

BRIEFS

Japan's economy unlikely to recover

TOKYO, Oct 5: More than 60 per cent of Japan's company heads said the economy here was unlikely to recover in the next six months, according to a poll published Monday by Nihon Keizai Shinbun. One hundred presidents of major companies were polled in the survey, the leading business daily said. Most agreed that capital spending and personal consumption were unlikely to recover from October to March due to prolonged sluggish corporate earnings results despite the government's pump-priming economic package adopted in August, reports AFP.

Mongolians face price hike

BEIJING, Oct 5: Mongolians face several sharp price hikes this month, a newspaper there reported Sunday. The Xinhua news agency quoted the Peoples' Right as saying that the price of one kilogramme (2.2 pounds) of flour will rise from 2.5 to 18 tugrik (six to 45 US cents), while bread prices will rise by more than 450 per cent, and meat prices will nearly double. Bus fares are triple, while the price of electricity is also expected to rise dramatically, the newspaper said, reports AFP.

Pindi to lay rail tracks in Iran

KARACHI, Oct 5: Pakistan will lay 200 kilometres (125 miles) of rail tracks in Iran under a new joint venture, railway officials said here Sunday. The two countries signed a protocol in Tehran last week setting up the Pak-Iran Co. to undertake the track-laying project, linking the small southern town of Kirman to the Port of Bandar Abbas, on a 50-50 profit-and-loss basis. Pakistan railways is to provide technical staff and administrators, while the Iranians will supply labour for the project, which is likely to be initiated in the next few months, reports AFP.

Dam construction in Japan protested

TOKYO, Oct 5: More than 3,000 people rallied and marched Sunday to demand a halt to construction of a dam that they say will harm fish and plant life along the Nagara River in central Japan, police said. The demonstration followed a one-day meeting on protecting the environment. A police official, who spoke on condition of anonymity, said there were no clashes between police and demonstrators near the site, in Mie prefecture (state), about 200 miles (320 kilometres) southwest of Tokyo. The Construction Ministry is building the dam to protect rice fields from damage by sea water and to provide fresh water for drinking and industrial use, reports AP.

US social health hits record low

NEW YORK, Oct 5: A barometer that measures the nation's social health has plunged to its lowest level since records were first compiled 21 years ago, a sociologist says. "If you look at it as a report card, the country gets an F," said Dr Marc Miringoff, Director of the Fordham Institute for Innovation in Social Policy. "It's the worst it's ever been, yet the real picture of America remains invisible because the campaigns hardly discuss them." His Index of Social Health, which works something like the way the Dow Jones Industrial Average measures the health of the stock market, has tracked 16 social problems over the past 21 years, reports AP.

Water talks end with no accord

DAMASCUS, Oct 5: A joint Syrian-Iraqi-Turkish commission ended a six-day meeting here Saturday with no agreement on sharing the waters of the Euphrates and Tigris rivers, the Syrian news agency Sana reported. "No protocol was signed because the Turkish delegation asked to consult its government to respond to Syrian and Iraqi claims," Sana said without elaborating. The commission met this week for the first time since the August 1990 invasion of Kuwait, reports AFP.

Long-term economic recovery programme not in sight

The recession which continues to plague western industrialised nations has dashed any hopes of economic recovery for sub-Saharan Africa in the foreseeable future. It has meant a reduction in aid commitments and a reluctance to ease the region's debt burden.

The World Bank forecasts that only in Sub-Saharan Africa is the number of poor people expected to grow rapidly in the 1990s. Not only has the world recession reduced available resources to ease their plight. The ending of the Cold War has moved the region off the political map of western governments.

There is no longer a need to provide aid to African countries formerly prepared to provide political allegiance to the west. Today, millions face starvation in Somalia. The crisis was there for over a year, but only in August did President George Bush put the United States in the forefront of international efforts to assist by promising 145,000 tonnes of food aid.

Cynics point to the presidential elections and Bush's low standing in the polls as a prime reason for the aid effort. The longer term assistance required to revive Africa remains totally inadequate.

In 1986 a special session of the United Nations agreed a Programme of Action aimed at bringing about an economic recovery in Africa by 1991. When the UN presented its final report on the results of the programme late last year, it proved a stinging indictment of the failure of the rich nations to act on promises of increased aid and debt relief to Africa.

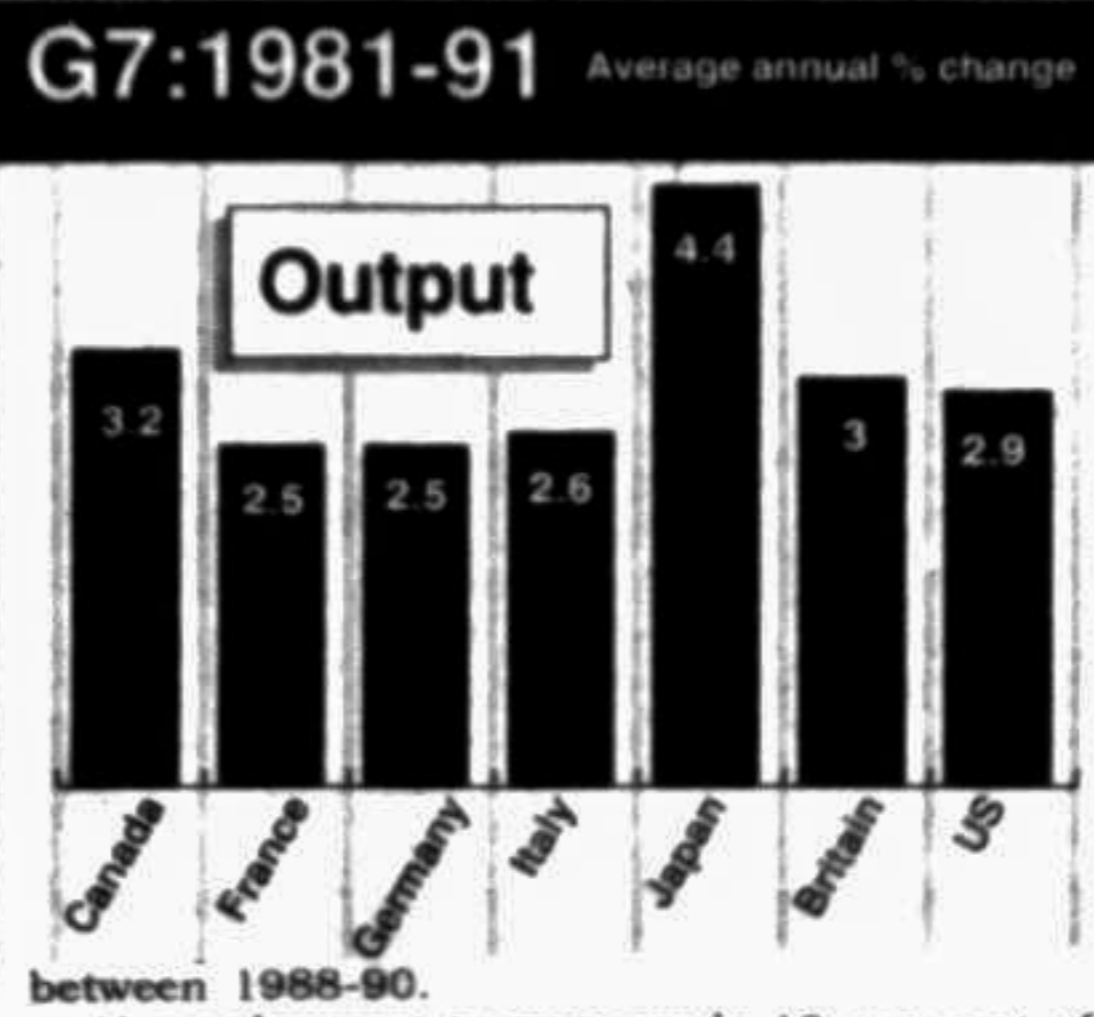
During the five-year period debt in Sub-Saharan Africa virtually doubled to nearly 145 billion dollar. Net official aid currently stands at 18 billion dollar about 20 billion dollar short of what the region needs.

Canadian special envoy to the UN Stephen Lewis characterised assistance to Sub-Saharan Africa since the launching of the recovery programme as "desperately disappointing, during which all the assumptions of the flow of western support have been flouted by experience." He added: "The international community has defaulted on its part of the bargain."

Always considered one of the more generous donors, Canada has cut back its aid

commitments over the five-year period to 1993 by two billion Canadian dollar. Canadian aid currently amounts to 2.5 billion Canadian dollar a year.

Among major industrialised countries, Canada has been one of the hardest hit by the recession. Gross Domestic Product (GDP) rose by 2.5 per cent last year against 6.5 per cent



between 1988-90. Unemployment is now nearly 12 per cent of the workforce. Aid officials in Ottawa are pessimistic about the chances of increased aid within the current domestic economic climate. Despite the cuts, Canadian official aid stands at 0.44 per cent of its GNP. This compares favourably with Britain, where official assistance last year was 0.32 per cent of the GNP.

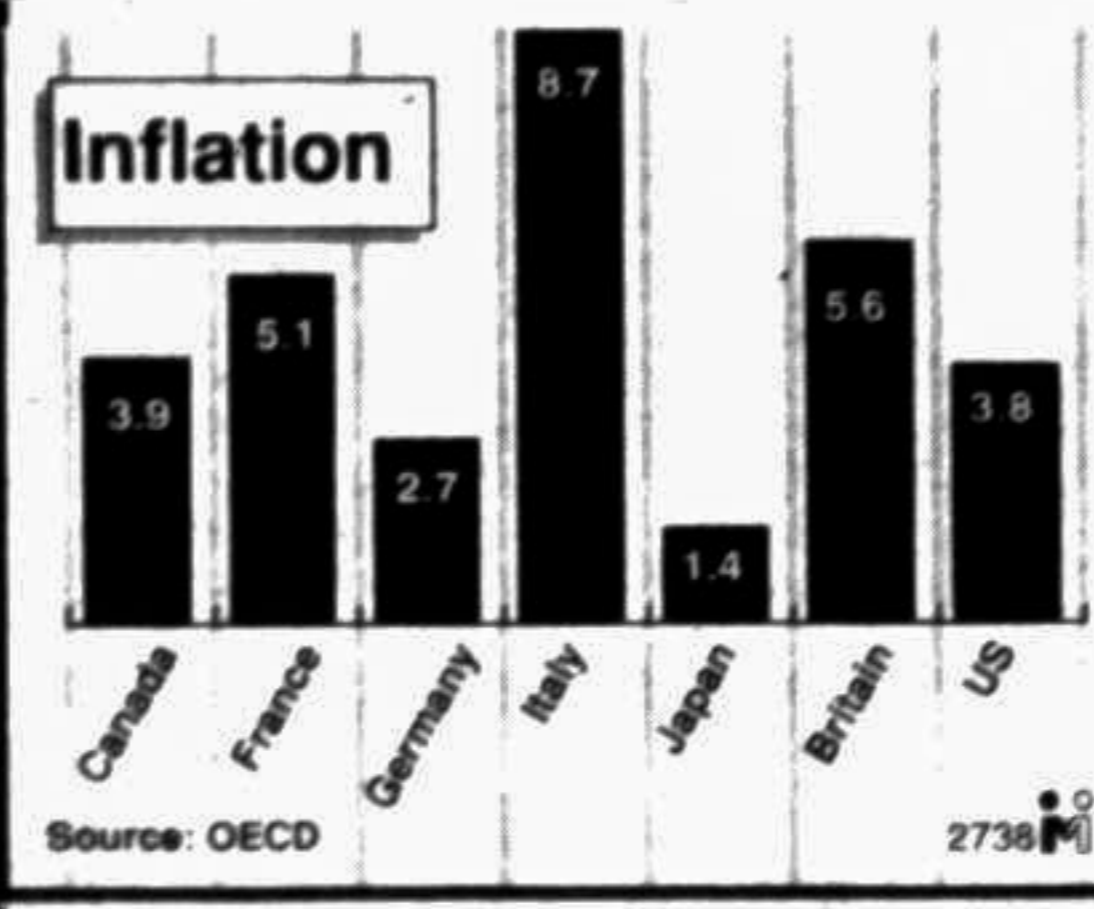
In Britain the economic mood is one of gloom. In July, unemployment rose for the 27th consecutive month to 2.75 million or 9.9 per cent of the workforce. Factories are producing fewer goods than in 1974 and capital spending in manufacturing has dropped by one-third in the past three years. The economy is expected to show zero growth in 1993.

The Bank of England foresees no signs of recovery. Most analysts forecast at least another two years of recession.

In a proposal to ease the British economic malaise, John Townsend, Chairman of the

Conservative Backbench Committee, called in August for a complete cut in overseas aid with the finance saved directed at the sagging housing market.

Although the Townsend proposal was not taken seriously, "aid cuts are certainly likely," according to Ivan Nutbrown, Information Officer for the London-based World De-



velopment Movement. Australia has also been hit hard by the recession, with employment at 11 per cent. GDP growth for the three months ending June stood at 6.6 per cent, confirming that national recovery will be a slow haul. Overseas aid remains a low priority on the economic agenda.

Forecasts that the US economy would bounce back quickly have proved too optimistic. The jobless rate has risen to 7.8 per cent from 5.5 per cent when the recession began in the late 1980s. Unemployment is at an eight-year high.

Like Canada, GDP growth stood at only 2.5 per cent last year against 6.5 per cent between 1988-90. GDP growth of the European Community last year was 6.8 per cent. Official US aid as percentage of GNP remains among the lowest of industrialised countries. Total aid stood at 7.6 billion dollar last year.

For the first time Japan replaced the US as the world's largest donor of foreign aid.

Japanese aid stood at 8.95 billion dollar. Japan has entered the recessionary fold only recently. Unemployment is 2.1 per cent.

A recent government decision to inject 43 billion yen into an economic recovery programme at home may well mean less future aid for the Third World.

Other major western donors, such as France and Germany, also face deep recession. Germany's problems are compounded by the financial costs of re-unification.

In France unemployment at more than 10 per cent has produced a right-wing movement opposed to overseas aid. And in the former East Germany, unemployment of 14.6 per cent has brought increasing violence towards immigrants from a growing neo-Nazi movement.

Given the economic and political climate in most major western aid donors, the likelihood of increased aid commitments is inconceivable. The more likely scenario is aid cuts and further impoverishment of sub-Saharan Africa.

The mood since recession began has also brought about a shift in the criteria for aid disbursements.

The industrial world's 24 richest nations, the so-called Group of 24 (G24) and seven other European countries plus US, Canada, Japan, Australia and New Zealand) have made it a condition that economic aid be only given to countries committed to human rights, multiparty democracy and free market economies.

The June summit in Rio de Janeiro on environment and development noted that if the rich countries attained the agreed UN target of official aid of 0.7 per cent it would mean a doubling of current levels from 55 billion dollar to 110 billion a year—an unlikely target in this recessionary economic climate.

The current crisis facing Sub-Saharan Africa will require a new pattern in Africa's painful economic development. This means more and more support from the west—something certainly not forthcoming at this moment in time.

Ken Laidlaw is a Canadian with a degree in international politics from the University of Waterloo, Ontario. He worked in London for four years with the World Development Programme and is now a freelance economic journalist.

Clinton for protection of workers, jobs

RALEIGH, North Carolina, Oct 5: Democratic presidential candidate Bill Clinton endorsed the proposed North American Free Trade Agreement (NAFTA) with Canada and Mexico on Sunday, but only if the government takes steps to protect US workers and jobs, reports AFP.

"We have to do this. This is a big deal," Clinton said. "If it is done right, it will create jobs in the United States and in Mexico."

"We must always remember why we're doing it — to help the working men and women of America," the Arkansas Governor said in a speech at North Carolina State University.

Clinton had kept his opinion of the free-trade treaty under wraps since the United States, Canada and Mexico reached an agreement in August, following 14 months of negotiations.

The agreement has been opposed by US unions, Democrats and environmentalists.

Clinton attempted to take the middle ground in supporting the treaty, but stressing the importance of not losing US jobs.

"I believe we have to do more for our workers to protect the environment and promote prosperity on both sides of the border," Clinton said.

The vowed as president he would not sign NAFTA "until we have reached additional agreements to protect America's vital interests." But he emphasised that those issues could be addressed "without renegotiating the basic agreements."

NAFTA would eliminate all barriers trade in Canada, Mexico and the United States, building the largest free-trade zone in the world.

The area's 360 million consumers and six-trillion-dollar worth of output would make it bigger than the European Community.

Job vacancies up in Australia

SYDNEY, Oct 5: Data released by the ANZ bank on Monday showed job advertisements rose by 2.9 per cent in September, increasing government hopes for an improvement in official employment figures to be released this week, reports AFP.

The bank's survey, which had shown a 2.4 per cent falls for July and a flat August, said job advertisements were now 2.4 per cent higher than for the same period last year.

It was the latest piece of data indicating what economic analysts have called a mild up in the Australian economy.

It is the first rise in the series since June and is an indication that employment prospects may have stabilised in September, ANZ group economist Graham Hodges said in a statement.

However, he cautioned that several solid monthly rises would be needed before a clear trend improvement was evident.

Trend estimates revealed only modest monthly rises since the start of the year and the labour market remained very weak, with available jobs scarce, Hodges said.

Official employment data is scheduled to be released by the bureau of statistics on Thursday, with analysts forecasting unemployment between 10.8 per cent and 11.3 per cent.

US to tackle budget deficit

ASPEN, Colorado, Oct 5: The US will finally have to tackle its huge budget deficit and this will mean less money available for foreign aid, the head of the National Governors Association said, reports Reuter.

The major contenders in the current race for the White House are only paying lip service to the deficit during the presidential campaign.

Colorado Governor Roy Romer told a group of Russian business and government leaders at the Aspen International forum. But Romer, a Democrat, said whoever wins the election will have to deal with the deficit and that will mean less money for foreign aid.

"I think there will be a concerted action after November at the Federal level and the state level to address the problem of the Federal deficit," he said.

"These problems are not well discussed in a presidential election, but I think after the election you'll find many people come out and say we must come to terms with the Federal deficit."

Romer said the deficit, at about 400 billion dollar, represents 5.2 per cent of the US Gross National Product, but will grow to 21 per cent by 2020 if the current trend continues.



TENDO JAPAN: Empress Michiko (R) holds out her right hand to protect Emperor Akihito at the moment that an unidentified man threw a smoke bomb Oct 4 at the monarch in protest against the royal couple's upcoming visit to China. The emperor was addressing the opening ceremony of national athletics games in Tendo, 350 km (220 miles), north of Tokyo. —AFP/UNB photo.

Dollar recovers slightly against yen in Tokyo

TOKYO, Oct 5: The US dollar recovered slightly against the Japanese yen after touching a new record low in Tokyo Monday, as share prices declined in thin trading, reports AP.

At late morning, the dollar was trading at 119.35 yen, down 0.05 yen from Friday's close but above its opening at 118.93 yen in New York. It finished at 119.36 yen on Friday.

The opening in Tokyo was the lowest for the dollar since the modern exchange rate system was set up in the late 1940s.

Traders said the dollar remained bearish following a US Labour Department released Friday that employers laid off 57,000 more workers in September.

But Tatsuru Nishio, a currency dealer with the Chemical Bank, said there was no great rush to sell the dollar.

Kuwait digging new wells to revamp oil output

KUWAIT, Oct 5: Kuwait is digging new wells after extinguishing fire in oil fields in bid to revamp its oil production, reports BSS.

The well fire started by the Iraqis during the Gulf War has been extinguished. But now oil is gushing out and forming pools. Those are pumped into the refineries to clear the area.

The spots are near the oil township of Ahmadi, about 80 kilometres from Kuwait city centre.

Burgan, Magua and the vicinity constitute the second largest oil-field in the world. The largest one is in Saudi Arabia.

'Santa Fe' an American company is digging at Burgan under a contract from the state-owned Kuwait Oil Corporation (KOC). Americans, Egyptians, Filipinos and Bangladeshi and same other South Asian countries make up the drilling work force.

Engineer Adel Kassem al-Sarraf, a young Kuwaiti who did his graduation from the USA told newsmen that digging was carried out within only three weeks time. As soon as the big goes down to 1,500 feet level, the oil is struck.

Each well will produce six thousand barrels a day, which will further supplement Kuwait's present production of 16.2 million Barrel Per Day.

More than 100 new wells have already been dug following Iraq's forced ouster from the mine-swept oil fields.

Meanwhile, candidates in Tuesday's 50-seat National Assembly election raised the question whether the would be Majlis-e-Umma will have definite say on the dispensation of the oil revenue. The question posed is whether emphasis will be on welfare expenditure or on defence needs which has also agitated the public mind after the Iraqi aggression.

China earning record profits from tourism

BEIJING, Oct 5: China is earning record profits from its expanding tourist business as foreigners come back in droves after avoiding the country following Beijing's 1989 crackdown on pro-democracy protests, reports Reuter.

The official China daily said that China received 3.64 million overseas tourists between January and July an increase of 36 per cent over the same 1991 period. Average daily earnings from tourism hit 9.6 million dollar up from 7.4 million dollar.

'Super crystals' in space, in Oslo

Norwegian researchers have started to grow "super crystals" which could have an enormous industrial potential. As a means of comparison, the crystals are being grown on the ground as well as in orbit, 510 kilometres above the Earth.

The reactor with the ground-based crystals was started at the Centre for Industrial Research in Oslo at the end of August, shortly after a sister-reactor was turned on in the research satellite 'Eureka'.

The Norwegian crystal research is the most interesting and industrially relevant of the projects to be carried out on the satellite," say ESA experts Dr. Herbert Martinides and space engineer Horst Konig, who took part in the Oslo start-up.

The "super crystals" will be used in a number of chemical processes, including the upgrading of oil and in conversion of natural gas into petrochemical products. They could even replace phosphates in detergents.

The growth of the crystals on Earth is inhibited by gravity, and they remain small. But in the free-fall of orbit, they will grow much bigger and their structure will be nearly perfect," says Dr Michael Stocker at the Oslo-based research centre. —(Norinform)

Iraqi assets seizure pushes dinar down

BAGHDAD, Oct 5: The Iraqi currency took a sudden nose-dive on Sunday after a Security Council resolution on Friday to seize hundreds of millions of dollar in frozen Iraqi oil assets, reports Reuter.

The dinar, which traded at 23 to the dollar last week, plummeted to almost 35 on the black market on Sunday, traders said — a loss of nearly 34 per cent of its value.

The official rate is three dollar to the dinar. Iraq's earlier offer to sell oil worth four billion dollar a period of six months strengthened the local currency but it fell against the dollar as news of the assets seizure spread.

Baghdad traders say the dinar may not slump that far if Iraq strikes some sort of deal with the United Nations to export limited amounts of oil.

The dinars' sudden fall will make imported goods more

expensive on open markets, but the currencies' swings do not affect prices of subsidised rations which the government distributes to millions of Iraqis. One month has already been distributed in advance.

However government officials have made clear that the seizure of the frozen funds abroad will hamper their ability to sustain the rationing system.

Iraq used some of the funds to buy humanitarian supplies exempt from UN sanctions. The new resolution, officials say would block these provisions and force states to such funds through the United Nations.

The seized monies will be used to pay for UN inspectors scrapping Iraq's ceasefire, and to cover relief aid to Kurds and compensation to victims of Baghdad's seven-month occupation of Kuwait.

Japan, South East Asia top exporters to Dubai

ABU DHABI, Oct 5: Japan and its South East Asian neighbours are still the top exporters to Dubai, the Gulf's main trading centre, with their sales accounting for nearly 40 per cent of the Emirate's imports, reports AFP.

A government report sent to AFP on Saturday said exports by Japan and eight of its Asian neighbours stood at around 6.3 billion dirham (1.7 billion dollar) in the first four months of 1992.

Imports to Dubai, a member of the United Arab Emirates (UAE) totalled 15.8 billion dirham (4.3 billion dollar) over the same period.

Japan was the top supplier with exports of 2.6 billion dirham (708 million dollar) followed by China and South Korea, with 1.2-billion dirham (326 million dollar) and 893 million dirham (243 million dollar) respectively.

The others were Taiwan, Thailand, Hong Kong, Indonesia, Malaysia and Singapore.

The imports to Dubai were mainly foodstuffs, garments, chemicals, vehicles, machinery and equipment, electronic and electrical goods, according to the government report.

It said Dubai's exports to South East Asia stood at 482 million dirham (131 million dollar) in the same period.

Aluminium accounts for most of Japan's imports from Dubai. Such imports stood at 170 million dirham (46 million dollar) in the first four months, almost 70 per cent of the Emirate's aluminium export earnings.

Dubai's trade accounts for 20 per cent of the Gulf's total non-oil trade and the bulk of its imports are re-exported to Iran, now locked in a territorial dispute with the UAE.

Asian units rebound from shock of Euro market turmoil

HONG KONG, Oct 5: Most Asian currencies strengthened against the dollar last week, reversing the trend that followed the European currency crisis, reports AFP.

The yen led the way, pushing the Greenback to below the 119 yen to the dollar level in midweek as the US currency lost some of the round it had gained as a safe haven currency late September while the European currency markets were in turmoil.

Dealers cited lack of confidence in the US economy together with the release Friday of the September US jobless figures as reasons for the Greenback's slide in the region.

Only the Australian dollar lost ground against the Greenback, while the Indonesian rupiah remained unchanged.

Japanese yen: The Japanese yen gained ground to close at 119.40 yen to the dollar on the Tokyo foreign exchange market Friday, up 1.45 yen from the previous week's close.

Market players speculated that the US Federal Reserve Board might cut its official discount rate after the US jobless figures for September were released, dealers said.

After opening at 120.08 yen on Monday, the Japanese currency moved between 118.60 and 120.65 yen last week.

The Finance Ministry said Friday that Japan's current account surplus had soared

28.2 per cent from a year earlier to 7.11 billion dollar in August.

Taiwan dollar: The Taiwan dollar closed Friday at 25.18 to the US dollar, up 0.63 Taiwan cents from the previous week's finish of 25.81.

However, the local unit declined against major European currencies, finishing at 43.74 to the British pound against 43.17 the previous week, at 5.23 to the French franc against 5.08, and at 17.66 to the German mark against 17.06.

South Korean won: The South Korean won strengthened against the dollar during the week, closing Friday at 784.70 won against 786.40 a week earlier.

Dealers said the currency strength was due largely to an announcement by the Trade and Industry Ministry that South Korea registered a trade surplus in August and September after suffering a chronic traded deficit in previous months.

Hong Kong dollar: The Hong Kong dollar rose against the US dollar, closing at 7.7238 on Friday, compared with the previous week's close of 7.7292-7.7302.

The effective exchange rate slipped 0.8 points close 109.7 on Friday against the previous week's close of 110.5.

The Hong Kong dollar is pegged at 7.80

against the Greenback.

Singapore dollar: The Singapore dollar strengthened against the US dollar, closing Friday at 1.5915 to the Greenback, against 1.6050 at the previous week's close.

The Singapore dollar was weaker against the pound sterling at 2.7764 compared to 2.7365 the previous week.

The local currency was also weaker against the yen at 1.3307 as against 1.3275 last Friday.

Australian dollar: The Australian dollar weakened against the Greenback on the back of continued uncertainty in the foreign exchange markets abroad, dealers said Friday.

The Aussie finished at 71.80 US cent, against the previous Friday's close of 72.50 US cent.

Dealers said that performance of the local currency would depend on developments abroad, and locally on labour force data due for release on Thursday.

The Central Reserve Bank's trade weighted index which measures the dollar against a basket of major trading currencies, finished the week at 52.0 points, well under the previous Friday's close of 53.1.

New Zealand dollar: The New Zealand dollar ended the week worth 54.36 US cent up on the previous Friday's close of 53.98 cent.

Volumes this week were behaviour than normal, in part spurred by a 400 million New Zealand dollar (217 million US) government stock tender.

Since the European currency crisis the Kiwi has been moving upwards, although dealers doubt that this is a long term trend.

Indonesian rupiah: The Indonesian currency closed the week Friday at 2,040 rupiah to the dollar, unchanged since the previous week's close.

Philippine peso: The Philippine peso continued to strengthen its position against the US dollar, closing the week Friday at 25.022 peso to the Greenback, against the previous week's close of 25.140.

Thai baht: The Thai baht closed Friday stronger against the dollar at a mid-rate of 25.13 baht to the Greenback up from last Friday's close of 25.20.

Malaysian ringgit: The Malaysian ringgit rose against the US dollar to close at 2.4955 Friday, against 2.5080 previously.

Dealers cited the release Friday of the September US jobs data one factor in the local currency's strength, together with the flow of foreign funds into Malaysia, spurred by attractive interest rates also helping the Ringgit's rise.