US, Japan, Russia reach air accord

TOKYO, Aug 4: The United States, Russía and Japan have agreed to work from January on new air routes between Alaska and Japan over the Russian peninsula of Kamchatka, Japan's transport

ministry said today. The move is designed to decongest crowded north Pacific airways between the United States and Japan and to reduce flying time between Tokyo and US cities such as Chicago and New York. The agreement was concluded during talks held in Khabarovsk in East Russia between the airlines officials from the three countries, reports AFP.

Russia to open oil fields to foreigners

MOSCOW, Aug 4: Russia will soon invite foreign investors to tender for rights to develop big new oil deposits found in the Barents Sea off northern Russia, the prospecting company's Chief Geologist said on Monday. Yuri Federovsky, Chief Geologist of Russia's Arctic Sea Oil and Gas prospecting Company, said the new fields were large, although it was too early to estimate the actual size, reports Reuter.

US Senate okays energy security bill

WASHINGTON, Aug 4: In its third attempt in nine months, the Schate finally completed action on a bipartisan national energy security bill designed to reduce the nation's rising dependence on imported oil. The Senate measure, adopted by a 93-3 vote July 30, now goes to a joint conference with the House of Representatives, which approved a similar energy bill by a lopsided 381-37 margin May 27, reports USIS.

India's crude oil output to fall

NEW DELHI, Aug 4: India's crude oil production will fall during the 8th five-year plan (1992-97), according to a data of the Petroleum Ministry available here Monday. The Ministry has projected a total shortfall of 14.66 million tones during the plan period beginning 1992-93. This will mean avoidable imports worth 2,505 million US dollar at a price of 17.06 US dollar per barrel, reports Xinhua.

Belgium to reduce deficit to 5.2 pc

BRUSSELS, Aug 4: The government announced austerity measures on Monday to cut its 1993 budget deficit to 5.2 per cent of Gross National Product, down form 5.7 per cent this year. It unveiled a four year plan to cut the budget deficit to three

per cent of GNP by 1996 to prepare Belgium for entry into the European Community's economic and monetary union. Prime Minister Jean-Luc Teheran said over the next four years the government will, among others, freeze spending on state-owned enterprises, social security and national defence, reports AP.

Senate president question contract

CARACAS, Aug 4: The president of the Senate has questioned the validity of unprecedented contracts signed last week with foreign companies for reactivation of abandoned oilfields. Senate leader Pedro Paris Montesinos, in comments published Monday in all major dailies, said the legislature would review the contracts to determine if they violated article 5 of the 1975 law nationalising exploitation of hydrocarbons, reports AP.

Iraq starts drilling for oil

NICOSIA, Aug 4: Iraqi engineers have started drilling an exploratory well in an oilfield near the border with Syria and Jordan, the staterun Iraqi News Agency said Monday. The agency, monttored in Cyprus, said the Iraqi Drilling Co and the Northern Petroleum Co "have taken the required arrangements to complete drilling and exploratory checks" in the Akas field. It said exploration in the field "could determine discoveries that could change the balance of oil reserves." Iraq already has proven reserves of more than 100 billion barrels, second

only to Saudi Arabia, reports

AIDS poses challenge for developing economies

WASHINGTON, Aug 4: While AIDS raises concern about equal health care benefits and burdens in industrial countries, its strain on national economic structures will be the primary focus in the developing world in the 1990s, according to a State Department report, says USIS.

"It is hard to conceive of a developing country with both a serious AIDS problem and a thriving economy," says the report entitled "The Global AIDS Disaster: Implications for the 1990s.

A developing country may lose foreign investment as companies fear the speared of AIDS to their workers, accord-

TAIPEL, Aug 4 : Taiwan's

Council of Labour Affairs (CLA)

announced today it would allow

the import of 32,000 more

foreign workers to meet the

demand for 68 construction

and manufacturing industries.

told reporters that concession

was aimed at easing an acute

labour shortage stimulate in-

vestment and eradicate illegal

. The 68 sectors included

exporting industries such as

textiles, footwear and home

appliance manufacturing and

backbreaking jobs such as an

imal feather processing, he

Since October 1989, the

BEIJING, Aug 4: One of

China's largest steel-makers

said Tuesday it has govern

ment permission to open sub-

sidiary banks and expand into

the financial services sector.

The Capital Iron and Steel

Co, for decades a showcase

state-owned company, also

said it was being given greater

autonomy from the govern-

ment in making business deci-

sions, such as starting new

This is part of the govern

ment's new drive to free state

companies from heavy-handed

interference by bureaucrats

whose blind pursuit of full em-

MOSCOW, Aug 4: The

Russian Central Bank has sig-

nalled a further slowing of

economic reforms by canceling

debts among state-owned

businesses, a step that critics

say will cause hyperinflation,

a telegram from Central Bank

President Viktor Gerash-

chenko, could force the gov-

ernment to print up to 1.5

to a newspaper report.

trillion new roubles, according

Issuing so much money

would more than double the

650 billion rouble limit set by

the International Monetary

The decision, contained in

reports AP.

reports AP.

foreign labour on the island.

effective immediately, reports

CLA Chairman Chao Shou-Po

ing to the report. Tourism rev enues also fall when countries such as Haiti become associated with the disease.

A developing country's work force loses its strength when "the years of highest economic productivity coincide with the age groups of highest infection rates," and shorter lifespans reduce the payoffs from educational investments.

In addition, most individuals suffering from AIDS in developing countries will receive little health care beyond the home, and many in Africa "die of AIDS without even being tested for HIV." the human immunodeficiency virus that

Taiwan to allow immediate

import of foreign workers

government has allowed local

firms to recruit 15,000 work-

ers from Thailand, the

Philippines, Malaysia and

Indonesia, he said adding that

a company of less than 10

Development and Investment

Council (IDIC) have come up

with a proposal to cut the

amount of capital and revenue

a local or foreign company

here must have before it can

overseas investment the

amount of capital, the number

of job opportunities it gener-

ates for Taiwan nationals and

the extent of its contribution

to the island's economic de-

Drive to free state firms from bureaucracy

China grants greater autonomy

to leading steel-maker

ployment and high output,

without concern for market

needs, has driven many com

about making state companies

more independent for years.

But a set of long-awaited regu-

be given to companies was fi-

nally issued last month, sug-

gesting that this time the pol-

icy may actually be carried out.

cials announced their new

powers at a news conference

in a factory hall dominated by a

large, framed painting of se-

nior leader Deng Xiaoping vis-

Russia to cancel debt among

state-owned enterprises

Fund, which is helping coordi-

nate a 24 billion dollar package

of credit and aid to the former

Soviet republics. The rouble,

worthless on the world mar-

ket, is plummeting in value at

home, dropping to 151 roubles

per dollar from 135 roubles

The new central bank pol-

icy, which according to the

newspaper Komsomolskaya

Pravda has the backing of

Yeltsin's government, appears

to reverse previous efforts to

terprises be self-supporting

and not rely on government

ensure that state-owned en-

per dollar the week before.

iting the company in May.

Capital Iron and Steel offi-

lations detailing the powers to

Chinese leaders have talked

panies into the red.

For firms set up here with

apply to hire foreign workers.

hire foreign workers.

employees is not eligible to

Meanwhile, the Industrial

Developing countries such as Romania are just beginning to understand the HIV virus and to begin prevention pro-

grammes, while countries like Mexico recognise the enormous threat of AIDS, but don't have the resources to fully combat the disease. Cuba's AIDS-control programme is an exception, according to the report, since it

includes nation wide HIV

of those who test positive, and strict control of blood supplies and products. The report points out that industrial countries have ad-

vantages in the AIDS battle in-

velopment will be taken into

consideration when it applies

to hire foreign white-collar

An acute domestic man

power shortage has pressed

many Taiwan enterprises to

China due to the similar lan-

guage and cultural background,

in spite of political differences

service law, local firms or indi-

viduals caught hiring illegal

foreigners will be sentenced to

a jail term of up to three years

or a fine of under 30,.000

Taiwan dollar (12,048 US dol-

eign workers were caught in

Taiwan between December

General Manager Luo Bing

sheng and others frequently

referred to his visit, saying the

87 year old leader had given

his blessing to the company's

But they refused to disclose

reform and expansion plans.

details of what Deng said

adding to the mystery sur

rounding the news coverage of

Deng's recent public appear

News about Deng's trip to

southern China in late January

was suppressed for two

months. That trip has since

gotten heavy publicity, but only

a few publications have ac

visit to Capital Steel.

knowledged Deng's May 22

Authorities have not yet an

But it likely will draw

nounced the exact mechanism

by which debts among state-

owned enterprises will be can

international concern, and

raise more questions about

President Boris Yeltsin's

commitment to market re

The decision comes after a

1990 and June this year.

A total of 45,845 illegal for-

Under the employment

invest abroad, especially in

workers, IDIC officials said.

screening, lifetime quarantine

individual.

makes an anti-AIDS publicity campaign less useful.

cluding financial resources for effective prevention campaigns and lower numbers of individuals with sexually transmitted diseases who are more likely to contract AIDS from sextual contact with an HIV-infected

Higher literacy rates in industrial countries also make publicity campaigns about avoiding HIV infection more effective. In a developing country like India, an average literacy rate of 36 per cent, probably significantly lower for prostitutes and drug users.

"AIDS will affect people in every demographic group" in

Stocks, dollar

finish lower

in Tokyo

prices on the Tokyo Stock

Exchange finished slightly

lower Tuesday in another day

of lacklustre trading, while the

US dollar closed lower against

The 225-issue Nikkei Stock

the Japanese yen, reports AP.

Average lost 16.86 points, or

0.11 per cent, closing the day

at 15,692.59 points. The aver-

per cent on Monday.

the previous day.

Reuter

age fell 200.83 points or 1.26

Volume was a thin 150 mil-

lion shares, only slightly up

from Monday's 121 million

Index of all issues listed on the

first section dropped 7.27

points, or 0.60 per cent, to

,200.17. The TOPIX shed

11.81 points, or 0.97 per cent,

sence of incentives either to

buy or to sell kept trading

Iran's non-oil

exports rise

ported non-oil items worth

752 million dollar in the four

months to July 22, a rise of 23

per cent over the similar pe-

riod last year, the Iranian news

agency IRNA said, reports

A customs report quoted by

IRNA showed little change in

the export list, topped by

handwoven carpets, pistachio

Crude oil exports account

for more than 90 per cent of

Iran's hard currency earnings.

Devaluation of

Pak rupee urged

to facilitate

textile export

textile mills urged the gov-

ernment to devalue the rupee

to compete in the world cot-

ton varn market, facing a re-

the dollar should be adjusted

lower by up to five per cent,

Mian Tariq Sayeed Saigol,

Chairman of all Pakistan Tex-

tile Mills Association (PTMA)

He said the mills planned

once-a-week closures to fight

the glut, because the recent

cut in yarn export duty by 66

per cent did not help the

The rupee's value against

cession, reports Reuter.

told reporters.

dustry.

KARACHI, Aug 4: Pakistani

nuts, clothes and hides.

NICOSIA, Aug 4 : Iran ex-

Stock traders said an ab-

The Tokyo Stock Price

shares, the low for this year.

TOKYO, Aug 4 : Share

industrial countries, "but it will remain predominantly a disease of the poor, who are prone to riskier behaviour regarding drugs and sex and have less access to preventive and therapeutic care," the report says.

Any drug developed to prevent or treat the AIDS virus would take several years to test and at least a decade for the pandemic to "wind down." Even if such a drug were developed, only industrial countries could afford it, says the

In addition, various possible strains of HIV may require different vaccines for

different parts of the world.

In the meantime, donor countries must decide how to distribute resources for AIDS prevention in the 1990s since "anti-AIDS programmes are most effective when started early in an epidemic, but most of the money now goes to countries where the disease is already well entrenched." They also must consider how to help low-income AIDSstricken countries fulfill development objectives.

The United States now spends about 65 million dollar a year on AIDS programmes, primarily in Africa, but also in South America and Asia.

World trade accord not far off, predicts Dunkel

MONTEVIDEO, Aug 4: D1rector General of the General Agreement on Tariffs and Trade (GATT) Arthur Dunkel said he thought agreement on the current round of negotiations for a new world trade order were not far off, reports

In my opinion the differ ences are increasingly smaller and an agreement is not far away' he told journalists during brief trip to Uruguay, where the current round started in 1986, Dunkel called on all participating countries to make a joint effort so that this great step can by taken'

The main stalling point of the talks has been the European Community farm subsi-

The cairns group of farm produce exporting countries. supported by the US have called for a substantial change in EC policies which they say depress world commodity

"The market will decide if an agreement means a rise in prices but it is obvious that the more subsidies are reduced the better chance big countries will have to raise their prices", said Dunkel.

However he warned that some countries would suffer in the competitivity which would emerge after an agreement.

Those who are not fit, capable could have difficulties he added

'Congress responsible for sluggish US economy'

WASHINGTON, Aug 4 Richard Darman, director of the Office of Management and Budget, has singled out Congress as the main party re sponsible for the nation's sluggish economy, reports USIS.

Congressional Democrats. for their part, complained that the midyear economic forecast recently released by the Bush administration amounts to a partisan election-year document that offers no hope of the cooperative action necessary to get the economy moving.

Darman appeared July 28 before both the House and Senate budget committees to discuss the midyear forecast released five days earlier.

Darman cited four causes for what he termed "the unacceptable sluggish growth in the Bush period to date." And he asserted that three of them - a persistent credit shortage, Iraqi leader Saddam Hussein's invasion of Kuwait, and improper policies by the Federal Reserve that slowed money growth - had now been responsibly addressed to a significant extent."

The biggest problem, he contended, is Congress' consistent failure "to enact the president's economic growth and spending control proposals." Darman charged that "congressional inaction has made the deficit very much worse than it would have been had the president's programme been cnacted."

Malaysia plans trading in palm oil futures

KUALA LUMPUR, Aug 4: Malaysia's sole commodity exchange is planing to launch in October a new contract for trading in palm kernel oil futures, hoping to attract more foreign participation on its pit, officials said Monday, reports

The Kuala Lumpur Commodity Exchange (KLCE)'s chief executive, Syed Abdul Jabbar Shahabuddin, said the exchange was confident of support from foreign traders, particularly from Indonesia and Singapore "because it will be the only such contract for trading in lauric oils in the re-

formal approvals from the Commodities Trading Ministry of Primary Industries," Jabbar told reporters.

Commission (CTC) and the

The KLCE has proposed a contract size of 15 tonnes and a speculative position limit of 200 contracts net long or short for any delivery month or all delivery mounts combined,

Each single floor transaction would be restricted to 20 lots, he said.

"We has intended to introduced this new contract some time ago but it was then felt

promotional tour to Medan and held talks with local traders.

fierce debate over many mills. "We plan to cut production up to 28 per cent." that the volume was not suffimonths in which the legisla-He said the association ture balked at passing a law on cient to make it viable," Jabbar bankruptcy, bank officials would submit a "package of dragged their heels in report-"We are only waiting for survival" to the government to The KLCE had gone on a ing the debts of individual ease crisis in the spinning in-

HAIKOU, (China): Yangpu is Jianfeng.

special in many ways. In a corner of Hainan Is- the fact that the government land, off Southeast China. Yangpu is the centrepiece of a tional port and market. That grand scheme to create several will exert a good influence Hong Kongs along the coast in over the entire country," he the next 20 years. Hainan Island is China's

largest Special Economic Zone to benefit most. If all goes well, where foreign businesses have been given a wide range of preferences. And if few had even heard of Yangpu five years ago, it is a household word to-

of a giant Japanese construction company of the same name, plans to invest 18 billion HK dollar (US 2.3 billion dollar) within 15 years for infrastructure development, power and water supply, roads, drainage and telecommunica-

As early as 1988, Kumagai Gumi (HK) signed a letter of intent on land lease in Yangpu. It built an office here in Haikou, capital of Hainan province, about 190 kilometres from Yangpu. Formal negotiations between the government and the Japanese company are underway.

If a deal is clinched soon with Kumagai Gumi (HK) or anybody else - large-scale construction will start within this year, says Governor Liu

subsidies.

"Yangpu's significance is in will administer a truly interna

Hainan Island is expected Yangpu will someday benefit the province the way Hong Kong has been doing for Guangdong province.

Nature has endowed Yangpu with superb conditions for de-Already, Kumagai Gumi velopment into a free port of (Hong Kong) Ltd, a subsidiary international stature. As a peninsula on the northwestern part of Hainan Island, the 350square-kilometre Yangpu has 110 kilometres of coastline on three sides, ideal for building deep-water wharves.

This is especially so for its southern coast, which faces two bays and is shielded from wind by the tapering peninsula itself jutting out into the sea at an oblique angle. Yangpu is all flat land, just

several metres above sea level. Dry and with almost no topsoil above volcanic rock, the place is overgrown with cacti, with almost no farming in sight. Of the area's population of 26,000, most live in a lishing village called Ganchong, located at the tip of the penin-

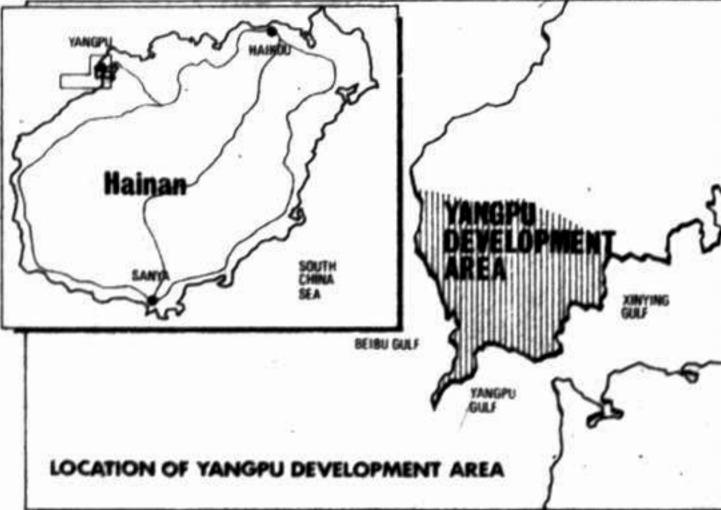
"These are all good condi-

tions for industrial development," says Li Xingjiu, a senior provincial government's Yangpu Development Office. The cost of infrastructure on the flat, solid land will be low. So will the construction of deep-water berths along the coast. Also, relocation of peo-

businesses, and factories-

The YDA is special in the way it is to be developed. engineer working for the Elsewhere, the Chinese side usually develops land first before leasing tracts to foreigners for the establishment of businesses. In Yangpu, land development itself is to be financed almost entirely by a foreign contractor, or contracple will be less of a problem tors. than elsewhere in China." Perhaps the most attractive

Yangpu — centrepiece of a grand scheme for mini-Hong Kongs



Under the Yangpu Development Plan approved by the central government, development will be concentrated on the 30-square-kilometre tip of the peninsular called the Yangpu Development Area

lure for developers is that they can lease large tracts of land for up to 70 years.

It is this very attraction that has delayed the project's launch. Some people, drawing a parallel with foreign concessions in semi-colonial China,

were opposed to the idea of long-term land leases for foreigners. The government worked for a consensus rather than rushing things.

On an inspection tour of

Hainan in May 1990, Jiang Zemin, the General Secretary of the Chinese Communist Party, pushed for the Yangpu project by saying, "introduction of foreign capital for developing large tracts of land is a purely commercial activity and will not compromise Chinese sovereignty over the land in question."

Chinese senior leader Deng Xiaoping, on his tour of Southern China early this year, called repeatedly for bolder steps toward "door opening."

Meanwhile, rapid eco nomic growth in coastal China has all but dissipated reservations about Yangpu-type projects. The national consensus led to the final approval of the Yangpu Development Plan by the State Council in March.

Yangpu will be developed into an export-oriented industrial district based on advanced technology. Foreign businesses are encouraged to develop land in the zone individually or in groups.

Both Chinese and foreign businesses are welcome to invest in industrial projects

there. Foreign businesses are encouraged to engage in international trade, export-ori ented processing, storage, transport, transit trade, banking, real estate etc.

Business transactions with the rest of China will be regarded as import-export trade. Land-use right in the YDA may be transferred, leased, mortgaged, inherited or used as investment input. The YDA will have full autonomy in management funds, raw materials, energy and with markets; and before the year 2000, a total of 29 berths able to accommodate ships of more than 10,000 dwt will be built along the zone's coast. Their combined cargo-handling capacity will reach 28.5 million tons a year. In a word, Yangpu will be developed into an international free port.

Even as the "sovereignty" debated tied up the Yangpu project in some government agencies, preparatory work was going on. The Chinese Ministry of Communications completed, at a cost of 180 million yuan (33 million US dollar), three berths and a 60km four-lane highway linking Yangpu with Hainan's west trunk road. Telephone and power transmission facilities have been installed. - Depthnews Asia.

US announces food aid to Albania, Russia, Zimbabwe

WASHINGTON, Aug 4: The United States says it will donate food aid to Albania and Zimbabwe and offer the former Soviet Union additional subsidized food exports, reports

US Secretary of Agriculture Edward Madigan announced August 3 that he was making 30,000 metric tons of subsidized US pork available for sale to the newly independent states of the former Soviet

"We see real potential for long-term market growth if US pork exports can be competitive with subsidized exports by the European Community, Madigan said. The EEP will allow US pork producers and exporters to compete."

The offer, valid for one year, is being made through the Export Enhancement Programme (EEP), which uses government-owned surplus commodities as bonuses to US exporters, enabling them to negotiate commercial sales in targeted countries at lower. more competitive prices.

The 30,000 tons offered amounts to more than a day's slaughter in the United States nationwide, the department

The department also announced it will donate 4,200 metric tons of butter to Albania and 108,000 metric tons of maize and sorghum to Zimbabwe

India's handicraft export rises by 50 pc NEW DELHI, Aug 4 : India's

handicraft export increased by 50 per cent in 1991-92, according to official statistics available here today, reports Xinhua. Against the target of 12.2

billion rupees (479 million US dollar), exports of handicrafts in 1991-92 touched 18.1 billion rupees (711 million US dollar) despite the recession in the world market and the impact of the Gulf War.

Handicrafts exports covered items like hand-knotted woolen carpets, art metalware and wood-ware.

The export target for handicrafts for 1992-93 has been fixed at 21.6 billion rupees (848.7 million US dollars). about 20 per cent higher than

the actual exports last year. Economy, revenue of Gulf Arab states may grow

this year ABU DHABI, Aug 4: The economies and revenues of Gulf Arab states are expected to grow in 1992 primarily because of higher oil prices, according to regional bankers and economists, reports AFP.

Oil prices have stabilised at around 20 dollar, nearly three dollar higher than in 1991, while business has expanded in the six-nation Gulf Cooperation Council (GCC) since last year's war for Kuwait.

There is an upswing in most sectors in the region, especially construction, trade and investment' said Waith Mohammad, an expert at the Emirates Commercial Centre. a key United Arab Emirates (UAE) broker house.

This, coupled with stability in the oil market and resumption of Kuwaiti crude supplies, will naturally boost the economies of the GCC' which groups Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE, he told AFP. Oil provides more than 80

per cent of the income of GCC states, which currently produce around 13.3 million Barrels Per Day (BPD) of crude, more than half the output of the organisation of petroleum exporting countries (OPEC).

Any improvement in oil prices largely affects their economies as government spending has remained the wheel of economic activity despite calls on the private sector to play a greater role in domestic development.

Japan-Iran talks over oil reach deadlock

NICOSIA, Aug 4: Talks between the National Iranian Oil Co (NIOC) and a Japanese group over a dollar 1.6 billion oil exploration and development project in the strait of Hormuz are deadlocked, the Middle East Economic Survey (MEES) said, reports Reuter.

The Japanese group, led by Japan Exploration Co (Japex), signed a letter of intent with NIOC last year to begin exploration and development activities in the Hormuz area at the entrance to the Gulf. But under the terms cur-

rently proposed by NIOC, the Japanese group return on investments would be only two per cent, the influential weekly Newsletter said on Monday.