

**BRIEFS**

**China to relax price of commodity**

HONG KONG, Jan 6: China is to further relax control on commodity prices within five years, the semi-official Hong Kong-China news service said Tuesday. An official of the state administration of commodity prices said China would further reduce the control range of prices within five years with emphasis on the price of production materials, the news agency said. Prices for agricultural products, which are still controlled by the government, will also be gradually relaxed, the official was quoted as saying, reports AFP.

**Magazine dedicated to unemployed**

PARIS, Jan 6: A new magazine aimed at France's growing army of unemployed went on sale on Monday packed with tips on job-hunting, training, seasonal work and even a few vacancies. Rebondir (rebound), a slick 70-page monthly that costs 15 francs (2.70), claims to be the first magazine exclusively dedicated to helping the unemployed. Unemployed people receive about 60 per cent of their previous basic salary for a year, after which they get a minimum income of 2,100 francs (375 dollar) a month, reports Renter.

**Japan's purchase of plutonium protested**

SEOUL, Jan 6: About 30 members of citizen and environmental groups held a protest in front of the Japanese Embassy in Seoul Wednesday, charging that Japan wants to make bombs with plutonium. "We oppose Japanese nuclear armament that threatens peace in Asia," shouted the protesters. Some of them were wearing black masks with pictures of skeletons to show the danger of nuclear weapons. "Stop Plutonium," read a colorful banner held by the protesters, reports AP.

**Demand for 4000 agent's job**

PARIS, Jan 6: Labour leaders Monday demanded the government find work locally for 4,000 customs agents likely to be transferred or lose their jobs now that Europe's single market has ended border inspections. The DFDT labour union told a news conference that such transfer would mean hardship for the agents who live along France's borders, in Paris and Lyon. The DFDT's secretary-general for customs workers, Michele Jusselme, demanded that the Finance Ministry give them administrative positions in the areas where they live, reports AP.

**US cuts prices of videophone**

NEW YORK, Jan 6: American Telephone and Telegraph cut the price of its videophone by a third and said Tuesday it is talking about letting other electronics makers sell compatible machines. AT and T's new price for its machine is 999.99 dollar, still well above the 750 dollar MCI plans to charge for its videophone. In a telephone news conference Tuesday, AT and T executives said they think their product is better and justifies a higher price tag. The AT and T and MCI machines would not be able to communicate with each other, but Stephen Clemente, AT and T's general manager for videophones, said there are changes AT and T can make that would allow that, reports AP.

**British Airways for smaller deal**

LONDON, Jan 6: British Airways will soon bid for a stake in USAir that would be smaller than the share it tried to obtain in an earlier aborted offer, a newspaper said Tuesday. When British Airways announced in late December that it was abandoning its 750 million dollar offer for 44 per cent of USAir, both airlines said they would explore other ways of combining their business. The Independent newspaper said Tuesday that British Airways is now contemplating an offer for a smaller stake of USAir, for considerably less money. The Independent cited no sources and provided no information on the size of the new offer, reports AP.

**Communal riots in India dampen foreign investors' spirit**

NEW DELHI, Jan 6: The demolition of the Babri Mosque and Hindu-Muslim riots have dampened the spirit of foreign investors who last year pledged more than one billion dollar in line with India's market reforms, officials say, reports AFP.

A senior Finance Ministry source said pledged investments to India have slowed on a rapid scale since the December 6 demolition of the 16th century mosque in the northern town of Ayodhya by thousands of Hindu zealots. Murlid Deora, an influential Member of Parliament from

the ruling Congress (I) Party and a former Mayor of Bombay, India's commercial hub, echoed the Finance Ministry fears.

Business people have been complaining that the rate of foreign investment is slowing down. Deora, a member of the parliamentary finance committee, said here Wednesday.

He told reporters he had recently visited Singapore and was told by businessmen there that they were looking elsewhere following the Ayodhya incident.

Ayodhya has hurt us acknowledged the industrialist-

cum MP. Political stability is the most important factor for economic investment.

But I think it is a temporary phase, he stressed. We will survive. We will come out of this.

Members of the India Federation of Chambers of Commerce, voicing concern over the reversal of the investment trend, said several proposed joint ventures were on the verge of collapse because of the Mosques' razing and the subsequent Hindu-Muslim rioting that left more than 1,150 people dead across the country.

They did not specify the firms concerned but the Finance Ministry source also said some investors were looking for more stable pastures in Asia.

US firms accounted for 192 million of the 985 million dollar pledged in projects during the first 10 months of last year, but many were reconsidering because of the instability caused by the Mosque's demolition, the ministry source said.

"There is nothing we can do until things settle down here a bit, he added, referring to the political and communal fallout of the December incident.

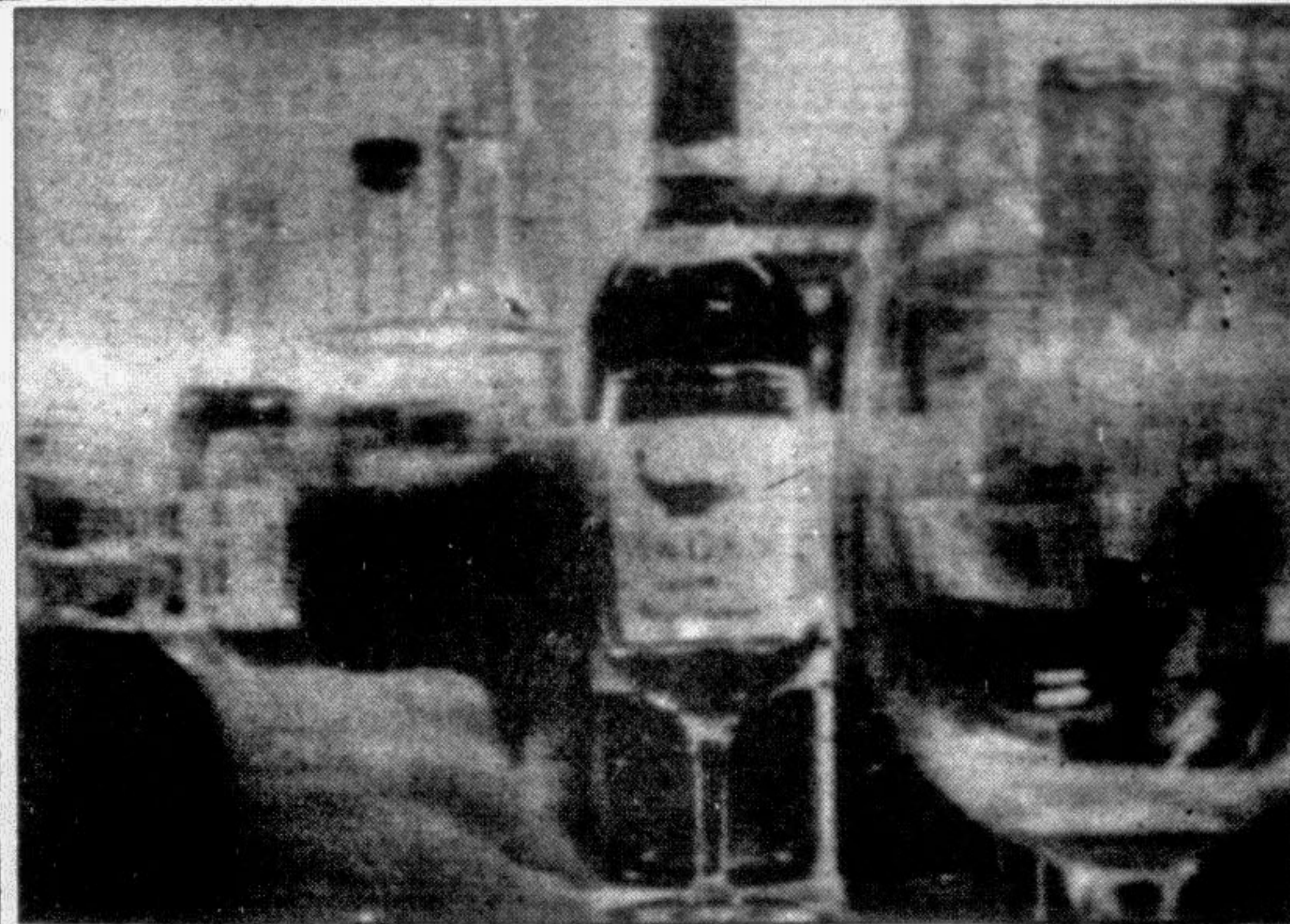
**Taiwan's trade surplus plunges 29 pc in '92**

TAIPEI, Jan 6: Taiwan's trade surplus plunged 29 per cent to an eight-year low of 9.48 billion US dollar last year, slashed by rapidly rising imports and the global economic slowdown, the Finance Ministry said on Tuesday, reports Renter.

Exports grew a moderate seven per cent to 81.48 billion US dollar restrained by weak demand in major foreign markets such as the United States and Japan.

Imports surged 15 per cent to 72 billion US dollar boosted by a consumer spending boom and purchases of materials and equipment for Taiwan's six-year 300 billion US dollar infrastructure building plan.

Taiwan's politically sensitive surplus with the United States, its main export market, fell five per cent to 7.8 billion US dollar last year. Washington is pressing Taipei to cut the gap.



It is probably little known to many, excepting some epicures, that some of the world's best wines are produced in the Israeli occupied Golan Heights. In fact, wines from the Golan Heights are one of Israel's most valued exports products. — Star TV photo

**Indonesia faces 1993 with brighter prospects, and plenty of worries**

JAKARTA, Jan 6: Indonesia, leaving 1992 behind with some relief, has brighter prospects for the new year but there are still plenty of potential worries, analysts say, reports Renter.

"It's much better than last year," said University of Indonesia lecturer Anwar Nasution.

Analysts say the government, which is due to announce its fiscal 1993-94 (April-March) budget on Thursday, must with very limited resources give a leg-up to the private sector, push exports and encourage more foreign investment to achieve planned growth rates of over five per cent a year.

They point to a much more reassuring macro-economic picture of low inflation, now less than five per cent, strong currency reserves of about 11 billion dollar and a falling current account deficit which should be under four billion by the end of the 1992-93 fiscal year.

Finance Minister Johannes Sumarlin promised an increase in the new budget after last year's relatively modest 17.6 per cent rise in spending but he gave no details.

Analysts said funds will still be short with close to half of government expenditure going to service a foreign debt now totalling more than 80 billion dollar.

One western economist said that the budget could not afford to just increase taxes but would have to cut subsidies such as on rice and fuel and administer existing tax collection better.

Several analysts urged the government to deregulate the economy further after doing very little in 1992 to make it more competitive and more attractive to outside investors.

Nasution said there was so little flexibility in fiscal policy that the government had to find other solutions to encourage growth by promoting non-oil exports and luring in investment.

"Structural reform and deregulation is important for the

private sector," another analyst said.

The sector is earmarked as the engine of growth for the economy but has been hurt by two years of high interest rates.

Analysts said they are worried that the failure of Bank Summa last year—which has had such a depressing impact on the local stock market—has started pushing lending costs up again by banks already reluctant to lend because of large bad debts.

Strains in the financial sector were inevitable after the fast deregulation of late 1988 but it means painful adjustment and there are dangers of more problems in the sector.

**Russia hopeful of early debt deal**

MOSCOW, Jan 6: An adviser at Russia's foreign trade ministry said on Tuesday he still hoped the debts of the former Soviet Union would be rescheduled soon, despite Ukrainian complaints that Russia is reneging on a recent deal, reports Renter.

We hope very much that it will be possible to agree with the Paris Club on debt rescheduling by the end of January," adviser Yuri Gromoshkin told Reuters by

telephone. He played down news that Ukraine would no longer abide by a recent agreement allowing Russia to manage all the debts and dismissed Ukrainian complaints that Russia was dragging its feet on efforts to assess the value of Soviet assets abroad.

It is not possible for Russia to give Ukraine the official information it has requested about all assets... and their present market value,

Gromoshkin said. We do not have all this information.

Ukraine's decision last week to back out of a previous deal on debt had threatened to torpedo talks on debt rescheduling with the Paris Club of creditor nations and the London Club of commercial creditor banks.

Both western organisations have said agreement between the states of the former Soviet Union is an essential precondition to a rescheduling deal,

which would give debtors extra time to repay debts estimated at 80 billion dollars.

Russia has already agreed to pay the debts on behalf of 14 of the 15 former Soviet republics. In exchange these states agreed to give up all claims on Soviet assets, including embassy buildings abroad and reserves of gold and diamonds.

But agreement with Ukraine has been slow to emerge. Kiev signed an accord in November,

**ROK workers to favour boycott of foreign rice**

SEOUL, Jan 6: Most South Koreans office workers say they would prefer to boycott cheaper foreign rice if their government reversed its position and agreed to open the market to imports, according to a survey published here Tuesday, reports AFP.

About 90 per cent of the 1,900 office workers surveyed in a poll conducted by the monthly magazine Food and Hygiene said they would not buy foreign rice even if South Korea opened the rice market.

About 62 per cent of the surveyed said rice market should not be opened anyway, while 30 per cent said it had to be opened sometime.

Asked what would be the best way to cope with the opening of the rice market, 66 per cent of those surveyed backed a boycott campaign against imported rice.

**Colombo hopes to attract more tourists in '93**

COLOMBO, Jan 6: The government hopes to attract more tourists this year despite a decade old conflict by Tamil separatist rebels, an official said Tuesday, reports AP.

Last year, 400,000 tourists flew into the tropical island, the highest in a decade and nearly double the figure when the ethnic conflict broke out in 1983.

"The large number of arrivals is in itself an indication that things are peaceful," said Subramaniam Sivathanas state secretary to the Tourism Ministry.

The tourists earned the country nine billion rupee 204 million dollar in foreign exchange last year, making the industry the nation's fourth highest foreign exchange earner.

The government hopes to attract a million tourists by 1995. About 40 hotels are already being built and will open up for business in the next two years.

**Japan's officials, traders suggest measures to boost economy**

TOKYO, Jan 6: Japan Monday sobered up from a new year holiday spree with government and business leaders suggesting additional measures to boost its flagging economy while the stock market could afford no celebration, reports AFP.

As the nation sat down to the year's first business day, a deputy trade minister said the government should lower its official interest rate, offer more public works and stimulate consumption if the economy failed to rebound.

"There is a possibility that parliament will debate additional measures and the budget at the same time," Yuji Tanahashi, the Vice Minister of International Trade and Industry, said in a new year speech at his ministry.

The Federation of Economic Organisations (Keidanren), a powerful forum of Japan's big business, announced its main targets for the new year.

It urged the government to implement "tactical" fiscal and financial measures, including a revision of Japan's tax system, to promote economic recovery led by domestic demand.

**US to propose new tariff cuts in Uruguay Round**

GENEVA, Jan 6: The United States will submit a new draft list of tariff cuts for industrial products in the Uruguay Round this week, a US trade official said today, reports Renter.

The revised offer would respond to open put forward on December 17 by the European Community, he said.

"We hope to get our new industrial tariff schedule on the table around mid-week," the official told Renter.

"Like the EC's proposal, it will be a snapshot of our negotiations with our principal negotiating partners," he added.

The US official in Geneva declined to reveal details of the industrial tariff proposal.

But he said: "It will continue to reflect our willingness to go to zero-for-zero (tariff levels) in certain sectors," these would include pharmaceutical and wood products, he noted.

But for chemical products, the United States offer aims at bringing down tariffs under a "multilateral harmonisation approach" and not a reciprocal zero-to-zero deal, the US official said.

The European Community, which favours an across-the-board approach, last month offered to lower tariffs on industrial products by an average of nearly 25 per cent, according to EC officials.

**Exports help cut deficit of Australia's account**

SYDNEY, Jan 6: Surging exports narrowed Australia's current account deficit for November, according to new data which provided relief Tuesday for a government soon to face the polls but dashed hopes of interest rates cut, reports AFP.

Figures released by the Bureau of Statistics showed the current account deficit had narrowed to an adjusted 1.60 billion Australian dollar (1.09 billion US) from 1.75 billion dollar in October.

The result, which was in line with market expectations, steadied an Australian dollar earlier hit by market pessimism.

It fell almost one US cent to a new five-year low of 67.70 US cent after opening here Tuesday but was trading late afternoon at 67.85 cent.

The data showed exports up by nine per cent during November, while imports grew by three per cent.

The import bill for November was 5.15 billion dollar, an increase of 159 million dollar.

This included the 200 million dollar cost of an Optus communications satellite which failed after launching in China last month and equipping for an offshore drilling rig.

Exports were up 427 million dollar to 5.11 billion with rural exports up a strong 13 per cent to 1.51 billion dollar while non-rural exports rose by eight per cent to 3.60 billion dollar.

"Overall, we think it is a good figure," Macquarie Bank economist Jill Pleban said.



University of Chicago paleontologist Paul Sereno talks to reporters Jan 5 at a National Geographic Society news conference about his newly discovered Eoraptor fossil. Sereno found the fossil a mile away from the site where he found the first skull of the former oldest known dinosaur, Herrerasaurus. — AFP/UNB photo

**Indian police link stock scam to drug dealer**

NEW DELHI, Jan 6: Investigators have raised the estimate of India's worst financial scandal to 1.78 billion dollar and for the first time are looking into a prime suspect's links with an alleged drug dealer, reports AP.

Police told a Parliamentary probe on Tuesday they are investigating stock broker Harshad Mehta's links with a man in Dubai suspected of drug smuggling, said Ram Nivas Mirdha, head of the investigation panel, according to news reports Wednesday.

Police will issue an arrest warrant against Niranjan Shah for violating foreign exchange rules and drug smuggling,

Mirdha said. Investigators have found an increasing number of government companies violated rules to channel money to Mehta's firms for investment in the stock market.

At least 17 banks—including one from Britain, two from America and one from Australia—have been accused of illegally diverting funds from their sale and purchase of government bonds into Mehta's accounts.

The transactions were estimated at dlr 1.1 billion when the scam was discovered in April. But that amount was raised to dlr 1.78 billion by the investigators on Tuesday.

**European Community grapples with a Banana split**

The breakthrough in the GATT world trade talks between the European Community (EC) and the United States on oilseed subsidies has cleared the way for conclusion of the Uruguay Round. But obstacles remain. Foremost is the banana debate—seen by some as a possible "GATT-crasher."

The debate, which has divided the EC, concerns tariffs on banana imports. Britain, France, Italy, Spain and Portugal want to preserve an arrangement whereby the EC allows preferential access to higher priced bananas from their former colonies which they say are of lower quality.

For Britain this covers former colonies in the Caribbean, such as Jamaica, where the banana industry accounts for 30,000 jobs, according to Dr Marshall Hall, Jamaica's President of the Caribbean Exporters Association.

Latin American producers, whose bananas are around 50 per cent cheaper than those from the Caribbean, are incensed at EC proposals to preserve a banana trade regime which discriminates against them.

At a meeting of banana exporters and consumers in La Lima, Honduras, in late November, Latin American banana producers reiterated their criticism of the EC plan to impose quotas to begin in January on Latin American imports. They say they will lose 600 million dollar annually if the EC implements quotas.

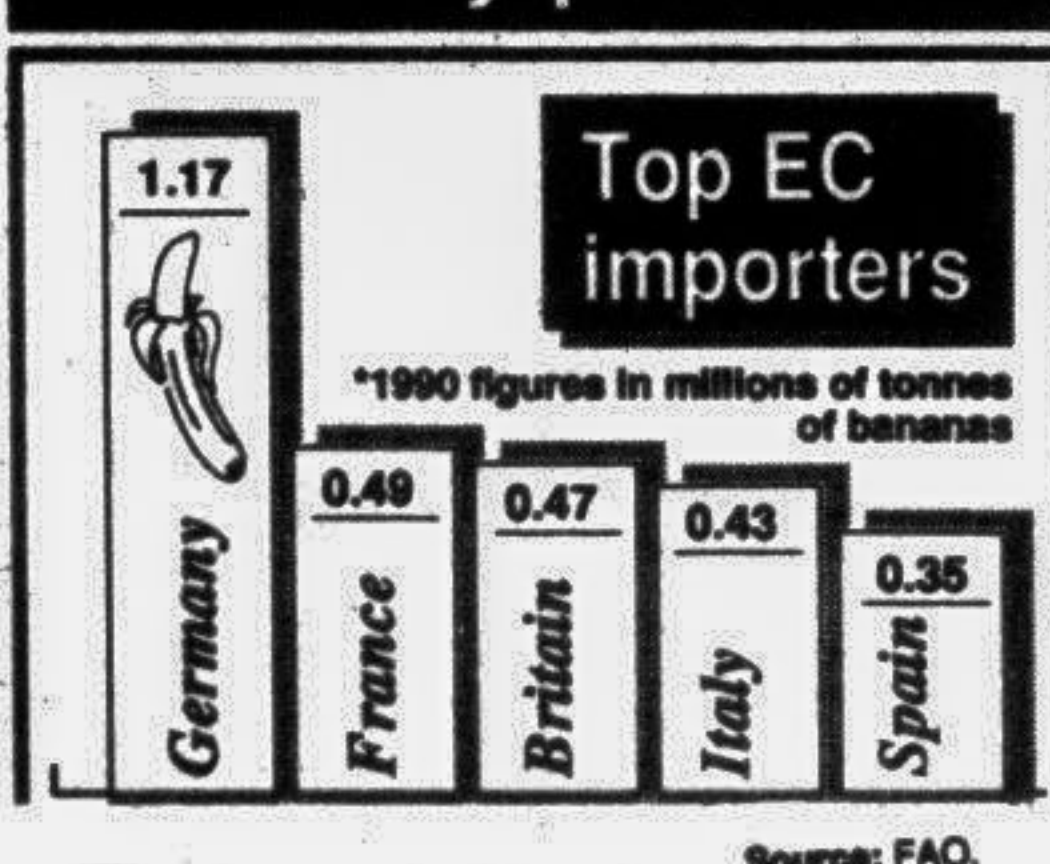
Their counterparts in the former European colonies of the African, Caribbean and Pacific (ACP) group support the restrictions. They say a free market would adversely affect their economies.

Whether the quotas should be imposed is still being debated within the EC, Germany, Denmark, Belgium, the Netherlands and

Luxembourg are opposed to a European banana trade regime. Britain and France, under the Lome Convention, already give preference to bananas from their former colonies as do Spain and Portugal to bananas from the Canary Islands, Madeira and Somalia.

Currently member states, with the exception of Germany, follow EC instructions and apply a 20 per cent tariff on the so-called "dollar bananas" from Latin America.

**How they peel**



The latest European Commission proposals aim to help the smaller Caribbean producers, whose bananas cost more to produce because of higher labour costs, poorer climate and less irrigation.

EC far ministers met in Brussels on November 17 but failed to make any progress towards a new banana trade regime due to take

effect on January 1 1993 when the EC single market comes fully into operation. Britain chaired the meeting and insisted on an agreement by the end of the year.

Jamaican Prime Minister P J Patterson says that before the Brussels meeting Prime Minister John Major promised Britain's support for Caribbean bananas' continued access to the EC after creation of the single market. Major said: "Achieving a successful outcome on bananas is a high priority for the UK presidency of the community."

Germany and its supporters argued that the proposed regime involving tariff quotas would break GATT trade rules and so require a special waiver. One EC official said: "It is clearly not the moment to seek a GATT waiver." If a waiver were asked for, he added, it would encourage similar demands from other countries, such as for rice imports into Japan.

Germany and the other free traders want EC countries to have access to the cheaper bananas from Latin America. In response, Britain, France and the others say the proposed regime is a balanced attempt to reconcile ACP suppliers and Latin American exporters.

The Commission has proposed special aid measures to make more competitive the EC suppliers in Martinique, the Canary Islands and other overseas territories. It also proposes to open a 20 per cent tariff quota consisting of a two million-tonne basic quota and an additional annual quota of 200,000-400,000 tonnes according to need.

About 30 per cent of the quota would be allocated for operators marketing at a higher

cost than traditional ACP bananas.

In an effort to quell Latin American producers' concern, the EC commission offered on November 26 a 60 million ECU aid package over a five-year period beginning in 1994 to help Latin American producers diversify production. The package is linked with an EC banana regime.

Latin American countries being included are Panama, Costa Rica, Nicaragua, Honduras, El Salvador, Guatemala, Colombia, Venezuela, Ecuador, Peru and Bolivia.

The European Banana Producers Association has warned that failure to adopt the proposed regime would be disastrous. It is estimated that some 100,000 families in the remote and poor parts of the Community depend on bananas for their living.

The European market accounted for 3.6 million tonnes of the record 10 million tonnes of bananas exported in 1990 it is estimated that in Britain per capita expenditure amounts to 14.61 pence a week.

The Commission proposals would guarantee former colonies a proportion of the market based on 1990 imports and would preserve the 20 per cent tariff on all "dollar banana" imports, including those to Germany.

If agreed, major US multinationals such as Dole and Chiquita which deal with "dollar bananas" could increase European sales only by agreeing to import some bananas from the former colonies of the Caribbean and elsewhere.

The US multinationals, Germany and other free traders do not want to see GATT rules broken over banana imports into the EC. A waiver would set a dangerous precedent. Agreement over the banana debate is looking increasingly difficult. — Gemini News

**Singapore to recruit skilled workers from ex-Soviet Union**

SINGAPORE Jan 6: Singapore plans to recruit highly skilled workers in the former Soviet Union to supplement the limited human resources in this city-state of three million people, reports AP.

Prospective employers and representatives from research and educational institutions will take part in the recruitment drive in March, the Economic Development Board announced Tuesday.

The Business Times newspaper reported Wednesday that the National University received an average of 20 applications a month from Soviet academics in the last half of 1992.

"We see ourselves doing more to recruit talent not just from the traditional areas in the West, such as the United States, Europe and Australia, but in new areas as well, like India and China," board executive Gong We Lik told a news conference.

Some 3,300 professionals and skilled people have found work in Singapore in the last 15 months and the hiring pace will be accelerated this year, Gong said.