

# ASEAN bid to form regional free trade area

**BANGKOK, Sept 12:** Southeast Asia's free-wheeling economies, Friday launched a high-powered council to oversee tariff cuts that will lead up to a regional free trade area in 15 years, reports AFP.

The council of trade ministers will be charged with phasing in a Common Effective Preferential Tariff (CEPT) scheme that the Association of South East Asian Nations (ASEAN) will enforce from January 1, next year, officials from the ASEAN countries said.

The CEPT scheme, approved at an ASEAN summit in Singapore in January this year, will lead up to a full-fledged Asean free trade area (AFTA) over the next 10 to 15 years covering the group's six-member states, Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

"I believe the convening of this inaugural meeting of the council will usher a new sense of urgency for implementation of the CEPT scheme and AFTA," Thai Premier Anand Panyarachun said at a launching ceremony.

Regional diplomats said that Anand, a prime mover of the proposed free trade area, had lobbied for earlier launching of the council here to give AFTA a final push before stepping down as prime minister.

The former bureaucrat-turned-businessman serving as Thailand's interim premier, will leave office probably later this month when a new government is formed after elections on Sunday. Anand is not contesting the polls.

The diplomats said that Anand has also chosen to launch the council to coincide

with a meeting of the 15-member Asia-Pacific Economic Cooperation (APEC) forum to underscore ASEAN's importance as a sub-regional association with the much larger APEC.

APEC groups the six ASEAN members with the United States, Japan, Canada, South Korea, China, Taiwan, Hong Kong, Australia and New Zealand.

Some ASEAN diplomats have expressed concern that their 25-year-old association and its effort to expand sub-regional cooperation could be submerging by the larger APEC grouping.

At talks here Thursday, for-

sign and economic ministers from the APEC member states approved the setting up of a secretariat and Friday they adopted an expanded work programme formally turning their loose forum formed in 1989 into fully-fledged organisation.

Anand said that considerable progress had already been

would be placed on a "fast track" of cuts under the CEPT scheme and had also completed a short list of "sensitive items" that would initially not face tariff reductions.

Anand said that Thailand was also making steady progress towards fulfilling a pledge he made at the Singapore summit to slash tar-

iffs for most manufactured goods to no more than 30 per cent.

Regional diplomats said that ASEAN economic ministers were expected to finalise the AFTA council's terms of reference and responsibilities and approve a list of products to be covered by the CEPT at annual

talks in Manila in October. "We expect all countries to have their final exclusion lists for sensitive product that will not be covered by the CEPT by then," a senior Malaysian official said.

**APEC calls for speedy trade end**  
Another reports adds: The Asia-Pacific Economic Cooperation (APEC) forum closed ministerial talks here Friday with a call for all parties to move quickly to conclude the Uruguay Round of multilateral trade negotiations.

In a joint statement specifically addressing the talks, the economic and foreign ministers of APEC's 15-member nations voiced concern over delays in resolving issues including market access and farm subsidies.

In a second joint statement the ministers announced they

would set up a small "eminent persons" group to look into ways to further liberalise trade in the Pacific region and report their findings to next year's APEC talks in the United States.

The ministers also announced their decision, subject to a feasibility study to set up an electronic data base to facilitate trade and information flows and to take steps to harmonise customs procedures.

Ministers from several of APEC's fast-growing East Asian members expressed concern at the talks that failure of the Uruguay Round could lead to more protectionism in North America and Western Europe and therefore hurt their booming exports.

**APEC refuses political role**  
Reuters adds: The Asia-Pacific Economic Cooperation (APEC) ended a ministerial meeting here yesterday pledging to promote trade liberalisation but refusing to take on a political role.

The 15-member economic consultative body issued a fresh appeal for a positive conclusion this year of the stalled Uruguay Round of multilateral trade talks and said it hoped to foster links among sub-regional trade blocs in North America, Asia and Australia.

"APEC ministers expressed their profound regret that despite the expressions of political will for an early and successful conclusion of the (Uruguay Round) negotiations, these commitments have yet to be translated into action at the negotiating table," an APEC statement said.

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## World trade registers slow growth

**WASHINGTON, Sept 12:** World trade, in both value and volume, grew slower last year, according to the International Monetary Fund, reports AP.

The value of trade in US dollar rose about four per cent in 1991, compared with 14.5 per cent in 1990 and 8.2 per cent in 1989, the IMF said in its annual Direction of Trade Statistics Yearbook.

In volume, trade growth slowed down for the third straight year to three per cent, which was the slowest pace since 1983, the report said.

Exports from industrial countries rose by 2.1 per cent and imports by 0.9 per cent in US dollar, compared with 15 per cent growth for both exports and imports in 1990, it said.

The report said the overall trade balance of the developing countries moved into a deficit for the first time since 1986, with imports exceeding exports by 30 billion dollar. Exports for the countries rose by 8.1 per cent while imports increased 14.1 per cent, it said.

Among the worst reported performances was in the states that make up the former Soviet Union, where exports declined by 7.2 per cent and imports by 16.7 per cent.

The IMF reported 2.5 trillion dollar in exports from industrial countries and 956.9 billion dollar from developing countries, with imports of 2.6 trillion dollar by the First World and 986.5 billion dollar by the Third World.

## BRIEFS

### Russia to free oil price in '93

**MOSCOW, Sept 12:** The prices of oil and coal in Russia are to be deregulated in 1993, and are to be doubled by the end of 1992, the Russian government decided here, the Interfax news agency reported. The report did not specify whether or not a precise date for allowing the prices to rise had been set. The International Monetary Fund (IMF) has made the deregulation of energy prices one of the main requirements of its plan for reform of the Russian economy, reports AFP.

### Gillette to buy Parker pen co

**BOSTON, Sept 12:** The Gillette company said here yesterday it had agreed to buy Parker pen holdings Ltd for 285 million pounds sterling, or 561 million at current exchange rates. Parker makes assorted fountain and ball-point pens under the Parker, Duofold, Vector and Jotter brand names. "Parker represents an excellent fit with the Gillette paper mate and Waterman brands," said Joel Davis, Gillette's vice president for stationary products, in a statement, reports Reuter.

### GATT to open talks on farm issue

**TOKYO, Sept 12:** Japan, the United States and other major countries are expected to resume the Uruguay Round of trade talks on farm issues at an expert level late September, a government official said Friday. At the three-day talks which are likely to start September 21, the negotiators are expected to discuss technical differences over entry methods on product-by-product lists for reducing agricultural trade protection, the official said, reports AFP.

### Bush's pay cut to face opposition

**WASHINGTON, Sept 12:** The organisation representing most of the federal government's highest paid employees, those making 90,000 dollar to 112,000 dollar — said Friday they would sue President Bush if he cuts their pay. The Senior Executives Association said Bush has "broken faith with senior federal executives" by proposing that government employees making more than 75,000 dollar a year take a five per cent pay cut, reports AP.

### 15 CP men jailed in China

**BEIJING, Sept 12:** Fifteen government officials in Hainan province have been sentenced and another 28 expelled from the Communist Party for corrupt real estate practices, the China Daily newspaper said Friday. Hainan Governor Liu Jianfeng said a two-year investigation into housing in the special economic zone had found that 286 government and party officials were involved in bribes, graft and extortion while building private homes, reports AFP.

### Ecuador will ask OPEC to rise price

**QUITO, Ecuador, Sept 12:** The government will ask OPEC to raise oil prices at the upcoming Vienna meeting of oil exporting nations, Energy Minister Andres Barreto said Friday. He also said Ecuador, which just announced a tough economic austerity programme, was considering whether it could afford to continue paying two million dollar annual membership dues to OPEC while cutting spending at home, reports AP.

### Border trade brings good news

**BEIJING, Sept 12:** Booming border trade has improved economic prospects in China's remote western region of Xinjiang, next to the central Asian Muslim republics of the former Soviet Union, the China Daily said Saturday, reports Reuter.

### Election to boost Thai economy

**BANGKOK, Sept 12:** An expected triumph by pro-democracy parties in Sunday's parliamentary election would boost the climb of the economy and the stock market from the depths of the bloody political turmoil in May, analysts say reports AP.

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## Asia — world's fastest growing region

**WASHINGTON, Sept 12:** Although the global economy declined 0.3 per cent in 1991, Asia posted a 5.8 per cent increase in real Gross Domestic Product growth, much higher than the rest of the world, according to a report released by the International Monetary Fund (IMF) yesterday, according to Xinhua.

IMF said in its annual report released yesterday that Asia's strong economic growth is due to strong domestic demand and rapid growth of regional trade, which helped to offset a number of adverse developments, including the ef-

fects of the Middle East crisis, the weakness of export markets in industrial countries and natural disasters in China, Bangladesh and the Philippines.

"Although several Asian countries were adversely affected by the crisis in the Middle East, the negative impact was moderated by structural reforms and prudent fiscal policies in Bangladesh, Pakistan and Sri Lanka," the report said.

However, India and the Philippines, which faced large macroeconomic imbalances before the crisis, were less re-

silient. India and Mongolia were adversely affected by developments in the former Soviet Union and by a shortage of foreign exchange.

The fast-growing economies of China, Hong Kong, Indonesia, South Korea, Malaysia, Singapore, Taiwan province of China and Thailand continued to outperform the other countries of Asia, and they also accounted for much of the expansion of regional trade.

According to the report, inflation in Asia was roughly unchanged at 9.5 per cent in 1991. While price increases

moderated in several countries, they worsened in others because of the delayed passage through of temporary higher oil prices and strong demand pressures.

The inflation performance of Hong Kong, Indonesia, South Korea, Malaysia, Singapore, Taiwan and Thailand continued to worsen, the report said, owing to capacity constraints and labour shortages arising from rapid consumption and investment demand during the extended period of rapid economic growth in the 1980s.

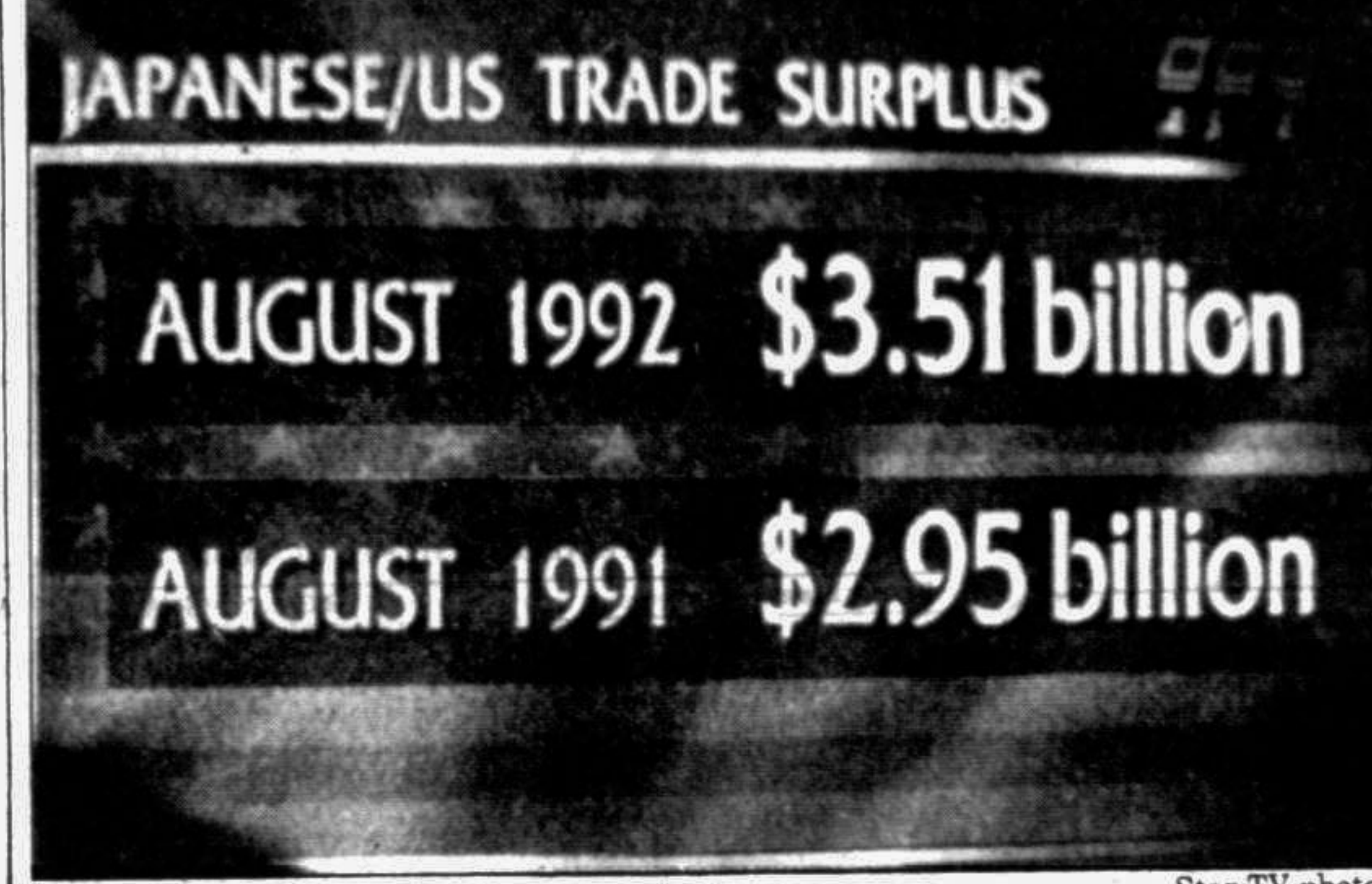
## Fujitsu develops fastest computer

**TOKYO, Sept 12:** Japan's biggest computer maker Fujitsu Ltd said here it had developed and would begin marketing a new supercomputer that was the world's fastest processor, reports AFP.

Fujitsu said the supercomputer, could process more than 10 times faster than the ones currently in the market.

The computer is the first to employ vector parallel processing architecture, which conduct mathematical calculations in batches, the company said.

The new computer will be available from September next year. In Japan, it will be mainly rented on a monthly basis with a monthly charges ranging from 30 million yen to as high as 500 million yen (240,000 dollar up to four million dollar), it said.



## Sale of F-16 fighters to Taiwan

# China's threat to stop importing US wheat appears 'empty'

**WASHINGTON, Sept 12:** China's threat to stop buying US wheat to protest the Bush administration's proposed sale of fighter jets to Taiwan appears hollow as China has not bought US wheat for almost a year, US trade sources said, reports Reuter.

"It would have been a low year anyway in term of US or any imports because of their great crop," said one wheat trade source.

China, once the leading US wheat customer, has not bought here since November 21, and left unused an offer to buy two million tonnes at prices subsidised by the Export Enhancement Programme.

Last week, President Bush announced an expansion of the EEP wheat programme, and targeted China for seven million tonnes of subsidised wheat which many analysts said it would not use.

Still, trade sources said, the announcement raised some

hopes that the administration expected China back in the market. But those hopes were dashed with the announcement of the proposed F-16 fighter jets to Taiwan.

"Twenty-three per cent of the Bush initiative was to China, then he gives the fighter planes to their unfriendly nation," an agriculture consultant said. "Because the Chinese were targeted for such a huge amount, there were hopes of gaining the market back, but it's not going to happen."

Analysts said wheat futures prices at the Chicago Board of Trade slipped on reports that a Chinese official suggested a halt in US wheat purchases.

But some sources said they were not sure how seriously to take the threat as it appeared to be a suggestion rather than a policy statement.

China previously had threatened to cut off US wheat purchases if the United States denied it Most-Favoured-Na-

tion trade status. China produced a bumper wheat crop last year, plus forward-contracted imports that still are being shipped, US trade sources said. The last US shipment arrived in July, they said.

The US Agriculture Department is forecasting another big wheat crop for China in 1992-93, and lowered its estimate of China's upcoming wheat imports.

AFP reports from Hong Kong: Fears of a US-China trade war sent shares plunging Friday on the Hong Kong stock exchange for the second straight day.

The Hang Seng index fell 94.26 points following Thursday's 95.44 point fall — a 3.4 per cent drop in two days — closing the week at 5,537.29.

There were few buying orders as investors unloaded their stocks.

Bank of East Asia chief economist Benjamin Chang

Sau-San said the current gloomy but cautious outlook surrounding the US-China trade talks was likely to drag on until the October 11 deadline Washington has set for agreement on improved market access.

Without agreement Washington has threatened tariff retaliation on Chinese goods worth 3.9 billion US dollar. China has countered with its own trade retaliation threat of a similar amount. Hong Kong, which serves as both a staging post and servicing centre for much of China's trade, is caught in the middle and fears the trade war will do untold damage to the local economy.

Chan said: "I think China and the United States are playing a game with each other and an accord will ultimately be reached. But strong words from (Assistant US Trade Representative) Ira Wolf threatening China will not help," he said.

## Three East European states ask EC to ratify accords

**BRUSSELS, Sept 12:** Poland, Hungary and Czechoslovakia made a joint appeal to the EC to ratify their association agreements by the end of this year, reports Reuter.

Poland's EC mission said in a statement that the three countries wanted the community to make an exhaustive assessment of their reforms in 1996, leading to talks on full membership which should be completed before the end of the century.

It said the ambassadors of the three countries presented the memorandum to External Relations Commissioner Frans Andriessen in Brussels, while in London it was also given to officials of the foreign office, representing the EC's British presidency.

Hungary's ambassador to the community, Gyorgy Granaszti, told Reuters the 12-page memorandum asked that the association agreement be ratified by national parliaments and approved by the European parliament on schedule by the end of 1992.

## Manila will boost economy to compete with Southeast Asia

**MANILA, Sept 12:** The Philippines must boost government revenues, lower interest rates and make its industry more competitive to catch up with the rest of Southeast Asia, according to Finance Secretary Ramon Del Rosario, reports AFP.

He admitted in a speech before business managers late Thursday that the country's failure to fully implement such structural adjustments in the past had left it with inefficient industries and low government revenues.

This had resulted in the Philippines being bypassed by Asian investors who put their money in neighboring countries instead, Del Rosario said.

## Mehta blames govt of making him scapegoat

**BOMBAY, Sept 12:** Harshad "big bull" Mehta, the brass broker at the centre of a 1.2 billion dollar securities scandal, has accused the Indian government of making him a scapegoat, saying many of those more deeply involved have not been arrested, reports Reuter.

Mehta, who has been held without bail for three months, said in a letter to a parliamentary committee probing the country's worst financial scandal that he had been interrogated for more than 500 hours.

Despite his full cooperation with investigating agencies, he alleged he had been manhandled and subjected to pressure tactics by the Central Bureau of Investigation (CBI), and had been denied bedding, his own clothes and medicine while in

jail. In his letter Mehta said that he was not the key figure in the scandal that he was being made out to be.

"I have come to the firm conclusion that I am being singled out and discriminated against by the investigating agencies of the government and that I am being made a scapegoat," he said.

"In many cases, the principal accused have not been arrested or, if arrested, have already been released on bail," he added.

"I am certainly not the leader as being portrayed." Posters supporting Mehta have appeared on public buildings in Bombay and Calcutta where many ordinary people have become share holder.

## NY state still plans to put Clifford in BCCI scandal case

**NEW YORK, Sept 12:** New York state is still planning to put Clark Clifford on trial for his alleged role in the BCCI scandal, although findings by a court-appointed doctor could put an end to the case, a defence lawyer said, reports Reuter.

US district judge Joyce Hens Green of Washington Thursday delayed Clifford's trial on related federal charges so a physician could determine if the former US secretary of defence was well enough to survive the proceedings.

Her decision followed predictions by Clifford's personal doctor and a physician selected by the justice department that Clifford might suffer a heart attack if forced to stand trial.

The justice department said it would take Clifford's heart condition "heavily into account" in deciding whether to go forward with the federal case. If the federal trial had proceeded on Oct 26 as previ-

ously planned it would have precluded a trial by New York state.

Clifford and his law partner Robert Altman are accused of helping BCCI hide its ownership of first American Bankshares Inc, the largest bank in Washington, DC although Clifford and Altman served as the top officials of first American and as counsel to BCCI, both have denied any knowledge that the Luxembourg-based bank has secretly bought the Washington bank.

## Nicaraguan owners reject compensation plan with bonds

**MANAGUA, Sept 12:** Most of the people who were stripped of land by the Sandinistas want their property back, and reject a government plan to compensate them with bonds, according to a group representing the claimants, reports AP.

## Tokyo rally aims at revamping stock market

**NEW YORK, Sept 12:** While other international worries may be intensifying, a strong sense of relief pervades Wall Street these days over the recent rally in the Japanese stock market, reports AP.

At a time when a slumping dollar and gyrating worldwide interest rates are making headlines almost daily, the mood of stock-market participants seems measurably improved by the turnaround in Tokyo after a long, steep slide.

"Fears of a crash have abated," said Robert Alan Feldman, Salomon Brothers analyst in Tokyo.

The rally has drawn much of its momentum from a government package of stimulative measures set forth in late August with a total price tag of about 87 billion dollar, aimed at pulling Japan out of its finan-

cial slump. The package will certainly assist the Japanese economy, which is good news not only for Japan but also for the United States," observed Paul Boltz, financial economist at the money management firm of T Rowe Price Associates in Baltimore.

"It remains to be seen whether Japanese equity prices will hold at their current levels, let alone continue climbing," Boltz said, "It is not easy for a nation to unwind massive speculative bubbles in stock prices and real estate."

"Still, the sheer joy that greeted the announcement of the package may mean the worst is over."

The change of direction in Japanese stock prices certainly has been dramatic. On

Aug 18 the Nikkei index of 225 stocks fell to 14,309.41, down 63.2 per cent from the peak it reached in the late 1980s.

By the past week it had rebounded to the neighbourhood of 19,000, for a rise of almost 40 per cent, before settling back a bit.

Even with those gains, however, the index still stood at less than half its former peak, and some analysts regarded the comeback with a large measure of skepticism.

"My view is that the winds of disinflation and change are blowing so hard in Japan that the stimulus package will be a minor event, although it will forestall a systemic failure," said Barton Biggs, director of global strategy at Morgan Stanley and Co.

The banks, the stock mar-

ket and the real estate speculators still have to finish paying the proverbial piper for their previous sins.

"I believe that Japanese bonds are a buy but that stocks have not made the final bottom, which will come amid general despair and capitulation. Finance ministers don't cause bear markets to end — people and time do."

In the US market, the Dow Jones average of 30 industrials put together a 23.77-point rise to 3,305.70 in the past week.

The Nasdaq composite index for the over-the-counter market rose 9.57 to 583.01, and the American Stock Exchange market value index was up 1.60 at 386.45.

In their efforts to forestall further trouble, the Japanese authorities have some advan-

## Zambia launches plan for privatisation

**LUSAKA, Sept 12:** Zambia launched its programme to privatise more than 130 state firms with the advertisement of a first tranche of 17 companies to be sold, reports Reuter.

The Zambian privatisation agency, appointed in July to manage the five-year self-off programme, said the firms would be sold by auctions or management or employee buy-outs.

Claims of interest have to be made to the agency within 30 days of public notice, officials said.

The privatisation scheme is part of Zambia's International Monetary Fund-supervised economic programme.

Until now the government has controlled 80 per cent of Zambia's economy through heavily subsidised state enterprises.

The first firms on offer are: Eagle Travel, Agricultural Equipment Importers (AFE) Ltd, Monarch Zambia Ltd, National Drum and Can Co, Prime Marble Products Ltd, Zambia Ceramics, Autocare Ltd, Cleanwell Dry Cleaners, Coolwell Systems Ltd, Norgroup Plastics Ltd, Crushed Stone Sales Ltd, Zuva Zambia Ltd, Zambia Clay Industries Ltd, Mwinilunga Canneries Ltd, Zambia Malting Ltd, Consolidated Tyre Services, and General Pharmaceuticals.