WB okays \$80m loan to Tanzania DAR ES SALAM, May 9: The World Bank has approved a credit of 80 million and Telecommuni-

US dollar to the Tanzanian cations Corporation (TPTIC) for the third telecommunications restructuring programme in Tanzania. statement issued here yesterday by TPTIC said the approval was granted by the **Board of Executive Directors** of the World Bank affiliate the International Development Association (IDA). The credit is part of the 200 million US dollar programme, says Xinhua.

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, Vietnamese news-Lao Dong reported. Five others foreign banks set up branches in Vietnam. They are the BFCE, BNP and Indosuez Banks of France, the Bangkok Bank and the Military Bank of Thailand. Moreover, 16 for eign banks from Britain, Germany, the Netherlands, France and Singapore and other countries have also opened branches in Vietnam, says Xinhua.

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, official sources said here yesterday The Indian Maize Development Association said india has a vast potential of maize production which had the promise of raking in as much as 10 billion rupee of 317 million US dollar in foreign exchange for the country if it is fully developed, reports Xinhua.

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, it was announced here. A statement from Singapore's Trans Island Group, issued here, said the joint venture, Jingda Automotive Manufacturing Company Limited, would produce the Jingda 16 series luxury coaches which would be assembled from Mercebes-Benz chassis and engines with foreign hi-tech body building technology and components, reports AFP...

Mexico detains 306 illegal immigrants

MEXICO CITY, May 9 Immigration authorities are holding 306 Asians, most i 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 The Asians were set to be returned to their home countries, but the Governor of Baja California said they might be given permission to stay temporarily, the official Mexican news agency Notimex reported vesterday A government human rights agency said the Asians had paid 3,000 to 5,000 dollar a head to be taken to us, says

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 Zalun township in southwest Myanmar's Ayeyarwady division. This was learnt from Myanmar Minister for Energy U Khin Maung Thein when he made a speech on the occasion of presenting gifts to the workers during an inspection in the oil field, yesterday. He forecast that about 40 million cubic feet of natural gas would be produced daily from Ahpyauk Oilfield in May, reports Xinhua.

Population growing faster than grain

MANHLA, 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. Department of Agriculture figures showed that the country produced 13.69 million tons of grains in 1992, representing a 16.7 per cent increase over 11.73 tons harvested 10 years ago. However, the population has grown by 26.54 per cent during the same period from 50.78 million in 1982 to 64.52 million in 1992, says Xinhua.

BRIEFS Arabs to raise carbon tax issue at EC meet

Business

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, a Gulf official said Saturday, reports The official from the

Riyadh-based Gulf Cooperation Council (GCC) Secretariat said member states would try to avoid any confrontation with the EC, their main economic and oil partner. What he want to do is to

remind them of the strong links between us and our continuous efforts to ensure stable crude supplies. We will tell them that the carbon tax will do a lot of hard to development in member states.

A study by the Saudi Chambers Federation said the carbon tax, which would reach 10 dollar per barrel by the year 2000, would slow down the

economies of the GCC countries due to an expected de-

cline 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, when oil prices

were as high as 30 dollar. The decline has sharply reduced growth rates and created persistent budget deficits, prompting them to resort to austerity measures as oil provides the bulk of their income. Gulf officials have ruled out further rationalising expenditure as this could hit development.

The proposed taxes will depress GCC revenues and negatively affect growth rates in member states, the Saudi study said. "This shows the pressing need for reconsideration of the taxes."

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 taxes fetched the community 210 billion dollar in 1991 while GCC producers earned only 64 billion dollar from oil exports. 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," the study said. The GCC says the

Europeans want to impose additional taxes to tackle their budget deficits but the EC argues it is an environmental measure aimed at reducing the emission of carbon dioxide.

The two groups are already locked in a dispute over a 13-15 per cent EC customs tariff on Gulf petro-chemical exports. GCC petro-chemical sector and are calling for its removal on a reciprocal basis. Farm imports

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, the 21-member league said in its 1992 economic report obtained here Saturday.

"Among the main obstacles preventing the achievement of food security in the Arab world is the failure to exploit arable land, "it said in the report distributed annually by the Abu Dhabi-based Arab Monetary



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 dellar during the same period last year, Egyptian financial sources said Saturday. reports AFP.

Canal revenues - a major source of Egypt's foreign currency - may for the first time top two billion dollar this year, the sources added.

Canal revenues rose from 1.77 billion dollar in 1991 to 1.86 billion dollar in 1992. Starting in January, oil tankers and other ships passing through the canal began paying three per cent more in

user fees. One thousand and twenty tankers representing 45 million tonnes have passed through the canal so far this 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 and 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. They also worried that his health care reform package, expected next month, would pile on

"The only thing that seems relatively sure right now is a suffocating dose of taxes at a time when the economy is struggling. . . . I just wonder whether we can absorb this kind of punishment," said John F McGillicuddy, chairman of Chemical Banking Corp.

The council's semiannual meeting at this restored colonial village and resort drew 123 active and retired chief executives. They finished their

Uganda expects

\$12m from maize,

beans farming

KAMPALAM, 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 opera-

tions in Uganda's neighbours,

Uganda Osei Owusu has said

the WFP bought about 5.6 mil-

lion dollar worth of grain from

Uganda in the first four

that figure by the end of the

"We hope more than double

BEIJING, May 9: The

Chinese government, amid

breakneck economic growth

and rising inflation, has de-

cided to take steps to prevent

overheating that include

stronger controls on credit, a

minister said yesterday, re-

used unsuitably," Wang Zho-

ngyu, Director of the State

Economic and Trade Com-

mission, said at a news

conference. "So we have now

put forward what is called

commission is responsible for

overseeing economic policy,

did not rule out a hike in state

cautious approach followed a

14.1 per cent surge in China's

economic growth rate in the

The decision to take a more

Wang, whose newly created

preventing overheating."

interest rates on lending.

"Some credit is now being

ports AFP.

WFP representative in

reports Xinhua.

months of this year.

meeting Saturday with a closed session featuring Attorney

General Janet Reno. Afterward, Reno said she told the executives she'd like to use a carrot-and-stick approach to encourage drug users to enter treatment and thus avoid prison. That would open up more prison cells for violent criminals and major drug traffickers, she said.

On Friday, First Lady Hillary Rodham Clinton spoke about the administration's health care proposal. Executives said they admired her grasp of the issue but many remained skeptical about what the administration ultimately would propose.

Louis W Cabot, retired chairman of Cabot Corp and chairman of the Brookings Institution, said he voted for Clinton but now is disturbed at the direction the administration is taking on health care.

"They seem to be headed more in the direction of having the government take over the whole thing through massive regulation that's going to lead

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 tooth

fruits of a newly born free

and hammers and sickles are

out. Reeboks and Walkmen are

in. State-owned stores are out.

Western every day. Since the

breakup of the Soviet Union in

1991, not only the commerce

but the culture and language

first quarter, while urban retail

China's top leadership con-

sales soared by 15.8 per cent.

cluded that the economy is

overheated in a recent internal

document, economists told

AFP. Differences over the issue

had rendered impossible at-

reign in credit.

the minister said.

credit," he said.

tempts since late last year to

measures so that gradually we

can control these problems,"

"At present we are taking

"In any country, one cannot

simply write a carte blanche

for its investment and con-

struction," 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

depend on the purpose of that

"The issuance of credit will

control over this investment.

Beijing to control credit more strongly

stricted.

economy."

Private street kiosks are in.

Statues of Bolshevik leaders

Moscow is looking more

paste and Mescafe coffee

market, reports AP.

to growing bureaucracy. I don't think that's going solve the

problem," he said. The wo-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.

Lawrence Bossidy, chairman of Allied-Signal Inc., said Clinton must act more like a business executive and decide what his priorities are and focus on them.

"I think their agenda is too broad and I think they've got to narrow it . . . in order to build some credibility," he

Robert Allen, chairman of AT and T and of the Business Council, said Clinton may have squandered his chance to push meaningful deficit reduction through Congress.

"I think the American public was ready. . . . They said, OK . . . We're willing to make the sacrifice.' Since that time, nothing has happened except to pile on other complexities,

Moscow appears more western

have been veering toward the

pitch American cigarettes and

teen-agers peddle soft drinks

to motorists stopped at traffic

goods worries some leaders,

who fear Moscow is becoming

a city of traders, not produc-

market. But for a real market.

not a bazaar," Prime Minister

Viktor Chernomyrdin has said.

so high, driven by the rouble's

collapse, and inflation is so

"I am for reforms, for a

The cost of the imports is

Investment for basic indus-

tries, particularly the strained

energy and transportation sec-

tors, would be guaranteed, but

loans to processing industries

with a great deal of redundant

construction would be re-

nomic 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

ing 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.

China registered an alarm-

In a clear sign that eco-

The flood of imported

On the streets, billboards

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. But the executives said that won't be realised unless Clinton does a better job of cutting government spend-

The business community generally would be prepare to support higher revenues through taxation if we thought there was real fundamental change in the spending patterns of the United States government," said John W Snow, chairman of CSX Corp.

We're seeing an attack on the deficit which puts very significant taxes on the American people and on corporate America, which hurts job formation and which doesn't get at the problem as fundamentally and effectively as spending cuts would," he

steep that many goods are be-

yond the reach of ordinary

people. But competition is

growing, and market forces

Western goods have come so-

cial ills: soaring street crime,

pornography, unemployment,

nationalists and Communists,

resent the Westernization.

They complain that Russian

merchants and foreign busi-

wealthy and returning little to

Despite the continued

boom, Wang expressed confi-

dence that price increases

would be held around eight

per cent on an annualised ba-

repatriation of the sort of situ-

ation that occurred in the late

1980s." he said, when over-

heating sparked panicbuying

and runs on banks and

prompted a three-year auster-

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."

monetary fund standards, a

country's debt service loan

should be 20 per cent of ex-

According to international

On trade, the minister said

ity programme.

port earnings.

"We will be able to avoid the

people are getting

Some Russians, particularly

homelessness.

the economy.

Along with the invasion of

are tempering prices.

meetings by July 1 and some 90 companies have done so. Observers said total value of the mainland-bound invest ments planned by listed com-

meetings are concluded. Meanwhile, reports said the

Under current rules, enterprises are permitted to invest in the mainland but through companies in third countries

Some 8,000 Taiwan enterprises have channeled an estimated 3.8 billion dollar to China, with or without government approval, for various

German budget deficit to hit

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 week-

"Given the current situation federal borrowing will reach the Welt Am Sonntag newspaper in an interview published

Waigel told the German parliament last month that the massive deficit had been caused by the economic reces-

The opposition Social Democratic Party however, maintains the federal deficit will soar to 80 billion mark because 25 billion mark has been set aside for the Nurembergs employment office to compensate unem ployed workers.

Waigel has put the figure lower at 18 billion marks. In 1992 the combined deficits of the federal and 16 state gov ernments reached 68.8 billion mark, some 14.2 billion mark

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

All 268 firms listed on Taiwan's stock exchange are required to hold shareholder

panies would be several times higher when all shareholders

securities and exchange commission was considering allow ing listed firms to collect funds from stockholders for their investments in China

with prepared capital.

investment projects.

\$ 109b in '93

end, reports AFP.

69 billion mark," Waigel told

less than forecast.

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 out 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. "Many (delegations) ex-

pressed hope that the bank's operation in Vietnam would be normalized soon," the bank president said.

Yet, he admitted that 'there is still a lack of consensus, although he did not name the countries who remain reluctant to the proposed re-access of Vietnam to the bank's financing.

Analysts noted the opposition cornes mainly from the United States which imposed an embargo against Vietnam in The US is the second

largest contributor to the ADB after Japan, who is supporting Vietnam's bid. Despite of signs of improv-

ing ties between Hanoi and Washington, the US insists that Vietnam account for all 2,200 American servicemen listed as missing and imprisoned during the Vietnam War before the embargo could be Many countries, including

major donor countries like Japan, Italy, and France, have expressed sympathy to Vietnam and impatience to the US stubbornness. The US is totally isolated

on this (refusal to keep Vietnam out of the ADB funding)," said Pweter Vicaweley, ADB Executive Director for

Russian central bank to follow moderately strict monetary policy lines of a conference of west-

MONACO, May 9: The Russian central bank will adhere to a "moderately strict" monetary policy in 1993 to grapple with country's runaway inflation rate, bank governor Viktor Gerashchenko said here Saturday, reports AFP. Gerashchenoko, who has

headed the central bank since, July 1992 after earlier being in charge of the Soviet central bank Gosbank, has been blamed for contributing to Russia's inflation rate which in 1992 was running at 2,500 per cent, for failing to control the money supply.

But he stressed that "The basic cause of current inflation is not the growth in the money supply," rather "the result of the broad freeing of prices" by the government. Interviewed on the side-

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

ern businessmen and Russian

officials, Gerashchenko said

that "a moderately strict mon-

etary policy" aiming to sta-

bilise the money supply' "is the

only way to get good results at

a time of high inflation and

In the first quarter of this

dropping production."

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

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 he 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 stroy Malaysian forests.

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 de-

China to export \$ 550m aviation equipment four MD-83 planes delivered to

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

Last year, China exported more than 520 million dollar in aviation equipment. Onefourth of the total came from aircraft sold mainly to Southeast Asia and South America.

The aircraft sales included

McDonnell Douglas and Yun-12 propeller-driven planes, the China Daily's Business Weekly reported. Liu Hnegjun, an official in charge of exports at the Ministry of Acrospace

Industry, told the newspaper talks are being held with potential buyers of civil aircraft ir Western Europe and the United States "In particular, we plan to

cement collaboration with the McDonnell Doughlas Co," Liu

gains new prominence from Singapore, Taiwan and 110 companies that have pur-Myanmar. In 1991 it handled Shatoujiao, a one-km-long and

JIEGAO, China: This used to be a small, sleepy village of

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 wen 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

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

in Shenzhen's

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 signif-

icant investors is the Apollo Group Corporation based in Guandong 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 Heihei, 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

chased land in Jiegao, says Pu. Another five have signed agreements to invest. "Till 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 maid 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-fifteenth of a hectare) to 300,000 yuan (52,600 US dol-

The buyers come from more than 10 provinces and cities in China's mainland and

Hong Kong. Some 40 per cent are from Sichuan province, southwest China. "We've demanded that each buyer invest at least one mil-

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 in-

vestment. Even after the in-

vestment is recouped, they

will pay no income tax for two

lion yuan (175,400) in the

years, and will be levied at half the rate for three years. Jiegao and other border towns in Yunnan also beat their counterparts else where in China in that accounts can be settled in Reminbi 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