

**BRIEFS**

**Bank of Japan to cut discount rate**

TOKYO, July 26: The Bank of Japan plans to cut its official discount rate by half a percentage point to 3.25 per cent in the coming week, central bank sources were quoted as saying over the weekend. The news, carried by all major Japanese newspapers in their evening editions Saturday, came only hours before an upper-house election. Prime Minister Kiichi Miyazawa's first test of public confidence since his appointment in November, reports AFP.

**Hong Kong dollar to remain pegged**

HONG KONG, July 26: Hong Kong's pegged exchange rate system is unlikely to change in the run-up to 1997, economists say, despite its heavy economic cost and their calls for other options. Fears of endless financial speculation and fresh controversy with China following any change have made the Hong Kong government reluctant to modify the fixed peg of 7.80 Hong Kong dollar to one US dollar established in 1883, reports AFP.

**Genetic engineering lab in China**

SHANGHAI, July 26: Construction of China's first laboratory devoted to researching engineering technology related to embryonic development and reproduction began recently in Shanghai, China's largest city. A major task of the lab will be to establish an embryo storage facility to increase the artificial production of embryos and enhance the development of animal husbandry, reports Xinhua.

**Cyclone dryer in China**

SHENYANG, July 26: A new type of industrial dryer to handle materials with high viscosity has been created in Tieling city, Liaoning province, and approved by Chinese experts. The cyclone dryer was designed by the Tieling Jingong machinery plant and the Dalian science and technology university for use in the chemical, pharmaceutical and dyeing industries, reports Xinhua.

**Shareholders of SIA win first hurdle**

SINGAPORE, July 26: Minority shareholders of Singapore Airlines (SIA) won the first hurdle in a battle for a bonus issue from the national carrier at its Annual General Meeting (AGM) Saturday. The airlines' shareholders voted in favour of a one-for-one bonus issue following a tussle which first began a year ago. But SIA Chairman, Joe Pilly announced soon after the voting that the decision was not final and would have to be ratified at an extra-ordinary general meeting, reports AFP.

**\$ 55,000 bid for lucky number plate**

BEIJING, July 26: A Shanghai property mogul bid 55,455 dollars—about 160 times the annual wage of a Chinese worker—for a lucky car number plate at a hotly-contested auction in the Chinese city. Bidding started at just 9,000 dollars for plate number "20518", which pronounced in Chinese sounds similar to "I will become wealthy." SU Yaopeng said he thought that "being the first one to succeed in bidding will bring him good luck," the China daily newspaper reported today, says Reuter.

**Drilling completed at Sumatran oil well**

JAKARTA, July 26: The Indonesian state oil company Pertamina and its partners Canada Northwest Energy Ltd and Bow Valley Industries Ltd, have completed drilling at the GRH-2 well in South Sumatra, Pertamina said here Saturday. The Joint Operating Body (JOB) of the three firms has concluded drilling at the GRH-2 well which yielded 2,545 barrels of oil per day (BPD), and 8,11,000 cubic feet of gas per day (CFPD), a Pertamina statement said, reports AFP.

**Malay newspaper group's profit up**

KUALA LUMPUR, July 26: The New Straits Times (Malaysia) BHD (NSTP), Malaysia's largest newspaper group, Friday reported a 10.9 per cent rise in pre-tax profits to 65.9 million Malaysian dollar (26.4 million US) for the nine months to May 31. The group's turnover rose 16.1 per cent to 275 million Malaysian (110 million US), NSTP said in a statement. The company recorded profits of 59.40 million Malaysian dollar (23.8 million US) in the same period last year, reports AFP.

**Iraq unlikely to become oil power again with Saddam at the helm**

AMSTERDAM, in the 19 months since its devastating defeat at the hands of the UN sponsored coalition, it has restored most of its oil production capacity and has initiated discussions that could see oil majors securing production-sharing agreements in a country once in the vanguard of international oil politics.

Iraq is certain to again become a major force in international oil politics. But experts question whether the international community will allow that to occur while President Saddam Hussein remains in power.

Faced with UN economic sanctions, Iraq is limited in what it can do on its own. Last November, Iraqi Oil Minister Osama Abdel Razzak Al-hithi accused the West of using the sanctions to prevent Iraq's return to the international oil market.

"I think for some reason or another they are trying to stop us from getting back onto the oil market and giving [Iraq's oil market share] to countries such as Saudi Arabia to pump as much as they want," said Al-hithi.

Despite the Iraqi allegations, the United Nations has indicated a greater degree of flexibility toward Iraq than is

publicly perceived. For the past 13 months, the UN has been seeking to effect and agreement to permit a limited resumption of Iraqi crude exports.

But Iraq has refused to endorse the UN's precondition that receipts would be primarily used for two purposes: 30 per cent toward reparations to Kuwait and other countries damaged by Iraq's military adventurism and the remainder for relief supplies, primarily food.

Although the UN has proposed an initial 1.5 billion dollar allowance for the value of crude to be sold over a six-month period, Baghdad is holding out for a total of 2.6 billion dollar. Significantly, senior UN officials recently spoke of plans to permit 2.6 billion dollar in exports.

Despite Iraqi obstinence in negotiations with the UN, some Pentagon officials indicate Iraqi allegations are not totally unfounded.

These officials say much of the destruction wrought by Allied bombers during last year's Gulf War was engineered to secure post-war leverage over Iraq. The Pentagon planners add that the Allied forces intended to damage key facilities so they

could only be repaired with foreign assistance.

In his comments, Al-hithi also noted Iraq would need foreign currency to import spare parts for machinery and chemicals to sustain a 1.5 million-barrel oil output—a level he believes the UN will allow.

Claiming that Iraq—sitting on the world's second largest oil reserves—has patched up its production facilities capable of producing 3.1 million barrels of oil a day, Al-hithi argued that his country is entitled to have higher production levels.

In a bid to increase its crude oil capacity by almost a million barrels a day by the end of 1993, Iraqi officials have been offering favourable terms to foreign companies. Talks with various Western companies are believed to be underway.

Burdened with financial problems and in need of industrial regeneration, Iraq hopes to surpass arch-rival Iran with a current OPEC quota of four million barrels a day—a policy that could dampen oil prices.

Production-sharing would help Iraq by putting pressure on oil companies to find secure outlets for the extra crude it hopes to produce. But Iraqi efforts to position itself

in the market remain hampered not only by the UN embargo but also the lack of export facilities.

About half of the UN permitted exports are likely to be transported through Mina-al-Bakr, Iraq's main gulf terminal, which Baghdad says has now been repaired. The rest would have to come out through either the pipeline across Turkey or the across Saudi Arabia.

The line to the Turkish Mediterranean port of Dorytol runs through Kurdish-controlled parts of Iraq while the Saudis have said they will not cooperate until Saddam has been removed from power, a view shared by the United States.

By late 1993, Kuwait is expected to be producing at levels prior to the Iraqi invasion. In addition, Saudi Arabia, the United Arab Emirates, Iran and Nigeria are likely to substantially increase their production.

Although falling oil revenues are believed to have played a key role in persuading Iraq to overrun Kuwait, it may well see its oil revenues even more threatened in the future as competition between OPEC countries for market share intensifies.

**Russian Adviser blames policies for rouble drop**

MOSCOW, July 26: National banks in other former Soviet republics, applying out-of-control credit policies, are responsible for this week's sudden drop of the rouble exchange rate, an economic adviser to the Russian government said on Friday, reports AFP.

Alexei Ulyukayev told a news conference that the Russian central bank was forced to stop intervening on currency markets this week because of "chaotic relations with our partners who use the rouble."

The rouble reached its lowest exchange rate since April this week during trading at the Moscow interbank currency exchange.

The Russian currency dropped to 155.7 on Thursday, down from 151.1 on Tuesday and 135.4 last week, after the new acting president of the central bank said 500 million dollar had been "wasted" during the past six months on hard-currency injections to prop up the rouble.

Ulyukayev said Russia would press other republics into entering into agreements that would force them to apply restrictive credit policies aimed at curbing inflation.

Russia signed agreements on withdrawal of rouble in Estonia and Latvia, which have

already introduced their own currencies, and with Ukraine, which also plans to do so.

The economic adviser said Belarus, which decided to remain inside the so-called "rouble zone," agreed to abide by the Russian central bank's rules on limiting credit.

But Ulyukayev said further monetary discipline in the rouble-zone is needed to curb inflation and bring the rouble closer to convertibility.

The Russian government hopes to bring inflation down to six per cent by the end of 1992 from its present 15 per cent. "With inflation at 15 per cent, we cannot support the rouble at a fixed exchange rate," Ulyukayev said.

The economic adviser said the appointment of Viktor Geraschenko as new acting president of the central bank "does not mean there will be differences of opinion between the central bank and the government."

"On the contrary, I think there will be ground for closer cooperation," he added.

**Japan may resume aid to Vietnam**

TOKYO, July 26: Japan is expected to resume its Official Development Assistance (ODA) to Vietnam in September, suspended since Vietnam invaded Cambodia in 1979, Kyodo news agency said on Saturday, reports Reuter.

Kyodo quoted government officials as saying early resumption of economic aid to Vietnam would contribute much to peace and stability in Indochina.

An official of the foreign ministry was quoted as saying improvements in the relationships between the United States and Vietnam were taken into account in deciding on the move.

Government officials were unavailable to confirm the report.

In January, Tokyo sent a government mission to Vietnam to discuss Vietnam's 20 billion yen (dollar 156 million) debt to Japan following Hanof's call of reopening full economic assistance.

Japan last extended 10 billion yen loans and four billion yen in grants to Vietnam in fiscal 1978.

The resumption of Japan's economic assistance will begin with yen commodity loans, which are used for purchases mainly of parts used for assembling goods, the officials were quoted as saying.



An expectant mother relaxes following an ultrasound scan. On the computer screens is a clear 3-D image of her unborn baby, showing its growth and progress. A ten-strong team of radiologists and medical physicists at two London hospitals have developed a unique data-handling system which allows 3-D construction of a foetus even at the very earliest stages of a pregnancy.

**Though US blacks gain, disparity remain high**

WASHINGTON, July 26: Black's income grew during the 1980s, but they still fell well below Americans in general, new Census figures show. Asian Americans had the highest median income of any group, reports AP.

A set of minority economic profiles released Friday by the Census Bureau shows black households had a median income of 19,758 dollar at the time of the 1990 census, up 84 per cent from 1980.

During the same period white median household incomes climbed at a slower rate—68 per cent—to 31,435 dollar.

The report concentrating on minorities showed Asian households had the top overall incomes at 36,784, dollar and the figure for American Indian households was 20,025 dollar.

Median incomes of all His-panic households climbed 77 per cent during the decade to 24,156 dollar in 1990, the report showed.

And the median income figure for all households was 30,056 dollar a 75 per cent rise over 10 years. Median income means half of all households brought in more than that amount and half less.

The profiles also addressed educational attainment and the share of Americans in poverty. Findings included:

— Some 29.5 per cent of blacks were below the poverty level in 1990 compared to just 13.1 per cent of Americans in general. Poverty rates were 9.8 per cent for whites; 30.9 per cent among American Indians, 14.1 per cent for Asians and 25.3 per cent for Hispanics.

— The age group with the highest poverty rate among blacks was children under age five, with 44.0 per cent living in poverty. There was a 33.4 per cent poverty rate for Hispanic children under five and rate for that age group was 17.5 per cent for Asians, 44.4 per cent for American Indians, 13.8 per cent for whites and 20.1 per cent for Americans overall.

— The 1990 Census found that among blacks aged 25 and over, 63.1 per cent had finished high school and 11.4 per cent had completed college. Comparable figures were 77.9 per cent finishing high school and 21.5 per cent college graduates for whites.

Among American Indians, 65.5 per cent had finished high school and 9.3 per cent college. Asians had a 77.5 per cent high school completion rate and 36.6 per cent college rate and among Hispanics, 49.8 per cent had completed high school and 9.2 per cent college.

**UN calls for emergency food aid to Sudan**

NAIROBI (Kenya), July 26: The United Nations on Saturday appealed for emergency food to help 110,000 people in southern Sudan who are threatened with famine because of war, floods and drought, says AP.

In a statement to news organizations in Nairobi, the UN Lifeline Sudan also urged Sudan's government and the rebel Sudan Peoples' Liberation Army to grant aid workers safe passage to the people.

The statement said an estimated 110,000 people are threatened with famine. They are mainly eating wild fruits, the statement said.

It described the latest arrivals as in "poor health" and "visibly malnourished."

Most of the people are scattered south of Yirol, a town held by government forces, 200 kilometers (124 miles) northwest of the regional capital of Juba.

Some of the people were forced to flee west across the White Nile river by Sudan government's offensive against the rebels beginning March.

The rebels took up arms in 1983 to press for increased autonomy for the predominantly Christian and animist south. The Muslim north traditionally dominates the central government.

The rebels control the countryside, but there are no aid workers in the region.

**More German investment in eastern Asia sought**

HAMBURG: Edgar Nordmann, Hamburg import-export merchant and new Chairman of the German Asia-Pacific Business Association (OAV—Ostasien Verein), has called for greater German investment in eastern Asia, reports INP.

In an interview with IN-Press, Nordmann announced that his organisation would expand its promotion efforts to highlight opportunities available in eastern Asian nations, emphasizing in particular the investment incentives available in most of these nations. At the same time, Nordmann, who is also the Malaysian honorary consul for all of northern Germany, described the large export surplus recorded by Asian nations in their trade

with Germany, as "not disturbing" and even "favourable from a development perspective."

The Hamburg-based German Asia-Pacific Business Association, established in 1900, sees itself as broker between the German business community and all Asian regions between India and Japan, an area it sees as the world's most outstanding growth region. The Association currently has upwards of 830 members, primarily companies and institutions, with a sprinkling of prominent figures. All share an interest in commerce or investment in Asia.

In 1991, these Asian nations together registered a whopping surplus of about

40,000 million German Mark in their trade with Germany, twice the sums recorded during the two previous years.

Heading the list of beneficiaries from the German deficit was Japan. But nations such as China, Taiwan, India, and budding developing nations such as Bangladesh and Sri Lanka also contributed to the surplus.

The 52-year-old Edgar Nordmann described the Republic of Korea, Taiwan, and the ASEAN region—especially Malaysia and Thailand, as "particularly promising" among Asia's emerging economies. The Indonesian economy, too, promises to bloom during the next several years.

**EC approves ECU 50m for Jordan's reforms**

BRUSSELS, July 26: The European Commission has given a 50 million ECU grant to help Jordan's economic reforms, reports Reuter.

The money would be used in two equal tranches to help finance the country's balance of payments gap this year and next, a statement said.

Counterpart funds would be used to support employment programmes on water supply, roadworks, education and health.

The commission said the money was dependent on Jordan continuing active reform under the International Monetary Fund and World Bank programme to help develop a more market-oriented economy.

**Reagan may be indicted for Iran-Contra scandal**

WASHINGTON, July 26: The Independent counsel investigating the Iran-Contra scandal will decide within 10 days whether to seek the indictment of former President Ronald Reagan and several of his closest advisers, the Washington Post reported on Sunday, says Reuter.

Lawrence Walsh, in making his decision, will try to determine whether he can prove a conspiracy case based on charges that Reagan and three senior US officials criminally conspired to cover up part of the scandal, according to unidentified sources quoted by the newspaper.

The sources told the post that if Walsh decides to bring a

case it would involve an alleged criminal conspiracy by Reagan and his top aides in November 1986 to hide from investigators the US role in a secret arms-for-hostages shipment by Israel to Iran. The weapons were US-made Hawk anti-aircraft missiles.

The scandal stemmed from a secret scheme run out of the White House in 1985-86 to sell arms to Iran to win the freedom of US hostages in Lebanon. Millions of dollar in profits from the arms sales were sent through secret Swiss Bank accounts to Nicaraguan Contra rebels fighting the leftist Sandinistas government, despite a congressional ban on US military aid.

**Consumerism responsible for environmental damage**

WASHINGTON, July 26: The richest fifth of the world is ruining the planet by consuming too much, says a Worldwatch Institute environmental study that harshly criticises the global spread of shopping malls, writes AP.

The study released Saturday recommends curbs on advertising and longer vacations rather than higher wages in the world's most affluent societies. And it deplores the earnings in poorer countries to adopt the consumer lifestyle.

The study titled "How Much is Enough?" concludes that rampant consumption is responsible for more environmental damage than any cause except rapid population growth.

It says the world's consumer class is responsible for releasing virtually all ozone-depleting chemicals, two-thirds of greenhouse gases and pollutants that cause acid rain and similarly large shares of everything from pesticides to radioactive waste.

Author Alan Durning, in the book-length report, attacked the construction of a giant shopping mall and indoor amusement park in Bloomington, Minn. The complex to be called "The Mall of America" is projected to attract more visitors than Mecca or the Vatican, he said.

"All of the United States seems to be remaking itself in the image of the mall," he said, adding that the boom in consumerism is also taking place in Europe, Japan and other rich countries, with the wealthy class in poor countries following right along.

**Perot claims make budget surplus**

NEW YORK, July 26: Ross Perot's proposal for curing America's economic ills claims it can turn the estimated 340 billion dollar budget gap into an eight billion dollar surplus, according to a report in the new issue of US News and World Report, reports Reuter.

Less than two weeks after the Texas billionaire abruptly quit the presidential race, Perot made available exclusively to the magazine a draconian economic plan that would raise more than 300 billion dollar over five years in new taxes on everything from cigarettes to health insurance.

Perot, according to the magazine, would hike taxes on social security benefits, slash medicare health insurance for the elderly and curb tax deductions on big home mort-

gages. Perot told the magazine his "dynamic" plan would find support among many still-loyal volunteers who would press its basic tenets on his former rivals.

The magazine said the economic package could become an irritant to Republican President George Bush and Arkansas Governor Bill Clinton, the democratic nominee, who have both insisted the budget deficit would gradually shrink as the economy grows.

Perot's economic prescriptions differ sharply. Bush has proposed tax breaks to jumpstart growth and spending controls to reduce, but not eliminate the deficit. Clinton has called for far more public investment to

spur growth and has proposed some new tax breaks—some analysts say his proposals would instead raise the deficit.

Perot, by contrast, contends that the economy can grow in the long run only after a painful process of elimination of the deficit.

Spending cuts proposed by Perot, which would save an estimated 308 billion dollar, include slashing the defence budget by an additional 40 billion dollar, cutting discretionary programmes by 10 per cent, and selected additional cuts.

The Perot "white paper" also proposes that medicare be slashed by 83 billion dollar over a period of five years, with beneficiaries paying higher premiums. Under the plan, farm programmes would also

be cut for wealthy farmers.

Perot proposes, too, that the top federal income tax bracket rise from 31 per cent to 33 per cent, that some employer—provided health insurance benefits be subject to tax, and that social security benefit taxes be increased, the magazine said.

The combined income from these revenues would be more than 300 billion dollar over five years, US News said.

The plan suggests new spending, including increased federal funds devoted to medical research and critical technologies, new aid to cities totalling 12 billion dollar, including tax breaks for enterprise zones, and funds to create national education testing programmes at an estimated cost of 109 million dollar.

**Turkey expects to change Anatolia into fertile**

From Arshad-Uz Zaman Guest Correspondent

ISTANBUL, July 26: The "21st century will be Turkish century", this was stated by President Turgut Ozal, as he pressed the button Barrage.

This gigantic project popularly known in Turkey as GAP, the Southeastern Anatolia Project is the sixth largest in the world. This is an integrated project entirely constructed and financed by Turkey and will take another 15 years to complete.

Turkey expects to change the hard, barren landscape of Southeastern Anatolia into fertile land.

There was an air of festivity as Presidents of Kazakhstan, and Prime Minister of

Kirghistan, Bulgaria, Uzbekistan, Georgia and a large number of foreign dignitaries joined the Turkish President, the Prime Minister and the dignitaries assembled in the 50 degrees scorching heat. The organisers had supplied umbrellas and 2000 balloons, red and white of the Turkish flag covered the sky.

The go ahead of Saturday's festivities was given by Prime Minister Suleyman Demirel, who called upon his people to celebrate this national event. It is worth noting that both President Ozal and Premier Demirel are engineers by profession and during their career have made their contribution.