

BRIEFS

Largest ever stock scandal in Taiwan
 TAIPEI, May 5: Taiwan authorities say they have cracked the stock exchange's largest-ever share scandal after turning 86 people over to prosecutors for allegedly manipulating stocks worth up to 10 billion Taiwan dollar (385 million US). Officials from Taiwan's Security and Exchange Commission (SEC) said Tuesday the group will face trial, the result of a long investigation for security transactions violations. The group allegedly set up a dummy account, then bought huge amounts of stock in five listed companies to drive the price up, reports AFP.

Israeli diamond sales increase
 TEL AVIV, May 5: Israel exported 838 million dollar worth of cut diamonds in the first quarter of 1993, some 24 per cent more than during the first three months of last year, the diamond institute reported. Sales to the United States jumped 46 per cent to 439 million dollar while Hong Kong accounted for 164 million dollar, an increase of 18 per cent. Exports were also up to Japan, but only by five per cent to 136 million dollar, reports AFP.

Cable TV, telephone in Britain
 UNDATE, San Antonio, May 5: Southwestern Bell Corp. and Cox Cable Communications have completed an agreement to provide cable television and telephone services in Britain. Financial terms of the deal reached Tuesday were not disclosed. Cox Cable initially will hold a 25 per cent stake in existing cable television and telephone operations owned by Southwestern Bell International Holdings Ltd, a Southwestern Bell subsidiary. Southwestern Bell last year began offering telephone service with its British cable business, reports AP.

Tata, Japanese firm sign shipping deal
 BOMBAY, May 5: The Japanese shipping giant Nippon Yusen Kaisha and India's Tata group of companies have teamed up to improve shipping facilities from India's major commercial ports, officials said Tuesday. The Japanese Shipping Line's Managing Director, Hiroshi Takahashi, said the joint venture with Tea, a subsidiary of the Indian Bluechip company, would provide a wide range of services to exporters in India, reports AFP.

Israel to reform banking system
 JERUSALEM, May 5: The cabinet has proposed that the country's banking system be reformed through the reduction of major banks' shares in non-banking companies and limiting their control of them, the local press reported Monday. The four major banks in Israel - Hapoalim, Leumi, Discount and Mizrahi - are required by the government to cut their shares in non banking companies to 25 per cent or less and to sell off small banks they control, says Xinhua.

Banker elected academicien
 PARIS, May 5: Jacques de Larosiere, the Governor of the Bank of France, was elected Monday academicien of moral and political sciences by the academy of Moral and Political Sciences of France. Larosiere was elected in the first round with 20 votes for and 12 against to take the seat left over by the Cardinal de Lubac, according to local media. The 63-year-old banker, who is also the General Inspector of Finances of France, was the Director of Treasury of France, reports Xinhua.

Stocks finish higher in NY
 NEW YORK, May 5: Stocks ended mostly higher Tuesday after following the bond market higher on more disappointing news about the US economy. The government said its chief economic forecasting gauge, the Index of Leading Indicators, plunged one per cent in March, the worst decline since the middle of the recession more than two years ago. Bond prices, which often rise on bad economic news, were up. Sluggish economic activity lessens the possibility of inflation, which erodes the value of fixed-income securities such as bonds, says AP.

US-Japan row plunges ADB's lending programme into uncertainty

MANILA, May 5: The United States and Japan clashed here today over a proposed massive capital increase for the Asian Development Bank (ADB), plunging the institution's future lending programmes into uncertainty, reports AFP.
 Chief US delegate Jeffrey Schafer going on the attack after Washington was isolated for delaying a decision on the capital hike, told the banks annual meeting that funds might have been wasted and demanded an independent inquiry into the ADB loan portfolio.
 But Japanese Finance Minister Yoshio Hayashi countered that new US President Bill Clinton might be preoccupied with domestic and European problems, to the detriment of Asia, and pressed for the capital increase to sustain the region's phenomenal progress.
 The ADB management wants to raise 14 billion dollar over the next four years in international capital markets for its regular lending programme, and is seeking to double its authorised capital of 23.2 billion dollar in order to maintain access to low-cost funds.
 The Manila-based ADB has 53 members comprising Asian

countries and their chief trading partners, and finances infrastructure and other projects in the region. Japan and the United States are its leading contributors, respectively holding 16.4 per cent and 15.9 per cent of the subscribed capital and roughly equal voting power.
 ADB President Kimimasa Tarumizu has warned that lending could be slashed as early as 1994 unless the capital hike was resolved by the third quarter this year.
 But US officials have been calling for a delay because of budgetary problems and concerns over how the ADB, which lent five billion dollar last year and 42 billion dollar since its founding in 1966, has been using its resources.
 "More consideration of the scale of lending and the adequacy of current resources is needed before a decision on a capital increase can be taken," Schafer told the annual gathering of finance ministers, central bank chiefs, other senior officials and bankers.
 ADB promises to support poor nations
 An earlier report says: The Asian Development Bank president on Tuesday promised critical support for poor countries, while urging them

to do more themselves to fight poverty, pollution and such problems as power shortages.
 A power outage blacked out the lights just as Kimimasa Tarumizu told the bank's annual meeting: "In many countries of the region, inadequate infrastructure has resulted in economic inefficiencies, limiting production. Shortages of capacity in power, transport and communications are well known."
 Manila and the rest of Luzon, the biggest Philippine island, have been experiencing daily power outages that last up to 10 hours.
 "The bank will continue to provide critical support to developing member countries in their quest for economic growth," Tarumizu said. "This is a decade of challenge and opportunity for our member countries."
 He also urged the bank's 53 member countries to double their current total contribution of 23.42 billion dollar.
 The bank's funds come from member nations' contributions and developed nations like the United States and Japan.
 Tarumizu said the bank's ability to help poor nations depended on how efficiently it could solicit funds, especially from industrialised nations now experiencing recession.
 The bank expects to raise about 14 billion dollar during the next four years, he said.
 Philippine President Fidel Ramos, in his speech to the meeting, acknowledged his nation's power crisis but said his administration was doing everything to solve it.
 The electricity shortage has been attributed to the government of former President Corason Aquino, who mothballed the country's first nuclear plant in 1986.
 Outside the Philippine International Convention Centre, site of the meeting, about 50 demonstrators picketed, urging the bank to stop funding a coal-powered plant in Zamboanga province, north of Manila, which they said would pollute the environment.

Ex-Soviet republics entry
 But their bid appeared to have stalled over the issue of double membership, which officials said not be settled during the three-day meeting which ends Thursday.
 ADB officials said only delegates from Kazakhstan and Uzbekistan registered at the start of the meeting Tuesday, but efforts by reporters to locate them proved futile.
 Bank sources said they have cancelled their bookings at a nearby hotel.
 Japanese Finance Minister Yoshio Hayashi said the six republics were eligible to join because they are within the Manila-based ADB's geographical coverage, being members of the United Nations' Economic and Social Commission for Asia and the Pacific.

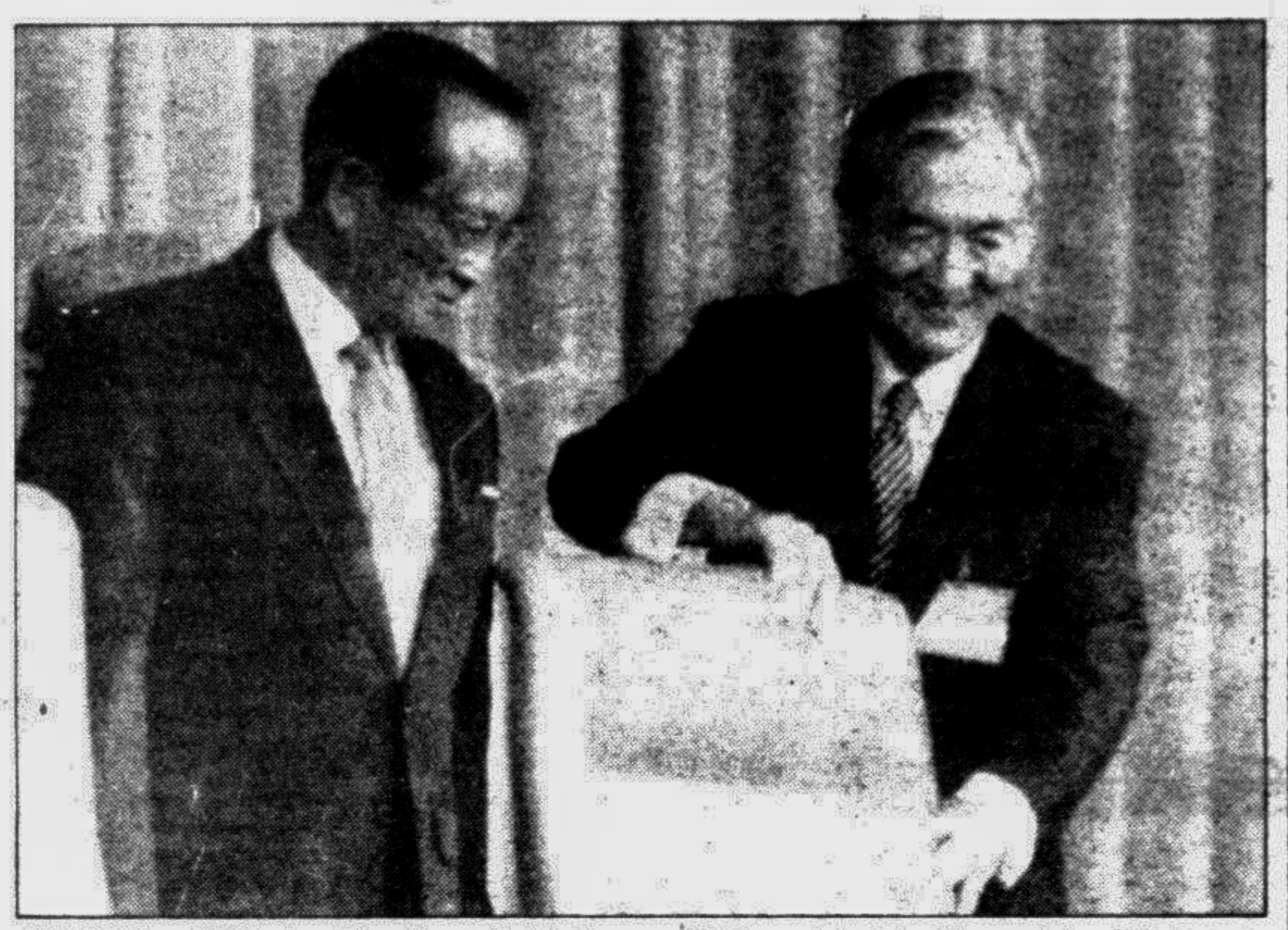
More Franco-German links for prosperity sought

PARIS, May 5: Bank of France Governor Jacques de Larosiere said Tuesday that France and Germany's economic and monetary cooperation should be reinforced for greater prosperity and economic stability, says AP.
 De Larosiere made the statement in a speech read by a deputy at a joint presentation with Bundesbank President Helmut Schlesinger. De Larosiere was attending the funeral of former Socialist Premier Pierre Berégovoy, who died Saturday of a self-inflicted gunshot wound.
 De Larosiere said that cooperation between the Bank of France and the Bundesbank during the monetary crisis between September 1992 and March 1993, "were major successes for the European Monetary System and for building European unity."
 "The stability of the EMS depended on the franc-mark parity and the markets knew it," he said. The two banks were successful in defending the parity between the two currencies in the EMS exchange rate mechanism because "both parties believed it was adequate," the statement said.
 De Larosiere said that the EMS "is the pole of stability

necessary for Europe." But he added that until the parties are fused "the system must allow adjustments."
 He stressed the importance of inflation control for stability of the system.
 The conservative government of Premier Edouard Balladur, in power for five weeks, has affirmed its intention to continue the "strong franc" policy defended by its Socialist predecessors, notably Berégovoy. The conservatives also intend to make the Bank of France independent like its German counterpart.
GDP in France set to fall
 AFP adds: French Gross Domestic product (GDP) at market prices is set to fall by an annual average of 0.4 per cent this year, experts of the national accounts commission reported on Monday in a sharp reversal of their view about six months ago.
 Overall gross domestic product (GDP) is set to fall by 0.1 per cent, they said.
 When the commission last reported in the autumn it forecast that overall GDP and GDP at market prices would each rise by 2.6 per cent this year.

ADB okays \$200m loan to Indonesia

JAKARTA, May 5: About one hundred export-oriented private enterprises in Indonesia will be assisted and 35,000 new jobs created with a 200 million US dollar loan approved recently by the Asian Development Bank (ADB), reports Xinhua.
 The loan for the second development finance project is to stimulate industrial growth and non-oil exports, according to sources from the banking circle.
 The loan in US dollar, from the ADB's ordinary capital resources, is repayable over 15 years, including a grace period of four years.
 The government will re-lend the bank loan in US dollar to nine Participating Financial Intermediaries (PFI), seven of which are privately-owned.
 The PFIs will re-lend in US dollar to eligible private enterprises undertaking export-oriented sub-projects.



MANILA: Philippine President Fidel Ramos (L) is assisted to his seat by Kimimasa Tarumizu (R), President of the Asian Development Bank (ADB) during the opening ceremony of ADB's three-day annual meet May 4. — AFP/UNB photo

Syria, Japan to boost economic relations

DAMASCUS, May 5: Syrian President Hafez Al-Assad met here yesterday with a visiting Japanese parliamentary delegation to discuss means of enhancing bilateral relations and other issues of mutual concern, says Xinhua.
 The Japanese delegation, led by Herosh I Mitsuzouka, chairman of the Japanese parliamentary association of friendship with Syria, arrived here Sunday.
 A Syrian government spokesman said Al-Assad also briefed his Japanese guests the situation in the Middle East and the ongoing peace negotiations in Washington.
 Earlier, the Japanese delegation also met with Syrian parliament speaker Abdel Kader Kaddura and Foreign Minister Farouq Al-Shara. The talks dealt with ways of promoting economic cooperation and the flow of Japanese investments into Syria.
 Japanese diplomatic sources here said that the Japanese parliamentary delegation's visit to Damascus Tok Palace within the framework of Japan's drive to promote Syrian-Japanese economic ties.
 Several Japanese delegations have visited Syria this year, including a team of 30 Japanese businessmen.

India sets up cell to meet bulk imports need

NEW DELHI, May 5: The Reserve Bank of India (RBI) has set up a special cell to meet the requirements of bulk imports in the country, according to reliable sources here, reports Xinhua.
 The sources said that the move, which was aimed at keeping the bulk importers out of the foreign exchange market and providing foreign exchange to them at the RBI rate, would help to avert the volatility in the foreign exchange market.
 According to official figures, bulk imports which include petroleum crude and products, defense equipment and fertilizers accounts for nearly 40 per cent of the country's total annual imports and valued at nine billion to 10 billion US dollar.
 The special cell was set up just at a time when the bulk imports could not be subjected to sharp market fluctuations in the exchange rate.
 The cell finds foreign exchange to finance the bulk imports out of remittances and borrowing from multilateral financing agencies.
 India's total bulk imports

are about two to three billion dollar more than India's current account deficit which is expected to be around seven billion US dollar.
 However, it was reported that the new system would function well provided there is no sudden increase in bulk imports.
 The rupee remained relatively stable so far as the foreign exchange reserve is at about seven billion US dollar at present, which was considered adequate for this year's needs in the country.
India's external debt stands at \$63.9b
 NEW DELHI, May 5: India has an outstanding external debt of 63.9 billion US dollar as on March 31 this year and an internal debt of around 2,601 billion rupee (93 billion US dollar) in 1990-91, the United News of India (UNI) quoted leading investment bankers as saying, reports Xinhua.

Aussie's trade centre in Asia soon

CANBERRA, May 5: The Australian government is to set up an Asian economic centre to help increase business knowledge of economic developments in major Australian export markets, Governor General Bill Hayden said Tuesday, reports AFP.
 In a speech reopening parliament after the March 13 election, Hayden said the centre would be part of moves to promote closer economic relations with Asia.
 His speech was prepared by the government to outline its planned programme for the next three years.
 Consolidation of Australia's economic integration into the Asia Pacific region would be a high priority for the government, he said.
 This could be achieved especially by further developing regional economic cooperation along with trade and investment liberalisation through the Asia Pacific Economic Cooperation (APEC) forum and by active pursuit of bilateral trade expansion strategies.

Prime Minister Paul Keating has identified APEC as a key method of liberalising trade in the region, and said last week that it may lead to a formal free-trading Asia Pacific economic community.
 The other APEC countries are New Zealand, the United States, Canada, Japan, South Korea, China, Taiwan, Hong Kong and the six ASEAN nations of Malaysia, Indonesia, Singapore, Brunei, the Philippines and Thailand.
 Hayden said the government would contribute to continuing global trade liberalisation especially through the conclusion of the Uruguay Round of multilateral trade negotiations and measures to avoid the formation of inward-looking trade blocs.
 It would also strengthen Asian Pacific regional security measures especially through the further development of dialogue and strengthened defence cooperation arrangements.
 "The government will actively work for strengthened

non-proliferation and arms control measures including extension of the nuclear non-proliferation treaty, implementation of a comprehensive nuclear test ban, effective implementation of the chemical weapons convention, extension of the missile technology control regime and limitation of conventional arms transfers", he said.
Problems of construction sector get priority
 VIENNA, May 5: Prospects for promoting the construction industry in developing countries is the focus of the first consultation on this sector being held at Le Kram near Tunis on May 3-7, reports BSS.
 Organised by the United Nations Industrial Development Organisation (UNIDO) and United Nations Centre for Human Settlements (UNCHS/Habitat), the consultation is being hosted by the Tunisian government in cooperation with the Technical Centre for Building Materials (Ctmcex).
 Preparatory work has been undertaken drawing on the experience of experts world-

wide.
 A global preparatory meeting was held at Berkeley, California, last December in cooperation with the University of California and the California Foundation for the Environment and the Economy.
 A regional meeting was also organised together with the Arab Union for Cement and Building Materials (AUCBM) in Damascus in February.
 Participants from North and South America, Africa, Asia, Europe and the Middle East took part in the discussions.

China to set up national regulated land market

BEIJING, May 5: The Chinese government will launch an experiment in real estate regulation in seven cities as a first step to creating a state-controlled national land market, an official newspaper said Tuesday, reports AFP.
 The state land administration chose the cities for the implementation of strict government control over land markets, the English-language China Daily reported.
 "The central government expects to set up a national regulated land market by the end of this century, making the best and full use of its land resources," Administration Director Wang Xianjin said.
 Lack of coordination and planning has led to chaos and rampant speculation in the liberalised real estate markets of China's coastal areas.
 The central government has complained, for example, that local governments had set aside land for 2,700 develop-

ment zones by 1992, up from only 117 a year earlier. But due to limited investment capital, localities have only begun construction on two per cent of the total.
 The situation makes it difficult for investors to judge market conditions.
 "It is difficult for investors to foresee the future investment climate... because of a lack of an overall long-term plan on land utilization in urban construction," the newspaper said.
 The seven pilot cities are Fuzhou, Chongqing, Dalian, Baoding, Zibo, Nantong and Gongzhuling.
 The experiment is also aimed at speeding up the sale of state land rights and will generate a windfall in revenues for the local governments.
 The Chinese government has so far collected 50 billion yuan (8.7 billion dollar) in land sales, the newspaper said.

PLO seeks aid for West Bank, Gaza strip
 ROME, May 5: A senior PLO official has appealed for a billion dollar international aid package for the Israeli-occupied West Bank and Gaza strip, reports AFP.
 Ahmad Abu Ala, speaking to the press here at the start of multilateral talks on economic cooperation in the Middle East, said the aid should be administered by Palestinian financial bodies, starting with a 250 million dollar instalment for the Middle East residents of the territories.
 Italian Foreign Minister Nino Andreatta meanwhile announced that his government plan to provide three million dollar to create jobs in the territories.
 Arab-Israeli MP Abdul Wahab Darawashé told AFP Monday that the United States and Gulf countries would propose a massive aid package for the territories.

Third World seeks removal of European textile barriers

LONDON: Models strutted down the aisle at their fashion show in blue and white flower print smocks and flowing white cotton shirts, bedecked with bands of silver.
 This was not haute couture from Milan or Paris, capitals of European fashion, nor were the clothes especially chic. It was a British parade of textiles and garments from the Third World that current tough trade laws shut out of the European market.
 The fashion show, with its sumptuous colours and designs and held in the august, neo-Gothic British Houses of Parliament, aimed to show to the British public what they are missing. The models prouvetted past a large poster proclaiming "these are the clothes they won't let us buy".
 The trade restrictions are having a more devastating effect than limiting the sartorial selection for European con-

sumers. They stunt the growth of Third World textile industries and impede countries trying to claw their way out of poverty, show organisers said.
 The millions of dollars' worth of aid that Europe sends to the Third World are of little value when Europe will not engage in trade to help stoke up their economies, they said.
 Instead of sending us aid it would be much better if you would just let us have some employment," said Farida Akhtar, the director of UBINIG, a leading women's rights group in Bangladesh, speaking on behalf of Third World women.
 Bangladesh, with a one billion dollar textile industry, is not subject to European Community (EC) quotas at present, but the threat hangs continually over its head, Akhtar said.
 Akhtar is in Britain on a tour of textile mills to plead with workers and trade unions not to lobby the British gov-

ernment in favour of clamping down on Bangladesh textiles.
 Her message was supported by one of Britain's leading Third World campaign groups, the World Development Movement (WDM), and two members of parliament who hosted the fashion show. Both politicians — one from the ruling Conservative party, the other from the Labour opposition — said they were appalled by the "economic insanity" of sending aid to Third World countries when, given a market, they could earn the equivalent in foreign textile exports.
 "You just have to look at the figures. Barriers against textiles and clothing cost poor countries 52 billion dollar a year, which is almost as much

as all the Western aid put together," said actress-turned-politician Glenda Jackson, who is a Labour MP. The "barriers-up" approach had the damaging effect of tying Third World countries to a First World welfare system, but the result was equally damaging to the First, she said.
 "Surely it is in our best interest to begin to develop markets in the developing world. We are exporting nations and we need to export our goods in order to live," she said.
 As long as Third World nations were unable to earn foreign currency, their economies would never pick up and create lucrative markets for the West.
 The trick is to stay ahead

of the competition, not frustrate the competition. Protectionism has not worked and it will never work," said Conservative politician Peter Luff.
 For the women of the Third World, who form the main work force in the textile mills, the trade barriers stand between them and freedom. Akhtar said women's earning power in the textile industry greatly increased their standing in the family, where they are no longer seen as a financial drain, and in society at large.
 The garment industry has meant that women are even turning down marriage proposals if they don't like the man, she said. If they are already married, as earners, their husbands can't beat them as freely as before.
 "Now they buy lipstick and make-up to show that they are free. It is a symbolic freedom

to spend one's money as one wants," she said.
 Bangladesh's textile industry employs about 800,000 women at present but could double or triple the number if the United States eased its quota, Akhtar said.
 She dismissed claims by Western governments that opening up to Third World textiles would lead to a proliferation of sweat shops and drag down workers' rights. The more restrictions there are, the more exploitation as merchants try to make a short-term profit, said Akhtar.
 Jackson and Luff and WDM campaigners called on the British government to put pressure on the EC to phase out textile quotas on the Third World over the next 10 years. — Third World Network Features/IPS
 Lucy Johnson is a correspondent for Inter Press Service.

Third World activists say they would rather Europe relax its current tough textile trade laws than send millions of dollars' worth of aid to the South.