BRIEFS

IDB okays \$ 98m for member states

JIDDAH, (Saudi Arabia) Jan 13: The Islamic Development Bank announced Tuesday it has approved loans, technical assistance and grants totalling 98 million dollar for member states, including loans of 31 million dollar to Morocco, 20 million dollar to Bangladesh and 17 million dollar to Pakistan. The finances were approved by the bank's board of executive directors, which concluded its 139th session in Riyadh earlier in the day under the chairmanship of the bank president, Ahmed Muhammad Ali, an AP handout says.

Russia seeks \$ 30b to revive oil sector

MOSCOW, Jan 13: Russian needs a major infusion o foreign investment to stop the freefall in production of oil and other fuels, energy of ficials said Tuesday. At least 30 billion dollar is needed to tap new oil and gas deposits, repair idle wells and modernise the nation's vital energy industry. Yuri Yershov. an economics ministry official, said at a news conference, says AP.

Dollar climbs Five month high in Tokyo

TOKYO, Jan 13: The US dollar leaped to a nearly fivemonth high against the Japanese yen Wednesday on reports of planned US military action against Iraq. Share prices fell moderately in continued thin trading. The dollar closed at 125.87 yen, up 0.82 yen from Tuesday's close and also above its overnight New York finish of 125.20 yen. It was the dollar's highest close in Tokyo since 126.45 yen last Aug. 21, reports AP.

TASS, Modi to link India and CIS

NEW DELHI, Jan 13: The Russian news agency ITAR-Tass has tied up with India's Modi group to provide direct telecommunications between India and republics of the former Soviet Union. The Moscow-based joint venture named Moditar, with 50-per cent equity participation by both partners, would take off "in a matter of weeks," a Russian spokesman for the project said today, says AFP.

Weather hampers work on oil tanker

SUMBUBGH (Shetland Islands), Jan 13: The fury of wind and waves that shattered the tanker Braer is now the best hope for cleaning up one of the world's largest oil spills conservationists and pollution experts said Tuesday. In darkness, the 797-foot (243meter) vessel broke into at least three pieces after being ground against the rugged edge of the Bay of Quendale for a week by seas rising to 30 feet (9 meters) and windy blasts hitting 100 mph (160 kph), says an AP reports.

Stock finish lower in NY

NEW YORK, Jan 13: The stock market gave up ground Tuesday in heavy trading marked by programme-related buying and selling. The market held mostly at mixed levels before heading decisively lower around midday. Analysts blamed computertriggered programme selling for pushing prices to their lows of the day. But it was computer-driven programme buying that lifted the market from its worst levels, says AP.

Moderate fall in shares in Tokyo

TOKYO, Jan 13: Share prices on the Tokyo Stock Exchange fell moderately Wednesday morning, as the US dollar gained ground against the Japanese yen. The 225-issue Nikkei Stock Average shed 138.66 points, or 0.83 per cent, closing the morning session at 16,542.39. On Tuesday, the index rose 91.50 points, or 0.55 per cent. The broader Tokyo Stock Price Index of all issues listed on the first section was down 9.02 points, or 0.70 per cent, at 1,272.96. The TOPIX slipped 1.95 points, or 0.15 per cent, the day before, reports AP.

Miyazawa to consult G-7 leaders on dialogue with NAM

JAKARTA, Jan 12: Japanese Prime Minister Kitchi Miyazawa promised Tuesday to consult the world's seven largest economic powers on the possibility of dialogue with the Non-Aligned Movement (NAM), reports Reuter.

Miyazawa made the pledge at talks with Indonesian President Suharto, who heads the 108-member movement of mainly developing countries.

"President Suharto will be grateful if he, as chairman of the movement, has a chance to have dialogue in whatever form with leaders of G-7 (the Group of Seven industrial nations) at their next summit, " Indonesian State Secretary Murdiono told reporters after the

Suharto took over as head of the movement last year and appealed for dialogue between the north and the south, saying he would like to speak at the G-7 summit.

Last year's NAM summit in Jakarta called on industrial countries to spread more wealth to the developing

Murdiono said Miyazawa, who arrived in Jakarta on Monday on the first leg of a South East Asian tour, would also try to include the problems of developing countries

Record US

corn out put

in 1992

Agriculture Department

estimated Tuesday the 1992

US corn harvest at a record

high 9.48 billion bushels. That

amount is 27 per cent above

the 1991 crop and two per

cent above the Nov 1 forecast,

The record-breaking yield

of 131.4 bushels per acre

exceeded the previous record

of 119.8 bushels per acre set

in 1987. The 1992 yield was

22.8 bushels above the 1991

billion bushels in 1991.

Farmers had harvested 7.48

UAE plans

spending cut

to overcome

budget deficit

United Arab Emirates (UAE)

plans to spend less than it has

approved for 1993 to cut a

budget deficit after ruling out

income taxes and bonds, a

government minister was

quoted as saying Tuesday,

bonds or impose income taxes,

newspapers quoted Minister of

State for Financial and

Industrial Affairs Ahmed Al

Tayer as saying after the

cabinet approved the federal

The finance ministry will

work with other ministries to

rationalise expenditure to

reduce the budget deficit this

Unemployment

in Australia

steady

ber of unemployed in Australia

is expected to hold relatively

steady due to an anticipated

increase in the number of

people in work when Dece-

mber jobless data is released

on Thursday, economists said

Economists tip unemploy-

The outcome should be

Thursday's data is expected

ment at between 11.1 percent

and 11.5 per cent from the

record 11/4 percent at pre-

contained by an expected rise

in employment for the month.

to show total employment ris-

ing by 30,000 to 70,000 after

The participation rate, a

key indicator measuring the

number of people in work and

the number looking for work,

is also expected to improve.

falling 78,400 in November.

Wednesday, reports AFP.

SYDNEY, Jan 13: The num-

budget on Monday.

There is no need to issue

reports AFP.

ABU DHABI, Jan 13: The

says an AP report.

WASHINGTON, Jan 13: The

agenda of the G-7 summit in Tokyo in July. G-7 groups the United

States, Japan, Germany, France, Britain, Canada and Indonesia has also sought

Miyazawa's help in letting its non-oil exports gain further access to Japanese markets. Indonesia has in the past appealed to Japan to lower tar-

iff barriers in several areas ineluding plywood exports. About 30 per cent of Japan's total plywood imports are from

But a Japanese government spokesman accompanying Miyazawa said playwood was not

Co-op among ASEAN

state urgent AP reports from Manila : President Fidel Ramos said Wednesday the Association of South East Asian Nations must increase cooperation to remain economically competitive as industrial countries recover from an economic slump, reports AP.

Addressing a forum on regional cooperation, Ramos said ASEAN countries will continue to enjoy robust growth this year, but Western nations will soon regain their competitive

"A new phase of ASEAN cooperation has become both urgent and imperative," Ramos said." Trends in the world economy impact on how far and how fast we can advance our countries and our region forward in this century and be-

vond." The forum was attended by about 200 diplomats, government officials, business leaders and academicians from the ASEAN member countries-Philippines, Brunie, Indonesia, Malaysia, Singapore and Thailand.

Ramos said ASEAN na tions- "cannot stand still" and must strive to strengthen their competitive edge and bargain

ing position. He said they can do this by building a stronger base for interdependence, encouraging foreign investments, improving infrastructure and sustaining intermediate industries to convert processed primary products.

He also said the regional bloc should also develop service industries in finance, communication and information, and increase investments in human resource develop-

This task requires institutional changes cutting across national borders," Ramos said. "This is why we need more intensive and sincere efforts to further cooperative, particularly in reducing barriers to trade, in encouraging technology transfer, and in devising a rational human resource de velopment programs."

Ramos cited ASEAN Free Trade Area, which will reduce tariffs to 0 per cent to 5 per cent within 15 years. The ASEAN trading area went into effect Jan. 1

Ramos also said there were still "potential sources of instabilities" in the region, such as the conflicting claims over the Spratly islands in the South China Sea, the Cambodian situation, arms build-up and Korean reunifica-

"We must diligently to direct them toward avenues of cooperation instead of con flict," he said.

The Philippines, Malaysia, Brunei, China, Taiwan and Victnam claim all or some of the islands in the Spratly group, believed to be rich in oil and other minerals.

In a meeting in Manila last July, ASEAN foreign ministers called for a peaceful resolution of the claims and cooperation to develop the area.

Negotiators put off GATT meet

GENEVA, Jan 13: Hopes of giving crucial world trade talks a final push by the end of this week have collapsed because of friction between the United States and the European Community, reports AP.

Due to the rift, a meeting of GATT's top-level negotiating committee has been postponed from Friday until next Tuesday, the final day of President Bush's term of office, said David Woods, spokesman for the General Agreement on Tariffs and

Another official, speaking on condition of anonymity, said it was unlikely there would be a breakthrough before Bill Clinton assumes the US presidency on Jan 20.

President Bush, British Prime Minister John Major and EC Commission President Jacques Delors had set Jan 15 as a target date for finishing the GATT- sponsored Uruguay Round of trade talks.

But there was reportedly on real progress in two days of talks that ended late Tuesday between key developing and developed countries. The talks were hosted by GATT director-general Arthur Dunkel.

One of the main differences is between the United States and EC and concerns import

The United States wants to abolish tariffs on products like paper and wood, pharmaceuticals and electronics. But it is resisting demands from the EC for big tariff cuts in traditionally protected areas like textiles, shoes and ceramics.

The Uruguay Round accord is the most ambitious and complex trade deal ever negotiated. It is designed to reduce overall import tariffs by at least one third, cut protection in sensitive sectors like agriculture and textiles, and liberalize trade in the services sector.

It is hoped such a package will pump billions of dollars into the sluggish world economy, create millions of extra jobs and give vital support to reform-mined East European and Latin American countries.

The talks were launched in 1986 in the Uruguayan seaside resort of Punta del Este. But they have missed three straight end-of-year deadlines because of a row between the United States and the European Community on cuts in farm subsidies. The rift was resolved last November, boosting hopes that an accord was in sight.

Taiwan to discourage large investment in China

TAIPEI, Jan 13: Taiwan will discourage local companies from making large investments in China because of political and economic risks, a senior government official said on Tuesday, reports Reuter.

The Economics Ministry was unlikely to approve big Taiwanese industrial projects on the Chinese mainland, though it had not set a fixed ceiling, Economics Minister Vincent Siew was quoted by an aide as saying.

The Economic Daily News said the policy meant several major Taiwanese investments in China would probably have to be delayed for at least two

One of the projects was by the giant Formosa Plastics group, which proposed last month to establish a multi-billion US dollar petrochemical processing zone in China in cooperation with other Taiwanese companies.

Asked to comment on the newspaper report, the aide said Formosa and not yet submitted a formal application and the ministry would not necessarily reject the applica-

Taiwanese investment in China has soared to about US

five billion dollar since political tensions between the rival governments began to ease in the late 1980s.

But officials have expressed fears that Taiwanese investment is helping to make China a powerful competitor in international trade, and that too much economic dependence on China would make Taiwan vulnerable to political pres-

The largest-known Taiwanese investment in China so far is a 20 million US dollar tyre factory built by Cheng Shin Rubber Industries Co in the southern city of Xiamen.

Ramos to form special body to stimulate economy

MANILA, Jan 13: President Fidel Ramos has ordered the creation of a special body to oversee the stimulation of the Philippine economy, according to Palace documents obtained Tuesday, reports AFP.

The Presidential committee on pump-priming the economy will be composed of five top officials and two private sector representatives and will oversee intensified government spending on infrastructure this year which is intended to spur economic growth.

The committee will study government programmes and projects, decide which ones deserve priority, recommend measures to hasten the im-

plementation of the projects and monitor their implemen-

Cabinet members are also prepared to implement "safety-net programmes" both to ensure that the increased spending would benefit the poorest communities and to help groups that might be hurt *by the pump-priming projects such as people who may be displaced by new infrastructure.

Among the objectives of these safety net programmes are to ensure that inflation remains at single-digit levels despite increased spending and to "balance efficiency with equity considerations,"

Palace document said.

The government and state firms plan to spend 135 billion peso (5.4 billion dollar) on infrastructure projects in 1993 in hopes that this will have a multiplier-effect that wil cause the economy to grow by 4.5 per cent in 1993.

The Philippine economy grew by only a disappointing 1.9 per cent in 1992 due to the continuing daily power outages and the reluctance of foreigners to invest.

Of the amount carmarked for pump-priming in 1993, the largest outlay of 44.9 billion peso (1.8 billion dollar) will go to power projects.

oil output by 50,000 BPD

Libya reducing

CAIRO, Jan 13: Libya said Wednesday it was reducing oil production by 50,000 barrels per day, starting Friday, to help eliminate a market glut and boost prices, reports AP.

Libya's official news agency JANA distributed a statement by an unidentified Oil Ministry spokesman charging that some members of the Organisation of Petroleum Exporting Countries were exceeding production quotas, eausing price decreases.

The Libyan statement cited a decision by OPEC oil ministers at their Vienna meeting in November setting a production ceiling of 24.582 million barrels daily for all 13 members in the first quarter of this year in November, a surge in

Iranian oil production pushed OPEC output to 25.49 million barrels a day, the highest since 1980, the Middle East Economic Survey reported in December. The newsletter also said Kuwait has sharply boosted production.

The Libyan statement, monitored in Cairo, appealed to OPEC members to joint Tripoli in cutting production voluntarily to boost prices.

In the week ending Jan 8, OPEC's basket price stood at 16.97 dollar a barrel, far below the 21 dollar a barrel target price set by the cartel.

"This production ceiling was approved on the basis it would improve prices and bring them up to the reference price of 21 dollar a barrel," the statement said.

Clinton may seek developing states' help on environment

WASHINGTON, Jan 13 President-Elect Bill Clinton is expected to seck greater cooperation with developing countries and promote environmentally sustainable policies, a senior official on Clinton's transition team said on Tuesday, reports Reuter.

Gus Speth, who was environmental point-man for the transition, said it was crucial the United States resume a leadership role on environment and development issues. Helping developing coun-

tries achieve democracy and economic growth without destroying their natural resources could also help the United States boost exports while reducing tensions in sensitive areas, Speth said. The stakes involved, both

positive and negative, could not be higher," he said. "We need to recognise that we are going to create at best a fool's paradise at home if we neglect the problems and opportunities abroad."

Speth, outgoing President of the World Resources Institute, said he was not longer working on the transition but said the new administration was convinced changes were needed.

Ecuador's banana growers protest EC restrictions

QUITO (Ecuador), Jan 13: Some 1,000 banana growers burned the French flag and dumped hundreds of bunches of bananas Tuesday in front of the French Embassy to protest European Community restrictions on banana imports, writes AP.

A caravan of some 50 trucks also visited the embassies of Great Britain, Germany, Italy and Spain to explain the difficulties caused to Ecuador's banana growers by the EC decision.

The French Embassy was the only one which refused to receive a delegation of protesters, which led to the flag-burning incident and shouted insults. "I understand the worry and

desperation of the banana growers," Agriculture Minister Mariano Gonzales said. "But can't justify these excesses."

Japan plans to relax radioactive control on food products

TOKYO, Jan 13: Nearly seven years after the Chernobyl nuclear accident, Japan is to relax this week radioactive controls on most food prod ucts from a number of countries, a health ministry spokesman said Tuesday, reports

France has repeatedly denounced the controls, which have boosted prices and de-

layed the entry of European foodstuffs into Japan, as an import barrier. Paris last summer imposed similar measures on Japanese products, but lifted them in December.

The controls are to be relaxed Friday on 10 European countries and all the republies of the former Yugoslavia, as well as the republics of the former Soviet Union - both in

Europe and Central Asia, the spokesman said.

He said the sole reason for the relaxing the controls was that the ministry had not found any trace of radioactivity in products from these regions

since March 1991. Some products - including pate, beans and caviar - have been taken off the blacklist, while others, like honey, mushrooms and certain herbs, will still be monitored, he said.

The European countries are France, Italy, Spain, Ireland, Greece, Sweden, Turkey, Finland, Romania and Albania.

Other countries, like Germany, which were put at risk by the escaping toxic cloud from the central nuclear reactor in Ukraine in 1986, were taken off the list some years, ago.

Japan's employers want to limit pay increase

TOKYO, Jan 13: In a reflec- and employee in Japan. downturn, an influential employers' group said on Tuesday that pay rises for workers in the coming year should be drastically limited, reports Reuter.

The Japan Federation of Employers' Association (Nikkeiren) said labour should not expect increases much beyond those granted last year, in order to ease the burden on struggling companies. The most important subjec-

tion basic management policies is to maintain and secure employment, Nikkeiren said in a report. The comments, the first salvo in annual wage negotia-

tions usually held in March

and April, reflect the close re-

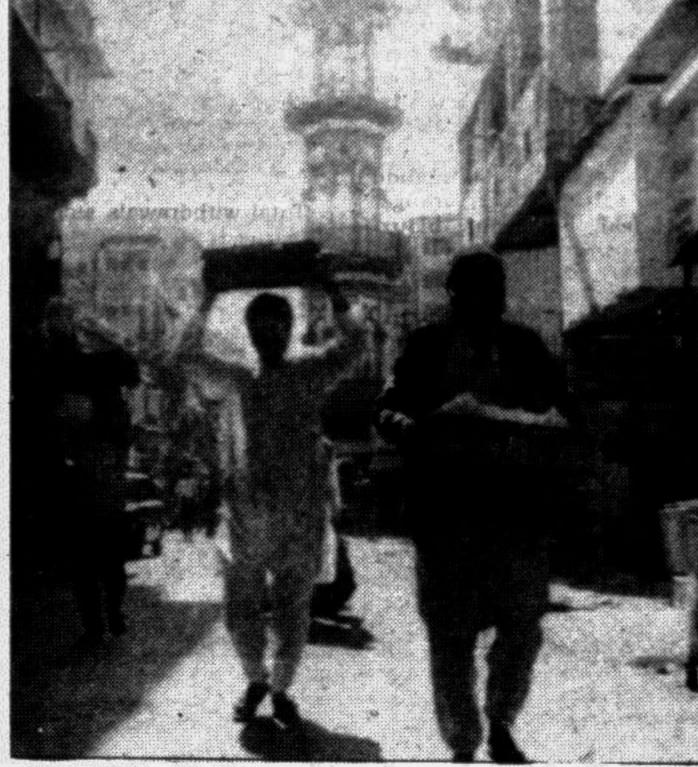
lationship between employer

According to the unwritten rules of Japan's lifetime employment system, employees are supposed to accept low increases in return for being kept on the payroll when times are tough. The annual wage increase

holds profound implications for the nation's ability to pull out of a prolonged economic downturn. Criticising labour's demand this year that employers raise

wages by some seven per cent or an average of more than 20,000 yen (160 dollar per month), Nikkeiren said: "The demand by labour, which is little changed from a year ago, is completely unrealistic". Last year, the regular annual

figure agreed between management and labour was a scant 2.3 per cent.



SURVIVAL: Muslim men carrying cartons of milk in riot affected area on Jan 12 following eight days of communal Hindu-Muslim riots in western Bombay port city. The military distributed the milk and other essentials to curfew bound districts, some of which have been under curfew since the riots broke out a week ago. - AFP/UNB photo.

Pak cotton production may drastically fall

KARACHI, Jan 13: Pakistan's vital cotton crop is likely to be below 10 million bales, well down from last year's 12.7 million, government officials and dealers forecast on Tuesday, reports Reuter.

As a result spinners and exporters are vying for supplies and domestic prices have risen steadily in the past few weeks, said cotton broker Nassem Usman. Pakistan expects to produce

10 million bales in fiscal 1992/93 ending June 30, well below the government's revised target of 12 million bales, Cotton Commissioner, Dr

Abdul Latif said.

"The provinces have given a rough estimate of 9.5 million bales, but I think the figure will slightly increase to 10 million bales when the final estimates will be available to us in February, "Latif told Reuters.

Devastating floods that swept across areas of the main cotton-growing province of Punjab last September as well as a mystery virus and pests have badly damaged the crop, which the government originally estimated at around 14 million bales.

Usman, who last week toured the main Punjab cotton belt, was less optimistic, but said the floods were not the main culprit.

The virus has attacked the crop very badly and action has not been taken in time,"

Usman said. He forecast the crop would be between 8.5 million and 9.0 million bales, leaving spinners and exporters scrambling for

supplies. Latest figures last week from the ginneries on arrivals of seed cotton showed a 13.31 per cent fall in the crop with production at 7.11 million bales compared with 8.2 million bales in early January last

Errata

be read "Negotiators launch fresh bid to wrap up main points of Uruguay Round talks". We regret the error.

Communal riots hamper India's bid to woo foreign capital asked N K Nayar, president of urged the government to This is what happened in workers - mostly residents of

BOMBAY, Jan 13: Hindu-Muslim riots sweeping Bombay have dealt a serious setback to India's attempts to woo foreign capital as part of its economic liberalisation drive, industrialists here said Tuesday, repo-

rts AFP. Businessmen interviewed in this formerly bustling financial capital blamed the government for letting the situation explode and warned that the bloodletting will force investors to rethink coming to India.

"We cannot expect foreign investment now" said Pratap Bhogilal, a prominent industrialist and a former President of the Chamber, of Indian Merchants. "There are better avenues for them"

"Who will come to India?"

an Indo-European Community Chamber of Commerce, "foreign businessmen want to know if India has stability" Scores of foreign companies

made pledges last year to funnel more than one billion dollar into India in the form of joint ventures and collaborations, but doubts have arisen over whether many projects will eventuate. Nayar said losses suffered by

businesses during the week of rioting here, which showed no sings of abating Tuesday and has left at least 170 people dead, totalled millions of dollar. "No one can make a precise guess".

Bombay, India's commercial nerve centre, movie-making capital and a busiest port, has

been paralysed since the strife erupted last Tuesday. Banks and offices have been

grossly under-staffed while shops, and businesses in most areas have been shut. The stock and commodities markets have been closed and exchange officials are unsure when they will reopen. At Bombay Port, dock

workers, many of whom are Muslims, have been the targets of Hindu mobs and hundreds have fled with their families. Bombay handles business and trade worth an estimated 1.6 billion dollar each day. It is

textile industries. Although major industrial establishments have so far escaped damage, their

also the headquarters of India's

chemical, pharmaceutical and

shanty-towns and lower middle class suburbs - have not been as lucky. Thousands have been locked inside their homes in

curfew bound districts for days. "There are factories where there is no attendance," said Bhogilal. "The losses will be in the millions of rupees". Added S P Godrej, Chairman of the Godrej Group of

There is stagnation and there is a pall of fear". Most industrialists denounced the government of Maharashtra State, of which Bombay is the capital, for failing to control the riots.

Companies. "Goods cannot go.

In a statement Monday, leading tycoon J D Tata and 77 other prominent citizens

emergency and to hand the city over to the army. "The situation is totally out of hand in Bombay, Criminals,

declare a partial state of

mobsters and beasts in the form of men have taken over." they said. "Bombay has witnessed scenes of violence and lawlessness to which there has been no parallel during the 300-year-old history of the "India's image has certainly

suffered", said M D Kini,

deputy secretary of the Bombay Chamber of Commerce and Industry. But Kini felt that foreign investors and multi-nationals

planning to come to India may be as keen as ever once the situation returns to normal.

China after the Tiananmen tragedy," he said. "It did affect investment for a while. Later on things improved. It will be the same here". Kini said the real issue was

the federal government's commitment to economic reforms, which have included lifting foreign exchange controls and allowing foreign ventures to hold 51 per cent stakes. "There is a sort of consensus on that. So that will continue and that is important," he said.

Godrej added: "We expect our foreign overseas friends to understand that things will return to normal. After all India has had many problems in the past.

The heading of yesterday's lead item on this page should