# BRIEFS

EC okays \$ 855m loan for L America, Asia

BRUSSELS, Feb 16: European Community Finance Minister agreed on Monday on 750 million European currency units loans (US dollar 855 million) to Latin America and Asia and on a budget guarantee on loans given to the Baltic countries. The decision will allow the European Investment Bank (EIB) to grant a total of 750 million ECUs in the next three years for countries in Latin America and Asia with which the EC has concluded cooperation agreements, according to Reuter.

#### Drugs worth \$ 15m seized in Pakistan

ISLAMABAD, Feb 16: Pakistan seized more than 190 tonnes of drugs in 1992, Minister for Narcotics Control Rana Chandar Singh said on Monday. He told the national assembly that police confiscated 188 tonnes of hashish, 2.9 tonnes of heroin and 3.4 tonnes of opium valued at 409 million rupee (US dollar 15 million), the official APP news agency reported. Chandar Singh said 25,185 people had been arrested since July 1992 for drugs trafficking, reports Reuter.

#### Kuwaiti emir okays law to punish corrupts

KUWAIT, Feb 16: Kuwaiti Emir Sheikh Jaber al-Ahmed al-Sabah approved a law stiffening penalties for embezzlement and giving parliament the right to monitor state investments, according to the government gazette issued on Monday. The gazette said "law number one of 1993, regarding the protection of public money" also required the state and companies in which the state had at least a 25 per cent stake to report all investment transactions to government auditing authorities within 10 days of carrying them out, reports Reuter.

### India offers \$ 5m credit to Tajikistan

NEW DELHI, Feb 16 Prime Minister P W Narasimha Rao on Monday offcred five million dollar of credit to Tajikistan to boost trade between India and the Central Asian republic. Rao made the offer to Abdul Malik Abduladjanov, the Prime Minister of Tajikistan, who arrived Sunday night on a five-day visit aimed at improving commerce with India. Accompanied by a delegation of government minis ters. Abdulajanov was welcomed by Rao at the Presidential Palace, says AP

### Share of Adidas sold for \$370m

PARIS, Feb 16: Businessman-politician Bernard Tapie, who described his purchase of Adidas three years ago as "the deal of my life," Monday sold his controlling share of the sporting goods giant for 615 million Deutsche mark (370 million dollar). Conservative opposition leaders demanded an investigation. saying staterun firms were helping bail out the flamboyant leftist. The buyers included three state-run French financial firms, two British investment groups, and the chief executive of the media group Saatchi and Saatchi PLC. Robert-Louis Dreyfus, says AP.

### Prices may rise due to EC import rules

BRUSSELS, Feb 16: The European Commission on Monday sought to play down fears that new European Community rules limiting imports of cheaper Bananas from Latin America would force up prices for consumers. "The commission does not think that we should expect an increase of prices ... such a situation should not happen," an official at the EC executive dealing with banana trade told reporters, says Reuter.

### Taiwan's foreign reserves falls to \$82b

TAIPEI, Feb 16: Taiwan's foreign currency reserves, among the largest in the world, fell to US 82.3 billion dollar at the end of December from 83.9 billion dollar in November and 82.4 billion dollar in December 1991, the central bank said. It did not give a reason for the fall, but private bankers said exchange rate fluctuations and the central bank's intervention to support the Taiwan dollar reduced the reserves late last year, says Reuter.

## Clinton issues economic 'call to arms' to American citizens

WASHINGTON, Feb 16: the shoulders" of those who make more than 100,000 dol-President Clinton issued an lar a year. He said the pay off economic "call to arms" Monday night, declaring to for all Americans would be "Millions of long-term, good Americans in his first primepaying jobs, including a protime address from the White gramme to jumpstart our House that he will propose a economy with another programme to revive the 500,000 jobs in 1993 and economy through a painful package of tax increases and

"We have to face the fact spending cuts, reports AP. that, to make the changes our Clinton's economic procountry needs, more gramme to be unveiled in a Americans must contribute tospeech to Congress on day so that all Americans can Wednesday night - will be a do better tomorrow," the far cry from the middle-class President said. tax cuts that Clinton advocated during his campaign.

The President said he had

hoped to improve education,

reform health care and create

jobs "without asking more of

you." However, be said, "I can-

not - because the deficit has

increased so much, beyond my

earlier estimates, beyond even

the worst estimates from last

pain among all Americans,

Clinton said 70 per cent of the

taxes he would propose "fall on

EC to extend

convergence

plan beyond '95

BRUSSELS, Feb. 16: Euro-

pean Community finance

ministers agreed that the eco-

gence programmes of member

states should be pushed back

beyond 1995, German Finance

Minister Theo Waigel said, re-

body that these convergence

programmes should not stop

in 1995 but that they continue

purposefully after that," he told

due to run until the end of

1995 to whip member states

into shape for a single cur-

rency as early as 1997. But

diplomats said ministers tac

itly recognised that recession

would make it difficult to

VIENNA, Feb 16: OPEC

Tuesday was zeroing in on a

deal it needs to cut oil output

and prevent prices from col-

lapsing in a market awash with

But three days of tough

excess crude, reports Reuter.

skirmishing by the oil produc-

ers club may still not have

swept away all the policy

landmines that lie on the road

to an accord, delegate sources

down badly until Kuwait tenta-

tively agreed on Monday night

to rejoin OPEC's system of

output quotas at a ceiling be-

low what the Emirate says it is

an individual quota while it re-

covers from the ruinous 1991

African FMs

begins talks

on financial

Crisis

African foreign ministers be-

gan talks Tuesday on how to

find and fund solutions to the

continent's conflicts with low

amounts of money, reports AP.

conference opened Monday

against a backdrop of civil wars

and political violence in nine

of the 52 member states of the

told that so many of their

countries are so deeply in ar-

rears to the continent-wide

organization that its continu-

ministers agreed informally

that the programmes should

sibly later, by which time the

EC should have resumed more

continued into 1996 and pos-

The diplomats said the

ance is threatened.

normal growth.

As usual, the ministers were

Organisation of African Unity.

The biannual ministerial

ADDIS ABABA, Feb 16:

Kuwait has been freed from

already pumping.

Strategy talks had bogged

reach the goals on time.

The programmes had been

It's in the interest of every-

ports Reuter.

reporters.

nomic and monetary conver-

Promising to spread the

The speech previewed one he will make to a joint session of Congress on Wednesday night outlining details of his programme to revitalize the economy and crate jobs. It also spurred an intense public relations campaign to overcome resistance in Congress and among the public to 500 billion dollar in tax increases and spending reductions in popular programmes over four

Senate Minority Leader Bob

Malaysians.

after June.

Gulf War, but its steadily rising

production triggered intense

members to bring Kuwait back

brethren did not like the

sound of Kuwaiti Oil Minister

Ali Ahmed al-Baghli's insis-

tence that the group recognise

his country's special needs and

review Kuwait's output cap

when demand for oil picks up

a condition, "one Iranian dele-

gate said." If it is, we will ob-

coming unstuck, the new ac-

cord to be stitched up at a

meeting on Tuesday morning

would at least on paper chop

part of a world-wide trade accord.

"Let us hope that will not be"

Barring the whole deals

But some of its OPEC

under OPEC's output umbrella.

pressure from the other 11

Dole of Kansas delivered a crisp Republican response to Clinton's address, expressing skepticism that the adminis-



tration was cutting spending far enough before asking for more taxes.

"We've both heard lots of speeches about 'sacrifice,' but we'll be working with you to make certain that sacrifice isn't just a presidential code word for more taxes, more

ato' Sri Anwar Ib

ewangan Malaysia.

MALAYSIA

KUALA LUMPUR: Malaysian Finance Minister Anwar Ibrahim (L) is all smiles after

purchasing a bond from central bank Governor Jaffar Hussein (R) after launching the

bank's sale of one billion Malaysian dollar (400 million US) in bonds. The bank is promising

tax-free returns of up to 48 per cent in an effort to inculcate a savings habit among

some 1.4 million barrels of oil

per day (BPD) for current

Organisation of Petroleum

near 25 million BPD.

Exporting Countries output

said oil prices should stabilise

at current levels around 18 US

dollar a barrel as long as OPEC

can keep total output - in-

cluding leakage, or above-quota

production - below 24 million

Brent North Sea crude prices

have slipped from nearly 21

dollar last October under the

weight of excess OPEC supply.

pin Saudi Arabia, the world's

largest oil producer, expected

the accord to give prices an

immediate nudge higher.

Delegates said OPEC lynch-

International benchmark

BPD until the end of June.

Western oil analysts have

K E

said.

he said.

ebruari 1993

OPEC zeroing in on output deal

spending and more mandates from Washington," Dole said. "That's the kind of sacrifice that will break the back of middle-class America, and lead

us right into economic ruin." Clinton's speech amounted to a lecture on the nation's economic problems and the solutions he proposes to fix them. Using charts and graphs much like independent presidential candidate Ross Perot. he blamed the woes on the policies of Ronald Reagan and George Bush. "My message to you is clear

the price of doing the same old thing is far higher than the price of change," Clinton said. That's why you sent me hare, not to keep this seat warm but to work for fundamental

Over the past 12 years, Clinton said, "the federal deficit roared out of control."

Clinton's plan is said to envision significant boosts in income tax rates for big corporations and wealthy Americans. One part that will affect all

- AFP/UNB photo

Before long, in the Saudi

view, the market will start to

feel a squeeze, one delegate

**Kuwait accepts** 

Oil Minister Ali Ahmed al-

Baghli said he had accepted an

OPEC offer of 1.6 million bar-

rels per day (BPD) as its quota

"I accept. Yes. It is 1.6 mil-

A meeting of all ministers

Baghli said his agreement

called for 0900 GMT on

Tuesday will likely be the last,

was conditional on a pledge by

OPEC to review Kuwait's pro-

duction as this continued to

recover from the Gulf War.

in a deal brokered tonight.

lion (BPD)", he said.

OPEC quota
A later report adds: Kuwaiti

Americans is a broad-based energy tax, based on the heat content of fuels, including electricity, coal, oil, natural gas and gasoline.

US rep. Romano L. Mazzoli, a Kentucky Democrat, came away from a meeting with Clinton saying he expected the President to propose higher taxes on tobacco and alcohol. Clinton also is expected to seek restrictions on medicare insurance payments for doctors and hospitals but not to increase premiums for the cl-

Monday night, Clinton promised to "chart a course that will enable us to compete and win."

He said, "My message to you is clear: The price of doing the same old thing is far higher than the price of change." He said change must begin at the top, and noted his recent announcements that he will cut the size of the White House staff and the size of the federal workforce.

Malaysian GDP

growth records

sharp fall

Malaysia's economic growth

slowed sharply in the third

quarter last year to 6.4 per

cent when compared to the

same quarter in 1991, Finance

Minister Anwar Ibrahim said

was still a robust 8.1 per cent,

But overall growth for 1992

"The slower third quarter

growth compared to the pre-

ceding quarter was attributable

to the slowdown in the

cconomies of Japan and other

leading industrialised nations,

he said when launching the

Malaysian central bank's

maiden one billion Malaysian

dollar (400 million US) savings

Bank of Japan

welcomes

stronger yen

in medium term.
TOKYO, Feb 16: The Bank of

Japan welcomes a stronger yen

in the medium terni but is op-

posed to any official efforts to

"guide" the currency higher, a

senior central a bank official

to be named, said the "tilt to-

wards a stronger yen in the

medium term is welcome. But

it is not appropriate for the

exchange rate of the yen to

Speaking to a group of for-

cign reporters, the official said

it was "quite difficult and inap-

propriate to guide or jawbone

foreign exchange develop-

Indian bond scam

Mehta denies

hiding money

in Swiss bank

nent broker at the centre of

India's 2.0 billion securities

scandal on Monday denied that

he had hidden part of the

money in Swiss bank accounts,

The Press Trust of India

(PTI) on Sunday quoted official

sources as saying in New Delhi

that the Swiss bank accounts

of broker Harshad Mehta had

any funds have been secreted

by me or my family members

or my group of companies in

any foreign banks, anywhere

abroad," Mehta said in a press

release. He said all his assets re-

mained in India and had been

either seized or frozen by in-

vestigators probing India's

largest financial scandal which

categorically deny that

reports Reuter.

been frozen.

BOMBAY, Feb 16: A promi-

move with volatile elements.

The official, who asked not

said here, says AFP.

Monday, reports AFP.

he said.

bond issuc.

KUALA LUMPUR, Feb 16:

### EC positive on GATT deal

BRUSSELS, Feb. 16: Uruguayan Foreign Minister Sergio Abreu said he had detected a prudent, positive note in the European Commission on chances of reaching a GATT Uruguay round trade settlement, reports Reuter.

Abreu. Chairman of the Ministerial Trade Negotiating Committee (MTNC) of the GATT (General Agreement on Tariffs and Trade) talks, contrasted the prevailing mood in Brussels with more negative feedback from Geneva where GATT is based.

Speaking after an afternoon of meetings with four European commissioners responsible for foreign relations, trade and farm policy. Abreu told reporters.

"I got some positive inputmature and prudent comments in a positive way that they think we can work to negotiate in the near future a positive resolution of the Uruguay Round."

Abreu said progress in the GATT talks now depended

mainly on the US administration's plan to seek an extension to its fast-track authority to get a Uruguay Round package through congress.

The present authority cxpires on March 2. US Trade representative Mickey Kantor has said an extension will be sought, but a key decision remains on how long to extend it

Abreu, who travels to Washington later this week, referred to untlateral attitudes shown by the new US administration, but cautioned that "there are protectionists everywhere in the world" and that all GATT contracting parties must share in the effort to clinch a deal as soon as possi-

"We have to find a solution because in the near future we will face unflateral attitudes that could jeopardise the process, not only in commercial aspects but also economic and social problems."

### Pakistan, Turkey to double bilateral trade

ISLAMABAD, Feb 16: A joint ministerial commission from Turkey and Pakistan here Monday fixed a 200 million dollar target for two-way imports and exports during the current year, an official statement said. In the previous year bilateral trade amounted to 100 million dollar, reports

Concluding three days of deliberations, the commission agreed to consider at its next meeting in Ankara a proposal for a reciprocal export credit facility of 50 million dollar to expand mutual trade.

The two countries also signed a protocol for cooperation between their scientific and technological organisations, the statement said. The Turkish side agreed to

consider a Pakistani proposal for the establishment of joint ventures by the petroleum corporations of the two countries in the Central Asian states, it added. It was also agreed to en-

hance cooperation between the respective chambers of commerce, stock exchanges and other financial institu-

The meeting was cochaired by the Turkish Economics Minister, Omer Barutcu, and Pakistani Finance and Economic Affairs Minister Sartaj Aziz.

## Russia accuses Ukraine of jeopardising debt deal with West

MOSCOW, Feb 16: Russia accused Ukraine on Monday of jeopardising a possible deal with western creditors on rescheduling the former Soviet Union's 80 billion dollar foreign debt, reports Reuter.

Russian Deputy Prime Minister Alexander Shokhin and Ukrainian First Deputy Prime Minister Ihor Yukhnovsky failed to resolve a dispute over how the debt should be repaid at talks in Moscow last week, a government statement said.

"As a result of the unconstructive position of Ukraine

on this question, a real threat has appeared of a break-off in negotiations with foreign creditors," it said.

Russia has agreed to service debts on behalf of other former Soviet republics which have forsaken claims to the Kremlin's assets, but Ukraine has proposed repaying its 16.4 per cent share of the debt separately.

Kiev believes the assets, which include gold reserves and embassies, may be worth more than the debts and it has asked for precise information on this.

## Number of bankruptcies edges up in Japan

TOKYO, Feb 16: The number of corporate bankruptcies in Japan in January edged up 1.2 per cent from a year earlier to 960, marking the 28th straight monthly rise, Teikoku Data Bank Ltd said Monday, reports AFP.

Total liabilities plunged cent slump from December.

"The result reflected the process of a shift to an increase in recession bankruptcies from the super large-scale bankruptcies that mirrored the collapse of the bubble economy," the private research institute said. The end of an economic

boom backed by speculative investments in real estate and securities in the late 1980s

earlier to 553.

46.4 per cent from January 1992 to 240.34 billion yen (two billion dollar) last month, which represented a 70.7 per prompted a surge in bankrupt-

The number of companies that went bankrupt due to the poor state of the economy surged 47.1 per cent from year

Such bankruptcies accounted for 57.6 per cent of overall bankruptcy cases, topping the 57 per cent mark for the first time since January 1988.

The number of failures with more than five billion yen worth of liabilities decreased from 14 in January 1992 to four. The largest amount of liabilities of 10 million yen or

Meanwhile, the supreme court said over the weekend

that a record 43,144 people filed for personal bankruptcy in courts across Japan last year, up 85 per cent from the previous year.

# Lee warns Singaporeans not to take peace and progress for granted

- AFP/UNB photo

SINGAPORE, Feb 16: Even during the boom decades of the 1970s, and 1980's Singapores founder statesman Lee Kuan Yew had been given to warning his 2.7 million people not to take their affluence for granted, writes IPS.

of urgency as the tiny city-state begins feeling other Asian countries breathing down its neck.

Lee is the chief architect of an economic miracle that turned a colonial backwater into Asia's financial and trading powerhouse. He stepped down in 1990 as prime minister and has since been globe-trotting to teach his tricks of trade to leaders of countries like Mauritius and Vietnam.

But it is at home that the senior minister -- as the ex-premier is now called -- has taken his pragmatic pessimism a notch higher to sound alarm bells over Singapores vulnerability to external economic factors.

Singapore is a self-made nation that pulled itself up by the bootstraps after cutting off from the Malaysian federation in 1965. Many then predicted it would not survive. But Lees prescribed success formula of iron discipline, hard work and foreign investment for exported growth proved them wrong.

After hurdling a plunge in its economic fortunes in the 1970s, the tiny country went in to establish itself once more as the regions financial and communications hub and the Asian home of many transnational

Taiwan and South Korea are leaving Singapore behind. Close on Singapores heels are next-door neigh-

SEOUL. South Korean farmers burn the stars and stripes Feb 15 as a way to protest against

international pressure for South Korea to open its closed rice market at a rally of some 14,000

farmers and supporters. The rally was organised by the National Farmers Association and

the Korean Farm Leaders Association to protest GATT moves to lower all farm barriers as

bours Malaysia, Thailand and Indonesia, which have successfully replicated Singapore's good fortune, with these countries lower labour costs making them more attractive to foreign investors, Lee said. Singapore will drop behind unless it becomes more productive.

The jewel of the Singapore economy, the financial sector faces intensifying competition from regional wanna-bes and even from established centres like Tokyo growing more fearful of losing valuable business, said the official Straits Times newspaper here in January. The paper echoed the general feeling that reces-

sion in the West though less gloomy, is still fragile and has' the potential to hurt growth at home. With its economy still excessively dependent on trade -- the value of which is thrice that of its GDP --Singapore remains vulnerable to slowdowns overseas, especially in the United States, its main trading part-

was exposed last April.

venturing to invest abroad as Hong Kong, Taiwanese and Korean firms are doing.

He believes the only way Singapore can keep on growing is by investing more abroad. But Singaporeans are contented to be stuck at home, Lee says. We have to shake Singaporeans up, make them adventurous, or we will be the losers.

Singapore presently invests only 24 per cent of its GDP of about 10.5 billion US dollar overseas. Lee insists this must increase if Singapore is to catch up with regional rivals

Lately, the government has been drumming up interest in entrepreneurship and is coaxing people to set up their own businesses.

Still, many observers are pessimistic that the as yet unofficial campaign will be successful. Fears abound that it will fall short of the governments vision of Singaporean versions of giant Korean and Japanese manufacturing firms.

Despite its dazzling economic growth, the regions

only predominantly Chinese nation has always felt cripplingly dependent on neighbours -- espeially Malaysia, from where it imports most of its water.

The end of the Cold War and the rise of rival regional powers in East Asia have contributed to Singapores unease, said Lee: "we are too small to play this power game. And if we do we will bankrupt ourselves. So we must look after the little area around us and make friends with everybody."

Lee's hand-picked successor Goh Chok Tong has also been warning Singaporeans about uncertainties in regional security that could destabilise the country. Goh won by a landslide in recent by-election polls, which many are seeing as an indication of the premiers own strength as he emerges from Lees shadow.

They say this makes the ascendance of Lees son and political heir apparent, Deputy Prime Minister Lee Hsien Loong, even murkier. The younger Lee was recently discovered to have cancer.

Singaporean officials feel the youngers generation that grew up without shortages, strikes and strife do not realise the early sacrifices needed to raise living standards.

"The worry is that they may not understand Singapores vulnerability, said foreign minister Wong Kan Seng in a newspaper interview. They may have taken peace and progress for granted."

#### Today the annual per capita income of Our real problem is that if we do not move in a new Singaporeans has soared past the 14,000 US dollar direction, Singapore is going to be a failed NIE, Lee mark-making the country the third richest in Asia said in a speech delivered in November, an edited version of which was published in the party paper in after Japan and Brunei. But Lees words of caution have now taken an edge But in a recent speech to cadres of his Peoples December. Action Party (PAP), Lee warned that Asia's other Lees main concern is that Singaporeans have become so complacent and comfortable that they are not newly-industrialised economies (NIE) like Hong Kong,