ROK-US trade dispute resolved

SEOUL, Apr 5: South Korea has resolved a trade dispute with the United States by agreeting to allow US firms to compete in telecommunications equip ment contracts, officials here said Sunday. The South Korean communications ministry notified the US trade representative's office in Washington of Scoul's agreement on Thursday, they added, says AFP.

Reuter

"We're investing today not

only in the future of Russia but

in the future of America as

well." Clinton told a news con-

ference at the close of his two-

day summit with Russian

a 1.6 billion package of aid and

assistance, half of which was

aimed at resuming US grain

The plan is designed US of-

"We expect to do more than

we are announcing today in

housing and technical assis-

tance, in nuclear safety and

cooperation on the environ-

Aid to uplift

oil, gas sector

Another report adds: The

ficials say, to spur a broad

multilateral effort to support

US officials earlier outlined.

President Boris Yeltsin.

sales to Russia.

Russian reform.

ment," Clinton said.

Investment in Taiwan surges

TAIPEI, Apr 5: Domestic investment in Taiwan totalled 211.2 billion Taiwan (8.1 billion US) in the first two months of 1993, up 184 per cent over the same period last year, the industrial Development Bureau said in a report Sunday. A total of 884 new factories were set up in January and February with a combined investment of 31.7 billion Tatwan dollar (1.2 billion US), while 959 firms and factories increased their invested capitals to 179.5 billion Taiwan dollar, the report said, says AFP.

\$ 114b recovery package for Japan

TOKYO, Apr 5: The Japanese government is set to adopt a record economic recovery package, estimated at more than 13 trillion yen (114 billion dollar), a daily newspaper said Sunday. According to the Nihon Keizai Shimbun newspaper, the fresh package to be adopted Tuesday will earmark nine trillion yen for public works projects and two trillion yen for social infrastructure improvement, benefitting public research institutes, universities, welfare facilities and hospitals, reports AFP.

China expects early GATT re-entry

BEIJING, Apr 5: China expects its application for rejoining GATT to be speeded up from next month, the China Daily newspaper reported Sunday. Beijing hopes a meeting of the GATT working a party on China in Geneva will produce "a preliminary consensus on scores of topics," trade ministry official Li Zongzhou told the paper's business weekly, says

> Thai budget gap rises

BANGKOK, Apr 5: The Thai government spent 16 billion baht (64 million US dollar) more than it received in revenue in the first five months of this fiscal year, an informed source at the finance ministry disclosed, the source reportedly attributed the deficit partly to government agencies spending money originally approved under the previous year's budget, reports Xinhua.

Manila urges lower lending rates

MANILA, Apr 5: The Central Bank (CB) of the Philippines has appealed on commercial banks to reduce their leading rates to stimulate the country's struggling economy, local press reported today. The Manila chronicle quoted CB governor Jose L Cuisia Jr as saying that commercial banks should not charge a 'too high' margin on their lending rates because the manufacturers and exporters are bearing the brunt of the costly funds, says Xinhua.

Arab Banking Corp posts record profit

MANAMA, BAHRAIN, Apr 5: Arab Banking Corp, one of the Middle East's largest financial institutions, on Sunday posted its highestever profits Abdulla A Saudi, president and chief executive of the corporation, told a new conference that the net profit for 1992 reached 79 million dollar the highest figure in the banking group's 12-year history, says AP.

Military firms go

private in Taiwan TAIPEI, Apr 5: Fourteen military-run firms will go private in three years as part of the Taiwan government's liberalisation efforts, officials of a military agency said Sunday. The 14 firms under the Vocational Assistance Commission for Retired Servicemen (VACRS) are expected to either release more than 51 per cent of their shares to the public or sell their entire operation to private firms, the officials noted, says AFP.

Aid to Russia investment for US: Clinton

VANCOUVER, Apr volves a combination of loans. loan guarantees and grants to President Bill Clinton said on improve the environment and Sunday that his 1.6 billion US dollar aid package was an infund development of the oil vestment not only in Russia but and gas sector. in America as well, reports

A White House briefing pa per said the US Export-Import Bank has just finalised an 82 million dollar loan to finance the sale of Caterpiller Inc construction machinery for

Russia involving 50 million dollar guarantee and 100 milhon dollar insurance coverage for the Polar Lights Project of Dupont Co's Conoco Inc unit.

The package also includes a US Trade and Development Agency (TDA) grant of 1.4 million dollar for gas and oil feast bility studies, part of a total of

VANCOUVER, Apr 5: Boris Yeltsin said yesterday he has agreed with US president Bill Clinton that the White House would move to lift permanently Cold War trade restrictions imposed by the Jackson-Vanik amendment. We've decided to do away with the Jackson-Vanik amendment and resolve other legislative issues, the Russian leader told a news conference after his two-day summit with Clinton. The Jackson-Vanik amendment, passed by Congress during the Cold War, denied favourable trade benefits to the former Soviet Union - called most favoured nation trade status - as long as restrictive immigration policies were in force, reports Reuter.

Gazprom, the Russian state gas

agency. The equipment would be used on construction of a gas pipeline in the Yarnal Peninsula region.

The Overseas Private Investment Corp, another US agency, has approved its firstever loan and insurance pack

3.8 million dollar TDA grants. Another aspect of the pack age, called the energy and en

vironment initiative, provides 38 million dollar to assist the development of market-oriented, efficient energy use which avoids environmental

Some 10 million dollar is US aid package for Russia in- age for a private venture in earmarked for promoting efficient use of gas and oil in Russia, improving coal mine safety and productivity. Loans from the World Bank and the European bank for reconstruc tion and development would be accelerated through US funding of engineering and financial analyses.

The plan sees five million dollar for reforming energy pricing in Russia, introducing a regulatory framework for the industry and improving institu tions to raise efficiency standards.

Nuclear power plant safety and regulation get 15 million dollar.

The United States will provide five million dollar for high-impact demonstration projects to reduce severe pollution problems, including minimising use of ozone-depleting substances. The first activity will be in the Volgograd region.

Some one million dollar will fund work by US and Russian non-governmental organisations to promote environmental quality initiatives and re-

FRANCE: Members of the English "natural theatre company" pose April 4, on Fecamp's pier during its deferlantes annual street and improvisation theatre festival. -AFP/UNB photo

Chinese private sector proves its worth in economic reforms

BEIJING, Apr 5: China's booming individual and private enterprises have proved their worth in the efforts to steer the Chinese economy onto the track of the market, reports

Experts predicted that by the year 2000 the number of individual and private enterprises will have topped 30 million, the employment will have exceeded 50 million, their output value will have reached 600 billion yuan (about 105.2 US dollar) to account for 20 per cent of the national total.

The boom in the private sector has not only boosted the state tax revenue but also helped stimulate the public sector to change their ways and participate in the market competition, exports said.

The private sector has grown since China introduced the policy of reform and opening to the outside world. Since then, it has grown at an average annual rate of 18 per cent, with the total employment growth by 16 per cent annually, according to official statistics.

The total business turnover of the private sector in repairs, catering, non-staple foods processing, vegetables and fruits has made up over 50 per cent of the national total. The private retails businesses and catering services account for 80 per cent of the national total.

The development of the private sector has helped promote the rational relocation of resources and production factors to increase state wealth. Now the private sector has become one of the major sources of tax revenue.

The tax payment by the private sector increased by an annual 15 per cent for three years in a row starting from 1990. The total taxes turned over to the state by the private sector

from 1981 to 1992 amounted to 95 billion yuan (about 16.6

US dollar

The fast growth of the private sector has helped diversify employment opportunities for a large number of young people who joint in the workforce each year.

Statistics reveal that since 1982 over 110 per cent of the job seekers have taken up jobs in the private sector annually, while the rural surplus labour accounts for 40 per cent of the states total private business people. The individual enterprises engaged in industry, transport

and commerce amounted to 1,847,000, 1,450,000 and 8,458,000 respectively, accounting for 12 per cent 9.5 per cent and 55.1 per cent of the national total. In services, catering and repairs, the private sector repre-

sents 10.3, 6.1 and 5.8 per cent respectively of the state's total figures Moreover, the fast growth of private economy has stimu-

lated competition in the market and forced state-owned enterprises to change their mode of operation. Now the momentum of the development of the private

sector is still going strong, with a diversified mode of operations and increasingly large investment.

To boost their strength, more and more private enterprises are forming groups, not only in the coastal areas but also in the inland provinces and autonomous regions.

Besides, share-holding companies are mushrooming. Foreign investors are seeking the private enterprises as their cooperation partners.

Local authorities and non-governmental organisations are also improving their services for the private enterprises and

Delhi's securities watchdog will get power to curb scam

NEW DELIII, Apr 5: Finance Minister Manmohan Singh Sunday said New Delhi would soon empower India's securities watchdog panel to curb scams such as the one which last year shattered investor confidence in stock markets and banks, reports AFP.

Singh told a Joint Parliamentary Commission probing the 1992 scam that an amendment to the laws were in the pipeline to add teeth to the Securities Exchange Board of India (SEBI), the watchdog panel which regulates markets. "The SEBI act would be

amended to give it additional powers to deal with trading, operation of mutual funds, registration of brokers and merchants, bankers," Singh

The statement came two days after Singh, ti c architect of India's open market reforms, blamed the 1.2 billion dollar fraud on administrative lapses by the Reserve Bank of India and demanded additional powers for the central bank.

The commission is investigating allegation that a bankerbroker nexus engineered India's murklest government bond market scam involving public funds.

Malaysia, Iran sign economic co-op accord

TEHRAN, Apr 5: Malaysia and Iran signed here yesterday a package of agreements on promoting economic and commercial cooperation between the two Muslim countries, Teliran Radio reported, says Xinhua. Supervising the signing of

the agreements were visiting Malaysian Prime Minister Mahathir Mohamad and senior Iranian officials, the radio said. Mahathir met earlier yes-

terday with Iran's supreme spiritual leader Ayatollah Ali Khamenei to discuss bilateral ties and economic coopera-

During the meeting, Mahathir told his host that Malaysia was looking to speed up cooperation with Islamic countries like Iran.

"In order to reduce our dependence on advanced countries of the West and the North, we need a strong economy and powerful government, and it is with this aim that we are ready for the speedy expansion of ties with Islamic Iran," Mahathir was quoted as saying by the radio.

Mahathir said Malaysia was interested in increasing commercial exchanges with Iran from the current 70 million US dollar per year.

Turkey-ex-USSR trade may surge to \$3b in '93

ISTANBUL, Apr 5: Turkish executives expect the country's surging trade with the former Soviet Union to lean to three billion dollar in 1993 if Russia maintains relatives stability, reports Reuter.

The forecast by the foreign economic relations board (DEIK) follows a four-fold increase in trade between 1986 and 1992 when Turkey's exchanges with the CIS reached 1.9 billion dollar, according to the treasury and foreign trade undersecretariat.

"The Commonwealth o Independent States (CIS) represents a very important market for Turkey. That is going to grow," said Nihat Gokyigit, chairman of DFIK's Turkey-CIS business councils. In the Russian town of

Furnova, 400 km from Moscow, Istanbul-based Baytur Construction Co is building 1,326 homes for troops of the former Soviet army returning from eastern Europe, under a 95 million dollar contract.

Bonn will help Hanoi fight US embargo

HANOI, Apr 5: In the latest sign that Vietnam is mending ties with the world's richest nations, Germany's foreign minister has pledged to pressure Washington to end its economic embargo against Hanoi, reports AP.

"We won't let Vietnam down" said Foreign Minister Klaus Kinkel at a news conference Saturday after two days of talks with Vietnamese leaders.

Kinkel, the most senior official of reunified Germany ever to visit Vietnam promised to step up German aid, which has totalled 52 million dollar over the past five years.

The minister said he would contact US Secretary of State Warren Christopher about the embargo, which deprives Vietnam not only of US investment but also of much needed funds from the World Bank and the International Monetary Fund

Washington levied the sanctions after the Communists defeated the US backed South Vietnam government to reunify the country in 1975.

Kinkel's visit was another step in Vietnam's campaign to widen relations with wealthy capitalist nations whose ideol ogy it once acorned.

"The German economy has an important role to play in the rebuilding of this economy." Kinkel said.

The two sides signed an agreement to promote and protect German Investments here, he announced

Kinkel inaugurated Germany's largest investment project here, a 26 million dollar telecommunications system built by the giant electronic firm Siemens to link Hanoi with the central Vietnam city of Danang.

Malaysian export may hit \$98b by 2000

KUALA LUMPUR, Apr 5 Malaysia, is expected to export 255 billion ringgit (98 billion dollar) annually by the year 2000, International Trade and Industry Minister Rafidah Aziz said Monday, reports AP.

By the year 2020 merchandisc exports were projected to increase to 1.5 trillion ringgit (576.9 billion dollar) from last year's 103.5 billion ringgit (39.8 billion dollar), Rafidah said at the opening of the annual conference of Malaysian government trade commis-

The government has set 2020 as the deadline for Malaysia to transform itself into a developed nation.

The export sector, which contributed 70.5 per cent of gross domestic product last year, will continue to provide the impetus for national economic growth, she said.

The General Agreement on Tariffs and Trade report for 1992 said Malaysia was the world's 23rd largest exporter and 22nd largest importer,

The United States was ranked top exporter last year at 446 billion dollar with Germany second at 427 billion

Rafidah told the trade

one step better than the previ-

ous year's standing in both cat-

commissioners to work hard to boost Malaysia's exports of services, in addition to goods. The annual conference,

which ends April 14, is intended to help the commissioners coordinate their trade promotion activities at foreign embassies.

Gulf Arabs urged to boost non-oil income to tackle budget gap It said overseas GCC in-

ABU DHABI, Apr 5: Wealthy Gulf Arab states should revise their overseas investment to avert further losses and boost non-ofl income to tackle budget deficits, and official Gulf report said Saturday, according to AFP. The report by the state-run

Emirates Industrial Bank (EIB) said it expected budget deficits in the Gulf Cooperation Council (GCC) states to widen because of their dependence on unstable oil earnings "The budget deficits in the

GCC are expected to increase if the current weakness in the world oil market continues," it

"These conditions should urgently prompt GCC countries to reconsider the ways of financing their budgets through developing local sources of income after a series of setbacks in their investment abroad."

vestment had suffered from large losses over the past two years, due mainly to turmoff in financial markets.

"Because of such losses, it has become necessary for GCC countries to revise the map of their investment besides taking other economic decisions that will boost their non-oil revenues and finance their budgets."

The report gave no figures on GCC assets abroad, estimated by bankers at more than 350 billion dollar. The bulk of Gulf investments are based in the West in banked deposits, real estate and stocks.

The GCC states — Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates - lost nearly 25 billion dollar in the world stock market crash in 1987.

Queue for EC membership will move forward at foreign ministers' meet

LUXEMBOURG, Apr 5: The queue of countries eager to get closer to the European Community will move forward a few important places on Monday when EC Foreign Ministers deal with suitors from wealthy Scandinavia to the former Soviet bloc, reports

welcoming mat for fellow rich country Norway by opening its EC membership negotiations in front of the television cameras and making plans to con-

tinue the talks at an acceler-

Ministers will put out a

Diplomats said the aim was to let Oslo catch up with Sweden, Austria and Finland whose membership talks began two months ago, to give

winding up their separate negotiations by the end of this Farther back in the queue, countries which have emerged or re-emerged from post-Cold

them all a good chance of

War political upheaval will advance more slowly. Seoul top

Kohl's tour to counterweight Japan's influence in Asia? top German businessmen in his swing through For one, Japanese businessmen have found

MANILA, Apr 5: For Asian countries wary of Japan's tightening embrace of their economies, German Chancellor Helmut Kohl's fivenation Asian tour this month is a welcome signal that Europe may help provide a counterweight, reports IPS. Keeping Europe and the United States eco-

nomically engaged in the region has been a key concern of Asian capitals anxious to counterbalance Japan's near-total mastery of their economies. To them, this has become a matter of na-

tional security given the growing importance

that economic competition plays in the strategic calculations of nations. Japan is on the threshold of establishing an "Economic Pax Nipponica" over Asia, says Noordin Sopiee of the Kuala Lumpur based Institute of Strategic and International Studies

(ISIS). Speaking at an ASEAN security seminar recently. Noordin said Japan has set up a "production chain" that stretches from the Tokyo-Osaka industrial corridor through Korea, China, and on to South East Asia. Victnam and the Russian Far East are next.

Asian countries will obviously have a strategic need to ensure against excessive preponderance in the economic realm and to work

for a strategic balance, he said. "Logically, this involves engaging other eco-

nomic powers in Pacific Asia, Europe and the In Asian eyes, this has become a strategic issue much like the rising military spending of

big powers such as China and Japan. According to a World Bank report, tensions in the region are building up over Japan's dominance of aid, trade and foreign direct investment. Tokyo has also been taking control of talks in Asia concerning financial flows and

economic advice. The likes of Malaysia now blame over-reliance on Japanese trade and investment for problems such as the loss of market access to Europe.

The economic thrust of Kohl's Asian visit thus offered hope of counter-balancing what some economic analysis expect will be another wave of Japanese investments in the mid-1990s once Japan recovers from its current recession.

At the same time, it indicates Asian countries will continue to do well in attracting foreign investments despite the increased competition from other developing regions of the

At his first stop in New Delhi, the German leader said " it is very important for Europe not to deal only with itself . . . we must avoid erecting a fortress Europe." Kohl brought with him a delegation of 15

frozen plans to build plants in ex-East Germany. But in Manila, Mercedes Benz is pushing through with a joint venture that will assemble cars for export in South East Asia.

slumped.

Still, unless Europe and the United States leave them farther behind.

step up investments in Asia, a second big push by the Japanese into the region threatens to The first wave of Japanese investments into East and South East Asia in the 1980s helped transform these countries into economic

tigers. Economists say a large share of the next

wave will go to these countries for two reasons.

India, Singapore, Indonesia, Japan and South

Korea. These five countries account for more

than 50 billion US dollar in trade with

boost their recession-hit industries through

higher exports to Asia, which has been eco-

nomically vibrant while the rest of the world

for the Germans. So now, they want to increase

trade with Asia, particularly South East Asia,

which has the world's fastest growing

economies," says Kazuo Sunaga, an economic

German car makers like Volkswagen have

Perhaps reflective of this trend, major

counsellor of the Japanese embassy in Manila.

Economic analysts say the Germans hope to

"Eastern Europe has been a disappointment

that their Asian investments are far more profitable than elsewhere.

A recent study by the Nomura and Mitsubishi Research Institutes, for example, showed that only 20 per cent of Japan's late-1980s direct investments in the United States started generating profits within two years. In Asia, 80 per cent did.

Japanese firms also figure in makes better sense for them to feed the Japanese market with consumer goods made by factories in lowwage Asian countries rather than in high-wage

One European Community (EC) estimate shows Japan already has two and half times more investment in Indonesia, Malaysia, Philippines, Singapore and Thailand - all Association of South East Asian Nations (ASEAN) members — than the EC total.

Surveying the emerging power relations in the post-Cold War world, Malaysian Prime Minister Mahathir Mohamad said two years ago. What we will see in the years ahead are increasing examples of economic expansion ism and decreasing attempts at military expansionism.

He added, "we can expect much more of our future to be determined by the trading state rather than by the military state."

foreign investor in Vietnam SEOUL, Apr 5: South Korea

topped the list of foreign investors in Victnam both in cases and amount of investment approved by the Vietnamese government during the first quarter of this year, a local news report said on Sunday, reports Reuter. South Korean companies

won Victnam government approval to invest a total of 195.7 million US dollar in 10 projects in the first three-months of this year, the Hankook libo Newspaper quoted the staterun Korea Trade Promotion Corp as saying. The figures rank South Korea first among some 20

foreign countries that received permission for 66 investment projects worth 569 million dollar in the same period, the newspaper said.

About 20 more South Korean firms were awaiting Hanoi's approval for investment projects, it said.