

BRIEFS

Filipino workers protest electricity rate hikes

MANILA, Dec 1: About 2,000 leftist workers and students rallied Monday to protest a planned 18 per cent increase in electricity rates at a time when Filipinos are suffering a grave energy shortage. The protesters denounced the increase, which goes into effect late this month, as a condition imposed by the International Monetary Fund and other creditors. Leaders distributed handbills blaming American, Japanese and other foreign banks, reports AP.

Daily power cuts in Havana up to 8 hrs

HAVANA, Dec 1: Daily power cuts in Havana have been increased to seven to eight hours a day from three to four hours, the Cuban news media reported. The new cuts in this city of two million will be in effect until Thursday but might be extended. The announcement said the cuts were due to a critical shortage of fuel for the island's generating plants. It termed the present situation an emergency, reports Reuter.

Oil prices up by 25 cent in Asia

SINGAPORE, Dec 1: Oil prices climbed 20 to 25 cent per barrel in Asian today on OPEC's new agreement to curb excess production and bolster shaky world markets. January prices for international benchmark North Sea Brent crude rose to 19.15/19.20 dollar a barrel from Friday London levels. But traders doubt OPEC (the Organisation of Petroleum Exporting Countries) has slashed production enough for prices to stage a huge, extended rally, reports Reuter.

Saudi firm acquires Russian company

NICOSIA, Dec 1: The privately-owned Saudi firm Nimir Petroleum Company, currently developing an oil field in Yemen, has completed the acquisition of the Russian oil firm Petrosakh, the Middle East economic survey said on Monday. Nimir's acquisition included Petrosakh's interests in the Petrosakh joint venture, which operates an oil and gas concession in the Pogranichni Basin on Sakhalin island in eastern Russia, it added, reports Reuter.

Imelda's lawyer rules out money transfer

MANILA, Dec 1: Imelda Marcos' lawyer Monday ruled out transferring millions of dollars from Swiss accounts until courts here decide whether the accounts are legal. The statement by Antonio Coronel slammed the door on any deal with the Philippine government for the early return of \$356 million deposited by the late President Ferdinand Marcos in Switzerland, reports AP.

India's bid to explore diamond

NEW DELHI, Dec 1: India is planning to invite foreign prospectors to explore for diamonds in the country, an official said here Monday. The National Mineral Development Corp (NDMC) will ask the government to allow tie-ups on the line of production-sharing oil contracts, NDMC Technical Director Saligram Singh said, reports AFP.

Foreign investment in Manila dips by 12 pc

MANILA, Dec 1: Foreign investment in the Philippines fell 12 per cent in the third quarter of 1992, despite currency and other reforms carried out by President Fidel Ramos, the Central Bank (CB) said Tuesday. Foreign investments from July to September hit 113.41 million dollar, about 15 million dollar down on the 128.29 million dollar posted in July to September last year, reports AFP.

Denmark blocks EC's move on oil, gas

BRUSSELS, Dec 1: Denmark blocked a European Community attempt here Monday to increase competition in oil and gas exploration and drilling in the North Sea, diplomats said after a meeting of EC Energy Ministers. British Energy Minister Tim Eggar said a decision would be postponed until the first half of next year, when Denmark will take over the community's presidency from Britain, reports AFP.

French veto will wait till shaping of world trade pact: Mitterrand

PARIS, Dec 1: President Francois Mitterrand said Monday that he will wait until a world trade pact takes shape before deciding whether to veto farm subsidy cuts agreed to between the United States and European Community, reports AP.

European, Japanese and American farmers meanwhile headed for the eastern city of Strasbourg, seat of the European Parliament, for the largest protest yet against the US-EC pact to cut subsidies. Mitterrand, speaking during a state dinner with King Baudouin and Queen Fabiola of Belgium, said France would not base a decision to reject a world trade agreement on agricultural issue alone.

France is spearheading opposition within the EC to the cuts in farm subsidies agreed to between European and American negotiators two weeks ago, seen by Washington as the main hurdle to concluding a trade accord between 108 countries. But Paris is unlikely to get the chance to block EC acceptance of the deal until its provisions come back in a full trade accord under the General Agreement on Tariffs and Trade.

Mitterrand said in a dinner speech that the farm pact "only concerns one of the 15 domains in the multilateral talks."

"We've always said that we'll

look at other questions besides that of agriculture," Mitterrand said. "If this question finally appears isolated... it's because the negotiators wanted it to be, but that doesn't tie us to anything."

Agriculture Minister Jean-Pierre Soisson said in separate remarks that the foreign and agricultural ministers from the 12 EC countries will likely meet Dec 7 in Brussels to discuss the farm deal.

Soisson expressed the hope that if France wins support from more EC countries to reject the deal with Washington, negotiations with the United States might be reopened.

The weak government may receive a boost from Tuesday's demonstration in Strasbourg, where more than 50,000 farmers from around the world are expected to demonstrate their opposition to subsidy cuts.

On Monday, officials were mobilising 4,000 police, setting up first-aid stations, closing schools, banning fireworks and pulling down or covering up EC and US-related street signs.

French farmers, who say the US-EC agreement to reduce subsidies would decimate them, have clashed with police, dumped crops and manure at public buildings and

blocked roads over the past week.

French Premier Pierre Berégovoy has threatened a veto the pact, but warned farmers over the weekend not to "lay with fire," saying violence could hurt France's image and exports.

With GATT negotiations on agriculture are now expected to turn to Japan's protection of



rice farmers, a group of Japanese growers left Tokyo Monday to join the European farmers in Strasbourg.

Six Americans also planned to attend, charging that the US-EC accord will benefit only commodity traders.

"It's good for the middleman, but farmers are going to get hurt," said Jeff Barrow, a 36-year-old soybean grower from New Bloomfield, Missouri.

Barrow, of the Missouri Rural Crisis Centre, said his delegation comes from a coalition of groups representing 50,000 US farmers.

About 35,000 French farmers are expected to march, and about 15,000 more from other EC countries. A tiny Canadian contingent may join the non-European delegations, organizers said.

Police warned the marchers not to approach the parliament of US Consulate. They also banned "all arms by nature of destination... explosive or fumigative devices."

That seemed to include the firecrackers and skyrockets farmers set off during clashes with riot police outside the National Assembly and US Embassy in Paris over the last two weeks. Scores were injured.

Japan wants success of GATT talks

Reuter reports from Tokyo: Prime Minister Kichii Miyazawa told parliament Tuesday that Japan wanted a successful conclusion to the GATT world trade talks and believed in compromise.

A farm deal two weeks ago between the United States and the European Community (EC) has made Japan's refusal to open its rice market a top priority for the long delayed

Uruguay Round talks under the General Agreement on Tariffs and Trade (GATT).

Asked if Japan would continue to oppose GATT's farm plan over rice imports, Miyazawa told a budget committee of the lower house: "The spirit of the Uruguay Round talks is for each country to make a compromise. Our country has a basic policy that we must lead the Uruguay Round talks to a successful conclusion through compromise."

Miyazawa said Japan still wanted the GATT farm plan to be modified.

The plan asks importers of farm products to turn all non-tariff farm trade barriers into tariffs, which would effectively end Japan's 47-year ban on rice imports.

Farm analysts interpreted Miyazawa's comment to mean that Japan was prepared to end the ban if that was necessary for a successful conclusion of the GATT.

Foreign Minister Michio Watanabe told the same committee Japan must not be isolated while the United States and the EC was agreeing on farm trade.

"Japan must choose the best way for itself," Watanabe said.

Japan bans virtually all rice imports under its food control law citing national security concerns.

High tech firms wait for their turn

SAN JOSE (Calif), Dec 1: Now that negotiators have settled the thorny issue of agricultural subsidies in the ongoing world trade talks, representatives of US high-tech companies say it's time to solve their problems too, reports AP.

Tariffs on exports to Europe and South Korea, an effort to make rules on patents and copy rights and "dumping" of cheap imports all appear on the agenda of the current round of talks, company representatives say.

"This is an exporting industry. We are very interested in reducing tariffs around the world," said William H Reed, President of Semiconductor Equipment and Materials International, or SEMI, a trade group representing American and foreign makers of equipment and parts for chip manufacturers.

"Somehow the cheese manufacturers and the wine guys get all the attention," said Reed.

French officials, citing hardship on subsidised French farmers, last week threatened to veto a worldwide trade pact negotiated under the umbrella of the Geneva-based General Agreement on Tariffs and Trade, or GATT.

They Uruguay round of GATT talks, under way since 1986, had been stalled over an impasse between Washington and the European Community over agricultural subsidies. Negotiators ended the impasse by agreeing to reduce tariffs protecting European farmers.

Talks are scheduled to resume next week in Geneva, and the high-tech issues are among the most important remaining. GATT leaders have set Dec 31 as the target finish date for the talks.

While some American companies want a quick conclusion to the talks, under their terms, others believe rushing the end may cause US business to suffer.

"After so many months of unsuccessful wrangling, the temptation will be to complete a GATT agreement at almost any cost," said Andrew A Procassini, President of the Semiconductor Industry Association, in a letter to US trade Representative Carla Hills. SIA is the national trade group representing computer chip makers.

Procassini said key priorities for the America computer chip industry include eliminating tariffs in Europe and South Korea and protecting intellectual property rights.

"First and foremost, SIA seeks access to foreign markets," he wrote.

European nations now have 14 per cent import tariffs on semiconductors, 4.2 per cent for computer parts and four per cent to 15 per cent for semiconductor manufacturing equipment.

Philippine Central Bank chief warns against a 'debt cap'

MANILA, Dec 1: The chief of the Philippine Central Bank warned Tuesday that proposals for a unilateral cap on foreign debt payments threaten to undermine the government's entire economic strategy, reports AP.

Calls for a "debt cap" which would limit foreign debt payments are gaining support in Congress. Former President Corason Aquino vetoed a debt cap bill in 1990, but supporters say they will press for new legislation under her successor, Fidel Ramos.

"It is unfortunate that at this stage this debt cap resurfaces," Central Bank Gov. Jose Cuisia said in a television interview. "And we're probably the only country in the world that is considering the debt cap. I don't know why we're wasting so much time on this debt cap issue."

Debate over debt cap comes as the Philippines is about to conclude a 3.2 billion dollar restructuring of its foreign commercial bank debt. That would clear the way for renewed access to foreign commercial loans.

The agreement calls for the banks to exchange 3.2 billion dollar in high interest, high risk debt for long-term bonds paying lower interest. The banks will also provide 140 million dollar in new loans. Supporters of the debt cap say the government could divert revenues to development projects if it did not have to pay so much in interest on the 29 billion dollar foreign debt.

The debt burden has been blamed for the deterioration in infrastructure, which has discouraged foreign investment to revive the Philippine economy, which barely grew at all last year.

Nepal pledges all out aid to entrepreneurs

KATHMANDU, Dec 1: Prime Minister Girija Prasad Koirala welcomed potential foreign investors here Monday, saying Nepal has liberalised its economy, welcomes investment and will go all out to aid entrepreneurs, reports AFP.

"My government will provide you with carrots but not the sticks. I am prepared to provide all the facilities you foreign entrepreneurs want," Koirala said.

"My government has completed a series of fundamental policy reforms to create a congenial climate and environment for growth and development in our economy," added during the opening session of the Nepal Investment Forum, jointly sponsored by his government and the United Nations Industrial Development Organisation.

Koirala said Nepal hoped foreign investment would play

a key role in economic growth. "We are aware of the fact that we cannot go alone in the present age of interdependence," said Koirala, "and we believe that mutual cooperation adds strength to mutual relationships."

More than 350 industrial delegates and entrepreneurs from 22 countries in Asia, Europe and North America are participating in the first such forum here, which ends Thursday.

The largest foreign delegation is from neighbouring India, numbering 150, followed by another neighbour, China, which sent 50.

"If the present industrial policy and foreign investment laws are not sufficient enough, I am prepared to make further changes as per the suggestions of the foreign entrepreneurs," Koirala said.

Number of free food receiving US citizens surges to 26m

WASHINGTON, Dec 1: The number of Americans receiving food stamps - which entitle them to receive food free - has surged past 26 million for the first time, according to Agriculture Department records for September, reports AP.

A USDA spokesman said Monday that victims of hurricanes in Florida, Louisiana and Hawaii and Typhoon Omar in Guam helped pushed the rolls to nearly \$26.43 million Americans in September, an increase of 575,205 from August and a 2.76 million rise from a year ago.

Phil Shanholzer, a spokesman for USDA's Food and Nutrition Service, said the weather disasters were to blame for 530,000 of the new food stamp recipients in September.

ROK's plan to give Russia preferential loans unchanged

SEOUL, Dec 1: South Korea has no plan to change its decision to resume providing preferential loans to Russia despite a controversy over an empty flight recording black box from a downed Korean civil airliner, officials said Tuesday, reports AP.

"The loan issue is not related to the black boxes," a Foreign Ministry official said, speaking on condition of anonymity.

In what was seen as a gesture of reconciliation during his visit to Seoul Nov 18-20, Russian President Boris Yeltsin handed over two black boxes from the KAL Flight 007 that was shot down in 1983.

South Korea long had sought the black boxes to determine why the Boeing 747 veered off course by as much as 660 kilometers (413 miles) into Soviet airspace before it was shot down, killing all 269 people on board.

Singh hints at reining in India's reform programme

NEW DELHI, Dec 1: India's Finance Minister Manmohan Singh hinted on Monday that a long-awaited policy allowing firms to close down and lay off workers will be delayed after drawing fierce criticism from trade unions, reports Reuter.

"In a year's time, labour's attitudes will change and then we can change provisions in the labour laws," he told a world economic forum meeting in India.

The government had been widely expected to introduce such changes to the Trade Union and Industrial Relations Act in the winter session of parliament which began last week.

Labour Ministry officials have tried without success to get unions to back legislations allowing firms to close with out approval from the state or

federal governments, something which is almost never given for political reasons.

A quarter of a million Indian workers demonstrated last week near parliament against the bill. "Hundreds of thousands of workers will be sacked," said one leader as workers waved red flags. "Every business unit will be a battlefield."

The government has identified 56 central government enterprises that are chronic money-losers, that either need to be restructured or shut down.

"In an economy where employment is not growing enough, you have to create an environment where workers are not afraid of changing jobs," Singh told the forum, an annual meeting of potential foreign investors.

"But there is growing recognition that sticking to jobs in loss-making industries does no good to the cause of creating employment," he said. Businessmen say an "exit policy" allowing them the option of going out of business is necessary if India is to attract the major foreign investment it needs to revitalise its economy.

The government has taken a first step by setting up a national renewal fund with money from the World Bank to provide unemployment benefits to retrenched workers.

A Communist Party of India-Marxist Member of Parliament said he thought the government would try to enact the exist policy by government decree instead of legislation in parliament, where it could be talked to death by the opposition.



LIFE NORMAL BUT TOUGH: After the recent end of the 16-year-old civil war, life in Mozambique is gradually returning to normal. People are trying to resume their regular economic activities, which is not always a easy thing to do in a war-ravaged land. Photo shows a Mozambique boy trying to sell some flowers at a sidewalk. He hopes to contribute to his family's efforts to make life a little easier now that the war is over. — Star TV photo

ADB okays loan to Pindi, Colombo

MANILA, Dec 1: The Asian Development Bank (ADB) on Tuesday approved new loans for health care in Pakistan and a fisheries project in Sri Lanka, reports AP.

A statement from the Manila-based bank said the loan to Pakistan, worth 60 million dollar will be used to improve the quality of health services and increase the number of health workers in Pakistan.

The loan, from the bank's concessional Asian Development Fund, is payable over 35 years, including a 10-year grace period. The interest-free loan will have an annual 1 per cent service charge, the bank added.

Part of the loan will be used to train 2,470 nurses, 600 health inspectors and 500 paramedics.

China buying Russian tech to develop modern weapons

LOS ANGELES, Dec 1: China is recruiting Russian technology and scientists wholesale to develop state-of-the-art weapons programmes, according to private and Bush administration experts, says AP.

"The Chinese are trying to transfer a high-technology industrial base from Russia to China," a senior US official said. "It's both people and technology, for new guidance systems, cruise missiles, anti-submarine warfare missile testing."

China has set up recruiting offices inside Russia and has hired hundreds of technicians there for Chinese plants, US officials said.

The unidentified officials and other analysts were quoted in Monday's editions of the Los Angeles Times.

"The Chinese have been moving fast on this because they are convinced that the United States and other Western countries eventually are going to out pressure on the Russians to stop," said Paul Godwin of the National Defense University in Washington.

Italy tries privatisation to strengthen the economy

ROME, Dec 1: Giuseppe Scardazza looks around his grocery store on a winding street leading toward the Pantheon and sees olive oil, pasta, tomato sauce, ice cream and frozen fish all made by the same producer: the Republic of Italy, reports AP.

On the highway he refuels his car with state-produced gas and takes a break at state-owned rest stops. The national airline, Alitalia, can take him on vacation. Should he stay home and watch TV, there are three state-owned channels to choose from.

For Christmas relatives inevitably will give him a government-back panettone, the traditional holiday fruitcake.

The state controls banks holding 90 per cent of deposits; makes airplanes, chemicals, steel and missiles; runs the second-largest insurer; owns supermarkets and engineering firms. But all this may soon change.

like many Italians is fed up with bureaucracy and inefficiency.

Premier Giuliano Amato, a Socialist, took a first, major step last month, presenting the outlines of his privatisation plan to parliament for consideration. Parliamentary committees began weighing the plan Thursday.

In all, Italy Inc produces 45 per cent to 50 per cent of the country's output, some analysts say. One third of public spending goes for 3.7 million state workers.

The government also has announced potential real estate offerings: beaches, lighthouses, hotels, a former dirigible hangar, even the former Fascist headquarters in Salo, where Mussolini set up his short-lived government during the Allied invasion.

Most of the holdings are grouped under a handful of huge conglomerates with thousands of entities, many cross-owned. They have their own ministry — of State Participation — which puts out a six foot (two-metre) wide chart depicting the companies.

"There are diagrams of complex DNA molecules that are more simple," said economist Michael Ierubino of Murchio SIM and Co in Milan.

ing chunks of insurance giant Istituto Nazionale per l'Assicurazione, energy company Ente Nazionale Idrocarburi, electric utility Ente Nazionale per l'Energia Elettrica and the venerable Istituto per la Ricostruzione Industriale, known as IRI.

Mussolini set up the industrial giant in 1933 to revitalise the economy during the depression. It is Italy's largest company and No 7 on the Fortune 500 list, with 70.5 billion dollar in revenue in 1991 and more than 400,000 employees. It lost 280 million dollar last year.

IRI controls the Societa Meridionale Finanziaria, a food processor and retailer that makes much of the stock in Scardazza's store.

Societa Meridionale Finanziaria, industrial machinery maker Nuovo Pignone and the bank Credito Italiano are considered attractive to foreign and domestic investors, and are candidates for early sales. Ferruzzi and Nestle have expressed interest in the Societa Meridionale's holdings.

The trio are a fraction of what the government could try to unload.

But mismanagement, government plans to keep control of some companies and huge debts the buyers of some companies would have to assume make the plan less attractive to investors, critics say.

There are other question marks. In a country of fragile coalitions, Amato's government may not last to see the plan through.

The fear of layoffs could derail the plan if Italy's large labour confederations mobilise their members to protest.

A round of government austerity measures sent hundreds of thousands into the streets in September and October. Workers of the tobacco monopoly struck for a month for fear of job losses, depriving smokers of cigarettes and sending the country into a collective nicotine fit.

The parties themselves may sabotage the plan. For decades, they have used state industry as playgrounds for patronage. For example, the Christian Democrats, Socialists and former Communists have, in effect, divided up the three RAI state TV stations.

Most media commentators seem to favour the plan, although sometimes with a tinge of regret.

"The state, finally, is putting 'the family jewels' on the auction block," Romano Prodi, a former IRI chairman, wrote in the Turin daily La Stampa recently.

OPEC reference price drops

PARIS, Dec 1: The average price of the "basket" of seven crudes used as a reference by OPEC dropped to 18.58 dollar last week, against 18.66 dollar the previous week, according to figures released on Monday by the secretariat of the Organisation of Petroleum Exporting Countries, reports AP.

The decline came as the organisation was carrying on tough negotiations on an output cut aimed at bolstering market prices.

Analysts have said that the agreement reached by OPEC in Vienna on Friday calling for a production ceiling of 24,582 million barrels a day (without Ecuador) for the first quarter of next year, combined with "temporary allocations" by country, should help send crude oil prices higher.

Prices opened a bit higher on Monday on the New York market, after a four-day holiday.