

BRIEFS

Oman, UAE to set up investment body

ABU DHABI, May 3: Oman and the United Arab Emirates have agreed to set up a joint investment body to boost economic development in the two Gulf states, the Oman news agency, monitored here, reported yesterday. The agreement was signed yesterday by Oman's Minister of Trade and Industry, Maqbul bin Ali Sultan, and UAE Minister of Economy and Commerce Saeed Ghabash. The body, Oman-Emirates Investment Company, will have a capital of 30 million Oman rial (76 million US dollar), reports Xinhua.

Iraq owes Egypt \$300m for imports

ABU DHABI, May 3: Egypt lost more than 300 million dollar in unpaid exports to Iraq and is making contacts to recover the money, an Egyptian official was quoted on Sunday as saying. The goods were exported before Iraq's 1990 invasion of Kuwait, the Secretary General of the Egyptian Chambers of Commerce Federation, Mustafa Zaki, told the United Arab Emirates daily Al-Ittihad. "The total losses of Egyptian exporters to Iraq exceed 300 million dollar as it has not paid back due to the economic sanctions imposed by the United Nations," he said, reports AFP.

Kenyan trade unionists arrested

NAIROBI, May 3: Two senior trade unionists were arrested hours after they urged workers on May Day to stage a general strike this week, newspapers reported Sunday. Joseph Mugalla, Secretary General of the Central Organisation of Trade Unions, and James Bolo, head of the Kenya Leather and Shoe Workers' Union, were arrested late Saturday. The central organisation groups all trade unions in the East African nation. Mugalla told a May Day rally in Nairobi to begin the strike at midnight Sunday and to beat up colleagues who ignored the strike call, reports AFP.

China boosts int'l telecom

URUMQI, May 3: China has made great strides in promoting international telecommunications, according to a recent Asian and European Land Optic-Fiber Conference held in this capital of northwest China's Xinjiang Uygur autonomous region. To date, China has opened some 15,680 international telecommunications lines through Beijing, Shanghai and Guangzhou. 876 domestic cities have entered the international telecommunications network, says a Xinhua report.

Spore investment team to visit China

SINGAPORE, May 3: An investment mission from Singapore's precision engineering sector is scheduled to embark on a 10-day visit to northern China on Tuesday, the Trade Development Board (TDB) has announced. Singapore companies in the precision engineering sector should seize the opportunities China's electronics sector offers," said Lim Tow Cheng, TDB Manager for Export Development of the electronics industry, says an AFP report.

Indonesia to build more palm oil plants

JAKARTA, May 3: Forty-one more palm oil processing plants will be built in Indonesia this year to raise the country's capacity of palm oil processing. In 1992, the total capacity of the 127 existing palm oil processing plants reached 4,568 tons of kernels per hour. Indonesia's palm oil cultivated area covered 1.47 million hectares, says Xinhua.

Aircraft builders eying Hanot's market

HANOI, May 3: The world's largest aircraft manufacturers are beating a path to the door of Vietnam Airlines, and a look at the carrier's shopping list shows why. The Vietnamese national carrier wants to buy eight long-haul jets in 1994 and then keep increasing its fleet by half during each of the next five years, said Luong Hoa Nam, Director of Fleet Development. International air traffic in and out of Vietnam has exploded over the past 18 months, while the US trade embargo has kept modern aircraft out of Vietnam's reach, reports AFP.

Third World urged to continue reforms to attract more private investments

WASHINGTON, May 3: High-level finance officials from rich and poor countries Sunday urged developing countries to move ahead with economic reforms that would help attract increased private investment and offset scarcer official aid, reports AFP.

The Joint Development Committee of the International Monetary Fund (IMF) and the World Bank proposed a catalogue of policy actions by governments and international institutions to boost the number of countries targeted by overseas investors "as quickly as possible".

In the light of the recent stagnation of ODA flows, despite increased needs, the panel asked donor countries "to do their best to increase their aid as circumstances permit, particularly where it still falls short of 0.7 per cent of GNP".

The average ratio for the 22 top industrial donors at present is about 0.35 per cent, with the United States at less than 0.2 per cent of GNP, development officials attending

the 24-nation panel said in a communique.

It stressed the "complementary" but "crucial" role of private foreign flows and Official Development Assistance (ODA) and recognised that for poorer countries and those at present unable to attract private capital, ODA remains "essential".

The committee strongly urged the donors to ratify without delay the recent agreement to replenish the World Bank's soft-loan affiliate, the International Development Association (IDA), main source of external finance for the poorest nations.

It also asked the IMF to complete by next November its work on a successor to EASAF (Enhanced Structural Adjust-

ment Facility) which provides

balance of payments support on soft terms for these countries.

The panel — composed of finance and development ministers of industrial and developing countries — said foreign direct investment (FDI) was "the most valuable form of private external finance".

It was associated with access to technical knowhow, Managerial expertise and wider markets in the West.

Against this background, it voted "increasing concern" about the continued delays and "risk of breakdown" in the Uruguay Round of trade negotiations in Geneva.

A failure could entail "a downward spiral of increasing protectionism" and narrow the markets for goods from developing countries, reducing

their incentive to liberalise their economies.

Although FDI in developing countries nearly doubled to around 20 billion dollar in the 1980s, private flows were concentrated in a small number of countries.

Nearly half want to Brazil, China, Hong Kong, Mexico and Singapore, and a dozen Latin American and East Asian countries accounted for about three-quarters of the total, financial experts said.

The committee recognised this, but told Third World governments at large to do what was needed to create conditions attractive to foreign investors including a stable political climate, sound economic management and a "legal and institutional framework which encourages investment without discrimination".

China expects bumper harvest this year

BEIJING, May 3: China is expecting a bumper harvest this summer, barring any major natural disasters in the next two months, an official newspaper said Monday, reports AP.

A report from the State Statistics Bureau said this year's output will likely match last year's 440 million tons, even though farm acreage has decreased by one per cent, according to the China Daily.

China has been experiencing bumper grain harvests for the last three years. Stock piles are unusually high, with about 50 million tons in storage now, according to the official Xinhua News Agency.

Dollar falls against major European units

LONDON, May 3: The US dollar fell against other major currencies in early European trading Monday. Gold prices rose, reports AP.

Financial markets were closed in Britain for a Bank Holiday. Markets were also closed until Thursday in Japan for a series of national holidays.

Dollar rates in continental European on Monday compared with late Friday's London rates:

1.5855 German mark, down from 1.5880

1.4325 Swiss franc, down from 1.4335

Pakistan to export cement plant to Kazakhstan

ISLAMABAD, May 3: Pakistan will supply a dry process cement plant with a capacity of 1000 to 2000 tons per day to Kazakhstan under an agreement signed recently between the two countries, according to official sources here Monday, reports Xinhua.

Certain loans will not go forward unless macroeconomic programmes are in place, World Bank President Lewis Preston said at a press conference here today after the closing of the spring meeting of the World Bank and the International Monetary Fund (IMF).

The resolution of political and social crises will have significant bearing on what actually goes out, the President



MANILA: Squatters pick up scrap materials from piles of garbage dumped at Manila's dumpsite April 30. President Fidel Ramos ordered on May 1 the closure and levelling to turn the huge dumpsite into a low-cost housing project. About 20,000 people make a living by scavenging at the 40 year old dumpsite known on Smokey Mountain which has become the symbol of Philippine poverty.

Brazilian President Franco's economic plan under attack

RIO DE JANEIRO, May 3: The economic plan unveiled by President Itamar Franco this week is full of good intentions, but contains no concrete measures to bring down an inflation rate of more than 25 per cent a month, reports AFP.

Franco has been under fire from the leftwing opposition and the press for "indecisiveness" and "passivity" in the face of the country's economic troubles since taking office seven months ago, but when he finally unveiled a plan last week it set out two apparently contradictory strategies.

It calls for an economic stimulus effort involving the injection of eight billion dollar into the economy while bringing inflation down to 17 per cent a month by December.

But it does not offer any real solution, analysts here say, either to the inflation problem or to the other major issue for the Brazilian economy, the country's foreign debt, which will no doubt have to be rescheduled yet again.

Conservative economists immediately attacked the package as likely to lead to hyperinflation, but businessmen here who have suffered the effects of six austerity plans in seven years which have achieved little visible result welcomed its laissez-faire aspects.

Russia must deal with economic problems to get loans : WB

WASHINGTON, May 3: The World Bank said here today that Russia must try its best to deal with its economic problems, especially inflation, in order to get loans from the world US lending institutions, reports Xinhua.

The bank President said two thirds of the 28 billion US dollar of loan promised by the seven industrial nations two weeks ago in Tokyo.

Preston also said that a lot of preparation has been going on in Russia's market transformation effort.

He said that while over the next 18 months four billion dollar of loan from the World Bank will be delivered to Moscow, the loans promised by the World Bank and the international community are in commitments, not in disbursement.

Clinton's health care plan may cost extra \$150 b

NEW YORK, May 3: President Clinton's health-care plan may cost 100 billion dollar to 150 billion dollar a year in new public and private spending by the government, business and consumers, a newspaper reported Monday, according to AP.

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