

BRIEFS

India-CIS republics trade ties expected

NEW DELHI, May 21: Strengthening of economic and trade ties would dominate the discussions during the four-day official visit of the Indian Prime Minister, P V Narasimha Rao to two Central Asian republics — Uzbekistan and Kazakhstan beginning on May 23. Though described as a "goodwill" visit, specific bilateral agreements were expected to be signed during the visit to tap the vast potential for economic cooperation that existed between Indian and these two member countries of Commonwealth of Independent States, reports PTI.

UAE seeks Japanese investment in Dubai

ABU DHABI, May 21: A delegation of United Arab Emirates (UAE) businessmen is Friday expected to hold economic talks with Japanese officials to urge them to invest in Dubai, the UAE press reported. The delegation from Dubai's state-run Board for the Promotion of Trade and Tourism (BPTT) is visiting Japan and on Tuesday it staged an investment seminar in Osaka, reports AFP.

Malaysia's position on log export slated

KOTA KINABALU, Malaysia, May 21: The Malaysian government was Thursday accused of bowing to Japanese demands when it lifted a log-export ban in the opposition-held east Malaysian state of Sabah. "It is downright unfair for government policies to favour foreign log buyers clearly at the detriment of its own local industry," charged Rudy Kinajil, President of the Sabah Sawmilling Industries Association, reports AFP.

Pollution kills 10 tons of fish in Loire

VIENNE, France, May 21: Clean-up crews pulled nearly 10 tons of dead fish out of the Loire river, apparently victims of pollution, authorities said Thursday. The fish were found late Wednesday and early Thursday along a 20-kilometre (12-mile) stretch of the river south of Vienne in central France. Authorities opened an investigation to determine the nature and origin of the pollution, which they said affected fish living along the bottom of the river, reports AP.

Bombay bourse workers on strike

BOMBAY, May 21: Thousands of workers at the Bombay Stock Exchange (BSE) launched a four-day strike Thursday demanding higher wages, but officials said the bourse would see trading for one hour Friday. A BSE union leader, Sharad Rao, said 2,500 of the stock market's 4,000 employees were on strike for higher wages and threatened to close the bourse, the biggest of 16 in India, reports AFP.

Woman banker arrested in Yugoslavia

BELGRADE, May 21: A woman banker was arrested on charges of stealing more than six million dollars from a thousand clients amid reports accusing the commander in chief of the Yugoslav army of corruption, the Belgrade Daily Novosti said yesterday. Olga Jovicic, the Director of the Business Centre Private Bank, offered clients interest rate of up to 30 per cent a month on cash deposits, the newspaper said, reports AFP.

Champagne maker announces layoffs

REIMS, France, May 21: Groupe Moët et Chandon, the largest maker of champagne, announced Thursday layoffs of up to 230 workers due to an industry-wide collapse in sales of France's best-known wine. Company President Yves Bernard blamed the layoffs, to be made over the next 18 months, on a 20 per cent drop in sales from 1989 to 1992, from 32 million bottles to 26 million, reports AP.

Bombay High's output reaches 150,000 BPD

NEW DELHI, May 21: Crude output at the Bombay High oilfields in the Arabian Sea rose to 150,000 barrels a day Thursday after an underwater pipeline which burst four days ago was plugged, officials said. But it would take time for the oilfields to touch their original production of 280,000 barrels per day, Petroleum Ministry officials said here, reports AFP.

US drugs can be dangerous in Third World

WASHINGTON, May 21: American-made drugs can be dangerous in the Third World because of labels that lack warnings or make claims prohibited in this country, congressional investigators said Thursday, reports AP.

Drug manufacturers defend their products, saying they have to follow laws that vary throughout the world. "Nothing could be more reprehensible than the exploitation of men, women and children in developing countries with misleading and deceptive medical claims," Rep Henry Waxman said.

Waxman and Sen. Edward M Kennedy had long sought the study by the congressional Office of Technology Assessment, which randomly sampled 241 drugs made by foreign subsidiaries of companies based in the United States.

The seven-year study of

drugs sold in Brazil, Kenya, Panama and Thailand, found that two-thirds of them made unsubstantiated claims of health benefits or failed to include information that prescribing doctors should know, the OTA said.

Among the missing information: proper dosage, ingredients, side effects, and warnings about medical conditions that the drugs could worsen.

The drug industry was quickly to denounce the report, issuing a statement even before it was publicly released.

The Pharmaceutical Manufacturers Association said the study was unfair because it failed to recognize differing laws in different countries and that labels are constantly being rewritten as new information becomes available.

The manufacturers also criticized the Office of Technology Assessment for being slow.

"It is unfortunate that the

OTA took seven years to complete the study that Congress requested to be completed in two years," association President Gerald J. Moosinghoff said.

"Given the amount of additional time taken, it is all the more unfortunate that the study does not provide an accurate picture of what the actual situation is in developing countries regarding pharmaceutical labeling," he said.

The drug makers said they were being held unfairly to standards that did not apply in the countries where their products were being sold.

But the Office of Technology Assessment, the scientific arm of Congress, said its results were based on the determination of what physicians would need to know to prescribe the drugs safely.

The office found, for example:

— The birth control pill Norinyl 1-50 did not list its

inactive ingredients, did not warn of such risks as heart attack and other possible adverse reactions.

— The drug Demolox, an antidepressant, had a label that does not warn that it could cause psychotic behaviour in schizophrenic patients, did not include a complete list of drugs that should not be taken at the same time, and did not warn to prescribe in the smallest possible dose because of the risk that a depressed patient might deliberately overdose to commit suicide.

"The findings of this study are disgraceful to the American-based drug industry in a country which is looked to for leadership," said Dr. Sidney Wolfe, a consumer activist who was a member of a panel advising the OTA on the report.

The Food and Drug Administration regulates the sale, manufacture and labeling of drugs manufactured in the

United States for marketing in this country or export. It has no authority over drugs manufactured, repackaged or sold abroad by US-owned companies.

The Office of Technology Assessment recommended that Congress consider extending FDA labeling authority to include drugs sold in developing countries by US multinational corporations and their foreign subsidiaries. It also recommended a voluntary international code of conduct for drug labeling and strengthening ethical standards for drug promotion. The drug makers rejected that.

Requiring drugs to follow FDA-approved labeling "is unsupported by any of the report's conclusions and intrudes on the sovereignty of foreign country authorities," the manufacturers association said.

China world's third economic power : IMF

WASHINGTON, May 21: China is the world's third-ranking economic power behind the United States and Japan, according to a new system of comparing countries drawn up by the International Monetary Fund (IMF), reports AFP.

The IMF rankings are based on the gross domestic product (GDP) of each country, comprising its output of goods and services.

In the past the IMF had calculated these figures in dollar terms using the country's official exchange rate.

The problem with this was that "if a country's currency depreciates by 10 per cent, it doesn't mean that its economy is 10 per cent smaller, said an IMF spokesman.

So the IMF has introduced a new accounting system, which will value a country's goods and services on the basis of purchasing power parity, which values a currency on its purchasing power in the domestic market.

The new system gives China a GDP of 1.66 trillion dollar in 1992, up from 430 billion un-

der the old system, bumping it up from 10th place in the world economics rankings to third behind the United States and Japan.

Per capita income shoots up from 370 dollar to 1,450.

The US GDP in 1992 is given as 5.6 trillion dollar and that of Japan 2.37 billion. These two countries remain in the same positions as before, but Germany is pushed down to fourth place.

The new system also boosts the standing of the economies of many developing countries, with India moving up from

11th place with a GDP of 285 billion dollar to sixth with a GDP of 996 billion dollar.

The introduction of this new calculation does not mean that the old system is being abandoned altogether, and it will not alter IMF loan policy, officials of the international financial organisation said.

The details of the new system are spelled out in a document to be published May 28 as an annex to the world economic outlook report published in April.

Indian reform on right track, says Rao

NEW DELHI, May 21: India's economic reform is progressing in the right direction, Prime Minister P V Narasimha Rao said, reports Xinhua.

Inaugurating the 25th national convention of the Indian National Trade Union Congress on Saturday in Cuttack, eastern state of Orissa, he disclosed that he is receiving foreign investment proposals everyday.

He said that every foreign investment will be guided by terms and conditions. It is the avowed policy of the government to look for expansion, collaboration and partnership in the industrial field.

The new economic policy has borne fruit in the last two years, he added.

He said that people all over the world are being attracted by the country's new economic policy.

He also clarified that nothing will be done at the cost of the country's vast labour force. Whatever change comes, it will be in conformity with the interests of labourers.

In order to compete with the global market, he said, the country has to work in tandem with the pace of modernisation to achieve this goal, a rise in productivity, production of quality goods and industrial peace are of paramount importance.

Hillary Clinton has stakes in health care company stocks

WASHINGTON, May 21: Hillary Rodham Clinton, who heads the President's task force on health care reform, has a financial stake in fund that has invested more than a million dollars in health care company stocks, documents show, reports AFP.

The disclosure would pose a conflict of interest if the First Lady were on the government payroll, an unnamed official said Wednesday, but the President's wife is not paid for heading the 500-member task force.

"Clinton owns ... less than one per cent in this mutual fund. She is a limited partner and has absolutely no control over the investments that are made by this fund," White House Spokeswoman Ricki Seidman said.

Her 0.9 per cent share in Smith Capital Management INC, of Little Rock, Arkansas — the President's home state — is worth between 50,000 and 100,000 dollar, according to documents on the Clinton's assets revealed Monday.

Of the fund's total 8.9-million-dollar investments, 1.2 million were in stocks of 10 health care companies, such as hospital corporations, medical equipment makers and pharmaceutical companies.

Clinton urged to get tougher with Japan's worldwide trade surplus

WASHINGTON, May 21: President Bill Clinton's top advisers are urging him to get tougher with Japan by challenging Tokyo to cut its worldwide trade surplus by up to one half in the next three years, The Washington Post said on Thursday, reports Reuter.

A cabinet-level committee endorsed the new plan on Tuesday, the newspaper said, quoting unidentified sources.

For the fiscal year ending March 31, Japan exported 110 billion dollar more worldwide than it imported, or about three per cent of its total output of goods and services.

The President's advisers want this global trade surplus

cut to between one and two per cent in three years. The Washington Post said.

US official said on Wednesday the administration was putting the finishing touches on a new strategy to try to win a bigger share of Japan's market.

The strategy will have two faces, these officials said.

On the broader front, the United States intends to continue to press Japan to boost its economy and thereby stimulate its demand for imports.

To ensure that the faster growth benefits US companies, the administration also plans to attack Japanese barriers to imports of manufactured goods in which America has a com-

petitive edge.

US trade representative Mickey Kantor has said Washington wants to break down both structural impediments to trade — such as government red tape — and import barriers to specific products, from car parts to computer microchips.

The Clinton team aims to win more concrete results, dipping into different "baskets" that would focus on specific structural and sectoral problems.

Kantor said the administration — whose proposal must be meshed with a Japanese version in upcoming meetings — wants measurable barometers by which to monitor progress.

Japanese Prime Minister Kiichi Miyazawa has already flatly rejected deals that would guarantee American producers a set share of the Japanese market.

On Wednesday, the Commerce Department reported that the US trade deficit rose in March to its highest level in nearly four years, jumping 29 per cent to 10.21 billion dollar. Japan accounted for more than half the shortfall.

Clinton and Miyazawa have set a deadline of a July 7-9 economic summit in Tokyo to come up with the new framework to discuss pressing economic issues between the countries.

EC's Salmon-Rhine project seeing light of success

STRASBOURG (France), May 21: Early in May, an angler in eastern France was delighted and surprised when he caught a salmon in the Rhine, something that just a decade ago would have been unthinkable, reports AFP.

The catch was the first tangible result of an ambitious European Community project to rehabilitate the Rhine, which in the decades after World War II earned the dubious reputation of being Europe's most polluted river.

The goal of the "Salmon-Rhine" plan launched in 1989 was to make the river clean enough and suitable for salmon to breed in by the end of the century.

"The quality of the Rhine river water is quite adequate to start working towards this goal," said Jean-Jacques Klein, the chairman of the Salmon-Rhine association set up in Strasbourg at the end of last year. "It is time to stop talking in post-war clichés Europe's dirtiest river."

Paradoxically, it was a major chemical pollution accident in 1986 that helped to reverse the trend. That year, pollution from the Sandoz chemical plant in the Swiss city of Basle killed about 150,000 eels downriver and it was the compensation paid by Sandoz that helped the rehabilitation scheme to start up.

The first task the organisers set themselves was finding out why salmon had disappeared from the Rhine where they were common 100 years ago. They were so common in fact that according to one of the engineers on the project, barge owners had to give hired labour a written undertaking "not to give them salmon more than three times a week."

Dams and canal networks were suggested as the main reason why the salmon deserted the river in the 20th century.

"Most of the spawning grounds have disappeared and only a few are left in the old river course and in certain tributaries like the Bruche and Ill in France and the Lauter in Germany," said engineer Pascal Roche, who is in charge of the technical side of the project.

Last year about 75,000 young salmon were released in these spawning grounds and 150,000 more are due to be released this year. They will spend one or two years in the rivers before setting out on the long journey to the North Sea — a distance of 700 kilometres (450 miles) through Germany and the Netherlands.

After a period at sea, it is hoped the fish will swim back up the Rhine to mate and spawn. In three to six years, Roche said it was reasonable to hope that 100 or so salmon would return to Alsace to breed.

Between now and then, the Salmon-Rhine association aims to provide the salmon with special stair-like gradient to help them get over the many locks along the river's course.

The cost is estimated at 6.3 million dollar per "ladder," with the EC committed to paying five per cent, France and Germany two thirds and the owners of the dams, namely the French electricity board EDF and Germany's Badenwerk the rest.

Salmon-Rhine has to find a further one million dollar to finance the production of fry and to prepare the spawning grounds and organise the technical supervision of the whole operation.

"We are knocking on all local government doors," said Klein, adding: "salmon is a fish of noble reputation and I am optimistic."

Perez's departure may jeopardise Venezuela's reform plan

CARACAS, May 21: Venezuela's strategic oil industry is likely to weather the departure of President Carlos Andres Perez, but some other sectors of the country's economy could be hard hit, analysts say, reports AP.

Jeopardised by the president's likely departure to stand trial could be Perez's programmes to open Venezuela's economy, including a plan to privatise hundreds of state enterprises, and approval of two international projects in the oil and gas sector.

Critical foreign investment likely wouldn't dry up as long as Venezuela remains under democratic rule, said analysts.

"The big worry," said Tim Duhan, Director of the British-Venezuelan Chamber of Commerce, is "that the Army might use this as an excuse to move again."

Perez survived two military coup attempts and repeated calls for his resignation in 1992. Thursday, the Supreme Court decided there's evidence to try him on embezzlement charges. Perez said he would step down temporarily if the Senate decided he should face trial. The Senate scheduled a meeting for Friday.

The military rebellions, while bloody, didn't interfere with the operations of Venezuela's oil industry, a world leader and member of OPEC.

"We have gone through coups, dictatorships, social unrest and we have come out unscathed," said Raul Antoni, spokesman of the state oil company.

As long as production continues, Perez's departure won't impact world oil prices, said Alirio A. Parra, President of the Organisation of Petroleum Exporting Countries and, until Thursday, Venezuela's energy and mines minister. The president's entire Cabinet resigned Thursday.

News of the Supreme Court's decision helped oil prices reverse a downward trend and close slightly higher on overseas markets. In New York, the June delivery price for US benchmark crude rose 39 cents per barrel to close at 19.54 dollar.

Venezuela's oil industry should continue to attract foreign investment, Parra said. He noted that despite social unrest the last three years, foreign capital has poured into ventures such as million-dollar contracts to develop inactive oil fields.

However, Antoni said the political turmoil could distract Congress from considering two major projects that require its approval: a four billion dollar partnership to develop natural gas reserves and a 1.7 billion dollar venture

to exploit massive reserves of heavy crude.

Perhaps the greatest damage inflicted by Perez's departure will be to the controversial programme of free-market reforms he launched in 1989.

The programme, which includes trade liberalisation and lifting of price controls, has boosted the country's economy, which grew by a healthy 7.3 per cent last year. But the programme is not popular with most Venezuelans, who have seen their standard of living decrease since 1989 because wage hikes haven't kept pace with inflation.

"We don't have a guarantee that the programme will continue," said Nelson Mazzei, Director of Economic Issues for the Planning Ministry. Perez was lobbying congressional leaders to keep the programme alive, Mazzei said.

Mazzei said an end to the economic reforms could mean the death of two proposed taxes designed to cut the government's budget deficit, estimated at as high as 5 per cent of gross domestic product this year.

Also, if the nation returns to a protectionist policy, the government could: impose controls on currency exchanges, which would hamper business; increase the minimum wage, which would drive up inflation; and freeze prices,

which would bankrupt some businesses and lead to scarcities, Mazzei said.

And, Mazzei said, a programme to sell or liquidate more than 350 state-owned enterprises may be threatened. Without the two billion dollar expected from privatisations in 1993, the deficit would grow, eventually pushing up inflation. Independent economists say inflation could reach 40 per cent this year.

Still, Perez's departure won't have a big impact on foreign investors, who are accustomed to political turmoil in various parts of the world, Duhan of the British chamber said. Investors were already waiting for presidential elections scheduled in December, he said.

"Everybody is frustrated with a lame-duck president who is perceived as being corrupt," Duhan said. "Everyone wants to move on."

One major investor, Chrysler Corp. of the United States, is spending nine million dollar to expand its operations here, the Caracas newspaper El Nacional reported recently.

"We have a favourable vision of the future for Venezuela and Latin America," said Charles Busch, director of Chrysler's Venezuela operations, according to El Nacional. "Therefore Perez's departure will not affect our investments."

17m hectares of forest vanishes each year

MEXICO CITY, May 21: Some 17 million hectares are deforested per year throughout the world and two-thirds of them are lost due to slash and burn practices, reports Xinhua.

Mexico, Brazil, Peru, Cameroon, Zambia, Indonesia, the Philippines and Thailand are the countries with the highest deforestation rates, according to Pedro Sanchez, Director-General of the International Agri-Forestry Research Centre (IAFRIC) in Merida, state capital of Yucatan, Mexico.

Furthermore, the problem has doubled in this decade since only eight million hectares were deforested per year in the eighties, he said.

He affirmed the backward agricultural means of "slash and burn" was the major factor that accelerated the deforestation rate and therefore programmes that include socio-economic improvements for farmers are badly needed to prevent deforestation from going into reverse.

Sanchez added that the IAFRIC is carrying out a programme in the eight countries mentioned above to provide farmers with agri-forestry alternatives that will prevent the destruction of more forests but he said it takes time.

The IAFRIC, a civilian association, was established in 1977 with its headquarters in Nairobi, Kenya.

Grain trade to fall by 8m tons in coming season

WASHINGTON, May 21: World wheat and grain trade in the coming season is projected at 183 million tons, down eight million tons from the previous season, the US Department of Agriculture said here today, reports Xinhua.

The department's foreign agricultural service said in world grain situation and outlook that world grain production next year is also projected down about 46 million tons.

The decline of grain production takes place with changes in US production, which accounts for roughly 30 million tons of the decline.

As to wheat trade, the pro-

jected increases in imports by China, the Republic of Korea, the former Soviet Union more than offset the decreases in eastern Europe, India, Mexico and Turkey, the reports said.

Meanwhile, World corn trade during 1993 and 1994 is projected at 56 million tons, down six million from the level of the previous season.

The report noted that world sorghum trade in the coming season shows little change, at 8.9 million tons.

However, barley trade in the next season is projected to be nearly 16.2 million tons, marginally up from the previous season.

Taiwanese farmers demand govt's resignation for allowing cheap imports

TAIPEI, Mar 21: Some 20,000 farmers and opposition supporters marched through Taipei Thursday demanding that the ruling Kuomintang step down for allowing imports of cheap foreign produce and failing to protect farmers, reports AFP.

Protesters briefly scuffled with police outside the cabinet office in downtown Taipei and in front of parliament, where demonstrators tried to force open a gate and occupy the area in front of the building.

Flanked by trucks loaded with crops and protesters holding scarecrows, the two-kilometre crowd beat drums and gongs as they marched through the city, grinding betel nut imported from Thailand beneath their heels.

"Step down, the KMT," "the government's agricultural policy is a big failure," and "return the land to us," shouted the protesters, led by Lin Kuo-hwa, Chairman of Taiwan Association for Farmers' Rights.

More than 5,000 police were assigned to maintain or-

der. They sealed off the road leading to the presidential office to prevent protesters from marching to the office, which is off limit to the public.

Some protesters had a minor scuffle with police in front of the Cabinet building when they demanded to see Premier Lien Chan. Nine representatives were later allowed in and submitted a petition to Lien.

Another five representatives were later permitted to send a petition to the presidential office.

"The government is unfair to farmers and treats them unequally after exploiting them for more than 40 years," Lien said.

Unlike workers who are protected by the labour standards law and were entitled to retirement pensions, farmers have nothing, he said.

The march was also to commemorate the fifth anniversary of a similar protest which turned violent and resulted in injuries to more than 200 people. Lien was jailed for more than two years for his role in the for his role in the protest.

Havana may take US trade embargo issue to GATT

HAVANA, May 21: Cuba's Government is considering taking its case against a long-standing US trade embargo to the General Agreement on Tariffs and Trade, the world trade body, a senior Cuban official said on Thursday, reports Reuter.

Pedro Nunez Mosquera, Director of Multilateral Affairs at the Foreign Ministry, told reporters in Havana that Cuba was carrying out informal consultations to see whether it could bring the issue before GATT.

"The (US) blockade is one of the Cuban Foreign Ministry's priorities for this year," Nunez

said. The communist-ruled Caribbean island is waging an international diplomatic campaign to obtain the lifting of the US embargo, enforced by Washington for more than three decades.

Cuba says the US sanctions, recently tightened by Washington, not only block economic relations with the United States but also hinder trade with third countries and hamper foreign investment.

Nunez recalled that the UN General Assembly last November 24 overwhelmingly approved a Cuban resolution which condemned the US embargo and sought its repeal.

Share prices hit record high in Hong Kong

HONG KONG, May 21: Share prices on the Hong Kong Stock Exchange closed at a record high Friday on renewed hopes that Britain and China will resolve a dispute over democratic reforms in the territory, reports AP.

The Hang Seng Index, the market's key indicator of blue chips, rose 51.00 points or 0.7 per cent to close at 7,169.96, after soaring more than 100 points in the morning. Turnover amounted to 4,566 Hong Kong dollar (US \$54 million dollar), up from Thursday's 4,282 billion Hong Kong dollar (US \$48 million dollar).

Brokers said investors were optimistic about the outcome of the third round of Sino-British talks on the territory, which began in Beijing on Friday.