

Russian central bank recalls hard currency deposited abroad

MOSCOW, Oct 8: Russia's central bank said on Wednesday that it approved of a plan by President Boris Yeltsin to repatriate millions of dollars worth of hard currency presently stashed in foreign accounts, reports AFP.

Central bank Chairman Viktor Gerashchenko said the move to be introduced on January 1, was "essential if we really want to find the rouble's (real) market exchange rate and create the foundation for its convertibility", the Interfax news agency reported.

Yuri Schegolov, an analyst with the Moscow Interbank Currency Exchange, agreed it was necessary to stop "the exodus of dollar" from Russia whereby exporters prefer to keep their hard currency earnings abroad in accounts than convert them into useless rouble at home.

There are several estimates of how much money Russian exporters are keeping in foreign accounts abroad.

Alexei Ulyukayev, an economic adviser to the Russian government, told Literaturaya Gazeta this week that export revenues reach three billion US dollar a month and yet the amount of currency sold on in-

ternal money markets is less than 300 million dollar a month.

"The currency market is too small and needs to be developed," Ulyukayev told the newspaper.

But Nezavisimaya Gazeta was more categorical in its appraisal of currency exchanges and wrote on Wednesday that "the problem with Russia's currency market is that there is no currency market."

"It has become a game and every time the central bank makes a slight move the entire market is upset," the Russian newspaper wrote.

According to Russian law, exporters are only obliged to sell 20 per cent of their currency earnings on the money markets while an additional 30 per cent is sold directly at the central bank at the rate set during twice-weekly trading sessions at the Moscow Interbank Currency Exchange.

During trading on Tuesday at the currency exchange, the rouble fell to 342 to the US dollar, down from 309 last week.

The rouble exchange rate has tumbled in the past two weeks from its Sept. 17 rate of 205 to the US dollar.

Yeltsin's plan to prop up the rouble also calls for making the Russian currency the only legal tender in the country, a move that would force foreign firms to accept roubles.

Foreign firms often only accept hard currency because the rouble is not fully convertible and cannot be exchanged against other currencies outside of Russia.

Yeltsin also called for controlling the money supply by creating a single emission mechanism to prevent national banks from other former Soviet republics that have retained the rouble from increasing the money supply.

The plan came after government officials returned from a meeting of the International Monetary Fund in Washington in September, during which they asked the IMF to release the promised six billion dollar stabilisation fund to make the rouble convertible.

Russia, CIS may face \$15b debt crisis

Another report from Paris says, negotiations on a rescheduling of the defunct Soviet Union's 70 billion dollar hard-currency debt are mark-

ing time because of a controversial new Russian proposal. A row over debt between Russia and Ukraine and a host of technical issues, according to western debt negotiators.

Without a debt restructuring, Russia and its partners in the Commonwealth of Independent States (CIS) would face debt service of some 14 to 15 billion dollar next year, and closer to 20 billion if short-term debt is included, they said.

Japan's emergency aid to Russia

Another report from Tokyo adds: Japan's Export-Import Bank said it would lend 100 million dollar to Russia's bank for foreign economic affairs (Vneshekonombank) under an emergency-aid package promised to the former Soviet Union in December 1990.

The proceeds of the loan will be utilized by the Russian federation for the purchase of... medicine and medical instruments, medicine materials, casing for ham and sausage, packaging materials for the food and tobacco industries, coca-butter equivalent, veterinary medicine and filters for cigarettes," a bank statement said.

Taiwan's MP accuses former army commander of corruption

TAIPEI, Oct 8: An opposition MP said Wednesday the brother of the late President Chiang Ching-kuo approved a controversial arms deal with Iran, which later developed into a wider scandal, reports AFP.

Chen Shui-bian of the opposition Democratic Progressive Party said the late President's half-brother, General Wego Chiang approved the multi-million US dollar arms deal in 1981 despite a Taiwan law against selling arms abroad.

Chen told reporters here that if Chiang, then Commander-in-Chief of the combined services forces, did not approve the sales, it would have been impossible for the deal to go ahead.

Chiang was unavailable for comment and his office declined to comment.



LONDON: Natural History Museum gemologist Cally Oldershaw holds up the world's first ruby Oct 6 during its one month show at the museum. The 139.43 ruby is valued at more than 15 million pounds. It was found in North Carolina two years ago by an amateur geologist. — AFP/UNB photo

BCCI creditors seek improved compensation

LUXEMBOURG, Oct 8: Creditors and former employees of the collapsed Bank of Credit and Commerce International SA (BCCI) (BCCI, CN) said they would present new evidence to a Luxembourg court in a bid to improve a deal for creditors, reports Reuter.

At resumed hearings into the compensation plan, Luxembourg Judge Maryse Welter agreed BCCI's former chief of finance Masihur Rahman could testify to the court later Thursday.

"As a (BCCI) creditor I have some very important matters to bring before this court," Rahman told the court. "I can throw so much light on this subject and everyone is talking around it."

The compensation plan, which won 93 per cent acceptance in a recent ballot of BCCI creditors, is backed by Abu Dhabi, BCCI's majority shareholders, and the bank's liquidators.

British Labour MP Keith Vaz and members of a campaign committee present at the hearings said they would try to get the deal improved.

"Although 93 per cent of those who responded to the ballot questionnaire voted to support the deal we do not know how many people we balloted," Vaz said in a statement.

"Even if the court approves of the agreement the creditors will have to wait until next year before they get any payments. That delay is unacceptable," Vaz said.

BCCI's two Luxembourg liquidators protested against the request to bring new evidence, saying it was a ploy to gain time.

BCCI was headquartered in Luxembourg but had most of its banking operations elsewhere, including the UK.

The compensation plan cannot be implemented without Luxembourg's approval.

Japan's GNP growth revised downward

TOKYO, Oct 8: The Nomura Research Institute said Wednesday its forecast for Japanese economic growth in the next fiscal year from 2.5 per cent to 2.4 per cent, reports AFP.

Its forecast for the current fiscal year, which ends in March, remained unchanged at two per cent. Japan's Gross National Product grew 3.5 per cent in real terms in the last fiscal year.

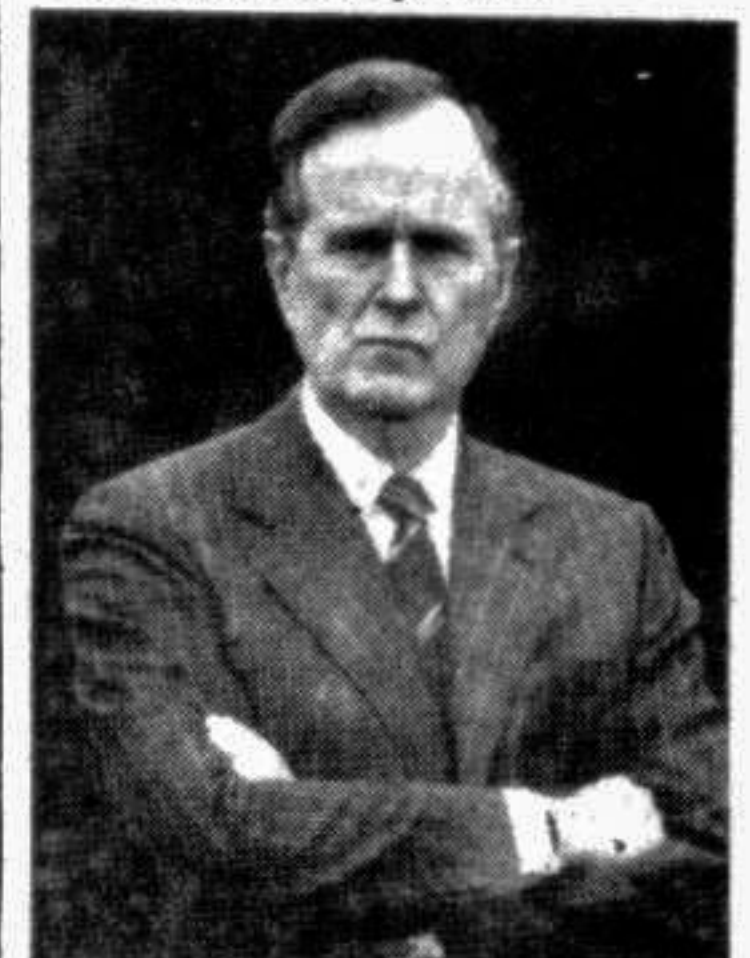
The institute, affiliated with Nomura Securities, said a 10.7 trillion yen (\$9 million dollar) package of stimulate announced by the government in August was not enough.

Additional measures, including lower taxes, are needed to stimulate the economy, it said.

A second institute, affiliated with Sumitomo Bank Ltd, was more pessimistic, saying Japan's Gross National Product would grow only 1.7 per cent in real terms in the next fiscal year.

Bush plans to lift trade bars on Afghanistan

SAN ANTONIO (Texas), Oct 8: President George Bush announced Wednesday that Washington would seek to lift discriminatory tariffs on products from Afghanistan, saying it was no longer considered a Marxist state, says AFP.



The move also opens the door to US foreign aid and credits from the US Export-Import Bank, Bush said in a memo to the Secretary of State from San Antonio, Texas, where he was to initial the north American Free Trade Agreement with Mexico and Canada.

The President said it was now in the national interest to help Afghanistan, because of the ouster of the Communist regime backed by the former Soviet Union.

Dollar firm, stocks mixed in Tokyo

TOKYO, Oct 8: The US dollar strengthened against the Japanese yen in Thursday morning trading, while share prices on the Tokyo Stock Exchange turned mixed, reports AP.

At late morning, the dollar was changing hands at 120.73 yen, up 0.95 yen from Wednesday's close. It opened at 120.41 yen after finishing New York trading at 120.40 yen.

Toshihiro Nemoto, a dealer with Tokai Bank, said the dollar gained ground from the state of trading as banks covered their short dollar positions.

But he added that sentiment remained bearish on the dollar over the mid-term because of selling pressure from exporting companies.

The dollar's strength followed its overnight gains against most major currencies in New York after an expected US interest rate cut failed to materialize.

Millionaire convicted in stock scandal in Taiwan

TAIPEI, Oct 8: A flamboyant millionaire accused of manipulating Taiwan's volatile stock market was sentenced to 3 1/2 years in prison Thursday for illegally selling unlisted stocks in the island's biggest stock scandal, reports AP.

Oung's brother, Yi-ming, and four others also were convicted in the 600 million Taiwan dollar (US-22.2 million dollar) scandal and sentenced to prison terms ranging from one year to 18 months.

Neither Oung Ta-ming nor the others were in court for the brief sentencing session. All have 10 days to file an appeal.

Oung Ta-ming suffered what was believed to be a stroke while in jail last month. He was released on bail of six million Taiwan dollar (US 230,000 dollar) last week to await the verdict.

Oung, whose family is one of the richest in Taiwan, and another brother, You-ming, were charged last year with breach of trust and forgery of documents for selling the stocks to Flora Chen, daughter of then Communications Minister Clement Chang, and You Hsien-teh, a professor at Taipei's Tamkang University.

S African firms make potential deals at Gulf trade show

DUBAI, Oct 8: South African firms opened a landmark trade fair in the Gulf on Tuesday as hundreds of businessmen from Saudi Arabia, Iran and other oil-rich states packed the exhibition hall, reports AFP.

Minutes after the launch of the fair, called "A New Link — South Africa and the Gulf," one of the more than 100 companies taking part had already struck a deal.

Beason Sweets and Chocolates said it signed a 250,000-dollar contract with a Dubai businessman. "We had done a lot of ground work previously to coming here and this is the result," said Beason's Export Manager, Aubrey Freed.

"We see enormous potential here. Our product is already known in 40 countries and they know here that we can compete on price and quality," he said at the show in Dubai.

The exhibition includes goods and services ranging from foodstuff, garments, jewelry, furniture, housewares, building materials to machinery, petrochemical products and the promotion of air links, tourism, financial and banking services.

The four-day show in Dubai is South Africa's first exhibition in the Middle East and its direct entry into a lucrative market that relies heavily on imports. A product that attracted much attention was South Africa's notorious armoured police vehicle.

The exhibition follows the resumption of Gulf dealings with Pretoria earlier this year after more than three decades of anti apartheid boycott.

"We are sincerely thankful that the Dubai authorities were prepared to take the first steps in the process of the normalisation of trade relations," South African Deputy Commerce Minister David de Villiers Graaff said at the opening.

NAFTA comes amid growing anger of American workers

NEW YORK, Oct 8: President Bush's latest promotion of the North American Free Trade Agreement comes against a backdrop of growing union anger over last jobs, an issue that goes to the heart of what the pact means for US workers, reports AP.

A rash of recent high-profile strikes in this country have been at least partly due to the outrage that unionised employees feel over what they see as threats to their job security. Those threats include a migra-

tion of work to Mexico, where labour costs are about one-twentieth of what they are here.

Most union leaders say the proposed free-trade pact, which will eliminate cross-border economic barriers over 15 years, is simply a green light for many big American corporations to accelerate or greatly expand this migration.

Bush and other supporters of the pact contend it will eventually result in a net gain of US jobs, as Mexico becomes

more of a consumer economy and buys more American products and services.

The Institute for International Economics, a non-partisan Washington-based research group, has estimated the pact will create 600,000 jobs in Mexico and 130,000 jobs in the United States.

Opponents of the pact say hundreds of thousands of American jobs will be lost, beyond the estimated 400,000 that already have gone to Mexico in recent years.



Miguel Serrano, leader of a Chilean neo-Nazi group, gives a speech in Santiago in Sept 5, '91 (file photo). Serrano announced Oct 7 that his group would support Chilean 'skinheads' if they decide to harass Jews and Asian minorities in Chile. — AFP/UNB photo

Kuwait's parliament to press for financial accountability

KUWAIT, Oct 8: Kuwait's new parliament, dominated by government critics after Monday's elections, will press for financial accountability by the government as a top priority, newly-elected members said, reports Reuter.

"I think that public funds will be a main issue," Abdulla al-Nibari, a newly-elected member for the Kuwait Democratic Forum (KDF) of leftists and Arab Nationalists,

told Reuters.

"I think the internal debt problem will be very important," Ahmad Baqr, who won his seat for the Islamic Popular Movement (IPM) of Conservative Sunnis, said.

"I think the people who have the debts must pay them back. It's not fair to have money abroad and not pay," Baqr said.

The opposition is suspicious of a government programme to

buy back some 20 billion dollar of commercial bank debt. It fears it may either completely write off the debts or set generous rescheduling terms that the country cannot afford.

Nibari and Baqr also said the parliament must hold the government accountable for its foreign investment decisions.

Bad debt problems have hit Grupo Torres, a Spanish industrial holding company owned by the Kuwait Investment Office (KIO).

Jakarta faces 3.63 pc inflation

JAKARTA, Oct 8: The cumulative rate of inflation in Indonesia for the first three quarters of 1992 stood at 3.63 per cent, Information Minister Harmoko said Wednesday, reports AFP.

Speaking after a monthly cabinet meeting on the economy, Harmoko said Indonesia registered a 0.20 per cent inflation rate in September compared to 0.16 per cent in August.

The cumulative inflation rate for the first three quarters of 1992 was more than half the rate for the corresponding period in 1991, which was 7.51 per cent, Harmoko said.

For the month of July, Indonesia recorded a trade surplus of 679.9 million with exports at 2.84 billion dollar and imports worth 2.16 billion dollar he said.

The surplus for June stood at 341.6 million dollar with exports at 2.69 billion dollar and imports at 2.35 billion dollar.

US expresses concern over Sudan's decision to export food

WASHINGTON, Oct 8: The United States has urged Sudan to reconsider a decision to export 20,000 tons of beef to Iraq while millions of its own people face starvation, reports AFP.

"We think the government of Sudan should reconsider its transaction in light of the needs of its own people," state department spokesman Richard Boucher said yesterday.

Besides selling beef to Iraq, Sudan was also exporting grains to neighbouring countries, said US officials who spoke on condition that they not be identified.

Such sales of meat and grain, the officials insisted, were going ahead despite an international effort targeting some 3.7 million starving people in southern Sudan. A region affected by prolonged drought and civil war.

"For one reason or another," one US official charged, "the Sudanese government has decided to export rather than to feed its own people."

The United States is the

largest donor of humanitarian aid to Sudan, having shipped 75,000 metric tons of food worth some 30 million dollar in the past year alone, the officials added.

Sudan notified the United Nations last month that it intended to export a reported 20,000 tons of beef to Iraq, one of the few countries on friendly terms with Khartoum's Islamic fundamentalist government.

The UN Security Council committee overseeing international sanctions imposed on Iraq after it invaded Kuwait in August 1990 authorised the deal since the embargo exempts food shipments for humanitarian needs.

A Sudanese official quoted Tuesday in the Washington Post argued that there was nothing wrong with the Iraqi deal since Sudan had "plenty of livestock to feed the whole country."

The paper said Sudan exported 15,000 tons of beef to Iraq last year, a figure US officials were unable to confirm.

Environmentalists fear dark consequences of NAFTA

MATAMOROS (Mexico), Oct 8: The leaders of Canada, Mexico and the United States may laud their new trade deal as universally beneficial, but environmentalists fear dark consequences, reports AP.

Critics say a burst of new industry in Mexico spurred by the North American Free Trade Agreement could be responsible for tragedies like those that have overtaken Hermilio Mata and Ricarda Martinez, Mexicans who live in this industrial border town.

Both are recent parents of babies born without brains. Thousands of other families on both sides of the US Mexican border have suffered the same affliction, and nobody knows why.

Speculation on causes range from nutrition, genetics, viral infections, drug abuse and — increasingly — industrial pollution.

The babies are stillborn, or die shortly after birth. Though no link has been proven between industrial pollution and such births, environmentalists are worried that new industry in northern Mexico and lax enforcement of environmental laws could bring a wide range of harmful effects.

House Majority Leader Richard A Gephardt wants the trade deal renegotiated to better protect health.

"It's clear that the US and Mexican governments are doing all they can to promote this agreement and to obscure any information that calls into question the benefits for our people and the effects of this agreements on their health," Gephardt, a Democrat, told The Associated Press.

Mexican environmental laws, on paper, are

exemplary. But some are seldom enforced. For instance, maquiladoras, as foreign plants in the area are known, are required to return toxic waste to the United States. Mexico estimates that up to 60 per cent of it gets left behind.

At a time when Mexico, the United States and Canada are all praising the trade agreements, some people fear environmental concerns are being swept under the rug.

Babies born without brains or with severely underdeveloped brains are known as anencephalic, a condition caused by the failure of the spinal column to close during early pregnancy. Statistics show a recent increase in cases, and some speculate the numbers still underreport the phenomenon.

"There's political pressure to minimise the problem and it has to do with the free trade agreement," says Dr Timothy Thurber, a pediatrician in the border town of Brownsville, Texas.

"Even if it is never proven that industrial pollution is causing this, there certainly is circumstantial evidence. But it is hard to prove," he said.

For Mexico's part, however, Health Secretary Jesus Kumate says "there is no epidemic of anencephaly in Mexico. This disease has been around for centuries."

An official document suggests that Mexico, which strongly favours the urgency, is not interested in finding pollution-related problems.

"Finding ourselves on the eve of the free trade treaty, it's imperative to totally dispel all doubts concerning the country's sanitary infrastructure, such as the control of toxic waste," reads a Health Ministry memorandum

issued at the start of an investigation into anencephaly in Ciudad Juarez, south of El Paso, Texas.

Some 3,300 anencephalic babies are born every year in Mexico, a rate of 18.4 per 10,000 births — the world's highest.

"These figures do not include babies without death certificates, if only one parent appears on the certificate, or if the parents have no address, eliminating single mothers and thousands of families who erect shacks on streets with no names or numbers.

The United States has a low rate of anencephaly — three per 10,000 — but the rate is nearly four times that along the Mexican border.

A document by Mexico's Registry of Malformations obtained by The Associated Press shows an increase in many border cities. Ciudad Juarez went from three cases per 10,000 in 1988 to 23 per 10,000 in 1990; Ciudad Acuna's rate rose from nearly zero per 10,000 in 1988 to 28 per 10,000 in 1991; in Reynosa the rate climbed from 11 per 10,000 on 1988 to 19 per 10,000 in 1990.

Dr Romeo Flores de la Fuente, director of a hospital in Ciudad Acuna, reported six cases out of 800 births so far in 1992, or 75 per 10,000 births.

Anencephaly grabbed headlines in April 1991, after three cases at Brownsville's Valley Regional Medical Center appeared within 36 hours.

In Cameron County, which surrounds Brownsville, there have been 70 cases since 1986 — 46 in the past three years, virtually the same figure as for Matamoros.

A study by the Texas Health Department says brain development could be affected by folic acid, found in green leafy vegetables. Folic acid capsules will be distributed to women of childbearing age in Cameron County.

Some doctors say the study ignored environmental factors.

"Why are they treating a symptom without knowing the cause?" said Dr Carmen Rocco, director of the Vallex Community Health Center in Brownsville, which has three times the US rate for anencephaly.

"We're not discounting environmental reasons," said Dennis Perrotta, chief epidemiologist at the Texas Health Department. "It's just that there haven't been any previous environmental studies."

Dr Rocco said most mother of anencephalic babies live in poor settlements along the Rio Grande.

"Sixty per cent of these families had someone working in maquiladoras or in the fields with pesticides," she said.

Like most border cities, Matamoros has seen a population explosion as poor Mexicans seek jobs in border factories. About one million people use the river for drinking, cooking, swimming and bathing.

The National Toxic Campaign Fund, based in Massachusetts, says the river "is becoming a toxic disaster zone" with "a thick foam of bacteria, industrial chemicals."