BRIEFS

Zaire withdraws new currency note

BRUSSELS, Jan 30: Zairean President Mobutu Sese Seko has withdrawn a controversial new five-million-Zaire currency note in a bid to end two days of rioting in Kinshasa by mutinous soldiers, Belgian radio said. The report, quoting Zairean radio, said Mobutu took the notes, viewed by the soldiers as worthless, out of circulation late on Friday night, reports Reuter.

Health cost rises in US by 1.7 trillion

WASHINGTON, Jan 30: Federal health economists said Friday that Americans health bill could hit 1.7 trillion dollar a year by the turn of the century if present trends continue. The Health Care Financing Administration said that if nothing is done to slow the cost spiral, medical costs could consume more than 18 per cent of the gross domestic product by the year 2000. "The nation can not sustain spending growth at this rate," Health and Human Services Secretary Donna E. Shalala said in a statement. "We need a health system that delivers quality care for all our people at a reasonable cost," reports AP.

US fast food sale higher in Malaysia

WASHINGTON, Jan 30: Sales of US fast foods have boomed in recent years in Malaysia and US analysts expect the surge to continue as the Southeast Asian nation presses to reach full industrialisation by the year 2000. Malaysia's economy has been expanding at more than 8.0 per cent a year and the government's current goal is to keep real output growing by at least 7.5 per cent a year, according to a recent report by agriculture department analysts, reports AFP.

Japan to impose duty on Chinese goods

TOKYO, Jan 30: The government announced Friday that it will impose duties on steel materials exported by China, in Japan's first decision to retaliate for alleged dumping. The announcement by Yoshiro Mori, head of the Ministry of International Trade and Industry, came one day after government officials protested a US decision to impose preliminary dumping duties on Japanese steel, reports AP.

Int'l air traffic rebounds in '92

GENEVA Jan 30: Passenger traffic on international scheduled flights rebounded by 13 per cent last year but forecasts of world airlines' financial losses have risen, an industry group said Friday. Losses are expected to total three billion dollar in 1992, said John Brindley, spokesman for the International Air Transport Association. Excess capacity, due to aircraft orders in the booming 1980s, combined with the global economic slump to hit airlines hard last year, he said, reports AP.

Oil slick stopped from Danish supertanker

SINGAPORE, Jan 30: The flow of crude oil from a crippled Danish supertanker was stopped Friday, the owners of the ship announced. A crack in tank No. 4 on the left side vessel was patched, said a statement from the AP Moller Co. "Remaining pollution around the vessel will be dealt with by spraying dispersing materials," the company said, reports AP.

Strike in Cathay Pacific ends

HONG KONG, Jan 30: A 17-day-old strike by Cathay Pacific Airways flight attendants ended early Saturday after holdout employees agreed to join thousands of colleagues back in the air. Union officials told a raucous midnight rally of more 500 people the strike was over and all flight attendants must return to work, reports AP.

UK to help keep Croatia's dam

LONDON, Jan 30: The British government said Friday it is sending a team of engineers to Croatia to help keep the war-damaged hydroelectric dam at Peruca from bursting. Water has been sprouting from the base of the dam after Serb forces fleeing a Croatian offensive detonated mines in the structure. Tens of thousands of people live in the fertile countryside down river from the dam, reports AP.

Japan targets Gulf market with colourful ads

Japanese companies are raising their profile in the Gulf. Since the war there ended, Japanese investment has steadily grown. Japan is the biggest trading partner of the Gulf states. This has prompted competition from many Western companies to invest in the lucrative market — notably the French and the Germans.

A huge front-page newspaper advertisement introducing a new Japanese firm lists 68 well-known names and proclaims: "You've done business profitable with these Japanese companies in the Emirates. Now add another one to your list."

And on the same day the front-page of the opposition English-language paper in Dubai carries an equally large advert of a famous Japanese car company. Both dailies, as well as the popular Arabic-language papers, are replete with colourful ads promoting Japanese products.

The exposure is not without reason: Since the Gulf War which the United States-led coalition waged to liberate Kuwait in 1991, Japanese companies have entered this region's markets in a big way with their goods and investments.

It is Dubai's position as the trade gateway to one of the world's most massive markets which is attracting large numbers of Western, Japanese and other East Asian companies.

The companies have tried to exploit the revival of economic activity and luxurious living in Kuwait, in addition to supplying Iranian and other Asian, African and Middle Eastern markets through Dubai, traditionally the business entrepot of the region. In 1992 Dubai hosted 30 international trade exhibitions.

Economic recovery has attracted large Japanese investments and boosted two-way trade and commerce. From a negligible figure in 1990, when the Iraqi invasion of Kuwait plunged the area into turmoil, Japanese investments in 1991 rose to 90 million dollar in the gulf.

Nearly half this amount came to the United Arab Emirates (UAE), followed by Saudi Arabia, Bahrain, Qatar, Kuwait and Oman — all members of the six-nation Gulf Cooperation Council (GCC).

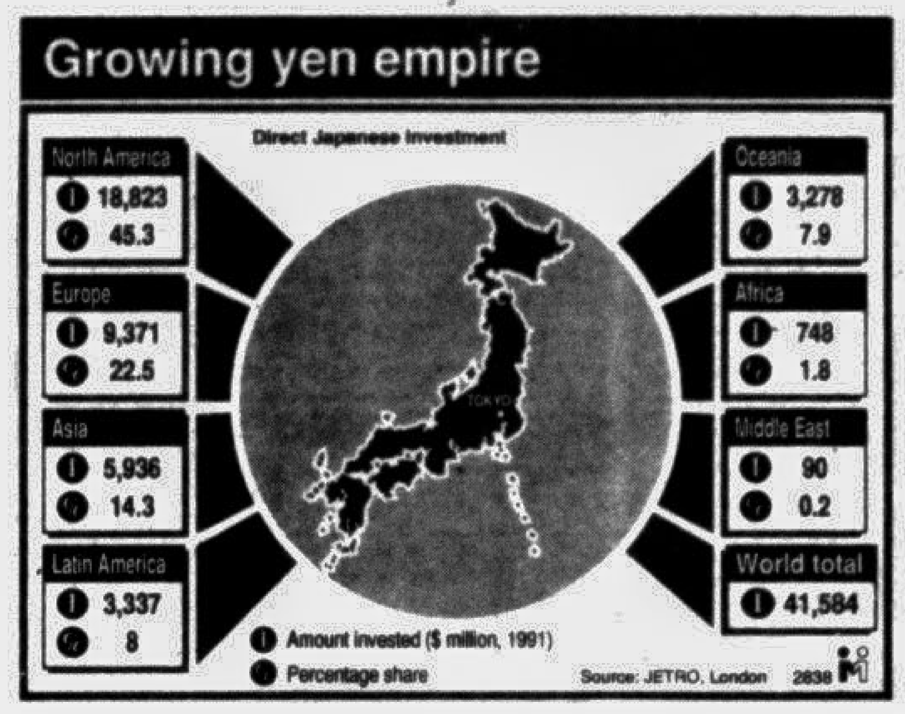
Japan is the largest investor and trading partner of the GCC. The bulk of GCC exports to Japan is oil — more than half of Japan's four million barrels of petroleum imports a day.

This active partnership has a long history. Japanese companies began tapping the gulf market in early 1950 when the discovery of oil in the region spawned a need for petroleum technology and infrastructural industries.

Development was fast. Spectacular new construction projects attracted an increasing number of Japanese firms, investors, and consultants.

Direc: Japanese sentiments in the Gulf have totalled 3.5 billion dollar since 1951. They have been concentrated in the oil and gas industries, construction and sectors where technological needs have steadily risen.

Nearly 1.5 billion dollar is invested in Saudi Arabia and Kuwait, one billion dollar in Iran, 500 million dollar in the UAE and the rest in other Arab nations. And the volume of trade and investment is on the increase, partly due to new pacts between Qatar and the UAE with Japanese companies for long-term gas supply and development of the gas industry.



Almost all oil and gas exporting countries in this strategic part of the world plan to invest billions of dollars expanding their production capacities and modernising their oilfield operations. Iran, the UAE, Kuwait and Saudi Arabia are committing huge funds to upgrading their petroleum industry over the next decade.

In the UAE, the Dubai free trade zone adjacent to the Jebel Ali port which provides a tax haven — there is no income or sales tax in the whole country — and other concessions as an incentive, is drawing large numbers of manufacturing, distributing, assembling and trading units. At present the zone has 412 companies from 53 countries. Several Japanese companies are reported to have applied for licences to operate in the zone.

European companies, specially from France and Germany, are competing in this lucrative market, last November, French companies held their biggest trade exhibition in the Middle East, entitled *France: Prestige et Technologie*. The theme was underscored by the presence of two robots, a "male" and a "female."

The offered UAE Defence Minister Sheikh Mohammed bin Rashid and French Foreign Trade Minister Bruno Durieux scissors to cut the ceremonial ribbons. The robots were actually humans dressed as mechanical persons —part of the entertainment rather than the display.

This gave a spectacular start to the display of products, technologies and services of 170 French companies ranging from art works, perfumes, jewellery, clothes, to agricultural machinery, furnishings, computers, pharmaceuticals, telecommunications, oil expertise and cars.

Japan dominates the Gulf car market but may find a challenge from France and Germany. France put on displays with sleek and attractive models from such giants as Citroen, Peugeot and Renault. The French do not expect to dent the Japanese monopoly immediately, but they are pitching in for up-market sales in this prosperous area.

German companies are also stepping up their marketing, with a new offensive spearheaded by 20 top firms showing their products at the first German Luxury Goods Exhibition here. They offered high-value products ranging from haute couture to quality handcrafted leather and silverware.

The Germans are diversifying from high-tech industrial products. Their exports to the UAE soared by 25 per cent in 1992 and have a vast scope for growth.

— Gemini News

Swiss court orders release of bank details on Bofors case

GENEVA, Jan 30: A Swiss court has ordered the release of details on bank accounts in Switzerland holding payments from Swedish arms firm Bofors AB which won a big Indian deal in 1986, a justice ministry spokesman said on Friday, reports Reuter.

The spokesman gave no further details, but the Swiss news agency said an appeal against the decision before the country's highest judicial authority, the federal court, was expected.

The Indian Supreme Court last December reinstated an investigation into allegations of corruption over a 1.3 billion dollar artillery deal with Bofors after the Indian government successfully appealed against a lower court order ending the probe into the deal.

The Indian investigation has so far established that Bofors paid up to 53 million dollar into Swiss bank accounts. Indian police want Switzerland to provide details on who owned the accounts.

Although no charges have been proved, the affair prompted accusations by opposition parties in India that then Prime Minister Rajiv Gandhi and senior aides had received payments.

UN will speed up fuel aid to Kurds

ANKARA, Jan 30: The United Nations is to speed up fuel supplies to northern Iraq under a 90 million dollar winter relief plan for beleaguered Kurds, a UN official said, reports Reuter.

Programme Officer Philippe Duamelle said a convoy of about 50 trucks would set out on Monday carrying 500 tonnes of kerosene bought in Turkey with European Community (EC) funds.

Daily convoys will take similar amounts of fuel to northern Iraq for one week, after which the quantity might be doubled to 1,000 tonnes a day if distribution proceeds smoothly, he said.

"We faced tremendous problems at the beginning with bombs placed on trucks and so on, but I can say things are now going rather smoothly," Duamelle told Reuters.

The UN Children's Fund plans to supply 25 million litres of kerosene, used for heating and cooking, from now to the beginning of March, Duamelle said.

The EC has given UNICEF seven million ECUs to buy the fuel from Turkey's state-owned refinery company Tupras. Relief group care Australia will distribute it in northern Iraq.

So far this winter the UN has delivered only about four million litres of kerosene and two million litres of diesel.

The winter relief plan calls for a total of 44 million litres of kerosene and 34,200 tonnes of food to be supplied to 750,000 needy people in northern Iraq.

World Food Programme spokesman Francis Mwanza said the UN agency had sent about 60 per cent of the food requirement, for distribution by care Australia, and 6,000 tonnes of wheat seeds.

The UN had to suspend its programme for two weeks in December after repeated bomb attacks on convoys which had passed through Iraqi-controlled territory.

Baghdad eventually agreed to allow UN guards and other staff to accompany convoys throughout their journey.

The UN was widely criticised last year for the programme's late start, but Mwanza said food deliveries were now ahead of schedule," thanks partly to an unusually mild winter.

"The weather has been a tremendous help," he said. " Most of the roads are open. Now there is a need to promote agriculture so that there will be no need for another emergency programme."

The Kurdish-held north has been hard hit by UN sanctions against Iraq for its 1990 invasion of Kuwait and by an internal blockade imposed by President Saddam Hussein 15 months ago.

The Kurds, protected by western warplanes based in Turkey, set up their own government last year in defiance of Baghdad.

Mexican Indians were forced to embrace Christianity after the arrival of Christopher Columbus in the New World about 500 years ago. Now, they voluntarily go to the church. Yet they are a declining race there because of widespread poverty and diseases.

They themselves and their handicraft products, however, remain Mexico's main tourist attractions which bring the country a large share of the much needed foreign exchange.

— Star TV photo

WHO to probe irregularities in financial deal

GENEVA, Jan 30: The World Health Organisation (WHO) has ordered two probes after reports that financial contracts of the UN agency may have been fraught with irregularities, the WHO executive board chief said Friday, reports AFP.

Jean-Francois Girard said he had been informed of "possible financial irregularities by the WHO in passing contracts during the past few months."

Girard's public statement came nine days after the controversial re-election by the same 31-member board of Director General Hiroshi Nakajima of Japan.

The findings of the probes — one external and one internal — will be submitted to the world health assembly.

Western diplomats, spearheads by US officials, have privately accused Japan of bribing board members so they would vote for Nakajima rather than the Algerian candidate, Mohamed Abdelmoumene.

$ 67.7m ADB loan for Cambodia

MANILA, Jan 30: Cambodian head of state Prince Norodom Sihanouk has signed an agreement on a loan of 67.7 million US dollar from the Asian Development Bank (ADB) to Cambodia. The Manila-based bank announced Thursday, reports Xinhua.

The interest-free loan, the first by a multilateral development bank in more than two decades, was approved by the ADB last November. The ADB's last loan to Cambodia was in 1970.

The ADB said the loan for a special rehabilitation assistance project will help the Cambodian government address damage resulting from war and floods and lay the foundation for future reconstruction efforts.

The project will focus on emergency repair and rehabilitation activities in such four sectors as transport, power, agriculture and education.

Russia to impose 2 new taxes on imported items

MOSCOW, Jan 30: Russia will impose two new taxes on many imported goods starting Feb 1, the government tax committee said Friday, a move that could raise prices and drive down the country's trade balance, reports AP.

A 20 per cent duty will be imposed on all imported goods except food, medicines, medical equipment, children's goods and some "technological equipment," Valery Kruglikov, deputy head of Russia's Customs Committee, said at a news conference.

An excise tax also will be levied on alcohol, tobacco, cars, tires, clothes, jewelry and some other goods. It will range from 90 per cent for alcohol to 10 per cent for jewelry, the newspaper Izvestia said.

The new taxes were ordered by laws enacted by the Supreme Soviet legislature last year. They will be retroactive to Dec 22 last year.

Experts estimated the taxes will net approximately 230 billion ruble 402 million dollar in revenues for the government, the Russian TV news said.

"But no one knows what effect they will have on the purchasing power of the Russian people," it commented.

Merchants ranging from street kiosk owners to directors of foreign-woned supermarkets have complained that the law will force them to raise prices.

While bringing in money to the government, the regulation could discourage trade with Russia, which already is sliding.

Imports fell by six per cent last year, to 42 billion dollar while exports plunge 12 per cent to 45 billion dollar the Foreign Economic Relations Ministry said Friday, according to the Interfax news agency.

The ministry blamed the drop in exports on Russia's depressed economy and sharp fall in production of raw material such as oil. Russia exported 56.5 million metric tons (395 million barrels) of oil last year compared with 66 million tons (461 million barrels) the year before, Interfax reported.

Despite the fall in imports, the government increased its purchase of foreign grain last year by 67 per cent. It bought 300 per cent more vegetable oil and 13 per cent more sugar from abroad, the ministry said.

GATT deal unlikely before March 1

DAVOS, (SWITZERLAND), Jan 30: A complete Uruguay Round world trade pact cannot be finalised before the present US deadline runs out on March 1, GATT Chief Arthur Dunkel said on Friday, reports Reuter.

"I don't believe that the time left will put us in a position to have the US Government send to congress by March 1 a complete package," Dunkel told businessmen and reporters.

The fast-track mandate, under which the US congress must accept or reject the whole GATT package, is due to expire at the beginning of March.

The round has been under negotiation by 108 countries for over six years and was scheduled to be completed by December 1990.

A push by US and European Community negotiators earlier this month failed to settle differences over the level of tariffs to be included in a final package.

Australia's trade links with Asia growing strongly

by John Graham

AUSTRALIA'S trade links with Asia are growing strongly, with exports to the region now expanding at more than 10 per cent a year and imports at almost seven per cent. Asia now absorbs more than 60 per cent of Australia's exports, and provides 40 per cent of its imports.

This is a dramatic turnaround from the position four decades ago, when the countries now comprising the European Community took more than half the export trade and Asian countries less than 20 per cent. It reflects in a practical way the growing realisation among Australians that their future lies in their geographical area.

There has been a corresponding realisation among Asian countries that Australia, with the third largest GDP in the region, represents a reliable supplier of a range of goods and services that can fuel their own growth.

Another factor is a growing export culture in Australia has taken the ratio of exports to GDP from 16 per cent in 1979-80 to 22 per cent in 1991-92. It has also resulted in more sophisticated trade pattern, with the percentage of manufactured exports increasing from 12 to almost 20 per cent and rural exports falling from 38 per cent to 28 per cent.

The emphasis on Asia is also reflected in import trends, which shown that North and South East Asia now account for 37 per cent of total imports. South East Asia is one of the fastest growing sources of imports, with an average annual increase of 13 per cent over the past five years.

North Asia has been the region most crucial to the export process and to Australia's economic performance. More than 40 per cent of exports go to the region, and it provides almost 30 per cent of imports. Japan alone accounts for more than 25 per cent of exports, and supplies 18 per cent of imports.

Changes in the Japanese economy have caused a reduction in Australian exports to that market, but Japan remain Australia's principal trading partner and still buys 45 per cent of the raw material needed for its steel industry in steaming coal and iron ore from Australian producers.

Other countries in North Asia have moved in to fill the Japanese gap. The Republic of Korea and Taiwan, relatively minor in trade terms in the 1970s, now rank third and sixth respectively as markets for Australian exports. Iron ore and coal constitute together the largest single export item to each country.

South East Asia, starting from a generally much lower base than its northern neighbour, is now developing rapidly. The Association of South East Asian Nations (ASEAN) are collectively the fastest growing economies in the world. Australia is actively involved in their growth process, with exports to the six ASEAN countries growing at an even faster pace than those to North Asia.

Changes in the pattern of economic development in Asia have also provided opportunities for Australian exporters. When, in the 1970s, Japan reduced its production of aluminium and aluminium alloys as part of its economic restructuring the then-infant Australian manufacturing industry was able to take advantage of this decision.

Thirty years after the establishment of its first aluminium plant, Australia has risen to become the third largest producer after the United States and Canada. The alumina and aluminium industries have become the sixth and seventh largest Australian exporters and Asia is the biggest, and fastest growing, market for their products.

Other manufactured exports have also thrived, particularly those in the category of elaborately transformed manufactures. Australian motor manufacturers, encouraged by the car industry plans mounted by successive national governments, are now exporting cars and parts to Japan and Korea, and cars to Singapore and Indonesia. Industry officials expect that annual exports will total $1 billion by the end of 1992.

Exports of office machinery and ADP equipment to Japan and the ROK have increased five-fold in the past three years, and shown strong growth in South East Asia.

The strong pace of economic growth in ASEAN and the newly industrialising economies of North Asia has provided a new opportunity for Australia in areas outside its traditional merchandise exports. As community affluence grows throughout the region so do the opportunities for trade in services, the fastest growing element in world, and Australian trade. Australia's proximity to Asia puts it in a strong position to take advantage of this trend.

Service exports to North Asia have grown far more rapidly in recent years than merchandise exports, and those to Japan have more than doubled in the past five years. Tourism accounts for a large part of the increase, with more than half a million Japanese travellers coming to Australia in 1991. Tourist arrivals from the ROK and Taiwan have also grown rapidly.

Overall, North Asia now accounts for about 25 per cent of short-term visitors to Australia and its growth rate is stronger than any other area. By the year 2000 it is expected that it will generate 2.28 million visitors a year, and export earnings of $ 4.3 billion.

The international education services now provided by Australia are also a strong growth factor, with the number of fee-paying students studying in Australia increasing almost ten-fold in the past six years. At 30 June 1992 about 50,000 overseas fee-paying students were studying courses ranging from postgraduate tertiary to extensive English language courses.

This relatively new facility in the Australian educational scene has already caught on with Asian students, who provide more than 90 per cent of the total numbers. Australia has become the preferred destination for students from Singapore and Malaysia, and is second only to the United States and Britain as a preferred destination in most other Asian countries.

Jordan to get $ 380m as debt financing aid

PARIS, Jan 30: Aid donors have agreed to fill a 380 million dollar financing gap that Jordan will face this year due to its heavy debt service burden, a World Bank official said Friday, reports AP.

That was more than the 350 million dollar that Jordan had indicated it would be seeking prior to the meeting.

Ram Kumar Chopra, director of the bank's Middle East and North Africa department, told reporters after closed-door consultations there was unanimous agreement among participants that Jordan is implementing the right kind of economic and structural adjustment policies.

He declined to give details of the amounts pledged by the various donors at the meeting, but indicated that Germany, the United States and the Arab Monetary Fund in tend to make substantial contributions.

Jordanian deputy central bank governor Michel Marto said Germany also indicated it will offer Jordan more concessionary financing terms.