

BRIEFS

Japan's \$ 100m aid to ex-Soviet states
 TOKYO, Oct 29: Japan will extend 100 million dollar in humanitarian aid to ex-Soviet republics, in particular the Russian far east region, Foreign Minister Michio Watanabe said today. Watanabe, in opening remarks to the Tokyo conference on assistance to the New Independent States (NIS), added that Japan would train 300 engineers and experts from five central Asian republics over the next three years.

More explanation on EC urged
 STRASBOURG (France), Oct 29: National governments must bear more of the burden for explaining the European Community to its citizens and ensuring that EC laws are enforced, the head of an EC advisory group said on Wednesday. "National administrations have to take up the responsibility which has not been taken up to date," former European Commissioner Peter Sutherland, Chairman of Allied Irish Banks, told a news conference, reports Reuter.

WB donates \$ 20m for the Somalis
 The World Bank announced on Wednesday it is donating 20 million dollar in grants to support United Nations efforts to feed thousands of Somalis dying of starvation, Francis Colaco, a World Bank Director, told a news conference the bank did not usually get into relief aid or peacekeeping activities. But he said they were motivated by the situation in Somalia which had no functioning government that would allow the bank to institute loans or credits for development projects, reports Reuter.

Vietnamese, UK Oil firms sign accord
 HANOI, Oct 29: British Gas Exploration and Production Limited signed an agreement on Wednesday with Hanoi's state-owned oil company, Petrovietnam, to search for oil off the Vietnamese coastline. The 25-year production-sharing contract covers block 4-1, which was previously licensed to the Soviet-Vietnamese joint venture, Vietsovpetro, a press release said. It was the third oil exploration contract Hanoi has signed with foreign companies this month, reports Reuter.

US firm discovers new gas, oil fields
 MANAMA, Oct 29: The US oil company Amoco has announced a new natural gas and condensate reservoir in Sharjah, which Gulf oil executives said Wednesday will boost the Emirate's natural gas production capacity substantially. Sharjah, after Abu Dhabi, holds the largest recoverable natural gas reserves in the United Arab Emirates. Sharjah and Abu Dhabi are two of the seven emirates that make up the UAE, reports AP.

OPEC governing board meets
 VIENNA, Oct 29: Faced with sliding oil prices and some members failing to pay their dues, the Organisation of Petroleum Exporting Countries' governing board met on Wednesday to draw up an agenda for next month's ministerial meeting here, the twice-yearly OPEC board meeting, chaired by Venezuela's Gonzalo Plaza and attended by Secretary General Subroto, was also due to draft a 1993 budget which should trim costs to meet revenues curtailed by payment difficulties in Ecuador. "They are going to find ways to streamline the budget", one OPEC source said, reports Reuter.

EC provide CIS with \$ 642m
 TOKYO, Oct 29: The European Community (EC) said Thursday that it planned to provide 500 million ECUs (642 million dollar) next year in technical assistance to the former Soviet republics, an official said. The official said the 12-nation community "envisaged" the amount as part of their technical assistance to the Commonwealth of Independent States and Georgia (TACS) programme launched last year, reports AP.

Euro Parliament gives go-ahead to world's largest single market

STRASBOURG, France, Oct 29: The European Parliament late Wednesday gave a vital go-ahead to the opening of the world's largest single market by next year, welcoming what they called a "historic transformation" of Western Europe, reports AP.

The European Economic Area would join together in a single trade zone the European Community's 12 member states with seven countries comprising the European Free Trade Association.

In a 351-16 vote, deputies approved the accord they said comprised thousands of pages and took four years to negotiate, then applauded wildly as the vote was counted.

The European Parliament tonight stands on the brink of a historic transformation, said British deputy Gary Titley. He called the vote "a major political watershed that ends the historic division in Western Europe."

The accord, which must be ratified by national parliaments of all 19 countries, needed the Euro-parliament's approval before it could take effect.

"This is the broadest and most important agreement the EC has ever entered into," said Danish deputy Marie Jepsen, who led the European Parliament's debate on the EEA agreement.

The act envisions the free movement of people, goods, services and capital by Jan 1 in an area with 380 million consumers that deputies said accounts for 46 per cent of the world's trade.

The pact also establishes joint efforts in areas such as consumer protection, the environment, and research and development.

British Foreign Office Minister Tristan Garel-Jones said the abolition of trade barriers "from the arctic coast of Norway to the southern tip of Sicily, from Lisbon in the west to Vienna in the east" would make business deals much easier to realise.

The resulting boost to Europe's economy would also help consumers to have "more choice and lower prices," he added.

The seven nations in the European Free Trade Association are Austria, Finland, Iceland, Liechtenstein, Norway, Sweden and Switzerland.

The EC's member states are Belgium, Britain, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, The Netherlands, Portugal and Spain.

Austria, Finland, Sweden and Switzerland have already applied for membership in the EC.

Jepsen said she expected all 19 parliaments to easily approve the accord, but hinted Switzerland might have some trouble during its scheduled Dec 6 referendum. A "no" vote would cause EEA countries to set up special arrangements with Switzerland, she said.

If Central and East European nations eventually

join the EFTA area, they would not automatically become members of EEA, Jepsen said.

Other countries seeking direct economic cooperation with the EEA, such as Israel, would also have to go through negotiations with EEA members, she said.

East bloc leaders meet Major, Delors
 AFP from London adds: The leaders of Poland, Hungary and Czechoslovakia met here Wednesday with European Community officials in an unprecedented move to bring the former eastern bloc members into the EC.

The meeting with Prime Minister John Major of Britain, which holds the current EC presidency, and European Commission President Jacques Delors, got underway shortly before 1000 GMT and was to run through 1400 GMT followed by an audience with the Queen.

A joint statement was to be issued at 1500 GMT, the foreign office said.

Prime ministers Jozsef Antall of Hungary and Hanna Suchocka of Poland, Czech Prime Minister Vaclav Klaus, Slovak Prime Minister Vladimir Meciar, and Antonin Baudis, Federal Deputy Prime Minister of Czechoslovakia, arrived in London Tuesday night.

Finance ministers from the three countries were holding simultaneous talks with British counterpart Norman Lamont.

British sources said Major and Delors would probably appoint the heads of the so-called "Visegrad" countries by refusing to set a timetable for entry into the EC.

The British government wants them to join, said the sources who spoke on condition of anonymity, but feels it would be "rash at this stage" to speculate on a date.

Discussions were instead to centre on how to "anchor" the three countries to the EC according to the sources.

The EC has already signed "associate agreements" with the Visegrad countries, the first step toward membership. And Major, on a visit to the three earlier in the year, indicated a target entry date by the end of the century.

But the British sources said the EC would first have to deal with the applications of members of the European Free Trade Association, including Austria, Sweden, Finland and Switzerland.

The sources said the British government's commitment to progress on bringing the Visegrad countries into the EC predated the Major government, going back to the previous Prime Minister, Margaret Thatcher.

That commitment, they said, was "very much a common thread to government policy... We really have to make progress, to provide the means of anchoring these three countries to the community."

Gloomy mood prevailing in French industrial sector

PARIS, Oct 29: France's statistics office added to the gloom hanging over the nation's industry on Wednesday, publishing its second set of figures as many days showing falling orders and production, reports Reuter.

Insee's survey on French industry for the third quarter of 1992 confirmed the gloomy mood of its monthly survey for October, issued on Tuesday.

Both found confidence among business leaders, already weak, had fallen even lower since the summer.

Orders received by firms fell sharply in the third quarter and companies were highly pessimistic about the future.

"Opinions about orders, overall and foreign, deteriorated appreciably in the third quarter in all branches of industry," Insee said, highlighting a turnaround in the outlook for car exports from the optimistic mood just before the summer.

Capacity utilisation rates have barely changed all year, and the average rate in the third quarter was 81.9 per cent, showing firms are making only slack use of their resources.

Japan may take action if UNESCO fail to save



GAMBLING TIME: Free market economy may not have brought relief to the common man in Russia but it certainly has proved to be a great source for freewheeling recreation for the nouveau riche of the country. The picture shows a casino getting ready for the evening. While clients prefer to remain out of focus, dealers do not appear to be camera-shy at all. Stakes are placed in Monte Carlo fashion and not in Moscow style. —Star TV photo

Brazil's President proposes plan to combat hunger, unemployment

BRASILIA, Oct 29: Acting President Itamar Franco has proposed an emergency plan to combat hunger and unemployment in Brazil that will include subsidised food for 4.5 million families this year, government officials said on Tuesday, reports Reuter.

Ministers and mayors from the nation's main cities met in Brasilia to discuss the proposal on Tuesday.

Franco, who took office on October 2 after President Fernando Collor de Mello was suspended from office to face an impeachment trial, has expressed concern about the threat of a social explosion in Brazil.

"The social fabric could suffer serious problems, it could explode," Franco had told reporters on Monday, referring to an economic recession and growing unemployment.

Analysts say Brazil's recent spate of violence — from gang attacks on Rio de Janeiro beaches to the police massacre of 111 inmates at an overcrowded Sao Paulo Prison — are partly a result of desperate economic conditions.

The official Agencia Brasil news agency quoted Agriculture Minister Lazaro Barbosa as saying the government would use official food stocks to subsidise a "basic basket" for the nation's poorest.

US seeks to liberalise trade with Malaysia

KUALA LUMPUR, Oct 29: The United States wants to sign a bilateral Trade and Investment Framework Agreement (TIFA) with Malaysia by next year as part of efforts to liberalise trade between the two countries, a US official said Wednesday, reports AP.

John Wolf, the US ambassador to Malaysia, said he hoped Kuala Lumpur could join Singapore, the Philippines and New Zealand which are on the list of 22 countries that have signed TIFAs with Washington so far.

"I hope Malaysia can join that list. Let's complete a TIFA before the end of 1993," said Wolf as he met with members of the American business council in Malaysia.

Wolf said Washington was already discussing TIFAs with Brunei, Australia and several other countries in the Pacific basin.

Officials said the United States was keen to sign the pact with Malaysia because of increasing two-way trade and US investment in Malaysia.

Wolf said two-way trade was likely to increase to more than 11 billion dollar this year from 10 billion dollar in 1991 and that US direct investment in Malaysia currently was worth a total of about seven billion dollar.

"Our stock of investment is still growing as fast as our trade. Based on a survey of the companies that are already here, it will continue to grow by at least 18 per cent annually over the coming years," Wolf said.

Japan may take action if UNESCO fail to save

PARIS, Oct 29: Japan has said it may take "unilateral action" if the UN Educational, Scientific and Cultural Organisation does not make savings because of the non-payment of dues by half of its members, reports Reuter.

The veiled threat came as a UNESCO commission on Wednesday rejected a Japanese-backed proposal to save money by reducing the number of languages into which documents are translated. Japan has been UNESCO's largest contributor since the United States and Britain walked out in the mid-1980s. Russia, the second largest contributor, has not paid its dues for the last two years.

Japanese Ambassador Kenshiro Akimoto told the finance commission of UNESCO's executive board that a refusal to accept economy measures might "oblige us to consider unilateral action and options we would rather avoid."

Hopes of quick breakthrough in GATT deal fade

BRUSSELS, Oct 29: Hopes for a quick breakthrough in GATT world trade talks faded on Wednesday after the United States denied European Community claims that a settlement in their farm subsidy quarrel was in sight, reports AP.

A diplomat for the Cairns group of farm-exporting countries said: "We are very worried and alarmed by the prospect that there may be no agreement on agriculture. We assumed that good sense would prevail but it seems it hasn't."

Diplomats said officials on the two sides were continuing negotiations, but that there were no signs that either was in the mood for compromise.

The EC's executive European commission confirmed Wednesday that there had been no new moves for a meeting between EC Agriculture Commissioner Ray MacSharry and US Agriculture Secretary Edward Madigan.

Diplomats fear the accord could die if not signed by the 108 participating countries.

India provides fund for redundant workers

NEW DELHI, Oct 29: The Indian cabinet has empowered a National Renewal Fund for laid-off workers in ailing state-owned industries, which may finally be allowed to go out of business, Indian news agencies said, reports Reuter.

The cabinet committee on economic affairs put in operation a fund which will provide hundreds of thousands of workers unemployment benefits and job retraining, the news agencies said, quoting an official statement.

The World Bank last year tentatively agreed to give India a 500 million dollar structural adjustment loan which would help finance the National Renewal Fund.

The cabinet committee decided "to immediately operationalise the national renewal fund on a non-statutory basis," the United News of India said quoting the official statement.

The non-statutory basis indicates the government does not want to set up the fund through legislation in parliament where it would draw opposition from the powerful left, analysts said.

Regional economic coop summit in Islamabad by end of November

ISLAMABAD, Oct 29: The regional Economic Cooperation Organisation (ECO) is to hold a summit conference here by the end of November, Pakistan's Foreign Secretary said here Wednesday, reports AP.

Shahhayer Mohammad Khan told a press briefing that ECO founders Pakistan, Iran and Turkey plus Afghanistan and four central Asian states will attend the meeting.

Tajikistan has indicated its inability to participate in the summit because of its internal difficulties, he said.

The Central Asian states which will attend the conference are Turkmenistan, Uzbekistan, Azerbaijan and Kirghizstan.

Khan said the exact dates for the summit would be finalised soon.

Turkey, Iran and Pakistan have been forging economic and commercial links with the former Soviet republics towards an expanded regional grouping seen as a potential Islamic common market.

"We have resolved all procedural matters regarding the expansion of ECO enabling us to hold the summit," Khan said.

US probe into alleged steel dumping worries trading nations

GENEVA, Oct 29: Major trading nations, including Japan and the European Community, on Tuesday expressed concern over US investigations into the alleged dumping of steel by 21 foreign nations, GATT sources said, reports Reuter.

It was the first time that the case has been brought before the anti-dumping committee of the General Agreement on Tariffs and Trade (GATT), which ended a two-day meeting here on Tuesday.

"There was general concern expressed by many delegations, said one delegate who attended the closed-door talks at GATT headquarters. "It was a hot meeting, with a lot of tension."

Last June major US steel firms accused 21 countries of 84 cases of dumping steel below cost and subsidising exports illegally.

The industry charged that shipments of flat-rolled steel (used in cars, ships, construction and consumer durables) had caused billions of dollar in lost sales and cost thousands of jobs in US companies.

EC energy tax to hit Gulf income, purchasing power

ABU DHABI, Oct 29: A planned European Community energy tax will hit earnings of Gulf states, harm their purchasing power and their projects to raise oil production capacity, Egypt's oil minister said Wednesday, reports AP.

Hamdi Al-Banbi said some EC nations had already imposed an additional tax of three dollar on an imported barrel of oil and that the level would rise gradually to 10 dollar by 2000.

"Egypt and other oil-producing countries will be affected by this tax but it will have a tremendous impact on Gulf states because their main income comes from oil exports," he told AFP in the United Arab Emirates (UAE).

"These states have already committed themselves to major projects to raise their oil output capacity," he said.

"The tax will hit their earnings, force them to change their priorities and harm their purchasing capability. This will probably prompt them to cut imports from industrial countries."

Gulf Arab states have slammed the tax, dubbed the carbon tax, on the grounds it would hit demand for oil and depress their oil revenues, already cut by one-third from 180 billion dollar in 1981.

EC states have said the tax is intended to protect the environment against carbon dioxide emissions. But Gulf cooperation Council (GCC) states say their oil exports are already heavily taxed in the community.

A study by the GCC — which groups Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE — said a barrel of oil was being sold for around 95 dollar in the EC.

Producers are receiving 20 to 22 dollar while the rest is going into the coffers of European governments, it said.

The carbon tax "could lead to a recession in oil-producing countries and then in consuming countries themselves," warned Banbi, who met his UAE counterpart Yussef Ibn Omeir Ibn Yussef.

He said more foreign firms were expected to join the 19 companies already exploring for oil in Egypt, which has about 3.5 billion barrels in crude reserves and is producing 870,000 barrels per day.

Egypt, unlike the Gulf states, is not a member of the Organisation of Petroleum Exporting Countries. But it cooperates with the cartel.

Germany in recession, says Kohl's coalition partner

BONN, Oct 29: German Liberal leader Otto Lambdorsdorff, whose Free Democratic Party is in coalition with Chancellor Helmut Kohl's Christian Democrats, said on Wednesday Germany was already in recession, reports Reuter.

He also said his party would not agree under any circumstances to increases in taxes before 1995. Kohl said this week that taxes would have to rise in 1995 and hinted that increases might come even earlier.

"If we are honest, we must say we are now in recession. Loss of growth means recession," Lambdorsdorff, a former Economics Minister who is no longer in cabinet, said on German radio.

Russia also looking to Asian "tigers" for its fortunes

MOSCOW: Under pressure from its people to deliver economic well-being that it promised would come with its newly-forged independence, Russia is following the lead of most Western countries and looking east to improve its fortunes.

Just this, July, Russia played host to a large delegation of trade officials and businessmen from South East Asia that toured Siberia and the Russian Far East to link into Russian trade proposals with Asian countries.

During the same period, South Korean Foreign Minister Lee Sang Ok left Moscow for the Ukrainian capital of Kiev, ending the first official South Korean visit since the normalisation of relations between the former Soviet Union and South Korea in 1990.

The visits have encouraged some Russian economic policy-makers who view South East Asia as a market with faster growth potential for Russian exports than European or North American markets.

These experts also regard the combination of command methods of economic control, trade protection and market incentives characteristic of the Asian "tiger" economies as a more appropriate model for Russian economic policy than the US free-market approach.

Groups of government and business representatives from Singapore, Thailand, Malaysia, Indonesia, the Philippines, Australia and New Zealand participated in the tour. The Japanese and Korean embassies also sent representatives.

Among the South East Asian countries, it is with Thailand that Russia has had success so far in firming up trade relations.

Indeed, the Thai government sent senior officials from the Prime Minister's office and the Thai foreign ministry to head its group in the Asian mission.

In February, Thai and Russian officials signed an agreement in Bangkok for the South East Asian country to supply rice to Russia. The contract signing attracted little publicity in the Russian or Western media but drew special praise from Yegor Gaidar, President Boris Yeltsin's economic chief.

Since then, large shipments of Thai rice have landed at Odessa and Vladivostok. Thailand is supplying the food grain to Russia on two-year credits worth up to 200 million US dollar.

Even private Thai businessmen are taking an interest in Russia. The CP group, the most powerful Thai conglomerate and one of the world's largest seed producers, is thinking of using Russian raw materials like fishmeal in its agro-industrial business expansion.

With its economy in the doldrums after the break-up of the Soviet Union, Russia is working double time to make its mark in the international market — through Asia.

The CP group is also interested in developing heavy industrial investments in Russia. It has apparently been encouraged by its earlier success in communist China, where it now produces Chinese-brand motorcycles with Honda and Heineken beer.

With most Eastern restrictions on electronics and high technology exports to Russia already lifted, Russian officials also point out that link-ups with electronic technology leaders in Asia like Japan, Singapore and South Korea are now possible.

The government, in fact, is now zeroing in on Singapore Telecom and other Asian telecommunications companies to develop projects in Russia.

The Russians are also thawing out their banking regulations. Early this year, Russian central bank officials held talks with some South East Asian bank authorities.

During one such meeting Russian central bank deputy chairman Vladimir Rasskazov invited the Monetary Authority of Singapore — the republics' central bank — to negotiate approval for the establishment of new Russian commercial banks in Singapore and a Singapore Bank in the Russian Far East.

At present, only two foreign banks have been granted central bank licences to operate in Russia, both from Western Europe: Credit Lyonnais, which has opened a branch in St. Petersburg, and the Bank of Austria in Moscow.

According to Rasskazov, the Central Bank and the government favour licensing more foreign banks to operate in this country by the end of this year. But Russian commercial banks are lobbying hard to prevent these moves.

The central bank invitation could represent a potential breakthrough for the regional banking corporations of Singapore, ahead of the larger but politically troubled banks of Japan.

Meanwhile, Georgy Gabounia, head of the Department of Multilateral Economic Cooperation in the Foreign Trade Ministry, has announced that the government had postponed for the time being a formal application to join the Asian Development Bank (ADB).

Russian officials had previously said the country would file an application to join the ADB once its membership in the International Monetary Fund and World Bank had been secured.

But Gabounia said the government will have to defer its plans to join the Manila-based ADB because it is still short of hard currency required to buy ADB shares to fulfill any Russian quota. — IPS report.

Foreign bank gave Mehta over \$170m loan

NEW DELHI, Oct 29: Officials from a foreign bank operating in India have admitted that they credited more than 170 million dollar into the account of a Bombay stockbroker who is the main accused in a 1.3 billion-dollar stock scam, reports AP.

The Press Trust of India (PTI) reported that Ram Nivas Mirdha, chairman of an Indian parliamentary panel probing the scam, said unnamed officials from ANZ Grinlays Bank had told the panel they had credited 5.34 billion rupee (178 million dollar) into the account of Harshad Mehta and his associates on his own "oral advice."

Speaking to reporters here after an examination of witnesses on Wednesday, Mirdha said the amount included 168.6 million dollar issued on cheques from the government-owned National Housing Bank and 9.3 million dollar from Standard Chartered Bank.