

BRIEFS

WB okays \$80m loan to Tanzania
DAR ES SALAM, May 9: The World Bank has approved a credit of 80 million US dollar to the Tanzania Post and Telecommunications Corporation (TPTIC) for the third telecommunications restructuring programme in Tanzania.

Foreign banks open branches in Hanoi
HANOI, May 9: Three joint banks run by Indonesia, South Korea, Malaysia and Vietnam have opened business in Hanoi and Ho Chi Minh City.

India to launch maize mission
NEW DELHI, May 9: The Ministry of Agriculture in India is considering to launch a maize mission aimed at doubling the country's production of the highly-processable grain to 19 million tons in seven years.

China-Singapore to build luxury buses
SINGAPORE, May 9: A joint venture between a Singapore transport company and bus manufacturer in Beijing was set up yesterday to produce high quality luxury coaches in China.

Mexico detains 306 illegal immigrants
MEXICO CITY, May 9: Immigration authorities are holding 306 Asians, most if not all ethnic Chinese, who were detained 11 days ago in a small town near the port of Ensenada in the northwestern state of Baja California.

Gas field produces 30m cubic feet daily
YANGON, May 9: About 30 million cubic feet of natural gas is being produced daily from the Ahpyauk Oilfield in Zalu township in southwest Myanmar's Ayeayawady division.

Population growing faster than grain
MANILA, May 9: The population in the Philippines has been growing most rapidly than the country's grain production in the past 10 years, shifting the country from traditional rice exporter to importer.

Uganda expects \$12m from maize, beans farming
KAMPALA, May 9: Uganda is expected to earn more than 12 million US dollar this year from selling maize and beans to the World Food Programme (WFP) for its food relief operations in Uganda's neighbours.

Arabs to raise carbon tax issue at EC meet

ABU DHABI, May 9: Gulf Arab states will explain to the European Community how an oil tax it might enforce will hurt their economies when their foreign ministers meet in Brussels on Tuesday.

economies of the GCC countries due to an expected decline in their earnings.
GCC states - Saudi Arabia, Bahrain, Oman, Qatar, Kuwait and the United Arab Emirates (UAE) - already suffer from a sharp fall in their revenues, which stood at around 80 billion dollar in 1992 compared with more than 180 billion dollar in 1981.

It said oil was already heavily taxed in the EC which levied 56 dollar per barrel in 1991 compared with only seven dollar in 1973.
The tax on oil in the EC is currently estimated at 60 dollar, fetching members around 260 billion dollar compared with the GCC income from oil exports of only 80 billion dollar.

Another report says: The Arab League has blamed its member governments for the Arab world's heavy dependence on farm imports although they have enough money and arable land to achieve food self-sufficiency.
Only 42 million hectares (105 million acres) of the 133 million fertile hectares (330 million acres) in the Arab world were being exploited and the area could decline because of desertification.



Suez Canal revenues rise to \$ 631m in four months
CAIRO, May 9: Suez Canal revenues rose to 631 million dollar in the first four months of this year, up from 619 million dollar during the same period last year.

Clinton urged to avoid new taxes

WILLIAMSBURG, Va, May 9: Top business leaders are offering this advice to President Clinton: Focus on major projects rather than scattering your energies over too broad an agenda - and lay off the taxes, reports AP.
Members of the elite, and largely Republican, Business Council were uniformly critical of Clinton's approach to reducing the 300 billion dollar federal budget deficit as too dependent on higher taxes.

meeting Saturday with a closed session featuring Attorney General Janet Reno.
Afterward, Reno said she told the council's first since Clinton's election, and the executives weren't any happier with the Democratic president than they expected to be at the last meeting in October.

to growing bureaucracy. I don't think that's going solve the problem," he said.
The two-day meeting was the council's first since Clinton's election, and the executives weren't any happier with the Democratic president than they expected to be at the last meeting in October.

other uncertainties, health care, other potential tax increases," he said.
The economic advisers to the executives are predicting moderate economic growth this year and next, 2.9 per cent and 3.2 per cent as measured by the gross domestic product.

30pc Taiwanese firms plan to invest \$1.3b in China

TAIPEI, May 9: Some 30 per cent of listed firms in Taiwan have announced plans to invest an estimated total of 1.3 billion US dollar in China, the United Evening News reported, says AFP.
Shareholders at 79 companies have approved at annual meetings investments already carried out or proposals for new investment the paper said.

Hanoi to get ADB loan after 20 years

MANILA, May 9: The Asian Development Bank (ADB) indicated it is willing to resume lending to Vietnam after the country has been shut off the door for 20 years, reports Xinhua.
In a press briefing after the conclusion of a three-day ADB annual meeting, ADB President Kimimasa Tarumizu said the bank would welcome Vietnam back to the mainstream of the international community.

United States which imposed an embargo against Vietnam in 1975.
The US is the second largest contributor to the ADB after Japan, who is supporting Vietnam's bid.
Despite signs of improving ties between Hanoi and Washington, the US insists that Vietnam account for all 2,200 American servicemen back to the mainland of the international community.

Moscow appears more western

MOSCOW, May 9: Empty store shelves that once stuck out like tombstones for the dead Communist command economy are now filled with Gillette razors, Colgate toothpaste and Mescage coffee - fruits of a newly born free market, reports AP.
Statues of Bolshevik leaders and hammers and sickles are out. Reeboks and Walkmen are in. State-owned stores are out. Private street kiosks are in.

have been veering toward the West.
On the streets, billboards piteh American cigarettes and teen-agers peddle soft drinks to motorists stopped at traffic lights.
The flood of imported goods worries some leaders, who fear Moscow is becoming a city of traders, not producers.

step that many goods are beyond the reach of ordinary people. But competition is growing, and market forces are tempering prices.
Along with the invasion of Western goods have come social ills: soaring street crime, pornography, unemployment, homelessness.
Some Russians, particularly nationalists and Communists, resent the Westernization. They complain that Russian merchants and foreign business people are getting wealthy and returning little to the economy.

German budget deficit to hit \$ 109b in '93
BONN, May 9: Germany's federal budget deficit is set to hit a record 69 billion mark (109 billion dollar) in 1993 compared to the forecast 54.7 billion mark, Finance Minister Theo Waigel said at the weekend, reports AFP.
"Given the current situation federal borrowing will reach 69 billion mark," Waigel told the Welt Am Sonntag newspaper in an interview published today.

Beijing to control credit more strongly

BEIJING, May 9: The Chinese government, amid breakeck economic growth and rising inflation, has decided to take steps to prevent overheating that include stronger controls on credit, a minister said yesterday, reports AFP.
"Some credit is now being used unsuitably," Wang Zhongyu, Director of the State Economic and Trade Commission, said at a news conference. "So we have now put forward what is called preventing overheating."
Wang, whose newly created commission is responsible for overseeing economic policy, did not rule out a hike in state interest rates on lending.
The decision to take a more cautious approach followed a 14.1 per cent surge in China's economic growth rate in the first quarter, while urban retail sales soared by 15.8 per cent.

China's top leadership concluded that the economy is overheated in a recent internal document, economists told AFP. Differences over the issue had rendered impossible attempts since late last year to reign in credit.
"At present we are taking measures so that gradually we can control these problems," the minister said.
"In any country, one cannot simply write a carte blanche for its investment and construction," Wang said. "The credit situation in China is still in a tolerable range, although we shall try to increase and try to intensify our regulation and control over this investment."
"The issuance of credit will depend on the purpose of that credit," he said.

Investment for basic industries, particularly the strained energy and transportation sectors, would be guaranteed, but loans to processing industries with a great deal of redundant construction would be restricted.
In a clear sign that economic growth was straining China's infrastructure, the minister disclosed that railway cargo transport only increased by 0.5 per cent in the first quarter and was "incompatible with the growth of the overall economy."
China registered an alarming 70.7 per cent rise in state investment in fixed assets in the first quarter, the highest since market reforms were launched in the late 1970s. Large amounts of that money were used for unnecessary capital construction projects.

Despite the continued boom, Wang expressed confidence that price increases would be held around eight per cent on an annualised basis.
"We will be able to avoid the repatriation of the sort of situation that occurred in the late 1980s," he said, when overheating sparked panicbuying and runs on banks and prompted a three-year austerity programme.
On trade, the minister said that a rise in China's imports over the last year would not threaten the country's external debt repayments, adding that the debt servicing ability was "well within the warning level."
According to international monetary fund standards, a country's debt service loan should be 20 per cent of export earnings.

Malaysia can achieve growth without forest reserve: Minister

KUALA LUMPUR, May 9: Malaysia could achieve sustained economic growth without sacrificing its permanent forest reserve, said Minister of Primary Industries Lim Keng Yaik yesterday, reports Xinhua.
With some 72 per cent of its land under forests and tree plantations, Malaysia has a total of 2.1 million hectares (protected) land as national parks, wild life sanctuaries and nature reserves, Lim said in his paper presented to a symposium in Atlanta, Georgia. A copy of the speech was obtained here.
Invited by former US President Jimmy Carter of the Carter Centre to attend the symposium, Lim was speaking on "tropical timber trade issues as seen from the perspective of the South East Asia region exporting countries."
Counter attacking some Westerners of their accusations against Malaysia's forest policies, Lim said, "Malaysia's policy of 'sustainable forest management has been set in train well before the world was caught up with the debate to address global environmental issues seriously.'
He said the Sarawak state government has accepted a recommendation from the International Tropical Timber Organisation to scale down logging in permanent forest reserves to a sustainable production level of 9.2 million cubic metres by the year 2000, although such curtailments have already resulted in loss of jobs for an estimated 26,000 logging workers.
He said a mandatory prison sentences have been enhanced to 20 years from one year previously against illegal loggers and those who abuse and destroy Malaysian forests.

China to export \$ 550m aviation equipment

BEIJING, May 9: China plans to export 550 million dollar worth of aviation equipment this year, with Western Europe and the United States targeted for more sales, an official newspaper reported Sunday, reports AP.
Last year, China exported more than 520 million dollar in aviation equipment. One-fourth of the total came from aircraft sold mainly to Southeast Asia and South America.
The aircraft sales included four MD-83 planes delivered to McDonnell Douglas and Yun-12 propeller-driven planes, the China Daily's Business Weekly reported.
Lu Hengjun, an official in charge of exports at the Ministry of Aerospace Industry, told the newspaper: talks are being held with potential buyers of civil aircraft in Western Europe and the United States.
"In particular, we plan to cement collaboration with the McDonnell Douglas Co.," Lu said.

lines of a conference of western businessmen and Russian officials: Gerashchenko said that "a moderately strict monetary policy" aiming to stabilise the money supply "is the only way to get good results at a time of high inflation and dropping production."
In the first quarter of this year, the growth in credit to ailing companies from the central bank and in the money supply were lower than in the last quarter of 1992, he said.
Gerashchenko said during that period the bank's credits went up by 105 per cent, compared to 54 per cent in the first quarter of 1993.
He noted that there was now an agreement with the government to limit credit growth to between 30 and 35 per cent.

'Old town' gains new prominence

JIEGAO, China: This used to be a small, sleepy village of 600 people.
But times have changed, because Jiegao pokes into Myanmar like a finger.
For many years, Jiegao village was even closer to Myanmar on its border than to its mother country China. After all, it is surrounded on three sides by Myanmar.
Physically, it was closer to the city of Muse on the Myanmar side. That was before 1988 when the first of two bridges was built over the Ruili River which separates the villages from Ruili city six kilometres away.
Meaning "old town" in the Dai language, Jiegao today represents China's bold new thrust on its southwest backdoor. Jiegao has become a most important trading hub in Yunnan's border trade with Myanmar.
"Jiegao is like an enclave in Myanmar," says Pu Jinfu, Deputy Director of the Jiegao Economic Development Zone.
Jiegao is a newly opened economic zone in Yunnan province which borders Myanmar. In 1991 it handled 330,000 tons of cargo, a record 913 million yuan (160.2 million US dollar) in import and export value. This was 60 per cent of the total volume of Yunnan's border trade and 30 per cent of the whole country's.
In 1992, Jiegao was expected to handle 500,000 tons of cargo, with imports and exports valued at 1.2 billion yuan (210.5 million US dollar).
Jiegao is tiny - it is just a four-square-kilometre village. But just 132 km west along Stilwell Road in Myanmar is Bhamo, an important land and water hub. Yangon, the capital of Myanmar, is about 843 km downriver.
From Kunming, the capital of Yunnan province, to Yangon by way of Jiegao is 5,000 km shorter than the traditional route via Hong Kong and the Straits of Malacca. Myanmar has abundant raw materials like timber, minerals and marine products but lacks basic manufactured goods which China has in large stocks.
Like the "China-Britain Street" in Shenzhen's

Shatoujiao, a one-km-long and 20-metre-wide Sino-Myanmar street has opened in Jiegao. Already it is flanked by curio shops and other stores with Ruili city supplying water and power for both sides.
One of Jiegao's more significant investors is the Apollo Group Corporation based in Guangdong province, south China. Apollo is famous for its health drinks and like other smart Chinese enterprises, it is quick to invest where there's money to be mined.
In 1992, the Apollo Group bought 20 hectares of land in Heihe, China's most northern city with an eye to future border trade with Russia. It followed this with another land purchase at Yili, in the far western Xinjiang Uygur Autonomous Region.
The Apollo Group has spent nearly three million yuan (526,000 US dollar) to purchase a one-hectare land in Jiegao. "Another 40 million yuan (7 million US dollar) will be invested in the next two years to build an 18-storey hotel on this land," Wen says.
The Apollo Group is one of

110 companies that have purchased land in Jiegao, says Pu. Another five have signed agreements to invest.
"Yill now, one-sixth of Jiegao's total area have been contracted out and we expect to get 180 million yuan (31.57 million US dollar) for them, while 55 million yuan (9.65 million US dollar) has been received," he says.
Since the municipal government designated Jiegao as an economic development zone in 1988, a total of 43 million yuan (7.54 million US dollar) has been put into the tiny land's capital construction.
As soon as the 66.67 hectares of land were made available for investment, it was snapped up by businessmen from home and abroad, Pu says. The unit prices range from 180,000 yuan (31,600 US dollar) per mu (one-fifthteenth of a hectare) to 300,000 yuan (52,600 US dollar).

The buyers come from more than 10 provinces and cities in China's mainland and from Singapore, Taiwan and Hong Kong. Some 40 per cent are from Sichuan province, southwest China.
"Many of them are attracted by the fact that each buyer invest at least one million yuan (175,400) in the land. We also prohibit the establishment of polluting industries," Pu says.
Favourable policies lure investors - allowing land use for 40 to 70 years, for example, and exemption from income tax until they recoup all investment. Even after the investment is recouped, they will pay no income tax for two years, and will be levied at half the rate for three years.
Jiegao and other border towns in Yunnan also beat their counterparts elsewhere in China in that accounts can be settled in Rmbmbi rather than US dollar or Swiss francs. "This is very attractive to inland businessmen," Pu says.
Border tourism is another advantage. People are drawn to one-day excursions to Myanmar by low costs and easy immigration procedures. - Depthnews Asia

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