Mongolia appoints free-marketeer PM

ULAN BATOR, July 22: The Mongolian parliament Tuesday formally approved the appointment of free marketeer Punsagiyn Jasray as Prime Minister, officials said. Its approval for the 59 year-old economist was basically a formally after the ruling Mongolian People's Revolutionary Party (MPRP) and President Punsalmaagiyn Ochirbat threw their support behind him at the weekend, reports Reuter.

Australian wine export grows by 36 pc

ADELAIDE (Australia) July 22: Wine exports from Australia grew by 36 per cent to 77.6 million litres (20.2 million gallons) in the year to June 30, an industry body said here Wednesday. The Australian Wine Export Council (AWEC) said wine earned 234 million dollar (174 million US) in exports to 65 countries, reports AFP.

Vietnam plants 1.352 m hectares of rice

HANOI, July 22: Vietnam has completed sowing and transplanting 1.352 million hectares of summer-autumn rice, VNA reported Tuesday. This amount makes up 99.2 per cent of the state plan, and a 2.1 per cent over the same last year, VNA said. Moreover, nearly 1.195 million hectares of autumn rice have been planted, some 44.52 per cent of the plan, reports Xinhua.

Gold purchase declines

LONDON, July 22: Trade purchases of gold for sale to consumers fell by just over one per cent to 121.8 tonnes in the first quarter of 1992 compared with the same period in 1991. According to preliminary estimates by the World Gold Council. The figures covered the six developed jew ellery markets of the United States, Japan, Germany, Italy, France and the UK and showed the resilience of gold jewellery demand in a period of recession, the Council said in its summer review, reports Reuter.

US, Saudi coop on oil price

WASHINGTON, July 22: The United States has long tried to influence global oil prices through its dealings with Saudi Arabia, the world's biggest oil exporter, the Washington Post said on Tuesday, Citing State Department documents and government legal papers, the Post said the United States and Saudi Arabia have long cooperated on oil issues, despite claims by both sides to the contrary, reports Reuter.

Nicaraguan Minister held hostage

MANAGUA, July 22: A band of ex-soldiers demanding immediate payment of back pay held Nicaraguan Fi nance Minister Leonel Rodriguez for an hour Tuesday as riot police took up positions in parts of the capital, officials said. Rodriguez, who was released unharmed, said he was kidnapped and held for an hour by 20 armed men in military uniforms who ambushed and forced him to leave the car in which he was travelling to his office, near the presidential palace, reports AFP.

Oil price see-saws amid rumour

LONDON, July 22: World oil prices see-sawed on Tuesday in a market hit by fears of new Western military moves against Iraq and unconfirmed rumours that Iraqi President Saddam Hussein had been assassinated. Price on the London and New York futures markets - bullish at the start of trading - feel sharply later on a Saddam assassination rumour which originated in Kuwait, Iraq's enemy, and was reported by the Egyptian news agency Mena, reports Reuter.

Pak rupee falls against pound

KARACHI, July 22: The Pakistani rupee, steady against the internationally weak dollar since June 4, has fallen sharply against other currencies, dealers said. The rupee is unchanged at 25.1300/25.2557 to the dol-.lar, but has dropped 9.89 per cent against the mark since June 4 to 17.3646, dealer Mumtaz Khan said. It has also fallen 7.28 per cent against sterling to 49.4342 on Monday, compared with 46.0777 on June 4, reports Reuter.

BCCI compensation plan now uncertain

LONDON, July 22: The decision by a Luxembourg court to consult creditors of the Bank of Credit and Commerce International (BCCI. CN) SA over a controversial compensation plan has cast doubt over the whole scheme, financial sources said, reports Reuter. But it will finally establish

whether most creditors support or oppose the plan. "Either creditors agree and the argument is over, or they

say no, in which case the whole thing is put into question," said one financial source. If a majority of creditors oppose the Abu Dhabi-backed plan, the court may request changes be made.

But the compensation plan was not likely to be altered

MANILA, July 22: Foreign

Ministers from Southeast Asia

said here that the region

might be overtaken by other

economies if it failed to agree

on import tariff cuts, reports

They said some business-

men in ASEAN were resisting

the scheme, but that they

would eventually benefit from

the removal of tariff protec-

in our private sector ... who

have enjoyed protection for so

long that they are inclined to

resist the inevitable trends to-

wards liberalisation," Thai-

land's Foreign Minister Arsa

There are some of course

Reuter.

Sarasin said.

radically as a result of the Luxembourg ruling.

"This thing cannot go all the way back to the start," one source close to the liquidator

BCCI creditors lost 9.25 billion US dollar when the bank was closed last July amid allegations of fraud. Some of them have said the plan was pushed through by the bank's liquidator and the Abu Dhabi majority shareholder in the face of much opposition.

The Luxembourg court votced concern that the plan was not in the interest of all creditors and ruled Tuesday that they should be consulted - a move promptly welcomed by creditors.

Adil Elias, who sits on the

Ministers from Brunei, In-

donesia, Malaysia, The Philip-

pines, Singapore and Thailand,

which make up the Association

of Southeast Asian Nations

(ASEAN), said the creation of

an ASEAN Free Trade Area

(AFTA) through was essential if

ASEAN was to meet the chal-

lenge for greater economic

(businessmen) that they too

will stand to benefit from the

longer-term gains that are

bound to accrue from the

opening of our markets to one

agreed to establish a regional

free trade zone in 15 years

Earlier this year ASEAN

another," Sarasin said.

"We must convince them

competition.

British BCCI creditor committee, said it was a slap in the face for the liquidator, accountants Touche Ross, and a vic-

tory for creditor democracy. The scheme must be approved by the Luxembourg court before it is activated.

Courts in England and the Cayman Islands have already approved the scheme, worked out in seven months of negotiations between Touche Ross and Abu Dhabi.

Under the plan, Abu Dhabi will inject an initial 1.7 billion US dollar. Together with the proceeds of the bank's liquidation, this would repay 30 per cent to 40 per cent of creditors' losses.

But in return for cash payment, creditors would have to

through preferential tariff

Sarasin said his government

was committed to reducing

virtually all import tariffs to a

maximum of 30 per cent by

January 1993, and to 20 per

to discuss tariff reductions un-

der the Common Effective

Preserential Tariff (CEPT)

tariff reduction scheme.

CEPT is a sector by sector

Diplomats said that busi-

nessmen had been lobbying

their governments for their

products and industries for

exemption from CEPT, which

is due to start by January 1993.

Ministers are also expected

give up legal claims against the

emirate. If a majority of creditors say they are not satisfied with the plan, the Luxembourg court is expected to canvass their opinions and may request changes to the scheme, as the English high court did last month.

Abu Dhabi could agree to changes. But they could just as easily back out of the scheme altogether, leaving creditors with the proceeds from the liquidation alone. If they withdraw, the emirate would face the prospect of legal claims.

"Of course there is a risk that Abu Dhabi will withdraw But they would have to recognise they could be used," said the financial source. "It is all

AFTA is designed counter

fears of being shut out by

larger trading blocs in North

ter. Wong Kan Seng, said trade

arrangements such as AFTA in

in negotiations under the Gen

eral Agreement on Tariffs and

Trade (GATT) would have an

adverse effect on the multilat

rangements like AFTA ... are

more than means to increase

trade and investment. They are

also insurance policies, "Wong

"It reminds us that ar

cral trading system.

sure against disruptions in

He said that lengthy delays

Singapore's Foreign Minis

America western Europe.

global trade.

still a matter of negotiation.

But legal action against Abu Dhabi would be long, costly and, according to the liquidators, not nearly as attractive as taking the certainty of 30-40 per cent already on the table. The English High Court

judge said accepting the scheme was "prudent and sen sible" when he approved the plan last month. Creditors, recalling Abu

Dhabi's post pledges of financial support for BCCI, have urged Touche Ross to press the emirate for better compensation terms.

A spokesman for Touche Ross said the firm could not comment on the implications of the Luxembourg court ruling until it had studied a written account of the decision.

Shanghai opens first private

HONG KONG, July 22 Shanghai has its first privately funded school since the Communists took over China in Kong China news service said

The New Century Middle and Primary School, funded by the private sector, is the first institution to break past the state-controlled of the educational system in China's biggest

It said the school is open to students from anywhere in the country, but would still be subject to supervision by the state education board.

school

1949, a semi-official Hong Wednesday, reports AFP.

city, the agency said.

Sweet new home for

Russian

scientists

MEXICO CITY, July 22 Some 100 Russian scientists have come to work in Mexico because salaries are higher than what they earn back home, National Council of Science and Technol ogy Director Fausto Alzati said Tuesday, reports AFP.

"The low wages in Russia have made it possible (for Mexico) to import scientists," Alzati told journalists. The 100 Russians took up an invitation from the Council and could stay indefinitely "if they find that the conditions will allow them to conduct their research and to develop professionally," he said.

He also said only 250 of 900 Mexican scientists working abroad, had returned as a result of a "repatriation fund" created three years ago to lure them

Share prices drop in

The Dow Jones average of 30 industrials dropped 28.64 points to 3,303.00, following a drop of 29.99 point on Fri-

Brokers said traders seemed to be disappointed that the market had failed to react positively on the withdrawal of Ross Perot from the presidential race last week.

Analysts pointed out that even small disappointments in corporate earnings re-

Miyazawa to survive despite party's setback

TOKYO, July 22: A ruling party setback in Sunday's Japanese national elections would hammer the stock market, pull down the yen and seriously disrupt economic policy but Prime Minister Kiichi Miyazawa would survive, reports Reuter.

That is the view of economists, brokers and dealers surveyed by Reuters on the worst-case scenario for the Conservative, pro-business Liberal Democratic Party (LDP).

Most leaders of the LDP. which has ruled since 1955. are confident the party will achieve its target of winning over half of the 127 scats at stake in the partial upper house elections.

Such a result would satisfy honour though do little to help the party regain the majority in the 252-seat chamber it lost in 1989. However, its grip on national power is guaranteed by its control of the more powerful lower house. A total of 42 Tokyo

cconomists, brokers and dealers responded to the Reuter survey this week, which proposed three possible outcomes for the vote. Most agreed that, whatever

the result, Miyazawa's position was secure because there were no other valid candidates within the LDP to take his place.

More than 80 percent believed a ruling party score of around its 64-seat target would have only a neutral impact on the economy and the markets

while 57 per cent felt an unlikely LDP landslide of 72 seats or more would boost the econ-

Few would expect any major changes in economic policy. But a ruling party score of fewer than 60 seats would set

alarm bells ringing. Sixty-nine per cent of respondents said such a result would have a negative effect on the economy and cause the stock market to fall significantly. Seventy-one per cent believed it would seriously hinder the LDP's ability to im-

These figures were similar to the results of Reuter survey carried out at the end of June.

in the effect of a worst-case scenario on the yen and on

spondents said they thought an LDP showing of fewer than 60 seats would cause the Japanese currency to fall significantly, against 70 per cent who gave a similar answer three weeks ago. Thirty-three per cent, up from 25 per cent/last month, said it would leave the yen little changed.

Respondents said the yen's movements at present were affected less by domestic factors than by overseas develop-

been moved by domestic fun-

About 30m unemployed in OECD states the OECD's education, em-

in South East Asia

ASEAN for tariff cut to maintain economy

agreements.

cent by 1994.

scheme.

PARIS, July 22; Unemployment in the world's richest countries will approach 30 million in 1992 and a pick-up in economic growth will not be enough on its own to deliver a significant drop, the OECD said on Wednesday, reports Reuter.

The Organisation for Economic Cooperation and Development, a think-tank of 24 rich industrial countries, said in an annual report that unemployment across its member nations would average 29.9 million in 1992, up from 27.9 million in 1991.

It forecasts average economic growth next year of three per cent, which would barely dent unemployment. The jobless total would fall by only half a million to 29.4 million in 1993.

In 1983, when the OECD published its first employment report, the total was 31 million. A fall to 24.5 million in 1990 after a period of sustained economic growth was all but reversed in the current Tom Alexander, director of

ABU DHABI, July 22: Arab

businessmen are looking at

South East Asia as a key mar-

ket for their investment but

lack of information about out-

lets is obstructing their plans,

a Singapore official said on

Chairman of the Singapore-

(ABC), said his office planned

expansions to provide feasibil-

ity studies and information

about investment opportunities

looking towards Asia as a long-

term strategy to diversify

their trade and investment

markets," he told AFP during a

visit to the United Arab

vestors realise the importance

of the Far East and the Pacific

Asian nations in providing

technology, developing local

"It is time that Arab in-

"Arab businessmen are now

based Arab Business Centre

Zaher Mohammed Zaher,

Tuesday, reports AFP.

to Arabs.

Emirates (UAE).

ployment, labour and social affairs section, said unemployment was now at the top of the political agenda.

But a solution to the kind of structural unemployment that exists in the developed world required more than faster growth and short-term political gestures, he told a news conference.

Since policy-makers had to juggle with sometimes contradictory aims, Alexander put more faith in structural reforms to labour markets than in a revival of growth. "Structural unemployment

won't go away," he said. Restructuring the labour market, especially stepping up efforts to match workers to jobs with training, if necessary, is more important than growth

in the long term, Alexander

will certainly be in some ways

attenuated by growth but it

"None of these (measures) are going to be a banner headtogether they would produce ment and the economic policy courses.

industries, and breaking the

technological monopoly by

ago by the Singapore-based

Watan-Asia publications and

the Singapore Manufacturers

Association and is now a mem-

ber of the government-run

White House Consortium

and investment cooperation

between South East Asia and

the 21 Arab countries, accord-

ing to Zaher, who said the

centre planned to open offices

in Abu Dhabi and Dubai to

promote investment and trade

links between the oil-rich Gulf

Japan, China, Singapore and

other Asian countries want to

do business in the Middle East

but they do not know where to

start. The offices will help

them establish business con-

"Many businessmen from

and South East Asia.

Its aim is to boost economic

group.

ABC was set up several years

The OECD is particularly concerned that the skills of people aged 55 or more were wasted because they were being forced into early retirement. Incentives to leave jobs early ought to be reviewed and phased retirement encouraged, it says.

It also wants economic policy to take more account of social factors now that inflation has been tamed.

"One of the themes of our social policy ministerial meeting will be looking at social policy as an investment in the economy...as an important tool of governments in their policy-making, not simply a remedial tool that is called upon to fix the problems that have arisen," Alexander said.

OECD social affairs ministers are due to meet in December.

Alexander's directorate was mandated by OECD governments at the top-level ministerial meeting in June to look at*

tacts in the region."

and Malaysia.

He said Arab investments

abroad, mostly real estate and

stocks, were estimated at 480

billion dollar by the end of

1991, of which around 16 per

cent are based in South East

Asia, particularly Singapore

Guangdong's GDP

up by 13 pc

Gross Domestic Product

(GDP) of China's richest

province, Guangdong, rose

13 per cent during the first

half of this year compared to

the same period in 1991,

Xinhua news agency said

Tuesday. For all of last year,

the GDP of the province bor-

dering Hong Kong was 168.9

billion yuan (31.3 billion

dollar), reports AFP.

BEIJING, July 22: The

mix appropriate to tackle it. The report is due early next

One of the tasks we have set ourselves is to try and encourage, governments "to see policy-making as a holistic process," Alexander said.

The OECD has been pushing hard for active labour market policies - asking governments to retrain the unemployed rather than just dole out benefits - and also wants national education curricula to reflect the needs of industry more closely.

One bright spot in the report is a growth in self-employment. Since 1979 after a long-term decline until the 1970s, by 1990, — one in eight of the non-farm workforce was self-employed.

This turnaround might partly reflect labour market rigidities but the OECD said governments should seek to nurture a revival in the entrepreneurial spirit by giving the self-employed better acline tomorrow," he said. But the causes of high unemploy- cess to finance and training Information gap hinders Arab investment

The investments are con-

centrated in the United States

and other western countries

and most of them are owned

by the six Gulf Cooperation

Council (GCC) states of Saudi

Arabia, Bahrain, Kuwait, Qatar,

switching to Asia and other

markets after two major crises

in world stock markets and

Britain's decision to lower a

Kuwaiti stake in British

petroleum. According to

bankers here, Gulf investors

lost around 25 billion dollar in

the 1987 world stock market

weak investment links, Japan

and its Asian neighbours are

major economic partners of

the GCC. Gulf's trade with

Japan alone stood at around 33

billion dollar last year while

that with Singapore exceeded

two billion dollar.

Despite their relatively

There have been calls for

Oman and the UAE.

New York

NEW YORK, July 22: Stock prices in the New York stock market dropped for the second straight session due to investors' worries about corporate earnings and political uncertainties, reports Xinhua.

Declining issues outnumbered advances by about nine to five on the New York stock exchange, with 603 up, 1,123 down and 569 unchanged.

ports have frequently touched off sharp declines

WASHINGTON: Federal Reserve Chairman Alan Greenspan delivers his semiannual report on the US economy before a July 21 Senate committee hearing. - AFP photo

US House votes to deny China MFN status

WASHINGTON, July 22: The House of Representatives voted on Tuesday to deny China Most Favoured Nation trading status, overturning President George Bush one-year extension of preferential trade treatment for Beijing, reports Reuter.

The bill, which passed by a 258-135 vote, faces a threatened veto. Lawmakers are unlikely to muster the two-thirds majority needed in both houses to override Bush.

Every year since 1980, China has received the socalled MFN status granted to most US trading partners. Bush says continued contact is the best way of changing Chinese policy and encouraging improvement in its human rights record.

The vote came hours after Bao Tong, the most senior official arrested in connection with China's 1989 pro-democracy protests, was sentenced to nine years in prison, his

family told reporters in the Chinese capital.

The former aide to disgraced Communist Party General Secretary Zhao Ziyang was arrested in 1989, one month before student-led protests were crushed with troops and tanks around Beijing's Tianamen square with heavy loss of

"We're going to embrace communism in China,.. we're going to recognise a country that has human rights abuses,' said representative Douglas Applegate, Democrat of Ohio. "To continue this economic hypocrisy is cruel."

Opponents of granting China the MFN status cite the Tianamen massacre as clear evidence of Beijing's abusive

human rights record. They also say the Communist country runs a massive trade surplus with the United Sates, which is expected to

near 20 billion dollar this year. But last month Bush said he would again renew Beijing's preserential trade status through next July, aiming to draw it into the realm of

friendly nations with economic contact. MFN status permits goods to enter the United States at the lowest tariff rate available. The so-called "disapproval" bill is not expected to survive a

Senate vote. Representatives were due to vote later on Tuesday on a narrower bill that would let China's MFN status run through July 1993 but then impose restrictions on its re-

The bill - also opposed by Bush - would bar the Prestdent from renewing China's MFN status unless he can verify that China has made "overall significant progress" in human rights, trade and weapons nonproliferation.

if the conditions are not met, MFN status would be denied for goods made by stateowned enterprises. Private Chinese companies would not be affected by the conditions under the bill,

Women workers victim of sex-discrimination in Japan women graduates will be hard-Bankers Associations of Japan. nomic boom, the industry is

TOKYO, July 22: This country's weak economy has dealt an especially painful blow to Japanese women and set back their search for equality in the workplace: Many Japanese employers, looking to trim payrolls, are eliminating the jobs of female employees first,

reports AP. The trend shows that despite some recent advances in their working conditions, women continue to play a subordinate role and are more vulnerable when economic good times turn sour.

"Most companies don't consider their female employees as important as their male ones, so they feel they can cut them first," said Masaomi Kaneko, a labour consultant with the Tokyo city govern-

Take Japan's beleaguered brokerages. One of the sectors hardest-hit by the collapse of the 1980s speculative eco-

desperately trimming its ranks, which grew by 60 per cent from 1985 to 1991.

Over a nine-month period ending in March, the industry's workforce shrank by 10 per cent, or 16,000 workers, of which three-quarters were female, according to the Secu rities Dealers' Association of

Since firings and layoffs are still taboo under the tradition of lifetime employment, the companies made the reductions through attrition.

Nomura Securities, the world's largest brokerage, plans to reduce another 2,000 jobs — one-sixth of its work force - primarily by not filling secretarial-type jobs held by women. Nomura spokeswoman

Tomoko Aikawa said it was

easier to focus on reducing the

number of women since many

stay with the company only for

a few years until they get mar-

Targeting women in campaigns to trim work forces is of 1973, many female parttime labourers were cut, serving as a kind of "shock absorber," said Konosuke Odaka, Professor of Economics at Hitostubashi University.

Other industries also plan hiring cutbacks.

Toyota Motor Co, for one, plans to hire 23 per cent fewer women overall next year, but 10 per cent fewer men, said a company official speaking on condition of anonymity. He said Toyota increased its number of women workers by about 900 during the boom years of 1988-90 and now needed to cut back due to the slowdown in the auto industry. Meanwhile, Japanese banks

plan to reduce hiring next

spring and women are likely to

according to the Federation of

be more affected than men,

Clerical and customer-related work that most female bank employees handle has declined not new. During the oil crisis along with the number of cus-"This year, as is characteris-

tic of recession years, females are having a very hard time finding jobs," said Yoko Sano, a labour economist at Keio University. "Even in my own seminar, the female students are having a much harder time than the men." "It's not just the companies.

Japanese society as a whole accepts the practice of treating men and women differently," Sano said. Although the government passed an equal opportunity

and does not set penalties for discrimination. "Equality is only on the surface," said Yoshio Higuchi, professor of business at Keio University. "In a bad year, I think

est hit. It shows that the antidiscrimination law doesn't more likely to scale back hir-

prestigious small

ing of women than the less

medium-sized firms, which have borne the brunt of a prolonged national labour short-"Women will still be able to get jobs this year, but they may

have to compromise by going to the smaller companies" that offer less pay and security, said Kenji Kiuchi, head of job placement at Meiji University. Sano said structural factors such as office automation and

an increasing demand for employment act in 1986, crithighly trained workers with ics argue that the law is vague long experience also are forcing women out of large com-

Other factors are more deeply entrenched. Only onequarter of Japanese college

graduates are female, compared to one-half in the United States.

Many Japanese women Some say big companies are continue to accept the role of housemaker and mother that society encourages, a trend unlikely to change soon because of the lack of adequate child care facilities. The emphasis on harmony

> and lack of formal mechanisms to complain about management also has prevented women from agitating for better conditions and pay. A Labour Ministry survey indicated the average man makes about twothirds more than woman.

Sexual harassment is one area in which awareness of women's issues is beginning to bud. In April, a woman won damages in the first successful sexual harassment case in Japan. She argued that she was fired after complaining that her boss spread rumours that she was promiscuous.

plement economic policy.

The two samplings differed

Miyazawa's personal position. Just over 57 per cent of re-

Recently, the Tokyo for-

eign exchange market has not damentals," a dealer at Sakura Bank said.