#### Peru gets \$ 1.395b loan from IMF

WASHINGTON, Mar 19: Peru's break of more than six years with the financial world came to an end Thursday with the offer of 1.395 billion dollar in loans from the International Monetary Fund (IMF) to the government of President Alberto Fujimory. The World Bank, the fund's sister organization, announced that Peru had paid up arrears on 900 million dollar of earlier loans. That made the country eligible to receive 1.03 billion dollar in loans granted last year but not disbursed. It also becomes cligible for new loans from the bank. Michel Camdessus, managing director of the IMF, pointed out that Peru was the first country to use a new system for gradually paying up arrears to the fund, reports AP.

### Dollar lower, stocks higher in Tokyo

TOKYO, Mar 19: The US dollar opened sharply lower against the Japanese yen Friday, while share prices on the Tokyo Stock Exchange rose moderately in early trad ing. The dollar started trading at 115.80 yen, down 1.14 yen from Thursday's close but higher than its overnight New York finish at 115.65 ven. It was the first time the dollar opened in the 115 yen range in Tokyo since the modern exchange rate system was set up in the late 1940s, says AP.

#### Jakarta to host int'l seminar on bamboo

JAKARTA, Mar 19: Highlighting Indonesia's environment year 1993, the country is to host a four-day international congress and exhibition of bamboo here in November, the Antara news agency said here Friday. The meeting was aimed at improving the quality of artists to utilize bamboo as a multifunctional material, Antara quoted Anang Sumarna of the Indonesian bamboo association as saying. Artists and bamboo experts from at least 30 countries would participate in the meeting and ten countries were expected to be represented in the exhibition which would present interior design and home appliances, paintings, sculptures, and musical instruments, Anang said, says AFP.

### Dollar tumbles in New York

NEW WORK, Mar 19: The American dollar tumbled against all major currencies Thursday as foreign exchange dealers focused on the possibility that further US interest rate declines will accompany continuing mediocre economic growth. The dollar's drop against the German mark occurred despite a cut in one of Germany's key interest rates, which likely will lead to broad rate reductions in that country. Gold gained in US and overscas dealing. On the New York Commodity Exchange, gold bullion for current delivery settled at 330.80 dollar a troy ounce, up 1.50 dollar from Wednesday. Republic National Bank quoted an ounce of gold at 330.25 dollar that's 1.45 dollar higher than Wednesday's late bid, reports AP.

## Chocolate output to grow more

LONDON, Mar 19: Russta's request for supplies of internationally stockpiled cocoa to help its ailing chocolate manufacturing industry survive has finally been turned down. Moscow 1st September asked the International Cocoa Organization to release to it on preferential price terms about half its 232,000 tons of stockpiled beans. But the advice of the United Nations was that there was 'no legal basis" for a such a deal and the organisation's ruling 40nation council had therefore decided this week that no action could be taken on the Russian request, a cocoa organization spokesman said Thursday.

# China-UK relations may suffer

BEIJING, Mar 19: China warned Thursday that tis economic relations and trade with Britain would suffer serious consequences unless Hong Kong Governor Chris Patten withdraws his plan for greater democracy. "If Chris Patten sticks to his current line of action, this will inevitably affect economic and trading relations between China and Britain," Foreign Trade Minister Li Langing said, reports AFP.

# BRIEFS Overtaxation on farmers may ruin Chinese reform

Chinese communist authorities will lose rural support and ruin cconomic reforms unless they stop overtaxing farmers, senior officials were quoted Friday as

saying, reports AFP. "It is very dangerous that some local authorities ignore the development of agriculture," Vice Premier Zhu Rongji told deputies to China's parliament, the National People's Congress.

The Vice Premier in Charge of Agriculture, Tian Jiyun, said, "If we do not pay attention to the peasants' interests and fail to make all the peasants content, that will bring adverse affects to the country, society and people."

Both officials called on local

government not to repeat last year's practice of buying grain rather than eash and warned against exacting taxes beyond the five per cent limit set by

'Otherwise, we will lose the support of farmers, and agriculture will wither," Zhu was quoted as saying by the English-language China daily.

The reputation of China reforms in the world likely be ruined since the biggest achievement of China reforms is the success of its agriculture," he told a meeting Thursday of delegates from his

native Hunan province. Tian, also quoted in the China daily, called for severe punishment for officials who infringe on farmers' interests.

Zhu heads the powerful economic and trade commission and is tipped to be named executive Vice Premier in a government reshuffle later this

The newspaper also quoted him as warning that China could become a "bubble econ omy with some sectors al ready showing signs of over heating, including the stock and real estate markets.

"If the trend is kept unchecked, it will result in an overall overheating in the country," he said, calling for a tighter money supply to pre vent inflation.

lie said that conditions were right for faster economic reforms and growth, but warned against excessive zeal.

"We should treasure the opportunity, but excessive haste will only spoil it," he said.

The Chinese leadership is deadlocked over how fast the economy should grow, with reformists like Zhu favouring a faster rate and conservatives arguing for slow and steady expansion.

The conservative premier, Li Peng, failed to set an exact target in his government work report to parliament delivered

Li said the government's economic growth target for 1993 was eight per cent, but that the figure left room for adjustment and was expected to be exceeded during implementation.

Xinhua adds: China's total

import over the eighth five year plan period (1991-95) is expected to reach over 350 billion US dollars.

This was disclosed by Li Danoing, Minister of Foreign Economic Relations and Trade, at a press conference given by Zhou Jue, the spokesman of the ongoing session of the eighth national people's congress (NPC), here this afternoon.

The figure will exceed the original target of import by 500 million US dollar in the period.

According to state statis tics, China imported 144.42 billion US dollar worth of goods during the first two years of the eighth five year

plan period. Li said that in the past five

#### years, China's foreign trade volume amounted to 631.24 billion US dollars, a growth of more than 95 per cent over the previous five-year period.

with import amounting to 312.18 billion US dollar. In 1992, China's import growth rate was 8.1 percent age points higher than that of

export, making China the 12th largest importing nation in the world. The Minister said that as China's economic growth accelerates and its market expands, the demand for import

of technology, equipment and

materials needed for domestic

construction will further grow He invited overscas in vestors to the market competition in China.

# Tokyo may take steps to secure stable currency exchanges

TOKYO, Mar 19: Finance Minister Yoshiro Hayashi said Friday the Yen's rapid advance is "undestrable" and that finance authorities might intervene to secure stable currency exchanges, reports AFP.

He was speaking at a press conference after the yen opened in Tokyo at 115.80 yen, below the 116 level to the

US dollar for the first time. Hayashi said: "It is undesirable for it (the yen) to fluctuate widely over a short period"

We will react appropriately to secure a stable currency exchange," he added.

# Americans eager to trade in Vietnam

A meeting of Bundesbank decides to cut interest rate Thursday.

Clinton expects no trade war with

EC, Delors warns against retaliation

EC officials have said they

expect the United States to

bar European companies from

bidding on some US govern-

ment contracts. The United

States would be reacting

against preferences given

European companies in bid-

ding for some contracts to

supply its 12 member govern-

after the meeting, "I'm very

happy about the open attitude

of the president and the spirit

of cooperation between the

European Community and the

for another meeting in May.

George Stephanopoulos said

Delors and European Council

President Poul Niyup Ras-

mussen, who is Denmark's

prime minister, were invited

for biannual US European dis-

Stephanopoulos said the

cussions on May 7.

the White House announced.

Clinton invited Delors back

White House spokesman

United States."

Delors also told reporters

HO CHI MINH CITY (Vietnaml, Mar 19: Twenty years after America's soldiers left Vietnam, its businessmen are

eager to return, reports AP. . Encouraged by a recent casing of the US trade embargo, a group of leading businessmen visited Vietnam in February. It was the largest American commercial delegation since the Communists defeated the US-backed gov-

ernment in 1975. Countries with more conciliatory policies are far ahead in trade and investment, including Japan, Singapore, Australia, Taiwan and South Korea.

While the American visitors were here, President Francois Mitterrand of France, the former colonial power, paid a ground-breaking visit and brought along many French businessmen. Aviation and

Germany cuts

interest rate

to 7.5 pc

FRANKFURT, Mar 19:

Germany's central bank cut a

key interest rate a half-point to

7.5 per cent Thursday, a move

sought by other European

countries and the United

did not go as far as had been

expected. While it cut the dis-

count rate, its cheapest charge

on loans to commercial banks,

it left the rate for emergency

loans unchanged at nine per

After the German announce

cment, the Swiss National

Bank said it was lowering its

discount rate a half-point to

The Bundesbank has main-

tained a tight monetary policy

to guard against inflation fu-

elled by the cost of reunifica-

WASHINGTON, Mar 19:

President Clinton met Euro-

pean Community President

Jacques Delors on Thursday

and said he did not expect a

trade war with Europe. But

Delors warned against

expected US retaliation in a

dispute over bidding for

government contracts, reports

with the EC, and I don't think

well have one," Clinton said in

response to a reporters ques-

tion before meeting with

Afterwards Delors said he

remains concerned about the

added: I am ever optimistic.

possibility of trade war. But he

"I told the president of the

scrious consequences if the

(US) decision will be taken for

retaliation next Monday. The

retaliation that is planned is

not good for the mood be-

tween the European Comm-

unity and the United States,"

Delors said.

Delors in the Oval Office.

Il don't want a trade war

However, the Bundesbank

States, reports AP.

five per cent.

telecommunications agreements were signed.

The Clinton administration has indicated it will continue the US policy of not lifting the embargo or establishing relations without the fullest possible accounting for more than 2,000 US servicemen still listed as missing in action.

"The Americans are quite late. Almost the whole world is here already," said Nguyen Xuan Oanh, a former Harvard economics professor who advises the Vietnamese govern-Western-style economic re-

forms that began in 1986 could turn this nation of 70 million into Asia's most lucrative new market.

There is great demand for American products and many are smuggled in from Thailand.

Outdoor markets in Ho Chi

Minh City, formerly Saigon, sell American facial tissues. toothpaste and disposable shavers. A government-owned department store offers American soaps, shampoos and sunglasses.

Other familiar US goods are manufactured under license outside the United States and shipped to Victnam. Coca-Cola canned is Singapore is available in nearly every restaurant in the city.

Many companies have sent representatives to explore opportunities. including Lockheed and the investment bank Goldman Sachs. Oanh said Bank of America and Citibank had been authorised to open representative offices. Northwest, Delta and

United air lines all want land

ing rights, and "If they come

in, it will be in a big way," he

Thursday meeting between

Clinton and Delors was a

working session to discuss the

state of integration in Europe

as well as the possibility of

good trade and financial ties

The meeting in May is to be

one of the regular biannual

meetings between EC leaders

and the US president, the

Delors earlier told the

International Management and

Development Institute that the

world's leading industrial na-

uons are apparently incapable

of leading the global economy

The Group of Seven should

be setting an example, he said.

"But all it can offer is plati-

tudes, apparently incapable,

for the moment at least, of

finding a way out of the crisis."

The G-7 nations include the

United States, Japan, Germ-

any, Britain, France, Italy and

Canada. President Clinton is

due to participate for the first

with the EC.

spokesman said.

out of stagnation.

areas — including banking, aviation, construction and telecommunications - where American corporations would have financial or technological advantages.

There are reports, however, that Asian and European companies have snapped up many of the most promising exploration areas. An executive at one such company said the Victnamese "got fed up" with waiting for the embargo to

Petroleum is one of several

Americans are not expected to arrive en masse even when the embargo is lifted.

Along with abundant natural resources and disciplined, cheap labour, Victnam also has an infrastructure ravaged by war, a bewildering bureaucracy and no legal framework for

-Star TV photo

time in Tokyo in July.

and Congress.

shifted.

Delors, who received the

institutes World Leadership

Award, has been mentioned as

a candidates for the French

presidency. He was in Washi-

ngton to meet with Clinton,

leaders of his administration

knowledged that the United

States has always carried a

larger share of the defence

burden in NATO than its

European allies. But he said

the security agenda has now

The European Community

He said as of June 1992, 85

and its member states are the

main providers of aid to the

countries of central and cast-

billion dollar in aid had been

granted to the Commonwealth

of Independent States. He said

74 per cent of the aid was

given by the EC, compared to

only 8.5 per cent by the

ern Europe, he said.

United States.

In his speech, Delors ac-

# economy cording to an AFP report. A sub-committee of the LDP

In the proposal, the com mittee called for tax breaks for housing loans and other tax

If admitted, it will be largest ever extra economic package, overwhelming the previous fiscal stimulus worth 10.7 trillion yen announced in

The LDP is planning to

On Wednesday, LDP officials said the government should announce the package before on April 16 meeting between Japanese Prime Minister Kiichi Miyazawa and US President Bill Clinton in Washington.

Miyazawa was quoted as saying Thursday that the govcrimient must do what was considered necessary in the new business wear starting April 1.

# Record \$9.55b deficit in Taiwan's budget

cabinet has unveiled a budget with a record deficit of 248.5 billion Taiwan dollar (9.55 billion US) for the fiscal year beginning July 1, cabinet officials said Friday, says an AFP report.

The high-performance warplanes are scheduled to be delivered from 1995.

tion budget totalling 312.9 billion dollar was allocated to construction of speed trains, rapid transit systems and super highways, they said.

Total revenue for fiscal 1994 was set at 859.2 billion dollar which is 248.5 billion dollar less than total expendi ture for the same period of 1. trillion dollar, they said.

The deficit, the largest ever, would be offset by the is suing of 193.5 billion dollar in government bonds and the 55 billion dollar in surplus from the current fiscal year, they

# LDP calls for \$103b to boost

TOKYO, Mar 19: The ruling Liberal Democratic Party (LDP) has called for a more than 12 trillion yen (103 billion dollar) package to boost the flagging economy, the Nihon Keizai Shimbun reported Friday, ac-

Japan's

policy research council com piled its preferred remedy Thursday, urging the govern ment to spend more funds on public works than the previous year and to use its construction bonds for various public work projects.

reductions.

August last year.

wrap up its own guidelines for the measure within this month and to reach agreement with the government by April 10.

TAIPEI, Mar 19: Taiwan's

The cabinet also listed Thursday a special budget of 318.8 billion dollar for the purchase of 150 US-made F-16 and 50 French mirage 2000-5 fighters, the officials said.

The budget for the jets, in addition to some 16.5 billion dollar already allocated, would be appropriated in the next nine years, they added.

Another special transporta-

# Five poorest cities in US Reduce Chronic Poverty, stud-

WASHINGTON, Mar 19: Many medium-sized US cities have disproportionate numbers of poor people, most of whom are black or Hispanic, a private study said Thursday, reports

The report said Brownsville, Texas, has the worst poverty rate in the nation, followed by four other cities with populations of fewer than 130,000. Nearly 44 per cent of the Brownsville's 98,962 residents had incomes below federal poverty standards, according to the Greater Washington Research Center.

The federal government defines the poverty level as an annual income of 8,076 dollar or less for a family of two, and 9,885 dollar or less for a family of three.

The non-profit center's Committee on Strategies to icd 1990 Census statistics for 488 US cities with populations above 50,000. It found that those cities house 13.5 million poor people, compared to 10 million poor in suburban areas and nine million in rural areas. More than half of those

cities had poverty rates exceeding the national average of 13.1 per cent. "We had fully expected to

find high poverty rates in the largest cities. We were appalled to find them in so many others," wrote lead researcher George Grier. "If severe levels of poverty

were restricted to the urban giants, the task of overcoming them would be daunting enough. But our findings show they are the rule rather than the exception."

# US house okays Clinton's 5-year economic plan The plan includes slashing

WASHINGTON, Mar 19: The US house of representatives approved President Bill Clinton's five-year economic plan Thursday to revive the economy and reduce the deficit by 510 billion dollar, reports AFP.

The plan requires budget cuts, hitting defence spending the hardest, and huge tax increases.

The democratic-dominated lower chamber approved the desicit-trimming blueprint 243-183. Only 11 democrats broke ranks and opposed the plan, while no republicans supported it.

The deficit-reduction mea sure was part of a 1.5 trilliondollar budge for the 1994 fiscal year, which begins October 264 billion dollar in spending. mainly by dowsizing the department of defence and by braking growth of benefit programmes like medicare. It also requires raising an additional 246 billion dollar in

taxes with hikes aimed mostly at the rich, energy and upperincome social security recipi-

If fully enacted, the President's economic plan should trim next year's deficit to 254 billion dollar, with the 1998 shortfall estimated at 199 billion dollar.

"It is clear that the time has come to makes a fundamental change in policy and direction," Clinton told treasury employees.

# Kim orders freeze on wages, prices for a yr

SEOUL, Mar 19: President Kini Young-sam on Friday ordered a freeze on wages and prices for at least a year in an emergency measure aimed at reviving South Korea's slumping economy, writes AP.

Kim's order highlights the difficulties faced by South Korea's economy which experts say is losing its international competitiveness. The cconomy grew about 2.5 per cent in the final quarter of last year, the lowest growth rate in 12 years.

The President has the prerogative to order a freeze on wages and prices," Kim said in a nationally televised speech. "But I believe that our people will voluntarily share the bur-

Officials said the wage and price freeze is the backbone of a 100-day economic emergency programme that is part of a new five-year economic development plan spanning the President's five-year term.

Details of the 100-day programme will be announced next week, the officials said.

In his speech, Kim said his government will, among other things, freeze the salaries of 900,000 public servants and employees of all state-run corporations for at least one year.

He also ordered a freeze on all public transportation, service and utility rates and asked private businesses to cooperate by not raising the prices of their products. "Such emergency actions

are necessary to hold down inflation," Kim said. The government will set an example by freezing the number of publie servants and their salaries." The government says infla-

tion remained at 4.5 per cent in 1992 and price hikes in Scoul hovered at around 10 per cent. But many experts say the official figures are unreliable, claiming that the actual inflation rate could have been

Kim also promised to consider further cuts in bank lending rates and increased spending on research and development.

# Filipino bananas turn into multi-million-peso export

MANILA: The Philippines leads in banana exports worldwide, and the prospects are bright.

According to the UN Food and Agriculture Organisation (FAO), Asia posted an annual growth rate of 11.9 per cent of the world's total banana exports from 1990 to 1991. The Philippines increased its export volume by 13.8 per cent the previous year.

China, Vietnam and Thailand registered no annual growth since these countries failed to increase their banana export volumes from 1990 to 1991, FAO said. Malaysia decreased its export volumes by 5.9 per cent while Pakistan dropped by 25 per cent.

In 1988, the Philippines exported 866,800 tons of bananas, a figure which went down to 851,000 tons the following year and further declined to 839,800 tons in 1990. However, in 1991, it went up to 955,400 tons.

China, the second largest exporter of bananas in Asia, exported 100,000 tons in 1988 - a figure down to 50,000 tons by 1991. Malaysia exported 26,400 tons in 1988 and 32,000 in 1991. Pakistan sold abroad 6,000 tons for two consecutive years (1988-1989) but exported

only 3,000 tons in 1991.

and assuming that no major climatic disturbances occur, banana export availabilities in producing countries are expected to continue to On the other hand, many exporting countries

have considerably increased production capacity over the past two years in anticipation of new market opportunities, and further expansion is still in the pipeline. In the Philippines, the increase in banana

exports was largely due to the demand of the

Japan market. Banana purchases by the Japanese

during the first quarter of 1992 increased approximately by 16.8 per cent. The main reason for this significant increase was that the supply conditions in the Philippines, its main traditional supplier, had returned to normal after adverse weather conditions had reduced banana production in the first part of 1991, the FAO report said.

From modest beginning in the late 1960s, The FAO report said that during the first the banana export industry in the Philippines

ally practised in commercial plantations where the product is intended primarily for the export market.

Bananas grown as an intercrop or as a fruit crop are usually planted in backyards for home consumption, with the excess quantity sold in the public market.

Dr Ramon V Valmayor, one of the country's foremost experts on bananas, said: 'The banana is not just an economically important crop. It is also a fruit crop of social importance. Those of us who grew up in the provinces know that when poor rural families run out of their principal staples of rice and corn, they immediately turn to the ubiquitous banana."

Bananas can also be used as feed but the fruit is mainly consumed as food. However, the other parts of the plant are used as vegetable (particularly the blossoms), as a fibre for handidustrial products.

craft and paper, and for the manufacture of in-

The fruits can be made into a number of edi-

Depthnews Asia

ened, and processed into syrup. The fully ripe cream, baked products, wine, vinegar powder and baby food. Most of the 100,000 tons of bananas classi-

Philippines are used as animal feeds. Ripe or unripe bananas are fed to pigs and cattle either fresh or as dried meal Banana fibre, one the other hand, is similar

fied as rejects by exporting firms in the

structurally to abaca fibre but it has a much lower tensile strength. Experts say banana fabrics are as elegant as pineapple fibre but are more versatile and do not easily crumple. Banana leaves greatly benefit the fruit and

vegetable industries in the country as they are widely used to pack native produce. The green leaves are also cut lengthwise and made into small pots for transplanting seedlings. Pectin, derived from the plants peel and

pulp, is used in the preparation of certain drugs. And Filipinos regard the banana as a medicinal plant. The young leaves are used to treat mild bleeding. The leaves are pounded until soft and then the juice is applied on wounds.

# ADB approves \$ 263,000 grant MANILA, Mar 19: The Asian Development Bank (ADB) has

approved a 263,000 dollar technical assistance grant to Fiji to strengthen the Forestry Department and its Forestry Economics Unit (FEU) and improve their capacity to manage the country's forest resources, reports Xinhua. The technical assistance.

financed from the Japan special fund, will help the government maximise the contribution of the forest resources. The technical assistance, financed from the Japan spe-

cial fund, will help the government maximise the contribution of the forestry sector to the national economy by activating the FEU and making it operational. The FEU will conduct high

priority studies on the proper use of forest resources.

#### months of 1992, larger banana imports were achad grown into a multi-million-peso business, ble products - purce, flour, chips or crisps. generally nourished by markets in Japan and the Medium ripe, the banana can be canned, sweetcounted from all major international markets, The five other leading banana exporters are caused primarily by the combined impact of Middle East. China, Vietnam, Thailand, Malaysia and Pakistan. In the Philippines, bananas are grown either fruit can be used in making catsup, flakes, ice abundant supplies and low prices. But the FAO report said the prospects of baas a monocrop or as an intercrop. Monocrop, or the growing of bananas as the sole crop, is usunana exportation in the future are still bright