

BRIEFS

OECD forecasts fall in Dutch economy

PARIS, May 4: The Dutch economy, clad with a strong growth and low interest rates, is likely to shiver this year as GDP growth declines to less than one per cent mainly because of a downturn in Germany, the OECD forecast on Monday. In line with most of Europe, the Dutch economy was weakening from growth of Gross Domestic Product (GDP) of 1.6 per cent last year to probably about 0.8 per cent in 1993. But it would rebound to "around two per cent in 1994 in line with the international recovery," says AFP.

Iraq imposes heavy tax on foreign travel

BAGHDAD, May 4: Iraq has imposed a heavy tax to curb travel abroad as part of moves to halt the collapse of its currency against the dollar, a government daily announced here. Al-Jumhuriya said that government had introduced a tax of 15,000 dinar (45,000 dollar at the official rate) for foreign travel. The tax aims to limit travel and cut demand for the dollar, which trades for more than 50 dinar on the black market compared to the official rate of three dollar to the dinar, reports AFP.

US-Russia discuss food aid details

WASHINGTON, May 4: The US Agricultural Department outlined details of the 700-million-dollar food aid package promised Russia at the Vancouver Summit, including a US-Russian agreement to share transportation costs. Washington and Moscow agreed over the weekend to share transportation costs after Russian complained about the high cost of shipping the goods in US flagged ships. Seventy five per cent of goods must be carried on US-flagged ships under US Cargo Preference rules, reports AFP.

Lebanese PM visits Oman for aid talks

ABU DHABI, May 4: Lebanese Prime Minister Rafik al Hariri arrived in Muscat, Oman yesterday on a visit as part of his Gulf tour to seek financial aid for his country's reconstruction. This was the third leg of Al Hariri's four-nation Gulf tour designed to make sure that the oil-rich states keep their promise to help Lebanon recover from the 1975-1990 civil war, which caused damages up to 25 billion US dollar. Al-Hariri has also visited the United Arab Emirates and Bahrain, reports Xinhua.

China's 1st quarter tax revenue up

BEIJING, May 4: The Chinese government said Tuesday its industrial and commercial tax revenues rose 11.4 per cent in the first quarter of the year, reflecting the economy's dynamic growth. The official newspaper China Daily said revenues from value-added, business, sales and other non-personal taxes totalled 62.3 billion yuan (10.9 billion dollar), up 6.4 billion yuan (1.1 billion dollar) from the first quarter of 1992. The sharpest growth was in taxes from foreign-funded companies, which increased nearly 60 per cent to 3.5 billion yuan (616 million dollar), reports AP.

ADB admits Tuvalu as 54th member

MANILA, May 4: The Asian Development Bank (ADB) has admitted the tiny Pacific island nation of Tuvalu as its 54th member, officials announced here Tuesday as the lending institution began its 26th and annual meeting. Tuvalu, a nation of 8,000 formerly known as the Ellis Islands, qualified as a borrower country on the eve of the meeting after completing all formalities, including the first instalment of its subscription to ADB capital stock, says AFP.

Tourism in Nepal up by 14.1 pc

KATHMANDU, May 4: Tourism in Nepal climbed 14.1 per cent in 1992 from 1991, an official of the Ministry of Tourism and Civil Aviation said. He said 334,353 tourists visited Nepal last year, with Indians accounting for nearly one third of the total. The next largest group was the British, followed by Germans, French, Americans and Scandinavians. Visitors to Nepal in 1992 stayed an average of 14 days, compared with 12 days a year earlier, the official said, says AFP.

Lanka to continue Premadasa's economic policies

COLOMBO, May 4: Sri Lanka's acting president Dingiri Banda Wijetunga Monday vowed to continue with the economic policies of his slain predecessor Ransinghe Premadasa as foreign investors nervously watched the country's political vacuum, reports AFP.

Wijetunga, 71, who is almost certain to be confirmed as head of state for the 19 months remaining on Premadasa's term in office, said there will be no change in the current fiscal policies.

"I am aware that a certain amount of concern exists in the minds of the business community both national and foreign regarding the future of our economic policies."

"I take this opportunity to assure that there will be no change in the prudent fiscal policy of reducing our budget deficits and the stable micro-economic policy," Wijetunga said in a statement.

His remarks came as investors adopted a wait-and-see policy at Colombo's tiny stock exchange when trading opened for the first time since Saturday's assassination of Premadasa by a suspected Tamil Tiger suicide bomber.

The country's investment approving agency, the Board of Investment (BOI) said it will have to "redouble" promotional activities to attract greater foreign interest in the economy after the Premadasa slaying.

"Some people may postpone their investment decisions... we will have to redouble our efforts. That is what we are doing now," BOI's Investment Promotion Director HB Masinghe said.

He was optimistic that Premadasa's murder, which came just eight days after the assassination of his main political rival Lalith Athulthudali, would not deter potential investors in the long term.

Premadasa "was a fantastic

monitoring man," following development meticulously to ensure his comments were implemented, Masinghe said.

"We have strong institutions so we will move forward. We

12.5 million rupee (250,000 dollar) with the indices dropping about six points.

"There is no panic selling but everyone is adopting a wait-and-see approach. Foreign

Shri Lanka At a Glance table with columns for Population, Life expectancy, Adult literacy rate, etc.

cannot go back," Masinghe said, noting that the BOI had been directly responsible to Premadasa who had elevated its status from a mere government department.

Trading fell at the Colombo stock exchange where turnover dropped by a third to

interest was very little and only a few small parcels changed hands in the morning," CSE manager Ravi Peiris said.

He said the silver lining was a bid from a "big foreign player" for a controlling interest in Hotel Services Ltd. the

owning company of the deluxe Hotel Inter Continental which had no takers for quite some time.

Industries Minister and cabinet spokesman Ranil Wickremesinghe has said he hoped "things should settle down in about two weeks" and assured that the new administration would continue the policies of Premadasa.

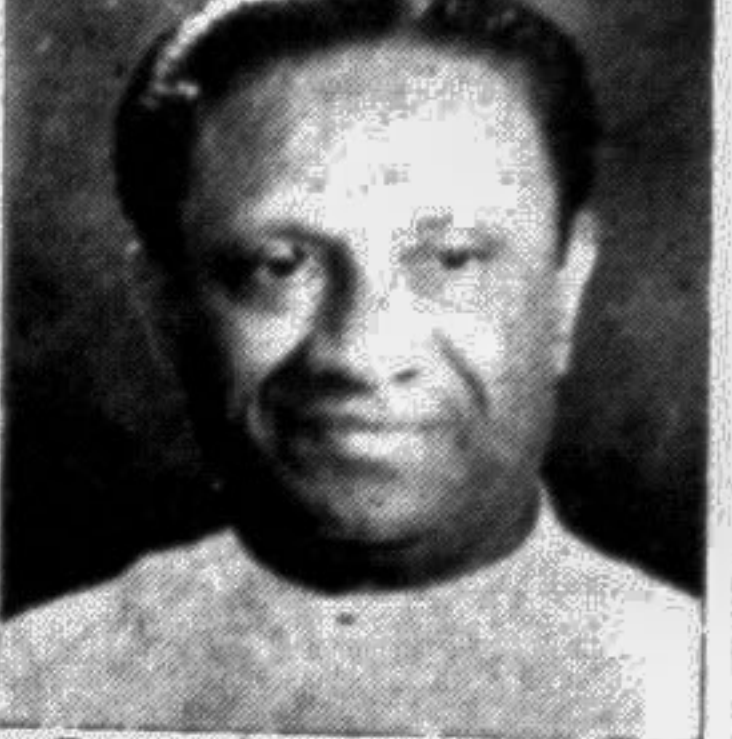
"We have shown that despite our serious problems we have been able to prevent a breakdown," Wickremesinghe said Sunday. The capital is under tight security and was brought under curfew twice in three days to prevent rioting.

The slaying has plunged the ruling United National Party into a serious leadership crisis and Wijetunga is considered a non-controversial compromise unlikely to match Premadasa's dynamism.

Sri Lanka's parliament is due to meet Tuesday to set a timetable to receive nomina-

tions from parliamentarians to elect a new head of state within a week. The ruling party has already decided on Wijetunga for the presidency.

"The UNP is bankrupt. There is no one as dynamic as



Premadasa: "fantastic monitoring man." Premadasa to replace him. The government will lack direction and this will make investors jittery," a financial analyst said.

US official defends energy taxes

SINGAPORE, May 4: A senior American official replied Tuesday to criticism of proposed energy taxes, saying their aim was to fight budget deficits and pollution, reports AP.

Richard H Williamson, US Deputy Assistant Secretary of Energy for International Affairs, also told oil-supplying nations: "We do not believe that import levels will drop precipitously, but we are trying to curb their growth."

He said the Clinton administration hoped to reduce dependence on imported oil.

On Monday, Kuwaiti Oil Minister Ali Ahmed Al-Baghlil, speaking at the same conference of oil and money, criticized proposed taxes on oil and energy.

Al-Baghlil said such taxes would mean lower sales of oil and other energy products.

Israel, India sign joint venture accord

NEW DELHI, May 4: Gadot Petrochemical Industries Ltd, one of Israel's leading manufacturer and exporter of petrochemicals and food additives, has reached an agreement with an Indian company to set up manufacturing facility in India for citric acid, reports Xinhua.

This is a very exciting beginning for the fast growth on Indo-Israeli business relation considering the fact that the present visit is the first by an official delegation of Israeli businessmen to India. Yoram Blozovsky, Director General of Manufacturers Association of Israel was quoted by local press as saying.

He said that the two countries have the potential to grow very fast in doing business together as Israel has free trade, and free quota status with the United States and the European Community. Besides, it is also very strong in high technology.



HONG KONG: Jolia Kourotchkina, the reigning Miss World, stands tall as she poses for a picture with Indian schoolgirls in Hong Kong May 3 during her first ever visit to Asia. The Russian beauty is en route to Shenzhen, China, to attend this weekend's Miss Oriental pageant.

China issues regulations on stock, trading

BEIJING, May 4: China has issued its first national regulations on stock issues and trading, unifying operations on the nation's two fledgling stock markets, officials said Tuesday, reports AP.

The State Council, or Cabinet, issued the provisional regulations on April 22, but the official media did not announce them until Tuesday.

Officials at the China Securities Regulatory Commission said the regulations will form the basis for a securities law that is now being written.

Previously, the only regulations on stock market operations were written by local officials in Shanghai and Shenzhen, where China's two stock markets are located.

But the two sets of regulations differed from each other in many ways, including the procedures a company must follow for its shares to be listed on the exchange.

The national regulations for the first time unify the operations of the two bourses. The regulations also address issues previously ignored, including takeovers, and tighten the requirements for disclosure of financial data.

Hanoi yet to obtain eligibility for loan

HANOI, May 4: The International Monetary Fund's (IMF) failure to restore Vietnam's eligibility for loans is not an economic disaster, but it will be if it lasts past September, economists said Monday, reports AFP.

France and other countries friendly to Vietnam declined to force the issue last week at the spring meeting of the IMF in Washington in the face of opposition from the United States, Hanoi's longtime foe.

Until Vietnam is allowed to settle its 140-million-dollar arrears, it remains ineligible for new loans not only from the IMF but also the World Bank, Asian Development Bank (ADB), and 19 creditor countries who form the Paris Club.

"It's not a catastrophe. Not yet," said a western economist working with Vietnamese monetary authorities.

Vietnam can continue its preparations for the arrival of

the big lenders, notably by accelerating the restructuring of its state-owned enterprises, something the IMF will require, the economist said.

Far more auditing and statistical research also needs to be done, he said.

But if the United States keeps blocking loans past September, when the US embargo against Vietnam comes up for annual presidential renewal, then "the situation could become dramatic," he said.

That is because a major conference to raise funds for Vietnam, grouping the IMF, World Bank, ADB and donor countries, is scheduled to be held in October or November under United Nations auspices.

The ADB, which opens its annual meeting Tuesday in Manila, is eager to resume lending to Vietnam, according to ADB officials.

Arab economies heading for a quick recovery after the Gulf War

ABU DHABI, May 4: Arab economies are headed for an upturn as the oil-rich Gulf states recover from the war over Kuwait and other members of the Arab League press ahead with reforms, an official report said, reports AFP.

The report, released by the Abu Dhabi-based Arab Monetary Fund, classified league members into two groups. The first group included Libya, Algeria, Iraq and the six-nation Gulf Cooperation Council (GCC) and the second comprised the remaining members of the 21-nation Arab League.

It said the first group, especially the GCC, had started to spend more on develop-

ment after meeting their financial commitments to the Gulf War while the second introduced more reforms and was expected to cut its debt.

"It is expected that economic growth rates will improve in the first group from 1992 and in the second group from 1993," said the Arab League's 1992 report about economic and social developments in the region.

"Inflation rates are also expected to decline in the first group while the decline in the second group needs more attention to financial rationalisation."

After a recovery of four years, Arab economies deterio-

rated again in 1990 due to the Gulf War that cost around 676 billion dollar. In real terms, the Gross Domestic Product (GDP) dropped by 1.3 per cent in 1990 and seven per cent in 1991 compared with an average growth of three per cent since 1986.

The 1986-1989 recovery followed a sharp recession in the region because of the 1980-1988 Iran-Iraq war and a fall in oil prices. This pushed down the Arab GDP by an average 5.5 per cent during 1980-1985 compared with a growth of 9.6 per cent during the oil boom between 1975 and 1980, according to the report.

GCC states—Saudi Arabia,

Bahrain, Kuwait, Oman, Qatar, and the United Arab Emirates (UAE)—and the other members of the first group suffered most from the Gulf War, with their GDP in current prices falling by 13 per cent in 1991 to 307 billion dollar.

Iraq and Kuwait alone lost 97 billion dollar in GDPs the war crippled their economies after the damage of their key facilities.

The second group was less affected by the Gulf War as its real GDP declined by 2.5 per cent in 1991," the report said. "But such a decline was difficult for its members given their low income."

At the cost of state employees

PARIS, May 4: The French government announced yesterday to freeze the salaries of four million state employees for the year 1993 as a measure to cut government spending and the 350 billion franc ( 62 billion US dollar) budget deficit, reports Xinhua.

The decision was announced by Prime Minister Edouard Balladur at a round-table meeting on Monday with the leaders of seven trade unions of state employees.

Affected by the decision will be the state employees, hospital officials and the officials and local government-supported organisations.

Balladur stressed the economic and social problems being met by his government, which he said would make it impossible to re-start negotiations on salaries for state employees in 1993.

The Balladur government announced decisions to cut the salaries of government ministers and other high-level officials last month soon after it came to power as a measure to cut state spending.

Meanwhile, according to an estimation made today by the French Ministry of Finance, the Gross National Product of France will drop by 0.1 per cent in 1993, while the number of unemployed people will increase to around 3.20 million from the current 3.06 million.

Damaging letter to closer European union leaked

EC tries to dispel fears about Maastricht treaty's future

BRUSSELS, May 4: The European Community sought Monday to limit damage from a leaked letter by one of its top lawyers that has raised fears for the future of the Maastricht treaty on closer European union, reports AP.

The letter was seized upon by Danish anti-Maastricht groups who said it could be a turning point in their campaign to defeat the unity accord in a May 18 referendum.

In the letter, senior EC lawyer Donald Allen reportedly endorses a legal paper that disputes the legality of changes

made to the treaty to allow Denmark to opt out of several key clauses.

Two British newspapers published extracts of the private letter Sunday. EC leaders granted Denmark exemptions to key provisions of the Maastricht treaty after the Danes rejected the original text last June.

The accord, negotiated in the Dutch town of Maastricht, would create a common foreign and security policy and a joint central bank and single currency by the decade's end.

EC leaders meeting in

Edinburgh, Scotland, in December agreed to permit Denmark to opt out of its provisions on a common defense and foreign policy, single currency and European citizenship.

Anti-Maastricht campaigners in Denmark and Britain, the only countries that haven't ratified the treaty, claim the revisions are not legally binding and were drawn up to deceive voters.

According to London's Sunday Times and the Independent on Sunday, Allen wrote that a group of anti-

Maastricht British lawyers were "undoubtedly right" in arguing the treaty changes are not legally enforceable.

Allen is one of eight senior members of the legal service of the EC's executive Commission. In a statement Monday, Allen said his letter "referred only to the professional reputation of one of the authors and technical quality of the presentation... not to its merits and conclusions."

He added, "I fully share the Commission's view, which I indeed never doubted, that the decision agreed in Edinburgh

Black executives getting ready for a new S Africa

NEW YORK, May 4: In a plush corporate boardroom high above Wall Street, Joseph Makobe tells how far he's come from the hot, dusty streets of South Africa's Transvaal region.

The 34-year-old banker had to scrape for education and professional recognition under the apartheid system of racial segregation, writes AP.

But now Makobe and a dozen other black South African managers are getting a chance to prove that things are changing in a country that systematically excluded them.

As guests of 13 US corporations for six months, the 12 man and one woman in the Professional Development Programme (PDP) are gaining

international contact, learning a new culture and getting a chance to deal in a larger, more competitive market than Johannesburg.

They are the second group to come to the United States for the executive training programme. The third group of 26 black South Africans is due in August.

For a society just emerging from apartheid, the programme is creating "a cadre of well-trained black South Africans," said Ronald Gault, Chairman of the PDP Steering Committee and a managing director at the First Boston Corporation, Makobe's host.

For eight South African companies—including top financial institutions and the

national power utility—the black managers represent "an insurance chit" for the future, Gault said.

In a South Africa with blacks sharing power, businesses will need blacks with the management skills the New York visitors are gaining.

"It's a way to develop people who are going to play key roles in the future," Standard Bank training manager Ray Johnson said by telephone from Johannesburg.

Innocent Gama, 26, is one example. He said he constantly presses superiors at Standard Bank—South Africa's second largest by assets—for opportunities such as management training classes not usually open to blacks.

"They had preconceived ideas that black people wouldn't be able to cope," he said. But "sometimes I've come in at the top" of the classes. In New York, he's studying corporate finance and risk analysis at the JP Morgan securities firm.

South African white business leaders, too, are speaking the language of conciliation.

"There is no way that one section, a minority (white) section of the population, can provide the leadership in business and industry for all the people," Amalgamated Bank Chairman Herc Hefer said by telephone from Johannesburg.

"You need to exploit all your human material, irrespective of colour or creed." The bank, South Africa's largest, has four people in the New York pro-

gramme.

South African blacks, 75 per cent of South Africa's approximately 40 million people, hold less than 10 per cent of management positions in finance companies, according to a survey by the Institute of Race Relations, a think tank.

The business training programme was launched after First Boston's Gault met Mandela during his 1990 trip to New York. Gault and David Dinkins, New York City's first black mayor, traveled to South Africa in late 1991 for talks with some of South Africa's leading corporations.

"Enlightened businesses have come to realise that a strong corporate social response in good business," Gault said.

Miyazawa hails NZ's trade performances

AUCKLAND, May 4: Japanese Prime Minister Kiichi Miyazawa hailed New Zealand yesterday as one of the few countries in the world which enjoys a trade surplus with Japan, reports AFP.

Miyazawa made the comment at a dinner with his New Zealand counterpart Jim Bolger following talks between the two.

He said he was impressed by New Zealand's determination to enhance its ties with Asia, and valued its position as a "mature democracy" in the region.

The two countries, he said, had greatly expanded their relationship.

"In trade, the competitiveness of New Zealand's prod-

ucts makes New Zealand one of the few countries which enjoys a trade surplus with Japan," he said.



Kiichi Miyazawa

US plans to give \$ 24m to help occupied Arabs

JERUSALEM, May 4: The United States is preparing to grant 24 million US dollar in aid to the occupied territories to finance projects for improving living conditions and creating jobs for local Arabs, an Arab-Israeli lawmaker said yesterday, says Xinhua.

In an interview with Israel radio, Abdul Wahab Darawshe said the US aid plan is the first stage of a aid package to the occupied territories now being considered by the United States along with the European Economic Community (EC) and some wealthy Arab countries.

Of the 24 million dollar, 10 million are to go to the Gaza Strip and the rest be divided

between Gaza and the West Bank, said Darawshe, who is also the leader of the Democratic Party (DP) in Israel.

The Arab member of the parliament said he was informed of the aid plan when he met in Washington with Martin Indyk, head of the US National Security Council's Middle East desk, during a trip to the United States last week.

He said the United States, the EC and some Gulf states are planning to invest tens of millions of dollar to boost the economy and create jobs for Palestinians in the occupied territories.