

BRIEFS

Investment up in Philippines

MANILA, Jan 4: Despite power outages that brought havoc to most industries, investments in the Philippines stood at 98.1 billion peso (3.9 billion US dollar) in 1992, 22.5 per cent up from the 80 billion peso (3.2 billion US dollar) in 1991.

IMF team to visit Lanka

COLOMBO, Jan 4: An International Monetary Fund (IMF) mission will visit Sri Lanka next month to review the balance of payments support given to the island country, official reports said Sunday.

Taiwan's economy set to grow strongly

TAIPEI, Jan 4: Taiwan's economy is set to grow strongly this year but political instability following last month's general elections may threaten the boom, Economics Minister Vincent Siew said on Sunday.

China's steel output on increase

BEIJING, Jan 4: China will see a steady increase in steel imports in the first half of this year. The import of construction steel in particular will soar, the "China Daily" today quoted Li Yihao, Vice President of the China National Metals and Minerals Import and Export Corporation (Mintals).

US leading indicators surge to 8 pc

WASHINGTON, Jan 4: The US government's composite index of leading indicators jumped in November to its highest gain in 10 months signaling that economic recovery may be well on its way in 1993.

Colombia's economy to grow by 5 pc

SANTAFE DE BOGOTA, Jan 4: Colombia's economy should grow by a solid five per cent or more in 1993, the government planning chief said Sunday. "This is going to be a good year, without a lot of economic ups and downs," said Armando Montenegro, director of the national planning department.

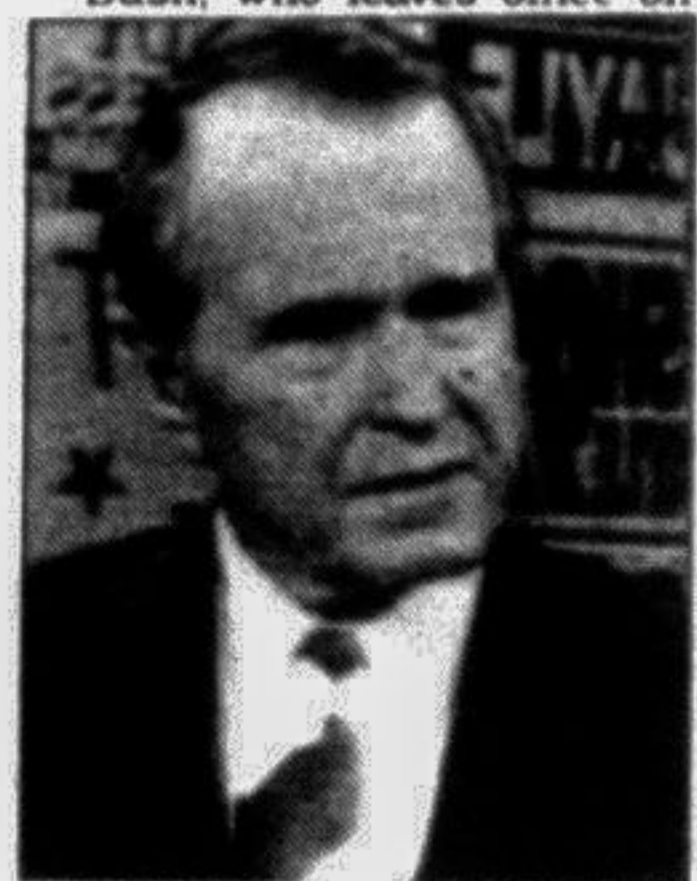
Colombia's inflation rate 25.13 pc in '92

BOGOTA, Jan 4: Colombia's consumer price index rose 0.94 per cent in December 1992, bringing the annual inflation rate to a total of 25.13 per cent, more than three percentage points higher than government projections, said a report by the government's statistics department (DANE).

Bush-Mitterrand talks on world trade fail

PARIS, Jan. 4: US President George Bush and French President Francois Mitterrand were unable on Sunday to bury their differences on world trade, which have held up a deal under the General Agreement on Tariffs and Trade (GATT), report Reuter.

European oilseed production, is seen as a key step towards an overall world trade agreement. Bush, who leaves office on



January 20, has been an ardent advocate of free trade and has tried in vain to conclude the so-called Uruguay Round of GATT for the last two years. Another report adds: US

President George Bush won broad agreement from French President Francois Mitterrand on Sunday on enforcing a ban on flights over Bosnia but said any military action must await the outcome of peace talks in Geneva.

Bush, fresh from signing a landmark nuclear disarmament treaty with Russian President Boris Yeltsin, said any action would be taken only with proper consultation.

Both he and Mitterrand said it was important not to second-guess the current Geneva peace talks bringing leaders of Bosnia's warring factions face to face for the first time.



The security council has yet to draft a resolution enforcing the flight ban, partly because of French and British fears that their UN peace-keeping troops could face reprisals for any attack on the Serbs.

Both he and Mitterrand said it was important not to second-guess the current Geneva peace talks bringing leaders of Bosnia's warring factions face to face for the first time.

"We must be very cautious because we would by far prefer, obviously, a diplomatic solution, Mitterrand said.

Bush agreed: "A diplomatic answer is absolutely essential and the sooner the better to stop the killing and the suffering. We are very hopeful that something positive will come from that."

China now Taiwan's major world trade competitor

TAIPEI, Jan 4: China has emerged as one of Taiwan's strongest competitors in international trade and is eroding the island's share of major foreign markets, the Taipei economics ministry said, reports Reuter.

China's share of the US market in basic consumer goods exceeded Taiwan's for the first time last year and China has also surpassed Taiwan in Japan, the ministry said in a study quoted by the Economic Daily News on Saturday.

"In basic products, mainland China has already become our main competitor," Vice Economics Minister Chiang Pin-Kung was quoted as saying.

China's export boom is being aided by a surge of Taiwanese manufacturing investment in the mainland since political tensions between the rival governments began to ease in the late 1980s, the ministry noted.

Taiwanese makers of textiles, electronics and other consumer goods are struggling against Chinese exporters who

enjoy much lower labour and land costs, the study said.

It said the trend was likely to continue in coming years and urged Taiwanese exporters to move into production of more sophisticated goods in which China could not compete.

China raised its share of the US market to about five per cent last year from 1.3 per cent in 1986, while Taiwan's share eased to about 4.7 per cent from 5.4 per cent, the study said.

In Japan, China's market share had surged to about 6.8 per cent over the past five years while Taiwan's had remained below five per cent.

Taiwan's trade surplus last year dropped about 26 per cent to an estimated US 9.8 billion US dollar, an eight-year low, partly because of weak export growth to the United States and Japan.

But Taiwanese exports to China grew at an annual rate of over 30 per cent and ministry officials said shipments to the mainland would remain a bright spot in the trade picture.

Swiss are world's top wage earners, Japanese have life expectancy

WASHINGTON, Jan 4: The Swiss are the world's top wage earners and Japanese babies born in 1991 can expect to live the longest, according to the World Bank, reports AP.

The bank's 25th annual report says Swiss residents earned the equivalent of 33,510 dollar a year in 1991, compared with 22,560 dollar for US residents.

The United States ranked 10th in per capita earnings, behind Switzerland, Luxembourg, Japan, Sweden, Finland, Norway, Denmark, West Germany and Iceland.

The bank calculates its wealth comparisons by taking a country's entire gross domestic product and dividing by the population — rather than attempting to break it down by average wages or some other narrow measure.

The report, published last week, covers 1991; some statistical comparisons use data from earlier years.

As to life expectancy, babies born in Japan in 1991 could expect to live to age 79, compared with 76 for babies born in the United States, which ranked 11th in the longevity measure.

Americans consumed an average of 3,671 calories per day — behind an average consumption of 3,825 calories in Greece and 3,778 in Ireland. Ethiopia was last at 1,667 calories.

The latest report puts a new emphasis on people and the environment. The World Bank, founded at the end of World War II, had 172 member countries. Its publication includes statistics on 200 nations.

The poorest countries are in Africa, where the average yearly income again measured with total gross domestic

product — is 70 dollar in Mozambique, 100 dollar in mainland Tanzania and 120 dollar in Ethiopia.

But Africa has a relatively sparse population and nearly half the world's poor live in South Asia, a large proportion in India where the average income dropped from 360 dollar in 1990 to 330 dollar in 1991.

Overall, the report lists 56 areas, from Argentina to Zambia, where the average income declined between 1980 and 1991.

Illiteracy runs high among men and women of all ages in Africa — 70 per cent in Chad, 61 per cent in Liberia.

Dealing with the environment for the first time, the report looked at the value of goods produced in 1990 per kilogram of oil, or equivalent fuel, burned. The measure is based on the premise that the less oil and coal a country burns, the less it pollutes.

Denmark produced seven dollar worth of goods for every kilogram of fuel used in 1990 compared with 6.90 dollar in Italy and 6.70 dollar in Japan. They were the most efficient among the industrial countries. The United States was well down the list, producing only 2.80 dollar worth of goods for each unit of fuel.

On another environmental measure, the report said Haiti lost 40 per cent of its forests in the 1980s compared with 39 per cent in Paraguay, 36 per cent in El Salvador and 35 per cent in Brunei. It says the United States lost about 10 per cent of its forest over the decade.

China plans to loosen curbs on private sector

BEIJING, Jan 4: China is planning to loosen curbs on the private sector and treat private enterprises and state corporation equally as part of continued economic reforms, the official China Daily said, reports Reuter.

"We plan to remove the unreasonable caps which have hindered the development of the private economy," Ma Yuankai, Deputy Director-General of the state administration for industry and commerce, told the newspaper.

"We will extend the same treatment to state-owned and private business in the same sector and location," he said.

He said, the private sector will be encouraged to take a role in the export-oriented economy, and will be allowed to start joint ventures with overseas partners.

Dollar gains, stocks mixed in Tokyo

TOKYO, Jan 4: Gloomy investors kept the usual round of celebratory buying to celebrate the new year, and Tokyo share prices closed mixed on Monday. The US dollar gained against the Japanese yen, reports AP.

The 225-issue Nikkei Stock Average gained 69.13 points, or 0.41 per cent, ending the year-opening half-day session at 16,994.08. Full-day trading will resume Tuesday.

On the last day of 1992 trading last Wednesday, the average had declined 360.69 points, or 2.08 per cent, closing the year at 16,924.95 points — down 26.36 per cent from the end of 1991 and 56.5 per cent from its record high closing of 38,915.87 at the end of 1989.

On Monday, the Nikkei rose mostly on index-related technical dealings, traders said.

Today's trading reflected the gloomy prospects for the economy," said Kazuyuki Suzuki, a stock dealer at Daiwa Securities Co.

"There wasn't even the ceremonial buying that usually comes in to celebrate the first day of the year," he added.

The broader Tokyo Stock Price Index of all issues listed on the first section slipped 1.85 points, or 0.14 per cent, closing at 1,305.81 points. It had fallen 18.72 points, or 1.41 per cent, on Wednesday.

An estimated 100 million shares changed hands on the first section, down from 110 million Wednesday, which was also a half-day session. Retreating issues outnumbered advances 472 to 356, with 201 issues unchanged.

Moellemann quits at critical moment for German economy

BOONN, Jan 4: German Economics Minister Juergen Moellemann, forced to resign over a scandal involving promotion of products made by a relative's company, is leaving government at a critical time for the German economy, reports Reuter.

His successor, still to be named, will inherit the frustration of being able to do little more than exhort Germans to try harder to reverse their economy's inexorable slide into recession.

Moellemann, 47 announced his resignation on Sunday after admitting he had signed letters to supermarket chains recommending security systems made by his cousin's firm.

Chancellor Helmut Kohl accepted the resignation in a terse statement thanking Moellemann for his work. But, in a reflection of the often cool relationship between the two men, he failed to express regret.

Moellemann said he had done nothing wrong and blamed overwork for the fact that he had signed the letter unawares.

He said he was resigning to make way for a successor who could concentrate without distraction on rebuilding the shattered economy of former communist East Germany.

Moellemann's brash, combative style and his open ambition made him few friends in government and the only praise for his two years at the Economics Ministry came from colleagues in his Free

Democratic Party (FDP).

"He contributed imaginatively and decisively to the completion of the inner unity of Germany. Daily and effectively, he proved his personal commitment to solving the problems of the people of eastern Germany," said FDP leader Otto Lambardorf.

"His efforts to reduce state subsidies in the west deserved more success instead of the unjustified criticism they received," FDP sources said Guenter

Rexrodt, a banker and board member of East Germany's Treuhad privatisation agency, was the party's favourite to succeed Moellemann. The party executive is expected to choose a successor next Friday.

Kohl is due to announce a long-planned government reshuffle later this month.

Whoever takes over at the Economics Ministry will acquire a difficult portfolio with only limited scope for acting to redress Germany's mounting economic problems.

The real power in economic policy lies with the Finance Ministry — whose present incumbent Theo Waigel often quarrelled with Moellemann — and the Bundesbank, Germany's central bank.

The government has run into difficulties in its negotiations with unions, industry and the opposition on a "solidarity pact" to boost west German economic growth and kick-start recovery in the depressed east.



Stock dealers and female clerks in Kimono dress clap their hands to welcome and celebrate this year's first trading at the Tokyo Stock Exchange market Jan 4. The Nikkei index ended in the morning session at 16,994.08 yen, 69.13 yen up from last year's close.

—AFP UNB photo

Australia looking for stronger economic ties with South East Asia

Australia is adjusting to the fact that it must cultivate relations with the fast developing nations of South East Asia. Yet as it strengthens economic and cultural links it is also upgrading northern defences. This two-edged policy is most apparent in Darwin, the port and capital of the least populated state, Northern Territory (NT).

With the slogan "Halfway between Sydney and Singapore," it could be the gateway for countries of the Association of South East Asian Nations (ASEAN), because it has Australia's finest natural harbour. On the other hand, being at the so-called Top End of the empty Outback, it feels vulnerable to external forces.

Ceremonies all this year mark the half-century since it became the only Australian city bombed by the Japanese. Darwinites are still more affected by the near-invasion of 1942 than by the more recent Cyclone Tracy, which flattened the place in 1974.

Besides a military museum, there is even a hotel called Air Raid City Lodge — run by a Hong Konger in what is left of Chinatown.

Darwin's population of 68,000 consists of 50 nationalities. This cultural diversity makes Darwin an ideal launching pad to develop relations with Asian neighbours. Australia is to televise official programmes to Asia from here.

With an initial grant of four million Australian dollar, the service will be bounced off Indonesia's "Palapa" satellite starting in December. Film-makers in Darwin

are also making children's programmes for Indonesia television.

Educational links are being encouraged. Teachers are being exchanged as 6,000 Territorian pupils learn Indonesian. (Schools in neighbouring Queensland make an Asian language compulsory). Three Aboriginal art shows have taken place in Jakarta.

More than 200,000 Australians visit Bali each year, so the Indonesian airline Garuda now flies into Darwin's new airport. The interest is reciprocal. Australia's hot far north is attracting a rising number of Asian tourists. Last year 11,000 came from Japan and 6,000 from Southeast Asia, although this remains a small proportion of the total 163,000.

This year, Northern Territory signed the first Australian agreement with Indonesia on economic cooperation. This has already resulted in a partnership between Darwin's duty-free export zone (unique in Australia) and Makassar industrial estate on Celebes Island. In December, joint exploration for oil will begin in the seas between Timor and Northern Territory.

Other countries of the Pacific Rim want to develop NT's resources, which include a large share of the world's gold, bauxite, manganese and uranium.

Said NT development officer Nick Lugg: "The Japanese have stakes in mines around here and Sumitomo may build a plant to liquify natural gas from Bonaparte Gulf."

But interests conflict. Territorians say that their state (which is three times the size of Japan) cannot develop its resources without abundant and cheap labour. Most Australian businessmen and trade unionists are against encouraging immigration, and political circles down south fear Darwin could become an Asiatic colony — as it was at the start of the century.

Illegal immigration is a particular concern. Larakeyah naval base at Darwin operates six patrol boats whose main job is to watch out for illegal Asian immigrants. All visitors except New Zealanders need visas.

This has not hindered business ventures between the two communities. From the Darwin side a local exporter is putting Aboriginal designs on textiles produced cheaply in Java and a local computer firm (partly owned by IBM) is about to sell its expertise to Taiwan.

Malaysians are said to be behind the posh Beaufort Hotel and Hong Kong businessmen are also active in Darwin. The Sultan of Brunei is a major owner of cattle stations, while the Malaysian states of Sabah and Sarawak also have ranching interests. Delegations are going in each direction and regular shipping from Kota Kinabalu, Sabah, is planned.

However, Darwin has a major transport problem which is why under two per cent of Australia's exports — half of them to Asia — come through the underused

UAE, Japanese Co talk 25-year gas supply

ABU DHABI, Jan 4: The United Arab Emirates (UAE) and a Japanese company are engaged in negotiations on details of a 25-year gas supply agreement, the official Emirates news agency WAM reported on Sunday, reports AFP.

It said, officials from the Abu Dhabi Gas Liquefaction Company (ADGAS) and Tokyo Electric Production Company (TEPCO) discussed the agreement in Abu Dhabi in December and would hold more negotiations this month.

The talks cover a detailed formula for the gas supply agreement which was signed between the two sides in 1990," it said.

Under the agreement, a renewal of a previous accord, ADGAS will supply TEPCO with all its gas production, which will double to five million tonnes per year when a one billion-dollar expansion pro-

ject is completed in April 1994.

The project involves building a third production train on the Das Island and ADGAS General Manager Peter Carr said it was the biggest in the world.

Abu Dhabi, the largest UAE Emirate, is also a major oil exporter to Japan, supplying more than 20 per cent of the Far East country's total oil imports of about four million barrels per day (BPD).

The ADGAS, the main gas producer in the UAE, also plans to buy four tankers at a cost of 600 million dollar to cope with the export increase. Other projects include building a sulphur plant on Das Island.

"About 60 per cent of the new production train has been completed and the bulk of the remaining work will be implemented this year," Carr was quoted as saying Saturday.

port. There is no railway north of Alice Springs; instead, huge lorries with up to five trailers (road-trains) have to drive the remaining 920 miles along the Stuart Highway.

Funding a railway is the biggest controversy in NT, whose 158,000 inhabitants too often feel ignored by Canberra. The federal government again this year refused to fund three-quarters of the cost, put at 400 million Australian dollar, but there may be international backing thanks to recent feasibility studies by Japanese and American companies. Strategists say a rail link is vital now that Australia is making Darwin the frontline of future defence.

The commitment to defence in the region is apparent from the budgets. Almost 800 million Australian dollar is being spent up to 1995 on military facilities in Northern Territory and 800 million Australian dollar has been spent on a base at Katherine for the Fa-18s of the Royal Australian Air Force. There is already an even larger airfield outside Darwin. The RAAF is also to increase its complement of F111s from 22 to 40 to guarantee long-range interdiction.

This autumn, 400 men of the Second Cavalry Regiment, complete with tanks, moved up to Darwin where the 1st Army is also to be based. A new Joint Defence Command headquarters is being built at Darwin, already the base of Northern Command. Despite closer links, Darwin has not yet forgotten where its greatest threat once lay. —GEMINI NEWS