

BRIEFS

Imported vehicles sales up in Japan

TOKYO, Apr 10: Imported vehicles sales in Japan rose 32.1 per cent in March as compared with the same period of last year.

Peru criticises US move on aid

LIMA, Peru, Apr 10: President Alberto Fujimori reacted critically Wednesday to reports that President Clinton may scale back aid to Peru to fight its one billion dollar annual cocaine trade.

Gulf Arabs meet on monetary union

ABU DHABI, Apr 10: Gulf Arab central bank governors will meet in Abu Dhabi on Saturday to push ahead with a decades-old plan to unify their monetary policies.

India's oil import likely to fall

NEW DELHI, Apr 10: India's crude oil import is expected to fall one million tonnes in 1993-94, The Economic Times reported Thursday.

Unemployment in Australia drops

SYDNEY, Apr 10: New Data Thursday showing an unexpected drop in Australian unemployment to below 11 per cent and under one million boosted local markets, but analysts warned it was too soon to celebrate.

Kenyan workers threaten to strike

NAIROBI, Apr 10: The Kenyan Central Organisation of Trade Unions (COTU) will stage a nationwide strike early May unless the government increases general wages by 100 per cent.

Brazil to install development centre

BRASILIA, Apr 10: Brazil will install a national software development centre in the state of Sao Paulo to boost its software exports, a senior official said here Thursday.

US may review trade restrictions

MOSCOW, Apr 10: Top US lawmakers promised Boris Yeltsin on Wednesday they would head his plea to review Cold War trade restrictions that hinder the Russian-American partnership proclaimed at last weekend's summit.

Iraqi industries face closure for UN sanctions

AMMAN, Apr 10: Iraq said yesterday its industry was nearly grinding to a halt because of UN sanctions, reports Reuters.

A government minister said thousands of factories were closing or laying off workers, causing soaring unemployment in a country which employed three million foreign workers before the 1991 Gulf War.

Acting Labour and Social Affairs Minister Ummad Madhat Mubarak speaking in Amman, the Jordanian capital, said shortages of spare parts and raw materials caused by the 2-1/2 year-old UN embargo had forced factories to close or scale down their operations and lay off workers.

The Iraqi army aggravated the unemployment situation by discharging tens of thousands of soldiers after being driven out of Kuwait by a US-led alliance in February 1991.

Mubarak blamed the war and the sweeping economic sanctions imposed by the UN Security Council under the Gulf War ceasefire terms for devastating Iraq's economy.

This unjust embargo has badly affected Iraq's industries and the labour force, Mubarak told reporters at a conference of Arab League Labour Ministers.

The activities of our national industries have almost stopped because there are no raw materials and no hard currency to buy spare parts. The situation is worsening day by day, he said.

Medical supplies and humanitarian goods are exempt from sanctions but Baghdad is short of cash to buy them because it has rejected a proposal to let it sell a limited amount of oil under strict UN supervision.

Mubarak did not disclose the number of factories which had closed. He said the Labour Ministry was collecting data to determine the number of unemployed.

A massive post-war rebuilding drive, recently completed water projects and other projects under construction had absorbed some of the unemployed.

But we see that for the first time in Iraq's modern history we have registered a large number of unemployed people, Mubarak said.

Before the crisis we used to import workers in millions because there was a huge need for technicians and labourers, he added.

We had over three million Arab workers, mostly Egyptians and tens of thousands of foreigners who came to work with their companies which carried out huge projects.

Foreign workers were employed to replace millions of Iraqis in clerical, administrative and menial jobs when they were drafted into the army for the 1980-1988 war with Iran.

Some 400,000 Arab workers were still in Iraq, mostly Egyptians and Sudanese, Mubarak said.

Officials and diplomats say crime is on the rise in Iraq because of unemployment soaring and a huge drop in the dinar's purchasing power.

Mubarak said he hoped the Amman meeting, attended by ministers from the 21 members of the Arab League except for Kuwait would raise their voices loud in demanding an end to the unjust sanctions.

IMF staff ends talks on \$ 2.2b loan to India

NEW DELHI, Apr 10: International Monetary Fund (IMF) officials have concluded talks with India's Finance Ministry on the release of a 2.2 billion dollar loan and the possibility of fresh credit, officials said, reports Reuters.

The IMF team was satisfied with India's efforts to meet loan criteria and will submit a report on the week-long talks to the IMF board, Finance Ministry officials said.

About 312 million dollar remain to be released from the 2.2 billion dollar stand by loan.

India is also seeking fresh credit of 7.0 to 9.0 billion dollar under another stand-by loan under the IMF's medium term enhanced fund facility, the officials said.

India wants the new loans to be approved when the stand-by credit runs out in May this year. Talks with the IMF will be continued in Washington in April, the officials said.

Moving trend of Aussie business abroad quicker

CANBERRA, Apr 10: A latest survey has found that the trend to move Australia's traditional manufacturing business abroad, mainly to Asia, has quickened over the past two years, reports Xinhua.

The results of the survey indicated that 21.1 per cent of clothing and footwear companies had relocated abroad.

This was compared with the figure of the 1991 survey, which showed that 13 per cent of companies in this sector had moved abroad.

The survey was conducted by the chamber of manufactures of New South Wales among its 600 members, The Australian newspaper reported today.

The latest survey also found that 13.3 per cent of large companies and 11.3 per cent of medium-to-large firms had moved or were considering moving abroad.

Twenty per cent of the

companies surveyed believed that labour costs was the key reason for their moving or considering moving abroad.

Tariffs changes, infrastructure costs, tax incentives, fewer government regulations and economic conditions were also attributed to the moving trend, according to the survey.

The relocating by companies of their plants abroad has also caused troubles to the labour markets in Australia.

Philip Holt, chambers chief executive, said that the relocating trend has contributed, as a broad measure, between five and 10 per cent of jobs lost in the past two years.

Observers here believe that Australia's sluggish economy over the past two years and booming economic situation in the Asian region are also the key reasons for the Aussie companies to relocate their business abroad, especially to Asia.

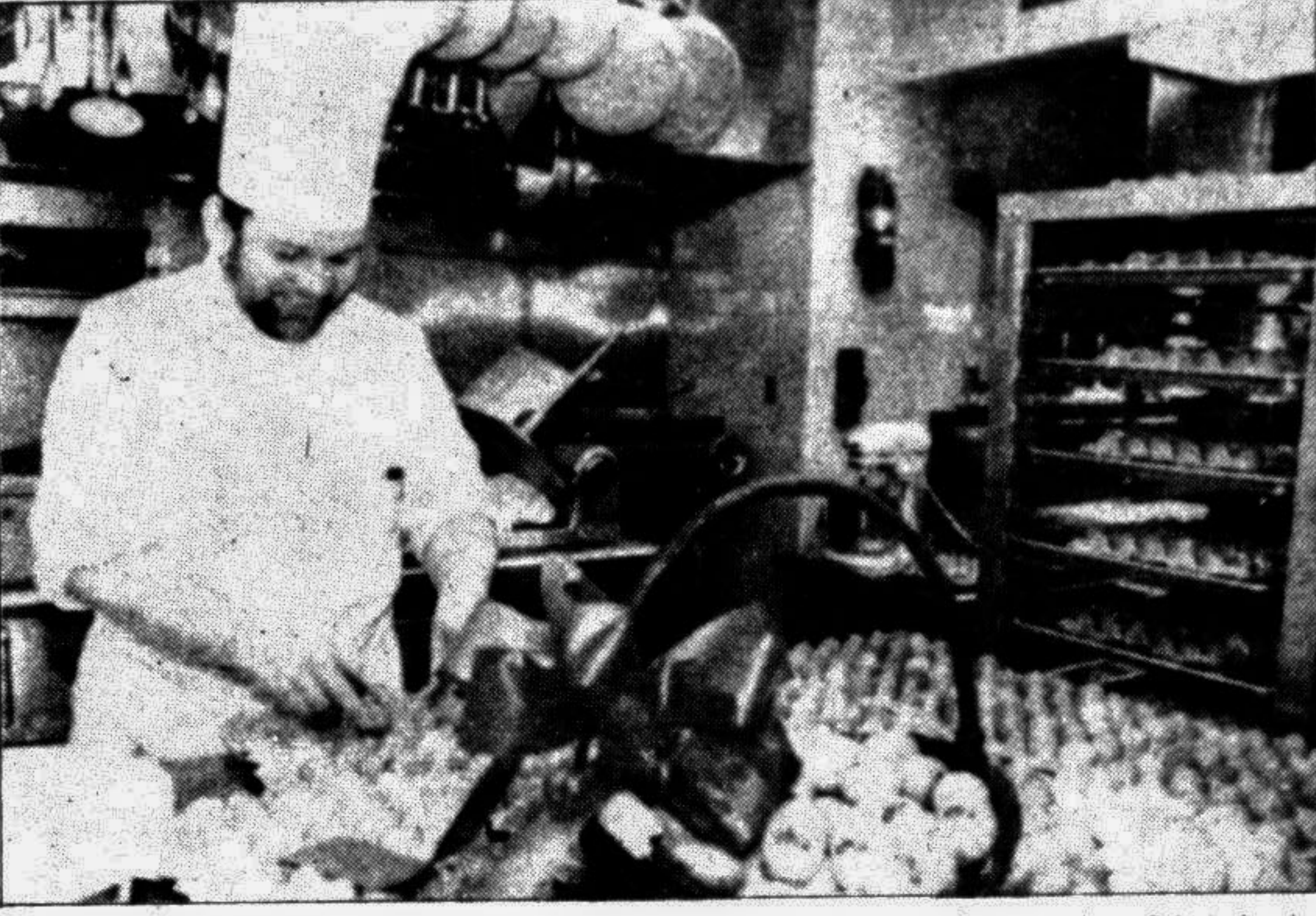
Yugoslavia devalues dinar to fight inflation

BELGRADE (Yugoslavia), Apr 10: Yugoslavia announced a huge devaluation of the dinar against major Western currencies Friday in an effort to prop up its war-shattered economy and fight a monthly inflation rate of 240 per cent, reports AP.

The new exchange rate is 48,000 dinars to a dollar. The old official rate was 750 dinars to a dollar. The devaluation brings the official rate in line with the parallel market rate.

The dinar has grown almost worthless as a result of the Serbian government policy of printing banknotes to finance fighting in Croatia and Bosnia-Herzegovina.

The economy has also been badly hurt by UN trade sanctions imposed last May on Yugoslavia, now comprised of only Serbia and Montenegro. Inflation and unemployment have both spiraled.



Executive chef for the White House Pierre Chanbrin prepares Apr 9 more than 7,000 dyed eggs for the annual Easter Egg Roll. The event is scheduled to take place Apr 12 on the south lawn of the White House. In addition to the thousands of eggs prepared by the chef, there are 30,000 wooden eggs that will be used for the Easter Egg Hunt.

Brazil's textile industry faces worst crisis

BRASILIA, Apr 10: Brazil's textile industry which employs 10 million people is currently undergoing one of the worse crisis in its history, an official said on Wednesday, reports Xinhua.

Marcos Antonio, manager of Brazil's chamber of cotton growers, said at a meeting on textile production that the two most serious problems of the textile industry are the falling production and increasing unemployment.

The textile industry, which used to provide the most job opportunities in Brazil, this year has 200,000 workers unemployed in the state of Parana alone because of the drop in the cotton harvest.

Information from Brazil's chamber of cotton growers show that the fall in cotton production is of great concern, for the country's textile industry.

China Daily for raising interest rates to discourage borrowing

BEIJING, Apr 10: An official Chinese newspaper urged the central bank on Saturday to raise bank interest rates in order to discourage borrowing and reduce inflationary pressure, reports AP.

A commentary in the China Daily said some banks have begun raising interest rates on their own to attract more deposits because of a shortage of capital caused by the nationwide boom in investment and development. Interest rates are supposed to be kept uniform by the central bank.

In an unusually frank criticism of government policy, the paper noted that inflationary pressures have been building and said,

"Plainly, the current policy will only continue to spur borrowings, thus fueling the inflation rate."

The commentary said an unidentified, high-level woman official at the central bank, the People's Bank of China, has campaigned for an interest rate increase, suggesting that the article may have been written with her approval. The People's Bank of China acts on the orders of the State Council, China's cabinet.

China's state-run banking system releases only the most sketchy information about assets and loans, but the government acknowledges that banks issued far more loans in 1992 than were approved.

G-7 nations working out \$30 billion aid package for Russia

WASHINGTON, Apr 10: The United States and six other wealthy nations are working out a 30 billion dollar aid package for Russia geared to stemming inflation and developing private industry in energy, housing and banking, reports AP.

The aid would be on top of the 1.6 billion dollar that President Clinton pledged at his summit meeting last week-end with President Boris Yeltsin.

The precise US share is still being debated within Clinton's administration.

The decision on that share is likely to come from Clinton just before Secretary of State Warren Christopher's departure Monday for Tokyo and meetings with foreign and fi-

nance ministers from Japan, Germany, Britain, France, Italy and Canada.

"We're still working the numbers through," a senior US official told The Associated Press Friday on condition of anonymity. "We'll be discussing the numbers with the others either before the meeting or at the meeting itself."

Treasury Secretary Lloyd Bentsen will fly separately from California for the April 14-15 sessions, which will set the stage for the annual Economic Summit with the six other leading industrial nations. It may be moved forward from July in order to rush aid to Yeltsin.

Last year, the Seven, meeting in Munich, pledged 24 billion dollar to bail out Russia.

About 15.2 billion dollar was actually disbursed, including 2.1 billion dollar from the United States.

In the meantime, Russian inflation has accelerated to nearly one per cent a day.

Last week, Western governments agreed to give Russia more time to pay 2.5 billion dollar in foreign debt. If Moscow adopts the reforms the Clinton administration and its partners will insist on in Tokyo, the International Monetary Fund is likely to resume loans.

A key US proposal for the Tokyo meeting, a US official, who demanded anonymity, is arranging loans for Russia to buy sorely needed equipment to reverse a decline in oil production. Vast untapped

petroleum resources could be a treasure for Russia and a valuable energy supply for Western industries.

Other US proposals due to be unveiled in Tokyo include held in constructing homes for demobilised Russian army officers withdrawn from Eastern Europe and the Baltics, providing experts to direct the setting up of a private banking system and lawyers to develop such legal concepts as property rights.

The housing project is central to the bailout effort. The idea is to have American builders join experts from several other countries, but with the United States taking the lead position in "setting the example" of modern construction, an official said.

US firm plane sale plan to Iran under consideration

WASHINGTON, Apr 10: The US administration is taking a look at the US airline industry's request for plane sales to Iran, the State Department said yesterday, reports Xinhua.

The State Department spokesman Richard Boucher made the statement when asked about a question of the plane sales to Iran at a regular news briefing.

Responding to a question whether it is under reconsideration, Boucher said "I wouldn't say that," but "we are taking a look at it, we haven't made any decisions at this point."

"We know that the companies are interested in making some sales," the spokesman explained. "We are aware of the foreign competition."

Reforms bring Romanian arms industry on verge of total collapse

BUCHAREST, Apr 10: Market reforms have sent Romania's once hi-tech arms industry into a tail spin with the risk that it may collapse altogether with the total loss of some 30,000 jobs, reports AP.

Politicians and military leaders seem powerless to contain the damage to the industry, which has already been forced to shed nearly half its workforce since the anti-communist revolution of 1989.

"The capacity of our military industry, which in 1989 produced nearly 80 per cent of the Romanian army's equipment, has declined dramatically since then," said former prime minister Petre Roman who now heads the parliamentary defence committee.

In an interview with AFP, Roman said the defence budget had been slashed by two-thirds in real terms between 1990 and 1993 and was "not nearly enough to support the industry."

Defence Minister Nicolae Spiroiu also told AFP that in the latter years of communist rule, Romania produced "the full range of portable light arms for infantry including anti-tank grenade launchers, all big guns including certain types of self propelled artillery or rockets, all kinds of armoured vehicles including tanks and transporters, every kind of military vehicle, plus munitions, helicopters, warships and two types of fighter-bomber."

Clinton's tax break unlikely to be enacted: Lawmakers

NEW YORK, Apr 10: Leading lawmakers in both parties are saying the tax break, President Bill Clinton has proposed as the central element in his plan to bolster the US economy and create more jobs, is not likely to be enacted, The New York Times reported in its Saturday editions, reports Reuters.

The newspaper said the proposed tax credit, meant to induce businesses to buy new machinery and equipment, has won little support in congress or in business circles.

Opposition to the measure, which will cost the government about 21 billion dollar in lost revenue over five years, has come from several directions, the paper said.

In his campaign, Clinton offered the investment tax credit as one of the main aspects of his effort to generate more private investment, the newspaper said.

Clinton has maintained the stimulus programme is needed because the economy is recovering so slowly from the recession and relatively few new

jobs are being created.

Two legislators who chair the two influential tax committees in congress - Senator Daniel Moynihan and representative Dan Rostenkowski, both democrats -- are both opposed to the proposal the newspaper said.

It said they oppose the credit because both believe it would open an unnecessary tax loophole. The paper said neither Moynihan nor Rostenkowski knew of much support for the measure in their com-

mittees.

Even those in business who the credit is aimed at are not enthusiastic.

The Private National Association of Manufacturers, which represents the kinds of businesses that are heavy buyers of a machinery and equipment, is opposed to the measure, the report said.

"It is a bad idea that will simply shift investment from the future forward," Jerry Jasinski, the associations President, was quoted as saying.

Coffee drinkers may have to pay more

LONDON, Apr 10: Coffee lovers may have to pay more for their favourite drink now that international talks on ways of stabilising futures market prices have collapsed, reports Reuters.

Retail prices have been generally stable for the past year, but an attempt by the International Coffee Organisation (ICO) to renegotiate an international agreement with price-stabilising powers foundered last week in London after talks bogged down on technical issues.

With no ICO agreement in sight and with coffee growers receiving as little as a quarter of the retail price, commodity analysts say consumers could soon be paying more as low returns hit both quality and quantity. Marketers defend their

margins saying advertising and other costs have risen, but somebody is making a lot of money, said BNI analyst Lawrence Eagles.

"When businesses see an opportunity to increase their profit margin they take it. So when prices go up, they will be passed on to the consumer."

The ICO Executive Director Alexandre Beltrao said in his closing speech that since the suspension of export quotas in July 1989, the cumulative loss to coffee producers was 10 billion dollar.

But these losses have not reached the coffee consumer via price mechanisms, he said.

Prices for 500 grams (17.6 ounces) of ground coffee on supermarket shelves in major European centres varied last week from a low of a local

equivalent of 1.36 dollar in Paris to a high of 4.33 dollar in Bonn. Most were virtually unchanged from a year ago.

The gross margins at the retail level are fairly substantial at 20 to 30 per cent in supermarkets in Europe, said analyst Peter Kettle of commodity house ED and F Man, adding that some prices were distorted by taxes.

Peter Greenhalgh of researcher organisation Landell Mills said: "The roasters have had cost increases elsewhere such as labour and interest rates and it is true that quality is being improved."

In the UK consumers have benefited from lower prices -- the physical price is the same as in 1985 -- and they have benefited in quality by high grade beans being used, said a

spokesman for Nestle UK. The major soluble coffee supplier.

The Nestle spokesman added: "It takes about six months for the price of terminal market coffee to cause any changes on the supermarket shelves. But the apparently huge mark-up on the raw material price of coffees has been noticeable for some time."

A recent ICO report showed that the proportion of the retail price received by the coffee grower had declined between 1985/86 and 1990/91 from 47 per cent to 22 per cent.

The monopolies and mergers commission looked at UK soluble coffee prices (in 1990) and decided after a preliminary investigation there was no evidence. But coffee prices were cut immediately after that, said GNT's Eagles.

US to give Nigeria \$ 3.4m for survival of child

LAGOS, Apr 10: The United States has agreed to provide 3.4 million US dollar to Nigeria to finance its child survival programme, Radio Nigeria reported today, reports Xinhua.

Nigerian Secretary for Health Dr Christopher Okojie and US ambassador to Nigeria William Swing signed an agreement to the effect on Thursday.

Okojie said the agreement is a further testimony of the determination of the US agency for international development to enhance the quality of life in the country.

Taiwan's trade surplus declines by 47.7 pc

TAIPEI, Apr 10: Taiwan's trade surplus dipped 47.7 per cent from a year earlier to 1.35 billion US dollar in the first quarter of this year, government statistics showed Thursday, reports AP.

The trade gap between Taiwan and its largest trading partner the United States narrowed 23.1 per cent to 1.33 billion dollar in favour of the island during the same period, according to Director General of Budget Accounting and Statistics.

The trade surplus with Hong Kong -- the main trans-shipment port for commerce between Taiwan and China -- swelled 37.1 per cent to 3.56 billion dollar from a 4.4 billion dollar two-way commerce.

The trade deficit Taiwan's suffers from its leading supplier Japan expanded 34.2 per cent to 3.39 billion dollar, it said.

Taiwan exported 20.07 billion dollar worth of merchandise in the first quarter of 1993, a 5.1 per cent growth in value. Some 96 per cent of the exports were industrial products.

Some 70.4 per cent of the imports, which grew 13.3 per cent to 18.72 billion dollar in the January-March period, were farm and industrial raw materials.

The United States remained Taiwan's largest market by taking 5.52 billion dollar, or 27.5 per cent, of the island's exports.



File picture dated 1987 shows the Siberian industrial town of Tomsk. An explosion at a nuclear arms plant Apr 6 caused a radioactive cloud which was moving northeast towards the sparsely populated Siberian taiga at a speed of 36 km an hour. The explosion was the worst nuclear accident to occur since the 1986 Chernobyl disaster. (Picture taken during night time with long exposure).