Singapore plans

tax reforms SINGAPORE, Feb. 10: The government on Tuesday announced sweeping tax reforms built around a new value-added tax that the government promises will be offset by lowering other levies "We don't need the money," Finance Minister Richard Hu said in presenting a white paper on the planned Goods and Services Tax that will take effect from April 1, 1994. The tax was needed to cut personal and corporate taxes to promote enterprise and growth and remain competitive internationally,

Consumers urge GM to recall trucks

Hu said, says AP.

WASHINGTON, Feb 10: Consumer activists Tuesday urged General Motors Corp. to recall 4.7 million pickup trucks with so-called sidesaddle fuel tanks the groups said can explode easily on impact. Joan Claybrook, head of Public Citizen, said it is important for GM to recall the trucks voluntarily because federal law says the National Highway Traffic Safety Administration can only force an automaker to fix a defect for free on a vehicle made within eight years of the recall, repots AP.

Reuter's earning up by 13.2 pc in '92

LONDON, Feb 10: Reuter's Holdings PLC said Tuesday that 1992 earnings rose 13.2 per cent as the news and information company kept growing despite the global economic downturn Reuters ended the year with an extra 1.07 billion dollar on hand and plans further expansions, though company executives declined to spell them out, "Market conditions are favourable enough to sustain growth across all our product line," Chief Executive Peter Job said, although he cautioned that a sluggish economy in Japan will "probably mean that the rate of increase in our underlying revenue is not as fast as we would like," says

G-7 meet from Feb 27 LONDON, Feb 10:

Finance Ministers and central bank governors from the Group of Seven industrialized nations (G-7) will meet February 27 in London, a British treasury official spokesman confirmed here yesterday. The ministers will discuss the global recession and ways of seeding up the world economic recovery, the spokes:nan said. The meeting later this month will be the first for the new US Treasury Secretary, Lloyd Bentsen, says AFP.

China shakes of planned economy

HONG KONG, Feb 10: China is shaking off central planning and moving toward market principles at a good pace, reformist vice premier Zhu Rongji said as he tried to douse fears of economic overheating, a report said. Zhu said in recent speech quoted by the Beijing-funded Hong Kong China news service that "China has shaken off the most important areas of the traditional model of planned economy, and is moving toward a brand new irreversible road of development, says AFP.

EC meet to form trade strategy

BRUSSELS, Feb 10: European Community agriculture ministers met Tuesday to have their first look at the trade bloc's 1993 farm budget figures. Also on the agenda for the scheduled two-day meeting are a global farm trade accord and a US-EC deal on oil seeds, as well as quotas for banana imports from Latin America, EC Agriculture Commissioner Rene Steichen has estimated 1993 EC farm spending at 35.1 billion European currency units almost 42 billion dollar, says AP.

Pound falls near record low

LONDON, Feb 10: The pound moved perilously near its record low around 2.3450 marks in early European trading after hitting its lowest level against the yen in Tokyo. The British currency also fell to dollar 1.42 from yesterday's late European level of 1.4385 dollar, says Reuter.

BRIEFS US trade war with China to hurt HK, Taiwan economies WASHINGTON, Feb 10:

President Bill Clinton's admin istration could seriously hurt the economies of Hong Kong and Taiwan if it adopts punitive trade measures against China, a panel of foreign policy experts said yesterday, reports

In a report that took one year to compile, the experts said that US policy should take account of the fact that China, Hong King and Taiwan are increasingly interdependent economically"

"Thus it is imperative that the United States recognise that denying or conditioning Most Favoured Nation (MFN) treatment for China could have a very damaging effect on Hong Kong and on US interests in Hong Kong and the region," the report added.

During the election campaign Clinton repeatedly said he intended to take a toughet line against China because of its human rights record, including scrapping the MFN trading status that Beiting en-

Since his election win. however, Clinton has been less forthright, indicating that he see sings that the policies of his predecessor George Bush based on keeping open all channels of dialogue were working. One of the main authors of

the report, former World Bank President Barber Conable, said that outside of the US Congress, "no one favours and economic sanctions programme against China."

The joint report of the national committee on United

States-China relations and the Atlantic Council of the United States said that Washington should encourage "an early and constructive role" for Hong Kong and Taiwan in world multilateral organizations such as GATT, the World Bank and the International Monetary

Fund. Such participation was "fully consistent with the principles and understandings that un derlie US-China relations and those embodied in the Sino-British joint declaration "of December 1984"

On Hong Kong, the report said that the British colony's economic utility to China was its best safeguard for the period after 1997 when it reverts to Chinese rule.

"If the United States adopts policies that reduce trade with

China, also would be incentives for restraint in Beijing toward Hong Kong correspondingly be reduced," it said.

On Taiwan, the panel cautioned "domestic forces" both on the island and on the main land against departing too far from their current policies.

"The ultimate question with which American policy may eventually have to come to terms... is what happens if Taiwan declares de jure independence or Beiling's leaders act precipitously the United States must work to avoid this contingency," they said in the

Another author of the report, former deputy secretary of state John Whitehead, said that meetings were planned with Clinton administration officials and with influential

members of congress over the next few weeks to promote the panel's recommendations.

A Reuter report adds: a new study, in a challenge to President Bill Clinton, recommends against tying favourable trade benefits for China to human rights.

It also calls for the resumption of high-level military talks suspended after the 1989 Tiananmen square military crackdown. The report, by the Atlantic

council and the national committee on US-China relations. aims to stir up debate as the new administration is beginning to translate Clinton's campaign rhetoric into presidential policy.

Clinton, siding with many of his fellow democrats in congress, had supported dur

ing the campaign and since then "some restrictions" on most favoured nation status for China, pending changes in human rights and trade.

John Whitehead, a former Deputy Secretary of State told a press conference that most of the 74 Scholars, former diplomats and businessmen involved in the study concluded: "More can be accomplished in improving human rights practices in China through dialogue than by additional sanctions."

"We feel quiet high-level discussions with the Chinese leadership is the best way to bring about improvement in their human rights practices." said Whitehead.

One short-term goal might be to push for regular and systematic access to Chinese prisons by the international

committee of the Red Cross, the study said.

China in November 1991 agreed to discuss human rights with the former Bush administration but then reneged.

Bush resisted repeated attempts by democrats, who hold a majority in congress, to impose conditions on MFN status. The rise of Clinton, the first democratic president in 12 years, is though to have improved chances sanctions may be adopted.

The Bush administration, in its final human rights report last month, reinforced China's critics, reporting that Betting's human rights practices in 1992 "remained repressive, falling short of internationally accepted norms."

SE Asia to lead global production of advanced semiconductors

SINGAPORE, Feb 10: South East Asia is expected to lead global production of advanced semiconductors with a growth of at least 11 to 14 per cent, industry experts said here Tuesday, reports AFP.

Edward Braun, head of Veeco Instruments Inc and chairman of Semiconductor Equipment and Materials International (SEMI), said the region was rapidly progressing from predominantly 'back-end' testing and assembling roles to more sophisticated wafer fabrication a process engineering activities.

Speaking to reporters at the opening of SEMI's first

trade show and conference in South East Asia, he said that more than 30 per cent of SEMI's exhibitors predicted increased sales in the region suggesting a "significant expansion in manufacturing capacity for semiconductors."

"What makes this market exciting to our member companies is its potential for internal consumption, encouraging companies to seek joint venture partners to establish a manufacturing foothold in the region," Braun said. Mark di Orio, head of the

Swiss-based European Semiconductor Equipment Corporation, said the increased usage

of semiconductors worldwide in the automobile, telecommunications, personal computer and consumer electronics industries had contributed to the rise in semiconductor production.

Di Orio said that the first quarter of this year had seen a 30 per cent increase in the South East Asian region's orders for semiconductor assembly equipment, over the corresponding period in 1992.

He said the bulk of orders had come from Hong Kong, Malaysia and Singapore.

cation, which requires large

investments of venture capi-

Braun said that wafer fabri-

tal, reflecting a high level of technology and infrastructure, was likely to expand in Singapore and Malaysia over the next five years.

"South East Asia, which has been primarily known for its testing an packaging role in the worldwide semiconductor market, has now emerged as a leader in the area of actual semiconductor production" William Reed, president of SEMI, said.

SEMI is a global trade association serving more than 1,400 members companies involved in the semiconductor and flat panel display equipment and materials market.

China plans to build \$ 5b tourist zone

HONG KONG, Feb 10: China plans to use more than five billion dollar in foreign investment over the next 10 years to build tourist zones in southern Guangdong province, a Beijingfunded newspaper reported

Wednesday, according to AP. The Wen Wei Po quoted Wang Luliang, Deputy Director of Guangdong's Tourism Bureau, as saying that the provincial government would build tourist zones in the prosperous cities of Zhuhai, Dongguan Zhaoqing, Canton, Zhongshan.

No specifics were unveiled, but Wang was quoted as saying that the government was interested in building holiday resorts, gold courses, theme parks and "commerce streets" to showcase the province's market-oriented reforms.

Oil prices may rise if OPEC decides on production cut

CARACAS, Feb 10: Oil prices could rise an additional one dollar to two dollar per barrel if OPEC nations agree at a meeting this weekend to cut production by at least one million barrels per day, cartel President Alirio Parra said Tuesday, says an AP report.

Parra, speaking to The Associated Press at Miraflores Palace, said he was optimistic that the 12 members of the Organization of Petroleum Exporting Countries will approved and comply with the proposed reduction because heads of state of the member countries have promised him

Parra, who is also Venezuela's Energy and Mines Minister, spend the past three weeks meeting with representatives of OPEC members to discuss a possible production

Indian banks asked to give credit to riot hit industries

BOMBAY, Feb 10: India's central bank on Tuesday announced measures to help industry and business hit by recent communal riots across the country, reports Reuter.

The Reserve Bank of India RBI) instructed commercial banks to extend credit limits for firms affected by the Hindu-Muslim bloodshed by 25 per cent.

Repayment periods may be extended by one month, and some loans could be rescheduled "in deserving cases" by one year.

Business leaders say Indian firms may have lost 20 billion rupee (dollar 770 million) in riots which swept the country in December and then flared again in Bombay, the country's commercial capital, the following month.

Russian official accuses US for trade barriers MOSCOW, Feb 10: Russia's

top trade official on Tuesday accused the United States of maintaining Cold War barriers that discriminate against Russian companies, reports AP.

Minister of Foreign Economic Relations Sergei Glazyev said one such barrier is the continuing ban by the U.S. State Department on allowing Russian aerospace companies to launch American-made satellites.

"US laws still preserve aspects of the Cold War," Glazyev said at a news conference. This limits the possibilities of our companies.

He added: "Unless there are changes in US trade legislation, I don't see much future in the development of US-Russian trade relations."

Glazyev noted that US economic aid for Russia thus far

has consisted mainly of credits to buy American grain. But the US government recently suspended these credits after Russia failed to make scheduled loan payments.

"Now these credits are effectively frozen," he said, adding that US and Russian officials are still negotiating." In the first 11 months of

1992, the republics of the former Soviet Omon exported and 736 million dollar worth of products to the United States, and imported 3.41 billion dollar of American prod-

Russia had an overall trade surplus in 1992 of three billion roubles (about 5.3 million dollar Glazyev said. Exports totaled 45 billion roubles 80.2 million dollar and imports amounted to 42 billion rouble 74.8 million dollar.

McDonald's may invest \$20m in India

NEW DELHI, Feb 10: McDonald's, the icon of American free enterprise, plans to invest 20 million dollar in a chain of fast food outlets in India with local partners, news reports said Wednesday, says

The government approved Tuesday 54 million dollar investment by 25 foreign firms, including the Oak Brook, IIIbased multinational, which prides itself on having sold billions of hamburgers.

It was not immediately known how many outlets McDonald's plans to open in India - the first time it is doing business here - but some of them will be operated by a subsidiary of the American chain and the others by an unnamed Indian partner, newspapers said.

McDonald's proposes to invest 20 million dollar over a seven-year period, a government statement said.

Deepak Nirula, managing director of Nirula's Corner House Limited, said McDonald's will give a stiff competition to his chain of fast food outlets in New Delhi. McDonald's will, however,

have to make its juicy hamburgers without beef, taboo to most Hindus who make up 82 per cent of the nation's 875 million population. They should do well in the

area of chicken, mutton and pork burgers," Nirula said. Prime Minister PV Narasimha Rao has cut corporate taxes, scrapped irksome rules, reduced import tariffs and allowed firms to take profits out of India to attract foreign investment and expose Indian

companies to competition. Many American companies, including Coka-Cola and International Business Machines, are trying to sign up with Indian businesses to tap the growing consumer market in

Coca-Cola, IBM and other multinationals were booted out of the country in 1977 when the Janata Party government came to power after defeating Mrs Indira Gandhi's Congress

the country.

Many businesses in US failed last year

NEW YORK, Feb 10: A record number of businesses failed in the United States in 1992, the Dun and Bradstreet Corp reported Tuesday, reports AP.

But while 96,836 businesses failed, up 9.9 per cent from the 88,140 that failed in 1991, the rate of increase peaked in 1992, D and B reported. The number of businesses that failed in the fourth quarter totaled 21,968, down 3.5 per cent from the 22,772 that failed in the same period a year earlier.

The monetary value of liabilities in business failures also fell last year, D and B reported. It attributed the decline partly to a slowdown in the failure rate, particularly among larger companies.

Joseph W Duncan, D and B vice president and corporate economist, said on a regional basis, there were some clear sings of improvement in 1992, with the notable exceptions of New York, where failures rose 40.1 per cent, and California, where they rose 34.4 per cent.

"The lingering effects of the recession, particularly among service and retail firms, coupled with cutbacks in defense spending, continue to drive record numbers of firms out of business in these states, Duncan said.

For all of 1992, all the major industry groups reported increases in business failures.

Services sector failures rose 17.4 per cent to 26,819 from 22,852, and the retail trade industry failures rose 10.2 per cent to 18,999 from 17,242.

POW groups threatening US businesses with Vietnam

HANOI, Feb 10: Hundreds of major US companies are hungry to do business in Vietnam but fear a backlash from groups claiming Hanoi still holds US Prisoners Of War (POWs), the leader of a US business mission here said, reports AFP.

HANOI, Feb 10: On the oc-

casion of President François

Mitterrand's historic visit,

France and Vietnam on

Wednesday signed six agree-

ments on cooperation in

telecommunications, aviation

later Wednesday the battlefield

of Dien Bien Phu where, in

1954, more than 14,000

French soldiers were killed,

wounded or captured in a 55-

day siege by the Vietnamese

that sounded the death knell

for French colonialism in the

for the first visit by a Western

head of state since Communist

forces defeated a US-backed

government and reunified the

country in April 1975.

Mitterrand arrived Tuesday

region.

Mitterrand was to visit

and other fields, reports AP.

Irwin Robinson, President of the newly founded Vietnam-American Chamber of Commerce (VACC) said some of America's top companies had dropped out of BACC's first mission to Vietnam in the face of threats from the groups.

"Mission members were starting to receive threatening letters -threatening a boycott (of their companies' products), threatening to prevent them from getting on the airplane," Robinson said.

Representatives of 27 companies defied the threats and

flew here for a wee-long trade and investment mission, one of the first organised visits here by US business since the end of the Vietnam War in 1975,

England is investigating the use of naturally-occuring bacteria to degrade these.

On Tuesday night, he

promised to double economic

aid to Vietnam, further easing

the way for French business-

men in what would be Asia's

The documents signed

Wednesday involved a joint

venture between the French

telecommunications firm

Alcatel and the Vietnam

Department, and an agreement

between Air France and

Vietnam Airlines, the official

Vietnam News Agency said. It

signed agreements on avoiding

double taxation; for French aid

with public health; for aid with

cluding establishing a French

Vietnam's judicial system in-

It said the two governments

did not give further details.

General Posts

Telecommunications

most lucrative new market.

They range from industry giants such as Brewer Anheuser-Busch International Inc. and telecommunications leader founded by a former Vietnamese boat person.

Far more US firms are eager to do business in Vietnam, Robinson discovered when he sent letters to more than 800 top corporations asking if they were interested in joining this week's mission.

"I didn't know what I was getting into. No sooner did those letters go out Thanmy Office was deluged with phone calls from around the country, "said Robinson, a partner in the New York law firm of

Phillips, Nizer, Benjamin, Krim and Ballon.

House of Law in Hanoi; and for

setting up a French school of

Later this week, Mitterrand

Far Eastern studies in Hanoi.

is to go on to Cambodia, an-

other former French colony.

But French officials said one of

his stops, the French

Legionnaires compound in

northwestern Siem Reap city.

might be dropped after

unidentified gunmen killed

two Cambodians and injured

10 in an attack early

Wednesday on vehicles and

buildings of the UN peace-

chaired the international

conference on Cambodia that

produced a 1991 peace treaty

and brought in UN

peacekeeping troops. But the

accord is being threatened by

France and Indonesia co-

keeping force.

CLEANING UP INDUSTRY'S ACT: Two triazine herbicides, atrazine and simazine, have recently joined the list of

chemicals causing concern. The Environmental Microbiology group at Kent's Biological Laboratory, in South-East

France, Vietnam sign co-op accords

But only about 30 companies actually signed up for the trip, even though then-President George Bush in December eased to US economic embargo in response to Hanoi's increased cooperation in resolving the POW/MIA issue.

"To my surprise and disappointment, I found that there was still a great reluctance on the part of American business to be associated with a trade mission to Vietnam... partly out of fear of the POW groups," Robinson said.

Those fears were heightened when the POW groups told the New York-based journal of commerce in mid-January that they would picket the Mission and organise a boycott of the products of any company participating.

Within days, United Airliens, Apple Computer Co and some other major corporations had dropped out, Robinson

violence by both the Khmer

Rouge guerillas and the Phnom

In Hanoi, Mitterrand an-

nounced Tuesday that France

will double aid for 1993 to 360

million franc (about 65.5 mil-

US economic embargo on

it has "no raison d'etre."

Vietnam would be lifted, saying

Tuesday night, toast before

Vietnamese President Le Duc

Anh, also said this nation's

economic opening to the West

must be accompanied by in-

creased civil liberties.

"Democracy and development

eign investor in Victnam after

Taiwan and Hong Kong.

France is the biggest for-

are inseparable," he said.

But Mitterrand, in his

He expressed hope that the

Penh government.

lion dollar).

"I said it wouldn't help their ability to business in Vietnam any good to show they didn't have the strength to stand up to these groups," but the firms were so "intimidated" they would not reconsider, he said.

United Airliens sent a separate delegation to Hanoi in late January, reliable sources here Although most of Vietnam's

70-million people are still too poor to buy US products, the newly opened communistruled country represents one of the world's top potential markets for infrastructure firms, airline companies and

aircraft manufacturers. US oil companies are eager

to tap the offshore fields first discovered by Mobil Oil Co in 1975, while pharmaceutical firms, heavy equipment makers, consumer products firms and banks are keen to get in on the ground floor of Vietnams protected economic

"All the major trading companies in the world are flooding into Vietnam to take advantage of trade and investment opportunities and American companies are being punished by the US government from joining," said Robinson, a veteran of the Korean War.

Bush in December authorized US firms to open offices and sign - but not execute contracts in Vietnam, conditioning the full lifting of the embargo on Vietnam's cooperation in accounting for US servicemen listed as missing in action from the war.

A small but highly vocal number of groups representing Vietnam veterans and families of the missing oppose reconciliation with Hano saying it would end any chance of obtaining the release of American POWs they say may still be

A bipartisan US senate committee said last month there were indications that some American prisoners may have remained in Victnam or Laos after the 1973 Paris peace accords, but it found no evidence that any were alive today

The US mission was to remain in Hanot through Saturday, meeting Vietnamese trade and investment officials as well as senior political figures, Robinson said.

Indian traders interested in it venture with Spain NEW DELHI, Feb 10: Prime

Minister Felipe Gonzalez of Spain flew to Betjing Wednesday after a "very happy" fourday visit to India with a team of business leaders, says AP.

Gonzalez, the first prime

minister of Spain to visit India, said (Indian industrialists are interested in joint ventures in food \ processing, tourism, power generation and fisheries.

Both countries have signed agreements on combatting terrorism, drug trafficking, avoiding taxing businesses doing trade in both nations and on exchanging cultural and scientific information.