

Manila will take drastic steps to strengthen economy

MANILA, Jan 10: President Fidel Ramos said on Saturday the Philippine economy, although showing signs of growth, was still in a precarious situation and the government must take drastic measures to strengthen it, reports Reuters.

At a meeting in the Presidential Palace on ways to boost the economy, Ramos vowed to make the business climate conducive to investments and pursue structural reforms.

The meeting was attended by some 200 government officials, businessmen, bankers and congressional leaders.

"I visualise the year 1993 as a time for us to push economic reforms and strengthen appropriate institutions that serve as strong foundations for the economic marathon that we are already undertaking," Ramos said.

The government is aiming at a 4.5 per cent growth in gross national product (GNP) this year through increased spending on infrastructure and social services in the first half.

Private economists have said the target is on the high side considering the country has just ended a mild recession.

The economy grew by 1.9 per cent in the third quarter of 1992. There are still no growth figures for the last quarter. There was no growth in 1991.

Transfer of Palestinians may remove economic misery

JERUSALEM, Jan 10: The transfer of tens of thousands of Palestinians from the Gaza Strip to the West Bank may be the only way to ease their economic misery, a development expert told Friday's Jerusalem Post.

The West Bank could absorb a large part of the population of Gaza, said Peadar Kirby, an adviser to the UN Economic and Social Commission for Western Asia (UNESCWA).

The West Bank has the potential for becoming an independent economic entity that, in the framework of autonomy or independence could benefit from absorbing Gaza's overflow population, he added.

Besetso, who was born in Gaza, has been on a two-week fact-finding mission in the territories and was appalled at the poverty and economic ruin on the strip. Occupation policies prevent economic growth, he added.

Taipei will raise foreign aid

TAIPEI, Jan 10: Taiwan plans a sharp increase in the foreign aid it provides, to 0.15 per cent of its gross national product from the current 0.02 per cent, the semi-official central news agency said at the weekend, reports Reuters.

The island has benefited in the past from foreign aid and it is now time to reciprocate by giving more aid to developing countries, the agency quoted the economics ministry's international cooperation department as saying on Saturday.

The new level of aid will still fall short of the average of 0.35 per cent of GNP provided by developed countries, said the department's director Lin Neng-Chung.

Taiwan's economy is booming and its foreign currency reserves of about 82 billion dollars are among the world's largest. GNP is officially forecast at 229 billion dollars this year, meaning the aid budget could rise to 344 million dollars.

Social unrest may hit future Thai growth

BANGKOK, Jan 10: Thailand's economy has taken off with only limited benefit to the millions of under-educated poor, and analysts fear social unrest may hamper future growth unless the government trims the widening income gap, reports AFP.

Economists predict Thailand's output to surge up to eight per cent this year after swelling and estimated 7.5 per cent in 1992, while warning of inflation reaching five per cent officially and a persistent current account deficit which last year was an estimated 170 billion baht (6.8 billion dollars).

Bigger threats to future economic success is Thailand's lack of infrastructure, shortage of skilled labour and possible social and industrial unrest if the masses miss out on the rise in living standards confined mostly to Bangkok and the South East, they said.

Investment flow into ASEAN intact

SINGAPORE, Jan 9: Investment flows into the Association of South East Asian Nations (ASEAN) remain largely intact despite China and Vietnam's rise as new competitors for foreign capital, a regional securities firm said Friday, reports AFP.

Crosby Securities said in its fourth quarter report that foreign investment in the six ASEAN states were at "historically high levels," debunking a perception that "foreign investment has somehow been diverted away."

"If there is a diversion (to China and Vietnam) in future it is likely to be small," the firm said in a report on ASEAN's investment outlook. The ASEAN groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

Even if account is taken of

one-off factors which contributed to some of the high figures, the foreign investment flowing into the region is still high in historic terms," Crosby Securities said.

Crosby Securities said that figures from official sources showed that foreign investment approvals for Indonesia totalled 9.2 billion dollars during the first 11 months of this year.

Malaysia posted foreign investment approvals of 6.7 billion dollars between January and October and Thailand 1.3 billion dollars for the first six months.

Crosby Securities said that South East Asia's economies still offered higher returns than the average for the world or other developing countries.

According to US Commerce Department figures published

recently, American investments enjoyed rates of return of 26 per cent in Singapore in 1991.

The rate of return for Malaysia was 30 per cent, Thailand 22 per cent, Indonesia 48 per cent and Philippines 16 per cent.

The rate of return on US investment worldwide averaged 11 per cent in 1991 while the rate of return from investments in developing countries was 16 per cent.

"ASEAN remains one of the world's most attractive areas for foreign investments although China will also become a major draw in the long run," Christopher Cheong, research manager at a local bank, said.

He said that a well developed infra-structure and well-educated and trained labour

force were among the region's strongest attractions while cultural inhibitions still made many American and European firms reluctant to enter China.

"In the long-run as inhibitions break down, China's huge market, cheaper land and labour will make it a major draw," Cheong said, adding that it would be difficult, however, to tell at what point investments were being diverted from ASEAN to China and Vietnam.

Other analysts said that large investment in the oil and gas sector particularly in Malaysia and Singapore may have counteracted the declining trend in foreign investments in ASEAN and the diversion of investments into China.

In a report released Friday,

the development bank of Singapore said the investors will be drawn to China and Indochina as their governments introduce macro-economic policies to stabilise their countries economic environment.

Crosby Securities, however, said that the wave of investments into ASEAN in the 1980s would probably be followed by a secondary wave as regional governments push for local sourcing and the drop in profits force companies to relocate away from Japan.

But it said that the trend towards deregulation in India, eastern Europe and other developing countries with their large labour pools and markets could potentially threaten ASEAN's ability to draw the bulk of foreign investments.

Li calls for strengthening state control over economy

BEIJING, Jan 10: Chinese Premier Li Peng called for strengthening of state control over the economy during a tour of southern China's booming special economic zones, Chinese television news said Friday, reports AFP.

Li said he wished for a better use of investment so that major infrastructure projects could be speeded up and stressed "macro-control over the total volume of loans and credit funds," the television said.

"State macro-control must be reinforced and the markets and planning had to be better used" so as to establish a "socialist market mechanism," it cited Li as saying.

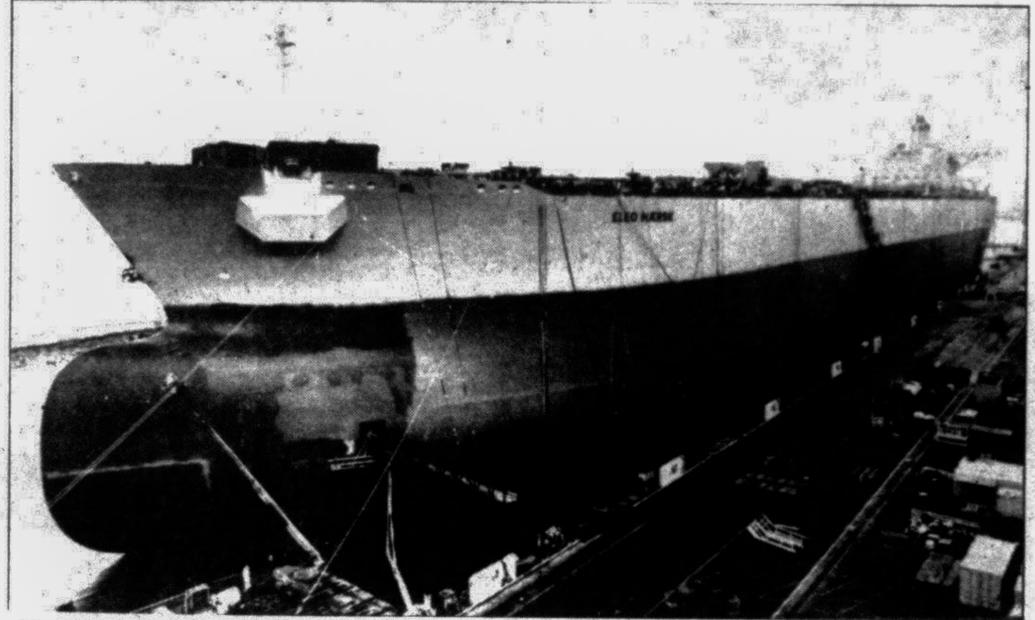
Li also demanded that regional authorities control

credit so that they could guarantee a "healthy development of the national economy as a whole," it said.

He made the comments during a five-day visit ending Thursday to the special economic zones of Shenzhen, Zhuhai and other cities in the Pearl River Delta of southern China's Guangdong province.

The Chinese economy expanded 12 per cent in 1992 on the crest of a wave of investment in construction, which the government has been attempting to restrain.

Chinese economists believe the economy will continue to grow too quickly this year and have called on Beijing to adopt measures to prevent it from overheating.



Eleo Maersk, a 30,000-ton deadweight oil tanker built at Odense-Lmdo for AP Mollar of Copenhagen. It is the first in a series of six very large crude carriers.

Dutch salvage firm can raise sunken N-submarines littering oceans

OSLO, Jan 10: A Dutch firm says it can raise sunken nuclear submarines littering the world's oceans, but some experts say it may be safer to abandon the deadly wrecks, reports Reuters.

Dutch salvage firm Smit Tak says a gigantic floating crane could pluck a sunken Soviet submarine, the Komsomolets, from the seabed off northern Norway by grabbing it with huge claws dangling from wires and guided by robot submarines.

The Komsomolets, a secret experimental submarine, sank in April 1968 with the loss of 42 lives in water 1,685 metres (5,500 ft) deep.

Smit Tak, heading the Netherlands deep-sea operations consortium, says its deep sea salvage plan is "capable of recovering (other) nuclear

submarine casualties and removing this treat to the global marine environment."

But the plan for the Komsomolets is on hold — Russia lacks the cash for an operation expected to cost 250 million dollars.

The consortium is also reassessing the dangers as the reactor aboard the submarine has been leaking small amounts of radioactive fuel for more than a year.

Norway reckons it will be safer to let the Komsomolets rust-arguing the amounts of highly radioactive plutonium abroad are relatively small and lie at depths where there is

little marine life.

"The radioactive material in the... Komsomolets presents no danger of contamination of fish in the Barents Sea," the Norwegian Foreign Ministry said recently.

Even if successful, Norwegian officials say any salvage of the Komsomolets—or other nuclear wrecks—raises other worries: They ask who would want a rusty submarine leading plutonium towed past their coastline, or to a port near them and who would want the waste stored near them?

Since nuclear testing began, several tonnes of plutonium

have been released into the atmosphere. The Komsomolets, which contains a reactor and two nuclear-tipped torpedoes, holds about 10 to 12 kilos (22 to 26 lbs) of plutonium.

Veronica Biong, a spokeswoman for the international environmental organisation Greenpeace, said the submarine—and all other radioactive waste at sea—should be raised.

"Allowing any increase in levels of plutonium in the environment is unacceptable," she said, adding that leaks from nuclear power plants, crashed nuclear satellites and nuclear waste had already raised levels sharply.

Plutonium remains deadly poisonous for 24,000 years—a tiny speck is enough to kill a person.

Greenpeace says more than 50 nuclear weapons and more than a dozen reactors have sunk around the globe, many of them in deep waters.

An attempt to raise the submarine would be fraught with risks—no wrecks have been lifted from much more than 200 metres (660 feet) deep.

The only known attempt to salvage a nuclear submarine was in the early 1970s, when the United States tried to raise a Soviet submarine from the Pacific, helped by millionaire Howard Hughes.

The submarine broke apart—one of Norway's biggest fears for the Komsomolets.

Other ideas for raising the Komsomolets have included lashing huge balloons filled with more buoyant fresh water to the submarine to lift it to the surface. Massive pressure means compressed air cannot be pumped down so deep.

Kuwaiti Minister orders to rehire 4 non-Muslim workers

KUWAIT, Jan 10: Labour Minister Jassem al-Aoun has ordered a supermarket to rehire four non-Muslim workers it fired in retaliation for the destruction of an ancient Indian mosque by Hindu zealots, press reports said Sunday, reports AP.

Three Egyptian Copts and an Indian were fired last month in the incident. The minister told the supermarket to notify him of measures taken to return them to their jobs, newspapers said.

The Copts are a Christian sect. It was not immediately known if the Indian worker was a Christian or a Hindu.

They had been fired by Mishan al-Mutairi, head of the board of directors of Sabahya and Ahmadi Cooperative Society, a Community-run supermarket.

Mutairi told Al-Qabas newspaper last week that he fired the four in response to demands from Kuwaitis who voted for him.

The Kuwaiti government condemned the destruction of the historic mosque in the town of Ayodhya last month. Hindus claim the mosque stood on the birthplace of their god-king Lord Rama.

Saud al-Samaka, a columnist for Al-Qabas, praised the minister's decision and urged him to hold Mutairi and members of the board accountable for a mistake that hurt the reputation of the Kuwaiti people.

"Firing the Christian workers was breach of the constitution... which stipulates that people should not be discriminated against for their sex, origin, language or religion," Samaka wrote.

\$6.5m US loan for Brazil to raise fruit output

WASHINGTON, Jan 10: The Inter-American Investment Corporation (IIC) approved Friday a 6.5 million US dollar loan to a Brazilian agricultural cooperative that will enable it to expand fruit production for export, reports Xinhua.

The IIC is an Inter-American Development Bank affiliate that assists private sector projects in Latin America and the Caribbean.

The IIC loan to cooperative Vintcola Aurora Ltd, will enable the company to expand and modernize its juice production and packaging facilities, and built a juice concentrate plant capable of processing a wide variety of fruit.

The IIC said its loan will also enable the cooperative, owned by 1,500 small-scale farmers in the southern Brazilian state of Rio Grande do Sul to develop and introduce new varieties of grapes, apples, peaches, pears and blackberries.

The IIC-supported project is expected to generate foreign exchange earnings of 71.8 million dollars over the next nine years.

Accord on transfer of Marcoses' Swiss accounts likely soon

MANILA, Jan 10: The Philippines government and Imelda Marcos have until February 9 to reach agreement on the transfer to Manila of 356 million dollar kept by the Marcoses in Swiss accounts, lawyers said on Saturday, reports Reuters.

"We agreed to set a time frame and during that period we really have to come up with an agreement," Solicitor General Raul Goco said.

"Failure on the part of the parties... will only mean the negotiation had collapsed," he told reporters after emerging from a meeting with the former first lady and her lawyers.

Under the proposed deal, the money which the government says is part of the 5.00 billion dollar the Marcoses stole from the people will be held in Escrow until the courts decide its real owners.

Antonio colonel Marcos' chief lawyer said the two sides

were trying to iron out minor obstacles but confirmed they gave themselves until February 9 to come to a final understanding.

He said one of the matters Marcos was concerned about was an injunction issued by US judge Manuel Real of Hawaii, who had ordered her to turn over the Swiss deposits to his court.

"We want to know what steps the government will take to relieve Mrs Marcos of any possible responsibility... so she will not be held in contempt," Colonel said over the telephone.

Real's order is in connection with and 11 billion dollar suit filed by lawyers of thousands of Filipino victims of human rights abuses during the 20-year rule of Ferdinand Marcos.

Judge Real last September found the estate of Marcos, who died in exile in 1989 three years after he was toppled, liable for the atrocities.

Gulf economies likely to grow faster this yr

ABU DHABI, Jan 10: Gulf economies grew by five per cent in 1992 and growth could be faster in 1993 because of new projects in the region and economic recovery in post-war Kuwait, an official Gulf study said, reports AFP.

The forecast for 1993 takes into account a loss of nearly 15 billion dollar annually by the six-nation Gulf Cooperation Council (GCC) owing to a planned European Community oil tax, the Doha-based Gulf Organisation for Industrial Consultancy (GOIC) said in the study this week.

It gave no figures for the previous years but the GCC Gross Domestic Product (GDP)

in 1991 fell by around five per cent to 155 billion from 165 billion dollar in 1990, when oil prices shot to 40 dollar during the Gulf war.

"Growth in the GCC is expected to have reached five per cent in 1992 despite financial pressure and various commitments by member states," said the study, which was published in the organisation's bi-weekly magazine.

"This year is expected to see a world growth of around three per cent and an average level of 18 dollar."

It said that the assumption was based on what it called a large expansion in Kuwait's economy.

Withdrawal of customs duties on Indian waste paper demanded

CALCUTTA, Jan 10: The Indian Paper Makers Association (IPMA) has demanded that the government should consider immediate withdrawal of the customs duties on waste paper and wood pulp for the manufacture of paper and paperboards reports PTI.

The association also called for a reduction in the import duty for project imports to 20 per cent for the paper manufacturing units and to 10 per cent by the paper machinery manufacturers.

Addressing a press conference here last night, R.P. Agrawal, Chairman of the IPMA said that growth of the paper industry in India was highly disappointing and stressed the need for a suitable policy package for the industry

in consonance and conformity with the new industrial policy and national priorities.

When the Asia-Pacific region was gearing itself up to meet the world requirements of paper and paperboard of 320 million tonne by the turn of the century, he said India was falling short to meet its own domestic requirements.

Agrawal said that the Indian paper industry has to gear itself in respect of capacities as also induction of suitable technologies to produce comparable product quality at competitive cost to be cater to the home market against global competition as well as to export.

Agrawal said that due to devaluation of the Indian rupee and imports having to be fully financed at market rates of foreign currency.

US dollar continues its surge against Asian currencies

HONG KONG, Jan 10: The Greenback continued its upward trend against Asian currencies in the New Year, with only the Malaysian ringgit and Philippine peso posting gains, reports AFP.

Dealers said demand for the Greenback rose in anticipation of a firmer US economy, the renewed threat of a military confrontation in the Gulf and the possibility that Germany's Bundesbank may cut interest rates.

Japanese yen: Down 0.77 yen to close the week Friday at 125.42 to the US dollar, from the previous Thursday's finish of 124.65.

Investors sold yen to buy dollar on prospects of US economic recovery, dealers said.

After opening at 124.86 yen on Monday, the Greenback moved between 124.75 yen and 125.47 yen during the week.

Australian dollar: Sharply down at 67.10 US cents at the week's close, against the previous week's finish of 68.80 US cents.

Dealers said Friday the local dollar fell heavily on the back of offshore speculation, particularly out of New York. It hit a low of 66.72 on

Wednesday. Macquarie Bank dealers said the central reserve bank pumped 1.5 billion Australian dollar (one billion US) into the market during the week in an attempt to smooth the dollar's slide.

The reserve bank's trade-weighted index, which measures the Australian dollar against a basket of major trading currencies, finished at 51.4 points, from 52.4 previously.

Hong Kong dollar: Down at 7.7428-7.7438 to the US dollar, against the previous week's close of 7.7400-7.7420. The effective exchange rate index Friday was 114.7, up 0.2 from Thursday.

Indonesian rupiah: Down at 2.064 to the Greenback Friday, against the previous week's finish of 2.062.

Malaysian ringgit: Up at 2.5970 to the US dollar from 2.6170 previously.

Dealers said the ringgit was boosted by speculative support from banks in Singapore and Hong Kong, which saw the currency as still attractive despite an expected slash in local interest rates soon.

The ringgit also closed higher against the yen at 2.0715 from 2.0970 previously and against the mark at 1.5774 from 1.5905 previously.

New Zealand dollar: Down at 50.97 US cents Friday, against last Thursday's close of 51.40.

The currency began to slide early in the week, affected by the drop in the Australian dollar, dealers said.

On Wednesday the New Zealand reserve bank intervened to push up wholesale interest rates which stemmed the fall but caused two major banks, BNZ and ANZ, to announce an increase in home mortgage rates.

The Kiwi moved above its critical 53 cent level on the trade weighted index, which measures the currency against those of the country's main trading partners.

Philippine peso: Up slightly at 25.232 to the dollar Friday, from 25.294 peso previously.

South Korean won: Down 4.10 won to 792.50 to the US dollar Saturday, from the previous week's close of 798.40.

Dealers said the won weakened sharply as

demand for the Greenback was high to pay for oil imports at the beginning of the year, while export-earned dollar remained low, as the country suffered a 4.9 billion dollar trade deficit last year.

Taiwan dollar: Down two Taiwan cents to close Friday at 25.4225 to the US dollar, from the previous week's finish of 25.4025.

The Taiwan dollar ended mixed against major European currencies, closing at 38.81 to the British pound against 38.45 previously, at 4.55 to French franc against 4.61 previously, and at 15.45 to German mark against 15.73 previously.

Singapore dollar: Down for the third straight week at 1.6625 to the US dollar Friday, against the previous Thursday's rate of 1.6450.

The Singapore dollar was also weaker against the British pound at a rate of 2.5395 against 2.4872 previously and the Japanese yen at 1.3252 compared with 1.3197 previously.

Thai baht: Down four satangs to close Friday at a mid-rate of 25.56 to the US dollar, against a mid-rate of 25.52, previously.

Demonstration for release of Haitian refugee

MIAMI, Jan 10: Hundreds of demonstrators chanting "justice for Haitians" jammed the gates of a federal immigration detention camp Saturday where 45 refugees were in the 10th day of a hunger strike, reports AP.

"I have to fight for my people to be free... this is injustice, this is racism," said Sadra Valentine, who with about 250 others confronted immigration officials at the entrance of the Krome Detention Centre.

Inside, six men and 39 women were taking part in the hunger strike to protest what they say are unfair immigration policies favouring Cuban refugees over Haitians.