

Foreign workers disturb quiet Japanese society

KOMORO (Japan), Aug 16: The dark lanes lined with vending machines give Komoro at first glance the look of any rural Japanese town, reports AP.

But take a closer look. The young women fitting in and out of the dimly lit bars have come from Southeast Asia. Young men toiling in the sweat shops and construction sites have come from Peru and the Philippines and elsewhere.

Lured by jobs, hundreds of thousands of desperately poor men and women from Asia, Africa and Latin America come here, many using false passports or overstaying tourist visas to do the dirty work Japanese refuse to do.

The influx represents a disturbing change for a nation with no tradition of welcoming the tired and poor, for a people raised to believe they live in a homogeneous society descended from the ancient race of Yamato.

Takashi Okada, a hospital administrator in Komoro, sums up the reaction of many Japanese to the newcomers: "There are millions of migrants in Shanghai and Beijing. If we opened our gates, those and others would just pour into Japan."

"We built this country into a world power with only Japanese people and Japanese hearts. These people don't come because they love Japan. They come for the money."

Since the Meiji government ended centuries of isolation in the 19th century, only a limited number of foreign professionals have been allowed to live and work here.

Japan's economy worse than anticipated, says Miyazawa

TOKYO, Aug 16: Prime Minister Kishi Miyazawa said Saturday that Japan's economic doldrums were worse than anticipated and that he had resolved to hammer out a stimulative package soon, reports said, reports AFP.

Jiji Press quoted Miyazawa and a top businessman as describing the current economic situation a "vicious circle" with the stock market slump and economic stagnation exacerbating each other.

The public and the private sectors should coordinate a "drastic" policy as soon as possible, Miyazawa agreed in his talks with Gaishi Hiraiwa, Chairman of Keidanren (Japan Federation of Economic Organizations).

Hiraiwa later told reporters that the hastily arranged meeting did not touch on a possible reduction of the official discount rate, adding that he himself did not think the cut was necessary.

The package is expected to be on the order of six trillion yen (47 billion dollar) to seven trillion yen (55 billion dollar), he said.

The meeting comes ahead of the month-end deadline for the government and the ruling Liberal Democratic Party to map out the pump-priming package in the absence of signs indicating an upturn in the economy.

The package is expected to include a supplementary budget to raise public spending, tax breaks to promote invest-

ment and aid to small and medium-sized companies.

Hiraiwa asked Miyazawa to promote individual investors and encourage stock purchases by institutional investors and public funds such as pensions and postal life insurances to prop up sagging stock prices.

The planned package is to follow another set of measures introduced in March that was to boost public spending by five trillion yen and is to complement a 0.5 per cent cut in the key rate on July 27.

Saddam asks ministers to solve severe shortages

BAGHDAD, Aug 16: President Saddam Hussein on Saturday criticised his ministers for the second time in a week, this time for failing to find "solutions" to severe shortages caused by the trade embargo, reports AFP.

He was speaking at a meeting including officials of the transport and communications ministries, the official INA news agency reported.

The United Nations slapped a trade embargo on Iraq after it invaded Kuwait in August 1990, and monitors of the embargo have in the past two months tightened restrictions. Hussein called on ministers

to stop focussing on the lack of key imports, saying "a ministry with a problem linked to abroad, must act to find a solution to it in the interests of the country."

"The embargo is a reality and searching for solutions which depend on imports is not allowed," he said.

He said he would not be demanding "a settling of accounts over the past, but from today we must correct errors."

On Wednesday Saddam blamed ministry themselves for his posts.

He said measures taken against merchants who hoarded goods.

Panama canal freight rates to increase

PANAMA, Aug 16: US President George Bush has approved a 9.9 per cent increase in Panama canal freight rates, officials here said, reports AFP.

The US-Panamanian commission that jointly operates the canal proposed the rate hike, which will increase the fee for laden ships to 2.21 dollar a ton from 2.01 dollar. The rate per ton for ships in ballast will rise to 1.76 dollar from 1.60.

Fees for military ships, dredges and floating drydocks will rise from 1.12 to 1.23 dollar per ton.

Help accelerate pace of Indian development

NEW DELHI, Aug 16: The Prime Minister P V Narasimha Rao, today called for a three-pronged strategy to accelerate the pace of economic development in the country, reports PTI.

The strategy envisages a moratorium on pressing contentious issues, speeding up the development programmes in the Eight Five-year Plan and undertaking effective measures for the uplift of weaker sections.

Addressing the nation from the ramparts of the Red Fort on the occasion of the 46th Independence Day, Rao sought the cooperation of all political parties in enforcing a three-year moratorium on the issues that threatened the country's unity and integrity.

Underlining the need for national consensus on such a move, he said this would go a long way in forging the country ahead on the road to prosperity.

Dwelling at length on the economic front, Rao said efforts should be made to concentrate on the implementation of the eighth plan under which the government proposed to spend record 4.5 lakh crore rupee on various schemes for economic development.

Listing the measures taken by the government to uplift the poor and downtrodden, Rao said priority would be to protect them as well as improve their living standard.



HOUSTON: Dan Martino (L), an anti-abortion demonstrator from Tennessee, is confronted by pro-choice activist Thom Nguyen from Louisiana, during August 15 protests before the start of the 1992 Republican National Convention. The August 17-20 convention will be held in Astrodome (rear). — AFP/UNB photo

Brazil decides not to suspend accord with IMF

BRASILIA (Brazil), Aug 16: The government said Wednesday that it will not suspend its accord with the IMF even though the country failed to meet a target for reducing its budget deficit set in the agreement, reports AP.

Pedro Parente, the Economy Ministry's Secretary of Planning, said Brazil had met four of five targets set by the IMF during the first half of this year.

The one target missed was for reducing the nominal budget deficit, which was 35 per cent higher than the 120 trillion cruzero (24.5 billion dollar) level Brazil had promised to meet.

Parente said Brazil would meet targets for international reserves, which totaled 20.491 billion dollar external debt, internal credit and the operating deficit.

He said the nominal deficit was high because the government has been unable to reduce inflation from a level of more than 20 per cent per month, where it has hovered for the past six months.

Parente said government experts were to leave for Washington late Wednesday to discuss the economic situation with IMF officials.

Brazil has only received the first quota of 240 million dollar out of a total of 2.1 billion dollar in loan commitments authorised by the IMF over the next three years.

The second and third quotas, totalling 570 million dollar were not obtained because Brazil failed to meet targets contained in the agreement.

Selling pressure hits Singapore stocks

SINGAPORE, Aug 16: Trading on the Stock Exchange of Singapore (SES) went through waves of selling pressure this week with investors' confidence being hard hit, reports AFP.

Dealers said weak local corporate results, lower-than-expected second quarter economic growth, and the poor performance on the Tokyo market contributed to the nervous and jittery sessions here.

The key market indicator, the Straits Times Industrial Index plunged 86.64 points to 1,337.95 while the SES All-Singapore Index lost 18.86 to land at 362.65. The industrial index was at its lowest in 16 months.

On the first day of trading Tuesday, following the National Day holiday, the industrial index plunged 31.66 points to fall below the 1,400-support level at 1,392.91.

Blue chips came under heavy selling pressure Wednesday with institutional investors dumping their stocks. The index lost a further 26 points.

Thursday saw a slightly improved sentiment on light bargain hunting in an mild technical rally with the industrial index up 8.53 points.

But on the last trading day of the week, shares nose-dived in another wave of selling by foreign and institutional investors with the industrial index trimmed 36.81 points.

Total turnover for the week stood at 196.28 million shares worth 608.74 million Singapore dollar (377.40 million

US).

Goldtron was the most active stock with a volume of 14.27 million shares traded. It was followed by Keppel Corp with a volume of 11.62 million units and sister company Keppel Corporation Warrants 97 close behind with a turnover of 11.42 million shares.

Cycle and Carriage came next with 6.98 million shares while DBS Land occupied fifth place with 6.28 million units.

In the industrial and commercial sector, turnover increased by about 15 per cent to 94.83 million shares worth 342.21 million dollar. The industrial and commercial index lost 19.6 points to 354.86.

In the finance sector volume was 26.22 million shares valued at 158.21 million dollar. The sector index gave up 16.78 points to 363.56.

The property sector saw a 22 per cent increase with turnover at 29.06 million shares worth 59.12 million dollar. The property index lost 15.01 points, falling to 265.00.

Pak money market dull

KARACHI, Aug 16: The Pakistani money market continued to be dull on Saturday as it reopened after the Islamic weekend on Friday, dealers said, reports Reuter.

They said there was no outright T-bill activity. There was slight inquiry about six months maturity T-bills.

Russian plan to save grain harvest

MOSCOW, Aug 16: Russian Vice-President Alexander Rutskoi has announced new plans to save the country's grain harvest and ensure adequate food supplies for the coming winter, reports Reuter.

Itar-Tass news agency said urgent measures were contained in a draft presidential decree presented by Rutskoi to a government meeting on Saturday.

The decree, which follows protests and strike threats by farmers over low prices for agricultural produce, adopts a carrot-and-stick approach, combining tax breaks with

tough new restrictions on sales.

Rutskoi said the measures included exempting state, collective and private farmers from paying the country's 28 per cent value added tax for the duration of the harvest, which usually ends in October.

"People recruited to help with the harvest will also be exempted from income tax," the decree was quoted as saying.

The presidential package also called for banning farms from selling grain privately until they have made all their required state deliveries, about

a quarter of total production.

It also envisages tough controls on food exports, Tass said.

The Russian government, trying to cut down on expensive grain imports and avoid further food price rises, announced last week that it was raising the price it pays farmers for wheat to 12,000 rouble (74 dollar) from 10,000 rouble (62 dollar) per tonnes.

Many farmers, complaining about the high cost of agricultural inputs, have been holding back sales of crops to the state in hope of higher prices.

Bosnia to float own currency

SARAJEVO, Aug 16: The beleaguered government of Bosnia-Herzegovina will introduce its own currency on Monday in a symbolic gesture of defiance against Serb force that have overrun 70 per cent of its territory, reports Reuter.

Sarajevo radio said the Yugoslav dinar will be scrapped in favour of a Bosnian dinar which will be pegged to the German mark at a fixed rate of 350 dinar to the mark. Banks will also exchange Yugoslav dinar for the new currency at a rate of 10:1.

Introducing the new currency will be little more than a gesture since the government only controls pockets of territory after four months of war in the former Yugoslav republic.

Russian industrialists call for government's resignation

MOSCOW, Aug 16: A group of Russian industrialists today called on the government to quit, criticising reforms introduced by acting Prime Minister Yegor Gaidar, reports Reuter.

"They blame (Gaidar) for causing a collapse in production and paralysing the financial system," Interfax news agency said, quoting industrialists at a Moscow conference.

But Interfax said the resolution, put forward at a meeting convened by a conservative faction of the Russian parliament, was unlikely to be passed.

"Participants expect the presidium, consisting of directors of big industries, to block the resolution," it said.

Gaidar, moving the Russian economy to the market after

decades of central planning, told the New York Times newspaper reforms remained on track despite pressure from industrialists.

"The most serious problem we had was to get money working in this economy, and now it really works", Gaidar said.

"That is really why all the hysterics from industrialists were especially serious when they were really confronted with the lack of easy money".

Russia has tried hard to keep the purse strings to industry pulled tight this year, although it has promised firms 500 billion rouble to help buy essential goods.

"The most terrible thing is not only that there is no production, but that people are

losing their jobs," the head of the Russian parliament's industrial union faction told the conservative Sovyetskaya Rossiya newspaper.

Yuri Gekht said banks must help restore financial ties between firms by making more funds available. Urgent changes to the tax system were needed to help encourage production.

"We propose a simple tax system which is able to increase allocations to the budget, but which at the same time gives companies the freedom they need to encourage production," the newspaper quoted Gekht as saying.

"Russian industrialists are going into their last and most decisive battle... because in the near future many of them may find themselves bankrupt."

Ukraine threatens to half farm subsidies

KIEV, Aug 15: The Ukrainian government, anxious to fill state granaries, has threatened to halt subsidies to farms that refuse to sell grain to the state, reports Reuter.

The government said it had succeeded in purchasing just eight million tonnes of grain so far this year out of a required 17 million.

Farms that refused to meet their sales targets to the state by August 18 would be stripped of subsidies, it added in a resolution.

Deputy Head of Parliament Vasili Durdinets said it was vital for the state to buy enough grain to produce sufficient bread.

"The question of producing bread has taken on not just a social and economic, but a sharply political character. It has become a top state priority," he said.

Many state farms that have received big subsidies are withholding as much grain from the government as they can in the hope of getting higher prices later.

Ukraine, one of the bread baskets of the former Soviet Union, expects to produce some 40 million tonnes of grain this year.

Somalia needs more food

CAIRO, Aug 16: War-ravaged Somalia needs more relief food and more United Nations soldiers to help millions of people threatened with starvation, Somalia's foreign minister said Sunday, reports AP.

Mohamed Ali Hamed said that although fighting in Somalia between warring factions had quietened down, hundreds were still dying daily of starvation.

"The aid that has already arrived provides only 10 per cent of our actual needs," Hamed said, urging Arab countries to send aid to Somalia.

He praised the decision to send 500 UN troops to Mogadishu in the next few weeks to guard food shipments, but said that at least 15,000 soldiers were needed "to ensure stability because most Somalis now own weapons."

Hamed told reporters before a meeting with Arab League Secretary General Esmat Abdel-Meguid that "death hangs around Somali because of the famine and hundreds of people are dying daily, victims of starvation."

Tens and perhaps hundreds of thousands of Somalis already have died from the combined effects of drought and war in the largely desert nation. Aid workers say 1.5 million more people could die within weeks if food is not brought immediately. Another 4.5 million also need help.

The United Nations has widened its relief operation in Somalia, and the United States has announced plans to begin its own airlifts.

Prospect of bumper crop, reforms revives Indian stock market

BOMBAY, Aug 16: Hopes of a bumper crop and further economic reforms restored investors' interest in the Indian stock market, leading to a halt in a steady decline of prices over the past few weeks, reports AFP.

The Bombay Stock Exchange (BSE) sensitivity index moved up 204.5 points to finish at 2,795.2 in the past five days of trading. The national index, a barometer of India's economy, gained 64.3 points to land at 1237.5.

Analysts said the positive trend this week is an indication of stabilising prices at realistic levels after the heady days of April when the BSE index had touched an astronomical 4,546.3 points.

The main impetus to re-

newed investor interest this week came from reports that most parts of India had received good monsoon rains in the past few days, leading to the hope that agricultural production will not fall this year as feared.

Prime Minister P V Narasimha Rao during independence day celebrations in New Delhi on Saturday said that normal rains in the past few days have dispelled fears of another year of drought.

Experts said food production could increase from the 183 million tons recorded during 1991.

Renewed interest has also been brought about by the fact that Rao's government could table a new law in parliament next week that would slash

controls on pharmaceutical firms, whose profitabilities have progressively eroded due to pricing restrictions.

Consequently, Glaxo India saw its 10-rupee shares rise in value by 55 rupee to close at 260. Hindustan Ciba Geigy 100-rupee shares gained value by 400 rupee, closing at 2,100. Both are leading pharmaceutical firms.

Associated cement company's 100-rupee shares gained 350 rupee to 4,550. Reliance Industries 10-rupee shares gained 41.25, closing at 222.50 rupee. Tata Steel's same value shares gained 25 rupee, to close at 341.25, while sister agency Tata Engineering's same par shares gained 7.5 rupee to 320 rupee.

Most precious metals fall amid signs of worldwide depression

LONDON, Aug 16: The slowing up of activity linked to the holiday period and the weak state of most economies hit the market for commodities, increasing the impact of sales which led to a 4.5 per cent fall in the price of gold and a nine per cent fall for platinum, reports AFP.

The price of gold and platinum suffered the combined effects of economic malaise in Japan, sales from Australian producers and an easing of fears that events in South Africa might disrupt the country's supply.

The price for Brent crude oil fell slightly after figures showed production up from the OPEC countries and US president Bush failed to make a firmer speech against Iraq over its refusal to allow UN inspections of its ministries.

On the London Metal Exchange (LME), the prices of base metals fell on signs of higher supply, increased stocks and weaker industrial demand.

Gold: Lower. Prices fell 4.5 per cent in the week, falling below the 340 dollar an ounce barrier, hit by Australian producer sales after a new attack of weakness in the Australian dollar.

Prices dropped further as dealers saw the situation in South Africa, the leading gold and platinum producer, improving.

Platinum: Fall. Platinum prices fell nine per cent, depressed by the combination of several factors confirming a world recession and the slowing up of demand for industrial metals. The fall of the Japanese Nikkei Index depressed the market, with Japan the biggest consumer of the metal.

Sales from Japanese and US investors, cashing in on earlier higher platinum prices to cover stock market losses, also pushed the market lower.

Silver: Lower. The price of silver followed the lower trend in other precious metals and continued to feel the effect of the enormous sale in July from the Jeddah National Bank, thought to have been equivalent to five per cent of worldwide demand.

Copper: Lower. The price of copper sagged to a five week low on the London Metal Exchange (LME) over the past week, drifting downward after more upbeat news over supply and a seasonal downturn in trading.

Meanwhile, a report from the London-based Commodities Research Unit said the series of new copper mines scheduled to come on stream in the next three years at lower direct costs would boost production. Eight projects, including La Candelaria in Chile

and Louvicourt in Canada, are due to come on stream by the end of 1995 with a combined capacity of 277,000 tonnes a year.

Copper stocks on the LME rose 2,850 tonnes to 251,350.

Lead: Lower. The price of lead dropped on the LME over the week, affected by more positive news on supply and the general lack of buying interest affecting all the metals.

The management of the important Doe Run lead smelter in the United States claimed that production was running at 90 per cent of pre-strike levels despite staffing levels of less than one third.

Stocks of lead on the LME rose 250 tonnes to 150,625 tonnes, their highest level since February 1984.

Zinc: Lower. Zinc price drifted lower, following copper, though it was unlikely to fall too sharply in the immediate future due to tightness on some of the nearby delivery dates.

Stocks of zinc on the LME rose 775 tonnes to anew record at 345,125 tonnes.

Aluminium: Lower. The price of aluminium dropped over the week, sagging under the weight of large stocks, few signs of economic recovery and the general drift of the holiday period, dealers said.

Not even a report from the industrial group Sumitomo, predicting a deficit in aluminium next year, helped the market, given that stocks are so high.

Total aluminium demand from Japan fell seven per cent in May to 298,900 tonnes from 321,400 tonnes in May 1991, according to the Japan Aluminium Federation.

Stocks of the metal on the LME fell 4,225 tonnes to 1,314,425 tonnes.

Nickel: Lower. The price of nickel dropped during the week, easing Tuesday after the LME reported a heavy rise in stocks.

However, a report from the international nickel study group in the Hague said exports of unwrought, unalloyed nickel from the Commonwealth of Independent States to Germany and Japan slumped in the first quarter of 1992.

Over the full week, LME stocks rose 2,946 tonnes to 40,968 tonnes, the highest level since February 1984.

Tin: Firmer after poor start. The price of tin dropped at the start of the week before recovering to end slightly firmer than the week before, with better fundamentals and technical factors explaining tin's strength relative to the rest of the market.

Meanwhile, a report from the metals and minerals review said Indonesia had

claimed first place in the league of world tin producers, overtaking Brazil.

Tin stocks on the LME were down 125 tonnes to 14,635 tonnes.

Coffee: Lower. The price of coffee was hit by fears of a rise in Colombian and Brazilian coffee exports, angered by the lack of progress in negotiations over a new international coffee agreement.

Sugar: Recovery after a fall. The price of sugar was helped by estimates from German statistician F O Licht that Bulgaria will import 400,000 tonnes of sugar in 1992.

The market was also supported by estimates from the South African Sugar Association that as a result of the drought there, its sugar production would fall to 1.5 million tonnes in 1992/93 from 2.29 million tonne the year before.

Vegetable oils: Uneven. The prices of palm oil were helped by estimates from the specialist review Oil World which said Malaysian stocks of the oil had dropped to 510,000 tonnes at the end of July, down 15.6 per cent on a year earlier.

The review said Malaysian production had reached 602,000 tonnes at the end in July against 605,000 tonnes the year before.

Prices of soya oil weakened on the London market while in

Chicago they were helped by estimates from the US Agriculture Department of a slightly lower production in 1992 than forecast by trade experts.

Crude: Unchanged. After starting the week below the 20 dollar a barrel level, the price of Brent North Sea crude oil rose over the week after the announcement of a reduction in Brent supply in September and lower US crude oil stocks, on information from the American Petroleum Institute.

The market was initially disappointed by US President George Bush's failure to make a firmer speech on the Iraqi ban on UN inspections of its ministries.

Rubber: Unchanged. After starting out firmer following several interventions in the London, New York and Asian markets by the Director of the International Natural Rubber Organisation (INRO), the price of natural rubber fell back under seasonal lack of demand.

According to dealers, INRO bought 30,000-35,000 tonnes on the London market. INRO's indicator price remained below the "May buy" level of 176 cent per kilo, the price at which the organisation is authorised to buy.

Grains: Lower. The price of wheat and barley weakened on profit taking after the gains of recent week linked to the signs of a reduction in the

grain harvests in Europe.

According to the home-grown cereals authority, the EC harvest in 1992 could be some 15-20 million tonnes lower than last year's 180 million tonnes crop, following a fall of one third in the production from Denmark and of 40 per cent from Portugal.

The market fell in the wake of Chicago which dropped in reaction to the better weather, more favourable to grains, in the midwest United States.

Tea: Higher. Demand was good at the weekly London tea auctions where average price for higher grade tea rose to 170 from 165 pence per kilo, rose to 125 from 120 pence per kilo for medium grade tea and weakened slightly to 80 from 82 pence per kilo for lower grade.

The drought in main producer areas continued to provide support for the market. According to dealers, the world production of tea for the first half will be 490 million kilos against 578 million a year earlier.

Cotton: Lower. The indicator price of cotton at the Liverpool sales weakened on a 500,000 bale increase of US Agriculture Department estimates for the US cotton harvest in 1992-93 to 16.5 million bales. The US harvest in 1991-92 was 17.6 million bales, the department said.