EC criticises Japan for

its global responsibility

# Ford, Chinese firm

to produce parts

BELJING, Apr 25: An official Chinese newspaper said Sunday that the Ford Motor Co, is close to setting up a joint venture for manufacturing auto parts. Ford announced last week that it plans to set up at least six dealerships in China stocked with north American-built vehicles. In March, Ford signed a letter of intent with the Shanghai Automotive Industry Corp to set up a 90million dollar joint venture to produce plastic and trim products. The China Daily newspaper quoted unidentified trade officials as saying that Ford would sign a formal contract soon, reports AP.

#### Shanghai firm seeks foreign shareholder

BEIJING, Apr 25: The Shanghai Metals Exchange is looking for foreign members to share their expertise in futures trading, the official China Daily said Sunday. The newspaper said companies from the United States. Japan, Britain and Germany already have applied for membership, but did not identify them. The exchange opened in May 1992 and handled a total of 117 billion yuan (20.6 billion dollar) in transactions by mid-April 1993. But most trading is in spot wholesale or forward contracts, rather than true futures contracts, the paper said, reports AP.

#### Japan invites Rio members

TOKYO, Apr 25: Japan has invited foreign ministers from Argentina, Chile and Brazil — members of the Rio group - to visit Tokyo next month for talks ahead of this year's summit in Tokyo, Kvodo news service said on Saturday. The Rio group member nations and Japan agreed to step up bilateral communications when former Foreign Minister Michio Watanabe met with his Latin American counterparts last September while he was in New York to attend the United Nations General Assembly, reports Reuter.

### US lays down 3 laws on freezer, AC

WASHINGTON, Apr 25: The government laid down three law Friday on refrigerators and air conditioners: The chemicals that cool them must be recycled to help preserve the Earth's ozone layer. The Environmental Protection Agency decreed that repair workers who service air conditioners and refrigerators, both residential and commercial, must use new equipment to prevent escape of chloroffuorocarbons (CFCs) and other ozone-depleting chemicals, reports AP.

### Cabin crew forgot to disarm doors

APIA, Apr 25: Western Samoa's Polynesian airlines has accidently put out an emergency slide twice in the last fortnight after cabin crew forgot to "disarm doors", an airline source said here Friday. Polynesian, which flies throughout the South Pacific, uses a Boeing 737 and a Boeing 767, like most airlines on landing to 'disarm doors and 'crosscheck.' On take-off the call is "arm doors and crosscheck." The arming refers to the emergency slides, reports AFP.

### Indian scheme to prevent AIDS

NEW DELHI, Apr 25: India has launched a comprehensive scheme for the prevention and control of AIDS in the country with a total cost of 2,226 million rupee (69 million US dollar). Minister for Health and Family Welfare B Shankaranand told the union lower house on Thursday that measures under the programme would include raising the people's awareness of AIDS infection source, promoting blood safety and rational use of blood, reports Xinhua.

#### \$20m Saudi grants to Bosnian Muslims

DUBAI, Apr 25: Saudi Arabia's King Fahd has granted Bosnian Muslims 20 million in humanitarian aid, the staunch political supporter of Muslims in their war with Serbs in Bosnia, reports Reuter.

# BRIEFS China expects to post 13 pc growth

BEIJING, Apr 25: An official report predicted 13-per cent economic growth in China this year, Xinhua news agency said Friday, contradicting for the first time government projections of a lower figure, reports

However, it also predicted publicly for the first time that the purchasing power of the Chinese would decline in The projections, made by

economists at the Chinese Academy of Social Sciences and the government's Statistics Bureau said growth would slow slightly in 1994, to a still very strong 10 per cent.

The government has predicted annual growth in the eight-to-nine per cent range for the next five years.

The experts predicted that even if China's economy slows somewhat next year, it will set the stage for new surges in a growth in the coming years. Last year's growth rate of

## Private sector urged to boost market reforms

TOKYO, Apr 25: The Group of Seven (G-7) and Eastern European nations ended a twoday conference here today after adopting a statement urging their private sectors to cooperate more to boost market reforms in Eastern Europe, reports AFP.

The statement called on the eastern side to make more efforts to promote a better investment climate, while calling on the western side to open its markets to import from the

Western participants in the second East-West conference for ministers of economy, industry and trade were the G-7 nations - Britain, Canada, France, Germany, Italy, Japan and the United States.

The Eastern European nations involved were Belarus, the Czech Republic, Hungary, Kazakhstan, Poland, Russia, Slovakia and Ukraine.

stan's interior finance minister

Farooq Leghari promised

yesterday to pursue the liberal

economic policies of deposed

prime minister Nawaz Sharif

and tackle a yawning budget

three-month government that

will run Pakistan up to elec-

tions on July 14 would be to

control spending and ensure

better revenue collection to

curb the fiscal deficit inherited

Khan sacked Sharif on Sunday,

accusing him of corruption,

economic mismanagement,

favouritism and a lack of trans-

WELLINGTON:-

Zealand Railways, once ranked

as the worst-performing rail

company in the developed

countries, is now one of the

few rail companies in the

world making a profit on pas-

ing up to buy it as the New

Zealand government continues

its policy of selling state cor-

porations. It expects to make

between 300 million NZ dollar

and 400 million NZ dollar

(158 million US dollar-210

million US dollar) from the

travel took off most New

Until the 1960s when air

Private companies are lin-

senger services.

President Ghulam Ishaq

The main policies of his

deficit, reports Reuter.

from Sharif, he said.

128 per cent was the highest since 1988, but sparked widespread fears that China's

economy was overheating. The government's statistics department said Monday that the economy had grown by 1.8 per cent at the end of the first quarter compared to the same period a year earlier, but acknowledged inflationary pres-

Next year, the economists cited by Xinhua predicted, retail prices in China will jump by seven per cent and the overall average cost of living by more than 10 per cent, although incomes are expected to rise only eight per cent.

## Foreign debt

rises to \$69.3b A Reuter report says: China's accumulated foreign debt rose to 69.3 billion dollar at the end of 1992 and is likely to grow further as the country borrows more cash to fund development programmes, a se-nior finance official said.

Qu Youzhang, chief of the Foreign investment Administration at the State Planning Commission, told the official China Daily he saw China borrowing about 50 billion dollar between 1991-95.

"But even so, our debt service ratio will remain below 20 per cent of annual export earnings, the internationallyrecognised safety level", Qu was quoted as saying in Sunday's edition.

Qu did not give a breakdown of China's borrowing or repayment plans between 1991-95, saying only that actual use of new foreign loans would be capped at about 10 billion dollar this year. He said he expected China's

long-and medium-term debt to level out at about 70 billion dollar by the end of 1995.

Workmen begin the clean up operation at the site of massive bomb explosion Apr 24 in

London city. One person was killed and some 34 were injured in the suspected IRA bomb

credit has decreased with the

result that business cannot

function effectively, Leghari

be in a position to achieve our

objectives," he said, adding

that the government would

honour its commitments to

the International Monetary

to keep the deficit to between

6.5 and 6.8 per cent of gross

domestic product, a figure

renegotiated by Sharif's gov-

ernment after it earlier

pledged to the IMF to slash

the deficit to 4.8 per cent in

fiscal 1992/93 (July/Junc), fi-

include the Trans Alpine

Express which runs through

spectacular scenery across the

always run as a government

department until 1982 when it

was corporatised with a board

of directors, including experi-

enced businessmen and

women from the private sec-

tor. But it has remained owned

part of its privatisation policy

- called by its critics "selling

the family silver" - has called

for bidders for the railways.

New Zealand Rail includes Rail

Freight, Rail Passenger and the

Now the government, as

New Zealand Railways was

Southern Alps.

by the state.

nance ministry officials said.

The government would try

Fund (IMF).

"We are confident we will

blast that caused damages estimated to exceed 1.5 billion US dollar.

Interim Pak govt pledges to tackle

growing budget gap

Foreigners enjoy NZ Rly profits

parency in his ambitious pri-

lems with the economy from

our point of view is the deficit

on the fiscal side," Leghari told

record where he has been

spending like a Mogul prince,

the result is the macroecon-

omy has been mismanaged,"

The fiscal deficit had en-

croached on every area of the

economy, fuelling inflation -

which officials say is at least

9.5 per cent and nearing dou-

ble digit figures — foreing a

Zealanders travelled regularly

by train and the railways had a

staff of over 20,000. But con-

ditions for passengers were far

there were no dining cars and

travellers had to get out at

regular stops to join the

scramble for tea in thick cups

(anyone who asked for coffee

was considered elitist), sand-

wiches and pies in "refresh-

trains with comfortable seats.

buffet cars, hostesses and

stewards have been put on

some of the routes increasingly

popular with tourists. These

More recently, special

Because of the narrow gauge

"As the deficit has enlarged,

"Given Nawaz Sharif's track

"The most important prob-

vatisation programme.

a news conference.

Leghari said.

credit squeeze.

from luxurious.

ment rooms.

China's foreign debt in 1991 rose by 15.2 per cent to reach 60.56 billion dollar

The 1992 figure of 69.3 billion dollar, a 14.4 per cent risc over the previous year, is made up of 58.5 billion dollar in long and medium-term debt and 10.8 billion dollar in shortterm debt, Qu was quoted as

He said China could now afford to borrow more because of the high growth in its export income and rocketing overscas investment in the country.

Official planners now expect China to absorb 35 billion dollar in direct overseas in vestment between 1991-95. 10 billion dollar more than was originally forecast, the China

China received 11.6 billion dollar in direct overscas investment in 1992, surpassing total overseas borrowing by about 8.7 billion dollar, the newspaper added.

"Moreover, China's ability to service its debt has been bolstered by speedy development

- AFP/UNB photo

Leghari said the interim

government, while honouring

all contractual commitments.

would review all projects in

the pipeline in light of the

Finance Ministry officials

did not rule out the signing of

new contracts in vital sectors

but said those not considered

high priority could be put on

Leghari reiterated a com-

mitment to allow Pakistanis to

hold foreign currency accounts

and said reserves stood at

about 730 million dollar or suf-

ficient for three and a half

Interisland Line which oper-

ates ferries across Cook Strait.

the strait between the North

and South Islands, the coun-

The company carries about

90 per cent of New Zealand's

exports, making its exposure

to the recovering export sec-

tor attractive to transport op-

South Island are opposed to

the Cook Strait ferries remain-

ing part of New Zealand Rail.

They argue they should be split

off to help lower freight rates

and encourage more competi-

-Depthnews Asia

Some manufacturers in the

try's two main islands.

crators.

weeks of imports.

deficit.

of the country's foreign trade, which grew by 22.1 per cent in 1992 over the previous

year," the China Daily said. China's foreign exchange reserves now stand at about 45 billion dollar

Seeking to boost its appeal to international lenders, China is now setting up a special emergency fund to guarantee on - time repayment to foreign loans, the China Daily

China is now in the middle of a peak repayment period.

The fund, to be drawn primartly form the export in comes of local enterprises, is now being run on a trial basis in several areas and is aimed at preventing a debt crisis" even if the burden of repay ment piles up in the next few years," it said.

"We believe China is in a good position to attract more foreign loans in the future," Qu was quoted as saying.

## Oman, US firm to market oil

MANAMA (Bahrain), Apr 25: Oman and the US Caltex Petroleum Corp have reached a preliminary agreement to pursue refining and marketing oil in Asia, the official Omani News Agency reported Saturday, says AP.

in Asia

Oman's Oil Minister Saeed al-Shanfari was quoted by the agency as saying that the first step in the alliance is formation of a jointly owned company in Thailand to set up a refinery at a cost of 1.9 billion

The refinery is expected to produce around 130,000 bar rels per day, he was quoted as saying by the agency, mont tored in Bahrain.

"This new strategic alliance represents an important expansion of the already significant ties between the Sultanate and Caltex in the oil refining industry." he added.

Oman and Caltex would own an indirect 64 per cent share in the refinery through CXO, a company registered in Bermuda. Caltex owns 60 per cent of CXO and Muscat's stateowned Oman Otl Co has a stake of 40 per cent, the agency

## Mass rally against cancellation of wage contracts in Germany

LEIPZIG (Germany), Apr 25: Nearly 200,000 people throughout the country took part in mass protests baturday against cancellation of metalworkers' wage contracts agreed upon for eastern Germany, union officials said, reports AP.

The protests follow several weeks of temporary strikes lasting up to several hours a day by metalworkers in eastern Germany, in an effort to force employers to stick to 26 per cent pay hikes agreed to two years ago to bring them in line with western German wages.

Employers have abrogated the original agreement and instead offered nine per cent pay increases, citing sluggish economic conditions and dim sales prospects. The offer is equal to the predicted inflation rate for eastern Germany this

In Leipzig, where 60,000 people gathered, the head of the powerful IG Metall metal workers union, Franz Steinkuchler, charged employers with a breach of trust for canceling the wage agreement saying it endangered wage contracts throughout the country.

# Apr 25: Japan is failing to take on global responsibilities to

match its economic might, the European Community's executive commission said in a report to EC foreign minister meeting here, says Reuter. A confidential briefing paper on EC-US relations said Japan shared responsibility with the EC and the United

MIDDELFART (Denmark),

States to help revive the world economy, promote global trade and reduce the volatility of exchange rates. "The two partners .... ought to try to cooperate with Japan to guarantee that the latter plays a role in the world economy and in international

EC foreign ministers were meeting at Hindsgavl Castle,

document said.

commercial relations to match

the economic and financial

power of the country," the

on a Danish Island, to discuss how to end the bloodshed in former Yugoslavia. A copy of the commission's briefing paper on EC-US relations, a secondary theme at the meeting,

was obtained by Reuters. The commission said EC-US ties should be viewed in a geopolitical context, where 80 per cent of the world population have practically no economic or political power and where Japan only assumes a limited part of global responsibility compared to the level of its economic and financial

It said that the EC and the United States should work to reinforce cooperation within the group of seven industrialised nations - especially to obtain greater monetary stability. Japan is a member of the

# US restarts business in Vietnam after 18 yrs

HANOI, Apr 25: American business returned to Vietnam this weekend with almost as much of a bang as when it left 18 years ago, reports AFP.

The consulting firm Vatico inaugurated the first official representative office of a US company here Saturday night with a deafening blaze of fireworks and an American-style open-house party.

"Why not ?" said Vatico President James Rockwell. when asked why he took out newspaper ads inviting all comers to attend, instead of restricting the guest list to the usual senior officials, businessmen and diplomats.

"We had three ministers, seven ambassadors and a taxi driver here tonight. That's great stuff, " he said.

Former Vietnamese Foreign Minister Nguyen Co Thach, who nearly negotiated normal ization with the United States after the Vietnam war, was among the guests.

American companies have been lining up to open rep offices in Vietnam since December, when then - President George Bush gave the green light in response to Hanoi's increased cooperation in accounting for US mission-in-

But unlike their Asian and European competitors, American companies will not be able to implement the contracts they sign until the longstanding US embargo against communist-ruled Vietnam is fully lifted.

## Japan wants freer trade in food items except rice any change to Japan's ban on

TOKYO, Apr 25 : Defying strong domestic opposition, rice imports. Japan's Agriculture Minister ples was different because welcomed yesterday the import of New Zealand apples Japan had to remain self-suffiand said he wanted freer trade cient in the staple food for sein food products, except rice, reports Reuter.

Masami Tanabu told a news conference that Japanese apple farmers would suffer as a than rice)," he said. result of the cheaper imports but consumers would benefit.

"It is good to have more varietics of prices so that people eat more often than they used to," Tanabu said. "High-quality Japanese apples will continue to attract consumers."

In theory, rice imports would have the same effect, as foreign rice imports should lead to lower prices for Japan's staple food.

curity reasons. "I want to see more liberalisation in other raw and processed food markets (other

He said the import of ap-

New Zealand apples are expected to be on sale here as soon as the farm ministry agrees that Wellington has cleared Japan's strict quarantine regulations.

Farmers from Aomori prefecture, who produce half of Japan's apples, have fought a noisy campaign against the New Zealand imports, arguing that they carry pest moth and a rivus that would threaten apples grown in Japan.

## However, Tanabu ruled out Russian central bank for rationed role of foreign banks

MOSCOW, Apr 25: Russia's central bank, which favours a gradualist approach towards economic reforms, believes the presence of foreign banks in the country should be rationed, Deputy Chairman Alexander Khandruyev said yesterday, reports Reuter. "As far as foreign banks are

concerned, their presence here is desirable but the central bank stands for a rationed participation of foreign banks in Russia," he told an international banking meeting in St Petersburg.

The central bank is controlled by the conservative parliament, where many hardliners are edgy about a western presence. They worry that Russians might be squeezed out of their own markets. The bank recently slapped a

serious of restrictions on foreign banks, saying they would be given full banking licences depending on criteria such as "geographical origin," ties between Russia and their home countries and debt ratings.

It said foreign banks could open only one branch in addition to the head office and it capped the total shareholdings of foreign banks at 12 per cent of total equity of all Russian

## German interest rate cut, good sign of UK economy boost gold price cocoa grinding in Holland

LONDON, Apr 25: The unexpected cut in German interest rates and a series of positive indicators on the British economy boosted inflation fears and pushed gold prices higher this week, reports AFP.

Several central European banks took the opportunity provided by the Bundesbank and cut their rates after the German bank cut the discount rate one quarter point to 7.25 per cent and the lombard rate down half a point to 8.5 per

The relaxation of tension in South Africa limited the gains among the precious metals, however and platinum and silver fell after rising early in the week following the demonstrations surrounding the death of black leader Chris

Brent, the reference North Sea oil, traded in a narrow band but remained below 19 dollar a barrel with dealers waiting for the statistics on OPEC production in April.

The OPEC countries agreed last week to curb their production, keeping to levels set in an earlier agreement, but their analysts remained sceptical

over the outcome. On the London Metal Exchange (LME), copper price stopped falling toward the end of the week but only after dropping to a 14-month low, having fallen 23 per cent since February because of mounting stock levels.

Aluminium price continued to weaken, pushed lower on unease over the continuing high levels of exports from the Commonwealth Independent States (CIS).

Gold: Firm. The price of gold rose above 340 dollar per ounce, reaching its highest level for six months, boosted by buying from Australian and Japanese producers reacting to the strength of the yen against the dollar.

The price was also pushed higher by the unexpected cut in German interest rates which raised fears of inflation, making gold a more attractive investment, and by the heightened hopes of a recovery in industrial demand.

Platinum: Lower, after a firm start. After the tensions in South Africa briefly pushed platinum to its highest level

since August 1992 at the start of the week, the metal's price fell on profit-taking.

Silver: Unchanged after a firm start. The price of silver rose at the start of the week to its highest level since July 1992 but fell back as platinum price eased and profit-taking

According to Dennis Wheeler, Chairman of the US mining group Coeur D'alene Mins, silver demand will pass the 100,000 ounce level this year pushing prices higher, though the high level of existing stocks will slow the climb,

Copper: Lower but steadying. Copper's price fell in trading at the start of the week before halting its slide on Wednesday and Thursday as analysts said the sell-off had "Gone too far".

The metal's price fell sharply on Monday and Tuesday with the pound sterling contract reaching its lowand-a half-year low.

week in uneven and largely di-

est point for 14 months and the dollar price down to a five-Lead: Slightly lower. Lead late producers. Price dropped slightly over the

rectionless trading as little news emerged to give much order to the market. LME lead stocks rose 1,725

tonnes to the record high of

249,700 tonnes. Zinc: Steady. Zinc price fell slightly at the start of the week before bouncing back to last week's levels in the course of

Zinc stocks on the LME rose 10,825 tonnes to the record high of 602,175

coffee fall again after its brief rally the week before, down in the face of poor demand and the continuing growth of world stocks and exports. Prices were also depressed

Coffee: Weak. The price of

on news of a Brazilian government officials denial of rumours that Brazil was looking for a meeting with other producer countries on ways of improving prices. Cocoa: Lower. The price of

cocoa, quoted in pounds, was European commission would affected by the strengthening decide to put the Blair house of the pound sterling and a fall agreement, concluded with off in demand from the chocothe United States in November, to the vote, forcing The market was unaffected France to react and use its disappointing figures for

profit-taking, was sent higher by hopes of renewed buying from the Commonwealth of Independent States (CIS) and a reduction in South African and Thai supplies. Prices rose by close to 50

which rose 0.49 per cent in

the first quarter of 1993

against the same period last

year and up 4.74 per cent on

sugar, which slipped slightly in

recent weeks after some

Sugar: Higher. The price of

the last quarter of 1992.

per cent in the first quarter on fears of a shortage and fell back at the start of April when the feared shortage failed to materialise. Vegetable oil: Lower. The

price of vegetable oil fell ahead of the meeting of EC foreign ministers in Brussels on May 10 and with unease over the tensions between the EC countries over the agriculture issue. The dealers feared that the

Oil: Steady. The price of oil was largely steady, moving less than 30 cent in any direction all week, but below 19 dollar a barrel ahead of the release of the OPCE production figures for April.

At an informal OPEC meeting in Muscat, Oman, the week beforehand, OPEC members agreed to enforce a tighter restriction of their production but analysts remained sceptical ahead of the confirmation.

Rubber: Weak. The price of natural rubber continue to fall, depressed by the strengthening of the pound sterling and the fall-off of industrial activity

However, increased buying from the United States at the end of the week and the sentiment that the stock regulator, the International Natural Rubber Organisation (INRO), was about to intervene, stabilised prices later on.

Grains: Firm. The price of wheat and barley remained firm, encouraged by signs of a resumption in Russian buying and a gift of 149,000 tonnes of US wheat to Georgia, valued at 19 million dollar

The grains were

mates from research group Coceral, which said the EC's output would drop in 1993/94 to between 155 and 160 million tonnes against the 167 million tonnes expected this

Tea: Lower. The average price at the weekly London tea auctions fell to 115 pence/kilo from 120 pence for middle grade tea and to 90 from 92 pence/kilo for lower grade tea. However, higher grade tea

improved and price rose to 160 from 155 pence/kilo. The prices, now back to the level as they held last July are still falling but at a slower rate and should soon stabilise at the

Cotton: Slightly higher. The market was boosted by signs of a cut in world out put but the rise was limited by the rise in the value of sterling and the existing high level of stocks.

lower levels, analysts said

According to the Australian government's estimates, its cotton harvest is likely to fall to 1.57 million bales in 1992/93 because of a severe drought, down from 2.2 mil-

lion bales last year

to food, medical supplies and other relief. The desert kingdom, the world's largest oil exporter, has been a

Saudi Press Agency (SPA) said on Saturday night. Saudi Arabia has so far granted Bosnian Muslims more than 80 million in aid in addition

boosted by the release of esti-