

BRIEFS

US industrial output growing

WASHINGTON, Mar 18: Industrial production in the United States increased 0.4 per cent in February, the fifth monthly advance in a row, the government said Wednesday. The Federal Reserve said the gain followed an even stronger 0.5 per cent increase in January and matched December's performance. Analysts have said the series of advances means the economy is accelerating and could lead to increased employment, writes AP.

Russia to build oil depot in Baltic

MOSCOW, Mar 18: The Russian government has decided to build a giant oil depot in the Baltic area as part of a campaign to modernise its oil transport bases, Interfax agency reported yesterday. According to the report, the Russian government has entrusted the ministries of energy, economy and transport to put forward concrete plans before July 1 for the depot whose annual capacity should be 10 to 12 million tons, according to a Xinhua report.

S African teachers demand higher pay

JOHANNESBURG, Mar 18: Thousands of teachers traded chalkboards for placards Wednesday to demand a larger pay raise than the five per cent increase approved by the government. Teachers marched in Johannesburg and other cities while Finance Minister Derek Keyes presented the new national budget — including the five per cent raise for teachers and other public sector employees to Parliament, says AP report.

Taiwan's six-yr plan faces fund crisis

TAIPEI, Mar 18: Taiwan, despite its wealth, could be forced to defer or curtail its ambitious 8.2 trillion dollar (315 billion US) infrastructure programme due to financial problems, officials said Thursday. The Council for Economic Planning and Development (CEPD), the architect of the massive six-year plan starting mid-1991, has acknowledged for the first time that the programme may not be completed on schedule due to insufficient funds, the officials said, reports AFP.

Kodak makes up for broken job promise

TOKYO, Mar 18: A Japanese subsidiary of US film maker Eastman Kodak Co, said Wednesday it has paid 2.5 million yen (21,000 dollar) each in compensation to eight students for canceling promises to hire them. Eastman Kodak (Japan) Ltd, announced the cancellations in January, along with the layoffs of 70 researchers, after its parent company decided to reduce its work force and research activities because of the economic slump, said the company's Shogo Seki, reports AP.

China wraps up talk on GATT entry

GENEVA, Mar 18: China and its international trading partners wraps up three days of talks on its readmission to the global trade watchdog GATT, but delegates said little definite progress had been made. Officials in GATT, the General Agreement on Tariffs and Trade, said China faced detailed probing into such areas as tariffs, foreign exchange regulations and customs areas and had been asked to give written replies to a series of questions, reports Reuters.

\$243m IMF loan for Czech Republic

WASHINGTON, Mar 18: The International Monetary Fund has approved a 243 million dollar loan for the Czech Republic to cushion the new country's sharp drop in financial reserves after the breakup of Czechoslovakia. After the breakup, official reserves fell sharply to (enough to pay for) only about 2.5 weeks of imports, said Wednesday's announcement from IMF headquarters. But the IMF, praising prospects for the strengthening Czech economy, the IMF expected the republic to use only a first instalment and called the credit "largely precautionary," says AP.

India, ASEAN to form special panel for bilateral co-op

NEW DELHI, Mar 18: India and the Association of South-east Asian Nations (ASEAN) yesterday decided to launch a special panel to promote bilateral cooperation in Trade and Industry, officials said, reports AFP. The decision emerged at a two-day meeting of Indian and ASEAN officials that ended here Wednesday, Indian officials said. The proposed India-ASEAN committee, which will be comprised of diplomats from the regional grouping's member state who are stationed here, was to facilitate

"Sectoral" ties between the two sides. The first meeting of the proposed committee would be held in one year's time, they said. No date has been fixed. ASEAN Secretary General Ajit Singh led the visiting team at the deliberations and the Indian side was headed by Minister of State for External Affairs Dinesh Singh. The two sides identified tourism as one of the major areas of prospective cooperation and India agreed to launch fund for the purpose. Details were to be worked out. The ASEAN officials sug-

gested an information center be set up to apprise each other of greater cooperation in trade and industrial investments. They also called for an increase in trade mission exchanges and exhibitions. India's trade gap soars to \$3.6b. Another report adds India's trade deficit soared to 3.6 billion dollar in the first 10 months of the current financial year as imports outpaced sluggish overseas sales. Figures released by the commerce ministry here showed the deficit had more

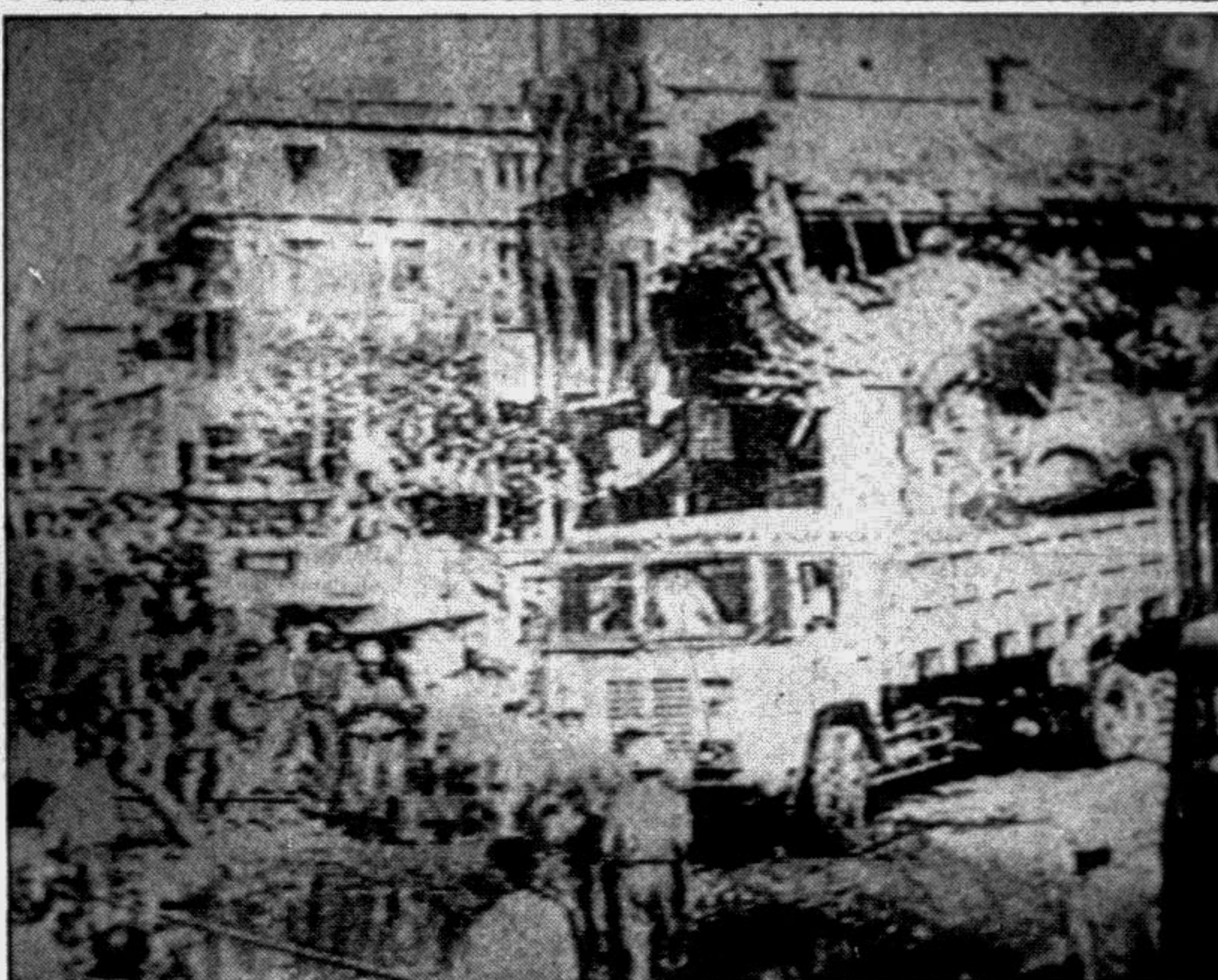
than doubled from the 1.58 billion dollar import-export gap registered in the first 10 months of the previous fiscal year. India gets aid from Canada. Xinhua adds: Canada will extend commodity aid of 400 million Indian rupee (1.48 million US dollar) for tree growers' cooperative project under a Memorandum of Understanding signed in New Delhi Wednesday. Wood pulp has been identified as the commodity for import from Canada.

Japan agrees to hold G-7 meet to support Russia

TOKYO, Mar 18: Japan has agreed to hold a meeting of G-7 foreign and finance ministers in Tokyo in late April to discuss support for Russia, but is still resistant to calls for an early summit, according to a news agency report Wednesday, says AFP. The session would be confined to the discussion of political support for Russia, but because of a lack of time, concrete aid to the former Soviet republic would not be addressed, the JJI press quoted official sources as saying. Japanese officials refused to comment on the report, saying

only that Japan was still in discussions with the other G-7 members — Canada, Britain, France, Germany, Italy and the United States. Previously, Japanese officials had hinted privately at the possibility of adding the G-7 foreign ministers to a finance ministers session scheduled to be held in Washington April 29 ahead of an International Monetary Fund meeting. Japanese Deputy Foreign Minister Hisashi Owada, who left Wednesday for Washington to explain Japan's position to US Secretary of State Warren

Christopher, may be asked to visit France on his way back to coordinate opinions on an April meeting, the newspaper added. Japan has been resisting pressure to bring the July meeting forward or to hold an emergency summit devoted to the situation in Russia. On Tuesday, French President Francois Mitterrand and his Russian counterpart Boris Yeltsin said further delay could kill democratic reforms in Russia, where a parliament controlled by former communist officials is trying to strip Yeltsin of power.



A massive bomb blast on Tuesday night rocked the Muslim-dominated commercial district Bow Bazaar of Calcutta. 62 people were killed and many others injured. Most of the victims were carpenters and furniture makers who work and also reside in the area. — Star TV photo

US predicts delay in world trade agreement

WASHINGTON, Mar 18: US Trade Representative Mickey Kantor predicted on Wednesday that trade talks among '08 countries, now in their seventh year, can be completed to the advantage of the United States — but not soon, reports AP. "I think we can complete the round in a way that will benefit the United States and the world economy, but based on our discussions to date, I do not believe that we were as close to completion as some reported in early January," Kantor told the Agriculture Committee of the House of Representatives. He said questions remain to be solved on the farm agree-

ment reached last November between the President Bush's administration and the European Commission, representing the 121 governments of the European Community. France has threatened to veto that agreement. Kantor said he spoke Wednesday morning with Sir Leon Brittan, the commission member in charge of trade, and will go to see Brittan at community headquarters in Brussels March 29 to begin negotiations on those questions. "Whether we can conclude an agreement (in the Uruguay Round) depends very much on market access commitments for goods and services that are

still being negotiated," Kantor said. The talks, known as the Uruguay Round, are sponsored by the General Agreement on Tariffs and Trade (GATT), in Geneva, Switzerland. "If we obtain good results on market access, cutting tariffs, breaking down non-tariff barriers, the round will offer significant potential benefits for the American farm community. The Department of Agriculture has estimated that a successful Uruguay Round agreement would expand US agriculture exports by six billion dollar to eight billion dollar annually after five years, and add one billion dollar to two billion dollar to farm income."

The world of legendary Coke

ATLANTA, GEORGIA, Mar 18: With a giant globe in Coca-Cola's colour and television spots and soda samples from around the world, visitors to the Coca-Cola museum here are treated to a deluge of information on the legendary beverage, says AFP. "The world of Coca-Cola," a 4,200-square meter (45,000-square foot) hall in Downtown Atlanta flush up against the State Capitol, opened in August 1990 in this city where the drink was first brewed. A huge red-and-white neon globe nine metres (30 feet) high rotates over the entrance. Two words flash: Coca-Cola and Coke, the diminutive that came into use in 1945.

Inside, visitors — and there are about two million each year — are welcomed by a huge faux bottling machine that shunts thousands of the famous, tiny bottles in ornate circles. Coca-Cola was first concocted in 1886 by John Pemberton, an Atlanta pharmacist who was looking for a headache remedy. Now the conglomerate is so huge it will be a major sponsor of the 1996 Olympic games here. The more than 1,000 pieces of Coke Memorabilia collected since 1886 and displayed here — photographs, signs and calendars — tell of steady company growth, thanks to luck and some clever marketing. Pemberton's book of formulas is on display, but not Coca-Cola's recipe which has always been top secret. Also shown in early advertising using signing stars, actresses and sports heroes and the prototype of the famous bottle with its swelling sides, invented in 1915 to distinguish it from competitors.

The museum is jam-packed with fancy gadgets. Three arc kiosks in the form of coke cans showing the history of the world since 1886 in five-year intervals. A recorder plays radio jingles sung by the supremes, Artha Franklin or Linda Ronstadt.

Corruption in Italy Minister denies knowledge of ENI fund for politicians

MILAN, Mar 18: Italian Finance Minister Franco Reviglio has denied knowing about a slush fund set up by State Energy Group ENI and used to illegally finance major political parties, reports AFP. On Tuesday current ENI Chief Gabriele Cagliari, under arrest in connection with the ever-widening "cleanhands" graft and corruption probe, told examining magistrates he had inherited the slush fund from his predecessor — Reviglio. The illicit fund, created by creaming off cash from public contracts, was used to finance political parties, mainly the Christian Democrats and the Socialists, Cagliari said.

Walesa appeals for better trade deal from West

WARSAW, Mar 18: Polish President Lech Walesa appealed for developed countries to lift trade barriers to help states which recently ended communist rule, reports Reuters. Walesa made the plea in talks with New Zealand Prime Minister Jim Bolger, visiting Poland on a European trip. "The president's appeal was for the western developed world to lower barriers to trade," Bolger told a news conference. The message was very clear — that, having won political freedom and the applause of the world for the peaceful

transfer of power from a communist dictatorship. They now must have the opportunity to trade with the wealthy segments of the world. Bolger said Walesa was making the appeal on behalf of the former communist countries in eastern and central Europe. Like its neighbours, Poland has stressed the importance of western assistance to help it through recession since ending almost half a century of communist rule in 1989. Earlier this week, Walesa accused the European Community of foot-dragging over Poland's association treaty and denying access to Polish goods.

WB to lend Iran \$157m for agro, irrigation

NICOSIA, Mar 18: The World Bank has approved a 157 million dollar credit for irrigation and agricultural projects in Iran, Tehran radio said yesterday, reports Reuters. The Economy and Finance Ministry said the projects would cover more than 90,000 hectares (222,000 acre) of farmland in four different areas of Iran and benefit 46,000 farming families, the radio said. The scheme is expected to increase annual yield of various crops including wheat, rice, sugarbeet, oilseeds and corn by a total of 358,000 tonnes, it said. The projects would also cost 247 billion rial (160 million dollar) at the floating exchange rate in local currency expenditures allocated as part of the government development budget.

Japan to start recovering from April this year

TOKYO, Mar 18: Japan's economy is likely to recover gradually from the middle of the 1993-94 fiscal year which starts in April, Takashi Tanaka, Chairman of the Regional Banks' Association of Japan said, reports Reuters. Tanaka told a news conference he saw last December's supplementary budget and possible early implementation of the 1993-94 budget as having a positive effect on the economy. He said he was opposed to the idea of issuing deficit-financing bonds to cover revenue lost from a possible income tax cut as he doubted whether lower taxes would

really be an effective means of stimulating economic growth. Benefits from a possible tax cut would go to savings rather than to spending, Tanaka said. Issuing such debt-covering bonds would result in worse fiscal conditions and lead to a larger tax burden on coming generations, he said. Regional banks have no plan to review the rescue plan for Chigin-Seiho Housing Loan Co Ltd, set up by regional banks and life insurers, although creditors agreed last month to cut interest rates further for Nippon Housing Loan Co Ltd, which also faces financial difficulties, he said.

Clinton wants NAFTA to take effect by next Jan

MEXICO CITY, Mar 18: US Commerce Secretary Ron Brown said President Clinton wants the North American Free Trade Agreement (NAFTA) passed and in effect by Jan 1, 1994, reports Reuters. Brown told a press conference here that the White House would do its best to gain the support of the US Congress for the trade pact so that there would be no delay in its implementation.

Clinton and Salinas (Mexican President Carlos Salinas de Gortari) are both committed to having the NAFTA in place by Jan 1, 1994," Brown said after a meeting with Salinas. "Obviously there are some outstanding issues. Workers rights and the environment and the potential issue of sectoral surges are matters that need to be dealt with in the negotiations on supplemental issues," Brown told reporters. He said he remains confident that the talks on those sidetrack issues will be completed successfully and in time for implementation of the pact by January 1. He added that Mexico had made "very important strides" in the areas of environmental protection and environmental clean-up and workers' rights.

Maxima, the champion cow

ORFORD, N.H., Mar 18: Maxima the heifer is aptly named. The 6-year-old Holstein produced a world-record 58,952 pounds (26,700 kilograms) of milk last year — about 118,000 glasses, her manager said Wednesday, reports AP. Tulland Royalty Maxima, known affectionately as Maxima, wiped out the old Guinness Book of Records mark of 55,661 pounds (25,200 kilograms) of milk produced in 1975 in Rochester, Ind., by a cow named Beecher Arlinda Ellen. Maxima is the queen of the highest-producing herd in New Hampshire. Randy Tullar, who manages the herd, says he didn't know Maxima was anything special when she was a young heifer. She now milks 120 pounds (55 kilograms) a day, he said.

World Bank suspends funds for Cameroon

YAOUNDE, Mar 18: The World Bank suspended funds for Cameroon because it has taken too long to pay millions of dollar in debt service arrears, bank sources said, reports Reuters. They said the West African state was 60 days overdue on payment of 13.2 billion CFA franc (48.6 million dollar) to the bank, triggering automatic suspension. Government official Jean-Philippe Njeck said Cameroon would do all it could to pay the arrears, which also block its efforts to clinch a new accord with the International Monetary Fund (IMF). "The two things are linked, and since we absolutely need an IMF accord, I can tell you straight off that everything will be done to pay these arrears," Njeck, special advisor at the Planning Ministry, told Reuters. "But it's too soon to say when we'll be able to pay and where we're going to find the money."

The suspension hits more than 650 million dollar worth of World Bank development projects in Cameroon, including agriculture and education schemes. Existing programmes will continue to run but the suspension rules out any fresh funding. Cameroon, which relies mainly on exports of crude oil, cocoa and coffee, has been suspended by the World Bank several times. Trade negotiators from the United States, Mexico and Canada, meanwhile, held their first day-long meeting here behind closed doors to hammer out the complex side agreements. Kantor said President Bill Clinton would not present a NAFTA pact unless side deals could be reached on cleaning up and protecting the US-Mexico border environment, guarding jobs threatened by lower Mexican wages and stemming disruptive import surges.

Pindi's exports likely to fall short of target

KARACHI, Mar 18: Pakistan is unlikely to achieve its eight billion US dollar target for export earnings in the fiscal year that ends in June, officials and exporters said Wednesday, reports Reuters. Officials declined to give figures, but exporters forecast Pakistan would fall short of that goal by at least one billion US dollar. They blamed lower cotton production because of devastating floods last September, recession in the cotton yarn industry and falling prices of rice on the international market. Our exports are likely to fetch seven billion US dollar in the current year about one billion dollar less than the export target of eight billion dollar, said Cotton Yarn Exporter Mahboob Hussain. It will be difficult to achieve the eight billion dollar export target because of the cotton crisis, said an official of the government's Export Promotion Bureau (EPB). Although the trade deficit in the first eight months of the fiscal year that ends in June narrowed to 1.79 billion US dollar — from 1.99 billion dollar in the year-ago period — exports lagged behind target, officials said.

Japan to buy 2 more aircraft to dent huge trade surplus

TOKYO, Mar 18: Japan plans to buy two more aircraft for use by government officials to dent its huge trade surplus, Kyodo news agency said on Thursday, reports Reuters. Kyodo said the government had started considering the purchase of a US Boeing 747-400 jumbo airliner and a small French jet, a Falcon 900B. Together, the planes will cost about 21 billion yen (179 million dollar), it said. It will be a tiny nibble out of Japan's trade surplus which with the United States alone grew 14.3 per cent in 1992 to 43.867 billion dollar. Kyodo said Prime Minister Kijichi Miyazawa was expected to tell President Bill Clinton of the decision when he visited Washington in mid-April. An official in the Prime Minister's office refused to comment on their report. Clinton's tough approach to imbalances in trade has surprised Tokyo.

India's prospect to compete globally extremely good: IFC

WASHINGTON, Mar 18: An expert on the Indian economy says that its prospects for competing in a global economy are extremely positive, reports USIS. "The basics (for both investment and growth) are there," Promodh Malhotra, manager of the International Finance Corporation's (IFC) Syndications Treasury and Financial Policy department, told journalists at a March 16 briefing on "Raising Resources for the Indian Private Sector" at the US Information Agency's Foreign Press Center here. Malhotra said that lenders who are serious about investing probably will not be affected by the recent political dissension in India, precisely because they are viewing India from a long-term perspective: "If you look at, say, a one to... five year scenario, I do believe there is room to be optimistic." "We do have some real strengths in our economy, which are beginning to be known by the outside world," Malhotra stressed, noting that while India's stock market suffered a large downturn because of the recent political disturbances, it has recovered nicely, and is now accumulating "sizeable" portfolio investment. "The opportunities that India has are enormous," Malhotra said, because, unlike Eastern Europe, "we have a very well developed private

sector." "We also have an enormous advantage in the (use of the) English language, which is not appreciated enough in India, but people who are struggling to do trade internationally know the value of it. Malhotra said there is finally global awareness of the "enormous" Indian market. "It is no longer potential, but there is an actual market estimated variously at between 150 to 200 million middle class people who not only have the interest in buying a wide range of goods, but they have the financial capacity to do so." At this point, he said, "one is beginning to see a very serious interest in India, of a kind which one did not see... two or three years ago. Now, he added, the new, middle-size business groups "have begun to impress international investors with their knowledge, sophistication and professionalism."

He added that many international investors are "waiting in the wings" to see whether the country's new economic policy — as well as its political situation — will remain stable. "One interesting new development," Malhotra said, is that joint ventures with lesser-known Indian enterprises are now being considered by European, Japanese and

American companies. He said that the IFC and India's Ministry of Finance have developed a programme whereby the IFC will help Indian corporations borrow funds from international banks, for private sector projects in which both the international bank and the IFC are involved. Malhotra estimated that the amount of funding for such projects in India could reach as much as 200 million dollar over the next year or so. "The key, to my view, is to have a marketing strategy of bringing Indian companies to the world markets — to choose the companies with care, to price the financial issues appropriately," Malhotra said. He had some caveats, though. "The mood is somewhat somber, generally, for lending, and it is not going to be easy for anybody to raise resources," he said, because, in essence, "the economies are in trouble, and, of course, the banks cannot be exempt from that" fact. Banks world-wide "have lost real money in the last ten years, and so they are not easily led to taking on additional exposure" to risk. "So, there's a very strong attitude of show me. You say this is a good project. You say this is going to make money. Prove it to me," Malhotra said. Nonetheless, Malhotra said of lenders,

"there is still a very great need for them to earn money, so they are looking for opportunities to assume acceptable credit risks." In their search, Malhotra said, bankers cannot ignore the private sector in India. "The climate in India... is changing. New economic policies have been introduced consistently over a period of two years" and, he added, "there is a feeling and a movement towards perhaps more deep-seated, long-range changes."

Malhotra noted, however, that "the challenges for the Indian private sector are just beginning," because while the government "will provide the right macro-economic policies... in the new competitive atmosphere, the private sector will have to work twice as hard, and not only in India, but internationally." He said that to be competitive internationally, some changes must still be made in India's economy, including "practices in agriculture, exports imports, labour laws, the financial sector," and the further privatization of public sector enterprises which "are not doing well." "The days that the Indian private sector could stay at home and relax are over," Malhotra said.