over the previous year to a record 5.79 billion dollar.

judgement to an overheated

economy should depend upon

the relationship between ag-

said, the total supply exceeded

the total demand by five per

cent in the first six months of

this year. It is still within con

trol though it was lower than

8.3 per cent in last year's same

most consumer products in

the domestic market is larger

than the demand and there is

a large number of stocked

goods such a grain, sugar

textiles, meat, poultry, eggs,

household electrical appli-

ances and other durable goods.

current economic develop-

ment occurred in the wake of

successive agricultural har

In addition, he said, the

He said that the supply of

As to this relationship, he

gregate supply and demand.

The local unit, underpinned by the swollen foreign trade surplus and the central bank's maintaining high interest rates, has surged more than 10 per cent over the past year to stay at the current 24.7 level.

Local manufacturers have warned a strong Taiwan currency will blunt the island's competitive edge in exports and urged the central bank to tone down pressure for a fur-Despite the Taiwan dollar's ther rise in the local unit.

> Taiwan emerged as the world's 14th largest trading country in 1991 with foreign trade worth 139 billion dollar.

China-Russia accord to build

11, 1991.

MOSCOW, July 21 Management at a chemical military combine in eastern Siberia have signed a preliminary agreement with local authorities at Harbin in China to build a civilian-use nuclear plant using techniques which had until now been banned for export, the Interfax agency said Monday, reports AFP.

The Russian and Chinese parties must now convince their respective governments. to give the go-ahead.

The experts at TOMSK 7 are planning to build a medium-size uranium reactor which would supply electricity to military enterprises.

In return, the authorities at Harbin, north-east China, would build food-processing plants, Interfax said.

Russia again lowers grain harvest estimate.

MOSCOW, July 21: Russia again lowered its estimate for the 1992 grain harvest and farmers showed no signs of ending protests aimed at boosting state grain prices, reports Reuter.

First Deputy Agriculture Minister Vladimir Shcherbak told Itar-Tass news agency that this year's grain harvest would be around 96 million tones. Earlier this month the gov-

ernment lowered its estimate for the harvest to 98 million tones from 110 million and said it would send troops to help with the harvest. Sheherbak said farmers all

over Russia were reporting fuel shortages and added that drought in some southern regions had slashed yields.

The likely lower harvest is more bad news for the government, battling to persuade farmers to deliver agreed amounts of grain to the state.

Bush rips Clinton economic plan

WASHINGTON, July 21 : President Bush, trying to deflate Bill Clinton's big bulge in the polls, said Monday the Democrats' economic-growth plan is nothing more than "smoke and mirrors" that won't tame the budget deficit, reports AP.

Bush also accused Clinton of stealing Republican campaign rhetoric when he said at last week's Democratic national convention "we have changed the world, now it's time to change America."

"Hey, a Democratic candidate dropped out of the race for plagiarism last year," Bush said, referring to Sen Joseph Biden's withdrawal from the 1988 race for the Democratic presidential nomination. "This is a comment that I've been saying, and now we're trying to get it done."

Bush made his comments in a warmup for an evening address by satellite hookup to thousands of supporters at 34 sites in 27 states. It was a political extravaganza, with 10 Cabinet secretaries fanning out to separate rally sites to help beat the drums for Bush.

The president, already in a deep slump in the polls, tumbled even lower as Clinton got a bigger-than-expected boost from his convention. Recent polls show Clinton with more than a 20-point lead.

"We'd rather have polls that were going up," White House press secretary Marlin Fitzwater acknowledged.

He said Bush would campaign one to three days a week until the GOP convention opening August 17 in Houston and then press even harder. Bush turned the Rose

And vendors could sell Garden into a campaign stage clothing in any of the three during a question-and-answer countries if the thread was session with youth invited to spun and fabric woven, cut and the White House as part of the sewn in Mexico, the United American Legion's Boys Nation programme.

Biotech solution to hunger prove hard

AMES (Iowa), July 21: Finding a biotechnological solution to world hunger is proving harder than expected, researchers said Monday at the First International Crop Science Congress, reports AP.

Demand for food is expected to at least double by the middle of the next century, and the hope remains that molecular biologists will identify genes and perfect transplant techniques for developing more nutritional plant varieties that will use increasingly scarce resources, such as water, more efficiently.

But "molecular biology is not a magic wand," said Peter Day, a Rutgers University genetics professor and authority on agricultural gene manipulation.

"Several kinds of genetically engineered crop plants are close to the point of commercial release but none are yet on sale to farmers. This is in large part because some of our ideas were naive and simplistic and our expectations too great," Day said Monday.

Plant breeders hope to work with molecular biologists to develop crops that can adapt to a changing environment, resist disease and require fewer hazardous chemicals. "I tell my students that by the time they retire they will

have to have learned to produce as much more food as was produced since the beginning of agriculture," said John Axtell, a distinguished professor of agronomy at Purdue

But plant breeders and biotechnologists are sometimes at odds. At the onset of its development, biotechnology attracted the lion's share of plant genetics research dollars, often at the expense of conventional plant breeders. Contempt over the shift in resources has proved an obstacle to progress.

A paper presented on behalf of Salvatore Ceccarelli, Director of the Institute of Horticulture in the Italian Ministry of Agriculture, focused attention on the rift.

Ceccarelli noted, while biotechnology typically focuses on a single gene, plant breeding involves a complex relationship of numerous genetic traits.

Before the camps can cooperate, microbiologists will have to show breeders "the ability to produce varieties faster or more efficiently," Ceccarelli's paper said.

The congress, which has attracted about 1,100 crop rescarchers to Iowa State University, hopes to set an agenda for crop research in the next decade.

Axtell said it also must inspire world policymakers to support such research. He said at least 90 per cent of the population growth in the next 60 years is expected in Third World nations, the regions least equipped to cope with the challenge.

'No smoking' in Hong Kong public transport

HONG KONG, July 21: Public transport passengers will be prohibited from smoking on all public transport carriers from August 1 this year, according to a recent amendment to the smoking (public health) ordinance, reports Xinhua.

spokesman for the transport department Tuesday said that public transport operators have been required to put up a sufficient number of 'no smoking sings at prominent positions on the carriers.

Public transport carriers include such major vehicles or vessels as public bus, public light bus, taxi, train, light rail vehicle, tram and ferry.

Passengers are given a grace period until August 1 to comply with the new requirements.

Under Section Four of the ordinance, if any persons smokes or holds a lighted cigarette, cigar or pipe on a public transport carrier, the driver, inspector of manager of the carrier may require that person to extinguish it.

If that person fails to do so, he will be required to give his name and address, to produce proof of identity and to leave the public transport carrier and he shall not be entitled to a refund of the fare paid by

Any persons who contravenes Section Four of the ordinance commits an offense and is liable on summary conviction to a fine of 5,000 H K dollars (641 US dollar).

Millions of world's children engaged in hazardous work WASHINGTON, July 21: At carpet weavers in India. "From my experience, I garbage heap in a little build- "Constant smoke, clouds of girls and boys, because cus-ries.

nights a week in a Korean garment factory for wages he never saw. Years later, he lived in the Philippines while his mother helped scavengers on Manila's infamous Smokey Mountain garbage dump, reports AP.

Bae, who was born Jae-Chan, is the adopted son of American anthropologist Susan Gunn, whose work with the International Labour Organization has made her, like Jason, an expert on child labour abuse.

The ILO, in a report released Tuesday, said as many as 25 per cent of children aged 10 to 14 are estimated to be working - most in devel-

oping countries. It describes an underage workforce that includes young

ton and tobacco pickers in Zimbabwe, prostitutes in Sri Lanka, brick kiln workers in Pakistan and migrant field hands in the United States.

Millions of the world's children are engaged in hazardous work, including the sex trade, while millions more work in the so-called informal sector, hidden from any government regulation or protection, said Ms Gunn, who now works with ILO in Geneva,

Despite quiet progress by a few governments, the problem is growing in developing and developed countries, Ms Gunn

Her adopted son, who has been living in Philadelphia, joined in the interview.

kids to work in factories on the night shift," said Bae, now 20 and about to enter the University of Hartfor in Connecticut. He said he was abandoned by his Korean mother at 7 and later ran away from an uncle to live on the streets rather than work nights in the clothing factory. He was adopted by Ms Gunn from a Korean orphanage.

When she took him to the Philippines, his life changed but her work kept Bae close to the child labour problem. "I had rich friends, but I

visited Smokey Mountain with my mother where life was worse than my life in Korea," he said. Ms Gunn worked in the Philippines for six years, in-

cluding many days atop the

from refuse. Relief workers offered health care and clean water for children living amid the steaming stench that has become a symbol for child labour abuse worldwide. The Smokey Mountain pro-

ject, which also includes a school adjacent to the dump, was financed for two years by the Dutch government but is now run by former scavengers seeking support from other groups, Ms Gunn said.

More than 1,200 children and several thousand adults scramble over the Manila dump in a massive recycling enterprise that converts plastic bags, slivers of glass, tin cans and other trash into a livelihood. Some families have lived off the garbage for three generations.

ting food, waste of all kinds everything from cadavers to poisonous chemical waste" provide workplace and playground for children on the dump, Ms Gunn said.

The gruesome Smokey Mountain lifestyle is duplicated for child scavengers in Mexico City, Cairo, Buenos Aires, Madrid, Calcutta, Bombay and other big cities around the world, she said.

And children elsewhere are engaged in even more dangerous jobs, according to the ILO. Ms Gunn said millions face hazards that stunt their growth or harm them in other ways that prevent them from holding productive jobs as adults.

Prostitution in some Asian countries has been drawing in younger and younger children,

they are less likely to carry the AIDS virus, Ms Gunn said. .

Reuter adds: Asia has the largest chiuld workforce. In some countries young people make up 11 per cent of the labour force.

Italy and Spain top the list in Western Europe - and estimated 100,000 children work on family farms in Spain.

In the United States, a 1990 government study showed a 250 per cent increase in child labour law violations between 1983 and 1990. Child labour in the United States is most prevalent in agriculture, particularly among immigrant families, but more under-aged Americans are working in fast food restaurants of garment facto

11. Jason Bae worked seven leather workers in Egypt, cot- think it's not right for little ing designed to provide refuge flies, a sickly stench from rot- tomers mistakenly believe In Britain, a survey in 1985 reported that 40 per cent of children questioned said they were working, often illegally.

While more and more youngsters are being put to work as rug weavers, farm labourers, bricklayers, house servants, drug runners and prostitutes, only a few nations have drafted plans to contain the problem, it said.

"Gunn said the report was an" "alert".

"We would like to see a crackdown throughout the world on hazardous occupations," she said. "There's no excuse for children to be working in ... the sex trade, the drug trade and there's also no excuse for government to condone children being forced to work.