US aid to Russia too small: Germany

BONN, Apr 6: German economics Minister Guenter Resrodt said Monday the 1.6 billion US dollar of aid which Washington has promised Russia was a good start but inadequate. "It is a good start but far from adequate," he said in a radio interview. "Compared with what we Germans are giving and will still have to give to Russia, it is a relatively small amount. But I am pleased that the Americans have jumped the hurdle and made a start." Germany has given about 80 billion mark (50 billion US dollar) to the Commonwealth of Independent States since 1989, most of which has gone to Russia, reports Reuter.

#### Stocks close mixed in New York

NEW YORK, Apr 6: Stocks ended mixed Monday as cautious investors hunted for bargains among depressed issues. The market held up well after Friday's 68.63 point drop in the drop, analyst said. Half of Friday's decline came from a 23 per cent plunge in Philip Morris stock. The tobacco company forecast poor first-quarter earnings and said it would cut cigarette prices. The stock was lower again Monday in heavy volume. Other tobacco issues were mixed Monday, reports AP.

#### German automaker to build plant in US

DEARBORN (Mich), Apr 6: German automaker Mercedes-Benz A.G confirmed Monday it will build a factory in the United States to make 20,000 to 30,000 dollar sport utility vehicle, but has yet to pick a site. It will be two to three months before officials pick a site, and Mercedes officials said the list of states where the plant might be located is longer than the list of those not being considered.

Helmut Werner, Vice Chairman and chief operating officer of the company, gave no specifies except to say North and South Carolina have some advantage because the Daimler Benz A.G subsidiary Freightliner already has three North Carolina plants, reports AP.

#### Tajikstan to get \$ 4.6 m worth of aid

ROME, Apr 6: A UN agency said Monday it is sending 4.6 million dollar worth of food aid to wartorn Tajikstan to head off widespread famine. The Rome-based World Food Programme said it will supply 10,400 metric tons of wheat flour, vegetable oil, pulses and sugar to help feed 140,000 people displaced by civil war. The agency said basic food commodities are in short supply stocks in major cities are dwindling fast. The Asian republic is the poorest and least developed of the former Soviet republics, writes AP.

#### Dollar gains, shares fall in Tokyo

TOKYO, Apr 6: The US dollar edged higher against the Japanese yen Tuesday morning, while share prices on the Tokyo Stock Exchange fell back in active trading. The dollar was changing hands at 113.95 yen at late morning, up 0.12 yen from Monday's finish at 113.83 yen, the dollar's lowest finish in Tokyo since the modern exchange rate system was set up in the late 1940s. It opened at 113.72 yen after finishing its overnight New York close at 113.70 yen, another record low, writes AP.

#### EC signs accord with Slovenia

LUXEMBOURG, Apr 6: The European Community signed economic cooperation and transit accords with Slovenia on Monday and told the EC Executive Commission to begin talks for similar agreements with the Czech and Slovak republics. Also, the EC foreign ministers and Slovenian Prime Minister Janez Drnovsek signed an aid package of 150 million European currency unit (180 million dollar) in lowinterest loans, mostly for highway and railroad improvement projects in the former Yugoslav republic. The economic cooperation accord offers EC technical aid to Slovenia and through the transit accord, reports

# US-EC trade row cools down as Japan bashing heats up

LUXEMBOURG, Apr 6 : Trade tensions between the European Community (EC) and the United States have moved off the boil as criticism of Japan heats up, diplomats said here Monday, reports AFP.

Danish Foreign Minister Niels Helveg Petersen said: "I think we can note a mood towards a more businesslike, constructive attitude from the new US administration."

He was speaking at a meeting of EC foreign ministers who were given a report on EC-US trade negotiations by EC trade commissioner Leon Brittan.

Afterwards, Brittan and German foreign minister Klaus Kinkel moved the EC fire to another target - Japan.

this international beauty contest.

TOKYO, Apr 6: The Bank of

agers, meeting for the first

time in four months, offered

Monday a mixed assessment of

the current recession and

prospects for recovery in 10

areas across the country, re-

gions around Japan came as

central bank Governor Yasushi

Mieno forecast a recovery in

the second half of the fiscal

year which began this month

as domestic private demand

not yet escaped from the

slump, he said in opening re-

Final demand as a whole has

MOSCOW, Apr 6: Russian

and US leaders say Russia

needs tight monetary policy to

track, but any vision of mone-

depend heavily on who con-

reports Reuter.

tary discipline still seems to

trols the nation's central bank,

summit of presidents Bill

Clinton and Boris Yeltsin at the

weekend, 'US Treasury Sec-

retary Lloyd Bentsen said the

Russian central bank had to

stop the \*enormous expansion

of credit" that has let to a

month-on-month inflation rate

Speaking at the Vancouver

keep its reform programme on

The reports from 10 re-

ports AFP.

picks up.

Echoing recent US criticism, they urged Tokyo to stop standing on the sidelines of world trade talks in the Uruguay Round of the General Agreement on Tartiffs and Trade (GATT).

Japan has come under increasing fire for refusing to open its market to imports of foreign rice. Kinkel said: "It is time that

the Japanese become more integrated into the GATT talks." And Brittan said full

Japanese participation in the negotiations would help push other Asian nations into making concessions and brighten prospects for a successful GATT outcome.

The EC trade commissioner also expressed relief that

Washington appeared ready to seek a settlement in the Uruguay Round by the end of

Diplomats also reported relief that the new French centre-right government appeared to moderate its demand for renegotiation of an E.E.-US agreement on agricultural subsidies, which is a crucial element of the six-year-old **GATT** negotiations.

The new French Foreign Minister, Alain Juppe, said Paris still did not like the agreement, but dismissed fears that the issue would spark a world trade crisis.

Kinkel said a GATT settlement was of the utmost political and economic importance, and added: a trade war would

BEAUTY CONTEST: From L to R, Verona Feldbusch of Germany, Korolina Kaijasilta of Finland, Monique Dovis of

Croatia, Celeste Weaver of North America and Rosalie Ferrera dos Santos of Brazil pose for photographers in Germany on

Monday, Apr 5. An overall of 17 beauty contestants are currently touring Germany to promote the upcoming "Miss

International 1993" contest, that will be held in Rottweil (Black Forest) on Apr 15. Its the first time that Germany hosts

Japanese economy unlikely to recover

by September next

Russian central bank still

holds key to reforms

depressed.

whole, he said.

corporate revenue and per-

In the second half, however

it seems that we can expect a

recovery in domestic private

demand and the economy as a

sented to the conference indi-

cated that private capital in-

vestment, until recently the

main engine of Japanese eco-

nomic growth, was most re-

strained in Osaka, the coun-

current fiscal year are re-

strained at a very low level, the

Osaka branch report said, not-

der his control unless he wins

the political fight and forces

through major changes in

executive and the legislature

are at an all-time low and last

month the supreme legislature

came close to sacking Yeltsin.

The president wants to get rid

of parliament and force fresh

on central bank control, or on

any other issue of power, seem

Chances of a compromise

Yeltsin has tried to increase

But relations between the

Russian legislation.

Investment plans for the

try's second largest city.

The regional reports pre-

marks to the quarterly confer-

Japan's regional branch man- ence of central bank branch sonal income would remain

Capital investment and per-

sonal consumption remain

sluggish although some indica-

tors such as industrial pro-

ducer shipments and new car

registrations have begun to

improve. We still need to be

cautious in interpreting such

indicators but overall condi-

tions for recovery seem to be

support from public works

spending the Japanese econ-

omy was not likely to recover

in the current six-month pe-

riod ending in September as

Mieno said that despite

steadily being prepared.

of up to 30 per cent.

"That borders on hyperin-

The bank, headed by former

flation," he said. "Unless that

gets under control, you can't

get this country (Russia) mov-

Soviet state bank chairman

Viktor Gerashchenko, reports

to the conservative Russian

parliament. Its leaders have so

far turned a deaf ear to gov-

ernment pleas to keep new

of his career with parliament

over who rules Russia, has no

legal way to bring the bank un-

Yeltsin, locked in the battle

ing again in a stable way."

be the worst possible thing for

The United States and the EC moved back from the brink of trade conflict last week when Washington suspended a threat to block EC companies from US federal utilities con-

Brittan said he had received the ministers' full support to negotiate a fair settlement in the dispute when he meets US trade representative Mickey Kantor in Washington on April 19 and 20

Brittan said the EC would yield to US demands that Brussels stop discriminating against American firms tendering for EC public utility contracts, if Washington granted

— Photo AFP/UNB

ing that manufacturers held

surplus plant and equipment

due to decreased demand and

were now trying to cut costs.

There are many bad indica-

tors, said Tatsuya Tamura,

General Manager of the Osaka

branch, speaking at a news

conference, he said small and

medium-sixed companies were

particularly affected by the

slowdown in capital invest-

Other areas where invest-

ment was less restrained in-

cluded the northern island of

Hokkaido and the southern is-

the governments influence

over the bank by bringing

Gerashchenko into the cabi-

net, but central bank policy

The bank boosted money

supply by 10.4 times last year,

a rise Gerashchenko says was

needed to meet demand from

to blame for Russian's 2,600

per cent inflation rate in 1992

and accuses the government of

keeping inflation high by de-

manding new credits to fund a

vawning budget deficit.

He says his policies are not

rising incomes and prices.

remains unchanged.

land of Kyushu.

European iirms corresponding equal access.

The commissioner added that the EC might seek a ruling from a special GATT panel against US anti-dumping duties on foreign steel imports another sore point between Washington and Brussels.

And an EC diplomat said the European commission had managed to "ancethetise" US accusations that the community was breaking an agreement on limiting subsidies to civil aircraft manufacturers.

The two sides agreed last week to stop trading public accusations that each was cheating, and Britain said Washington had withdrawn its threat to withdraw from the accord.

### Brazil govt pull off its important privatisation

RIO DE JANERIO, Apr 6: President Itamar Franco's government pulled off its most important privatisation so far on Monday, selling a controlling stake in the country's biggest steelmaker for 1.06

billion, reports Reuter. The sale of Companhia Siderurgica Nacional (CSN), long a national symbol of the state sector, was the biggest since the October 1991 auction of steelmaker Usiminas, the first under the programme launched by Franco's predecessor, Fernando Collor.

The CSN auction, viewed as crucial to proving Franco's commitment to privatisation, sparked a demonstration out-

side the Rid stock exchange. "President Franco told me he was very happy with the results," said Alexis Stepanenko, Vice President of the National Development Bank (BNDES).

which runs the programme.

"Our process of privatisation is slower than in Argentina, Mexico and Venezuela. But we are starting with the companies that should be in the pri-

vate sector," he added. The CSN auction, which began on Friday, was one of the most complicated to date and almost did not happen.

Shortly before the auction was to begin, members of the socialist democratic Workers Party won a court injunction suspending the sale. BNDES officials immediately appealed and pushed back the auction to later in the day.

Outside the stock exchange, several hundred demonstrators protested at the sale. But company employees, who earlier bought CSN shares for themselves, were not among the protestors.

#### Miyazawa may meet Suharto before next G-7 meet TOKYO, Apr 6: Japan

proposed inviting Indonesian President Suharto for talks with Prime Minister Kiichi Miyazawa immediately before the July summit meeting of the Group of Seven (G-7) industrialised nations in Tokyo, a report said today, reports AFP.

But Suharto, current head of the Non-aligned Movement, refused the offer, saying he wanted to be in Tokyo during the summit and meet the G-7 leaders of Britain, Canada, France, Germany, Italy, Japan and the United States, the Japan Broadcasting Corp(NIIK)

Japan sent Deputy Foreign Minister Koichiro Matsuura to Jakarta last weekend to convey Japan's proposal, NIIK said Under it, Miyazawa would talk with Suharto immediately before the summit and would later reflect the outcome of the G 7 talks, NHK said.

### OPEC members produces 24.29 million barrels a day in March

NICOSIA, Apr 6: The OPEC members produced 24.29 million barrels of oil a day in March which was about 700,000 barrels per day (BPD) above their quota ceiling set in February, despite a drop in output, the Middle East Economic Survey (MEES) said on Monday, reports AFP.

Production by the 12 members of the Organisation of Petroleum Exporting Countries (OPEC) in February stood at 25.56 million BPD, an increase of 300,000 BPD from the figure in January, owing to overquota production by Iran and Kuwait, said the Nicosia-based MEES.

It made no reference to a drop in crude oil prices with may brent touching nearly 19 dollar a barrel last week.

#### HK firm to invest \$ 1.2b in China

HONG KONG, Apr 6: Hong Kong's New World development signed an agreement with Beijing authorities Monday to invest 1.2 billion -US dollar restoring old buildings in the Chinese capital, the Xinhua news agency said, reports AFP.

The eight-year undertaking is to bring back to life aging buildings in an 80-hectare (200 acre) chunk of Chongwen district for as residential, commercial and leisure purposes, it said.

New World chairman Chengyu-tung was quoted as saying his diversified company - best known in Hong Kong for property developments and top-class hotels - intends to focus its investment in China on restoration projects in cities such as Beijing and central Wuhan.

### Beijing, Jakarta plan to strengthen economic, commercial co-op

BEIJING, Apr 6: China and Indonesia are to strengthen bilateral economic and trade cooperation, according to a seminar on trade and investment between the two countries here today, reports Xinhua. At the seminar, eco-nomists

and entrepreneurs from both sides expressed their hopes for enhancing mutual understanding, further cooperation between enterprises of the two countries and development of bilateral trade relations. Gunadirdja, Indonesian

ambassador to China, said that since the resumption of diplomatic relations in 1990, cooperation between Indon; esia and China in various fields has improved tremendously.

He noted that the two countries have had quite a number of exchange visits from a range of fields such as mining, energy, agriculture, forestry, irrigation, communications, research and technology.

At the seminar, economists and entrepreneurs from over 40 institutions and Indonesian entrepreneurs from 87 enterprises who came to attend the ongoing Third Beijing International Fair here held business negotiations. Since 1990, bilateral trade

volume has been on rise. Trade volume in 1990 was 1.18 billion US dollar, the figure in 1991 was 1.884 billion US dollar and the figure last year reached 2.026 billion U.S Last year, China's export

volume to Indonesia was 471 million US dollar and its import volume from Indonesia amounted to 1.554 billion US

In 1992, more than 400 Chinese economic and trade groups visited Indonesia. China held 11 large and mediumsized economic and trade exhibitions in Indonesia. And the two countries singed contracts valued at 900 million US

### EC gives Russia hope of eventual free trade

LUXEMBURG, Apr 6: European Community foreign ministers agreed on Monday to offer Russia the prospect of eventual free trade with the EC as a way of bolstering President Boris Yeltsin's reforms, reports Reuter.

It was a very appropriate step to be taken the day after the Yeltsin -Clinton meeting in Vancouver, EC external economic relations commissioner Sir Leon Brittan told reporters.

The ministers accepted a recommendation from the EC's executive commission, itself under pressure from Moscow, to include a conditional pledge to future free trade in a proposed partnership agreement with Russia.

That would off course require a separate agreement in due course, Brittan said.

The offer depends on the EC judging political and economic conditions in Russia to be right for free trade, a potential let-out clause that could delay such a move for years.

The ministers discussed the outcome of the weekend summit talks in Vancouver between Yeltsin and US President Bill Clinton, which ended with Clinton pledging 1.6 billion dollar in US aid and a promise of more to come.

There was quite a lot of talk about how we should respond to Vancouver, one official said Some ministers wanted more to be done so that EC wouldn't look as if it was doing any less than what the United States in doing for Russia.

The ministers decided to make their offer at this stage only to Russia as the biggest and most urgent challenge facing the West in the former Soviet bloc.

## Japan plans to give own aid to Russia

TOKYO, Apr 6: The government's chief spokesman said Monday Japan is planning its own aid to Russia, and reports indicated the amount of new assistance could be several billion dollar, reports AP.

President Clinton called on others in the Group of Seven industrialised nations to give bilateral aid when he announced 1.6 billion dollar in new American grants and loans to Russia at a meeting Sunday with Russian President Boris

Chief government spokesman Yohei Kono told reporters the government aimed to have its aid package

ready by the time the G-7 finance and foreign ministers meet in Tokyo next week.

Kono did not give specifics. But his comment was a new sign that Japan is abandoning its stand that major new aid would be held back until Moscow returns a small group of northern islands that it seized at the end of World War

Yeltsin's recent power struggle with parliamentary foes has raised alarms in the West, and some European leaders have criticized Japan for thinking too much about the islands and not enough about saving Russian democracy.

## America's three big automakers losing ground in Europe

GENEVA, Apr 6: America's Big Three carmakers, whose fortunes differ starkly in Europe, are following widely varying strategies to cope with the dramatically shrinking European market, according to

GM has three new European factories and is concentrating on retooling its existing lineup. Ford is forging ahead in joint production with Japanese and European competitors and has just introduced its first "world car." Chrysler is charging headlong into European production of a single market niche in which dominates at home : the

loans in check.

All this comes in the face of what auto executives agree will be a steep decline in the European car market.

GM Europe President Louis Hughes predicted at the Geneva Auto Show last month that the market will shrink by more than one million cars, or eight per cent, from 13.4 million vehicles in 1992 to 12.3 million this year.

While General Motors Corp. and Ford Motor Co. both suffered the worst two corporate losses ever for US corporations last year, their fortunes couldn't be more different in Europe.

GM Europe, the No. 4 European automaker in market share, made a hefty operating profit of 1.23 billion dollar probably the best of any carmaker on the continent for the year. Its parent, General Motors Corp., lost 23.5 billion dollar in 1992- and all-time record for a US corporation.

Ford Europe lost 1.3 billion dollar as Ford Motor Co. 7.4 billion dollar last year.

racked up record red ink of Chrysler says it doesn't keep strict operating profit and loss records as it sells directly to independent distribu-

tors, but that in nonetheless

made money last year in

All three face a grim outlook for 1993, especially with the lucrative German market plunging by as much as 20 per cent this year. European sales for the first two months of this year were off by 20.6 per cent compared with 1992.

GM Europe produces cars under the Opel name for the continent and as Vauxhalls for Britain. Together they sold 1.61 million cars in 1992, "an eighth consecutive record year and best-ever 12 per cent of the European market." Hughes

Analysts point to other inefficiencies including Ford's two

engineering centers, in Britain and Germany, and last year's 400 million dollar loss from its Jaguar unit.

It is carrying out a major restructuring. Ford Europe President William Fike said in an interview that Ford is eliminating about 8,000 jobs this year, in addition to 2,300 announced last November. "So far, they're voluntary, but we may have to see some mandatories," he said.

Most notable is Ford's gamble this year with its new Mondeo, a four-door designed mostly in Europe but produced simultaneously in Belgium and

Chrysler is banking on the minivan with its return to Europe last year since pulling out of the continent in the carly 1980s as the company teetered on the edge of bankruptcy. Last year in Europe it sold nearly 45,000 vehicles, including 26,000 Voyager minivans it produced at its new factory in Austria.

Although Chrysler doesn't release European profit figures. "You can deduce that they've been very profitable in Europe, both in local production and imports," says DRI's Lawson.

### France govt firm to defend agri interest

LUXEMBOURG, Apr 6 : France's new centre-right government told its EC partners on Monday that they should not expect it to be softer on trade than its socialist predecessor when its spells out a detailed policy in a few weeks' time, reports Reuter. "We are determined to de-

fend the interests of French agriculture," Foreign Minister Alain Juppe told reporters during his first European Community ministerial meet-