Japan's brokers targeting Asia

TOKYO, June 24: After pausing for breath with the collapse of the bubble economy, Japan's mighty brokerages, are turning their eyes to the world's fastest growing market, Asia, where they have lagged behind their western rivals, analysts said. "Japanese brokerages are still behind some US and European rivals such as Jardine Fleming, Baring brothers and Merrill Lynch in Asian markets," said Hiryuki Yoshimizu, General Manager of the International Project and Planning Department at Daiwa Securities, reports Reuter.

#### Paris Club cuts Benin's debt

PARIS, June 24: The Paris Club of government creditors has agreed to a reduction of some of Benin's external debt, the French finance ministry said in a statement. The ministry, which provides the chair for Paris Club meetings, said official creditors could choose from two options: - Writing off half the non-concessional credits falling due during the period in question, usually the next 18 months, and reschedule the rest over 23 years at market rates, with six years' grace. - Rescheduling over 23 years at concessional rates, in such a way as to reduce payments due by 50 per cent, reports Reuter.

#### Manila expects new talks with IMF

MANILA, June 24: Outgoing Philippine central bank governor Jose Cuisia said he hoped talks with the International Monetary Fund (IMF) would resume by September but much will depend on the revenue measures lined up by govern-

Cuisia said the reopening of talks will hinge on the government's ability to come up with firm measures to help trim a huge revenue shortfall which had alarmed the IMF in the past two rounds of talks held this year, reports Reuter.

#### Market-access talks to continue

TOKYO, June 24: Japan, the United States, the European Community and Canada will hold further ministerial talks next month in a last-minute bid to achieve a market-access-accord, sources close to the talks said today. The disclosure followed the fatlure to reach an accord after two days of talks aimed at breathing new life into the stalled Uruguay Round of global trade talks under the General 'Agreement on Tariffs and Trade (GATT). reports AFP.

#### Taipei eases petroleum trade

TAIPEI, June 24: Taiwan will allow private local firms to build oil refineries, import crude oil and sell oil products, relaxing a four-decade government monopoly on petroleum, economic officials said Thursday. Private companies with sufficient pollution control facilities and other necessary equipment will be eligible to apply for permission to operate refineries, the officials said, reports AFP.

#### Indonesian banks carry bad loans

JAKARTA, June 24 Indonesian banks were carrying a total of 3.68 trillion rupiah (1.76 billion dollar) in bad · loans by the end of March-2.8 per cent of total credit issued - press reports said Thursday. The media Indonesia Daily quoted Governor of Bank Indonesia, the central bank, Sudrajad Jiwandono, as having told a parliamentary committee here Wednesday that 2.54 trillion rupiah (1.22 billion dollar) of the unperforming loans were extended by state banks, reports AFP.

#### **Aussie education**

for China's officials SYDNEY, June 24: Australia's biggest university will play a major fole in educating China's future business executives in western-style economics through a jointventure announced here with one of Beijing's leading universities. As the booming People's Republic swings into free-market mode, experts from Melbourne's Monash University will provide accounting, finance and business studies to Chinese students at Beijing's University of International Business and Economics (UIBE), reports

## ILO adopts new convention to protect workers

GENEVA, June 24: The International Labour Organisation (ILO) has adopted a new global convention setting governmental standards to protect workers from major industrial accidents, officials said in Wednesday, reports Reuter.

The voluntary convention applies to hazardous installations including pipelines, but not to nuclear of military sites.

The text was adopted late on Tuesday, the final day of the ILO's annual meeting of 164 member states. About 2,000 delegates attended the threeweek conference of the specialised United Nations agency in Geneva.

The prevention of major in-

dustrial accidents convention will enter into force a year after two nations have ratified it.

Accidents are defined as a major fire, emission or explosion "involving one or more hazardous substances and leading to a serious danger to workers, the public or the environment, whether immediate or delayed."

Employers must set up a "hazard control system's" to identify risks and emergency medical procedures in case of an accident or "near miss."

The convention permits employees to stop working if "they have reasonable justification to believe that there is an imminent danger of a major acci-

dent, and notify their supervisor or raise the alarm."

"The competent authority shall have the right to suspend any operation which poses an imminent threat of a major ac

cident," said the convention. Delegates adopted the ILO's two-year programme and bud get for 1994-95 amounting to 466.5 million US dollar. This represents a no-growth budget except for currency adjust

The ILO was founded in 1919 as an autonomous part of the league of nations and was recognised by the United Nations in 1946 as a specialised agency. It aims to ensure full employment and protection of

workers' rights through a tripartite structure of employers, unions and governments.

Zimbabwe's Labour and Social Welfare Minister John Nkomo, elected chairman of the ILO's tripartite governing body. said in a speech: "The ILO should play a leading role in the search for prompt solutions to social and economic problems of countries in transition."

Regarding South Africa, which withdrew from the ILO in 1964 under pressure over its apartheid policies, Nkomo said:

# The only security for South Africa lies in the creation of productive employment for the majority of people."

US President Bill Clinton (C) confers with Senate majority leader George Mitchell D-Maine (R) as Speaker of the US House of Representatives Tom Foley (L) looks on during a meeting of the Democratic leadership at the White House Wednesday. Clinton is looking to cement support for his deficit-reduction plan. - AFP/UNB photo.

## Delhi expects \$ 7.2b in foreign aid

NEW DELHI, June 24: India expects at least 7.2 billion dollar in foreign aid — the same as last year - when donors meet in Paris next week, but will press for more money to back an ambitious reform programme, a top officials aid, reports Reuter.

back our reform programme," said Finance Ministry chief cconomic advisor Shankar Acharya, but he declined to give details.

The World Bank has recommended in a confidential report to the donors that they contribute 7.2 billion dollar in 1993/94 (April-March) to support the reforms. India's balance of payments

over the next few years will remain fragile, mostly due to International Monetary Fund (IMF) loan repayments, said the report obtained by Reuters ahead of the donors' meeting.

The 12-nation Aid India "We are asking for more to consortium is meeting in Paris on July 1-2. Last year, it raised its aid to 7.2 billion dollar from 6.7 billion dollar in 1991/92 after India began implementing reforms.

"The slower than expected recovery in exports and a resurgence of social unrest. however, underscore the seri-

ous challenges facing the au-

thorities in the management of India's transition to a more open and dynamic economy," the bank said. Acharya said India would

need more funds in the current year to support the reform programme, which has fuelled faster economic growth. The economy is on track,

inflation is under control and exports are picking up," he

Of the total aid in 1992-93, the donors had pledged 3.4 billion dollar in fast disbursing assistance to help India manage its balance of payments situation. They also suggested a broadening of reforms, especially in the banking sector. "As part of the reforms, the

banks' liquidity is being improved and their capital base strengthened, " Acharya said. Acharya said India was also

talking to the IMF about a medium-term loan.

"A lot depends on export growth. If we have a 25 per cent growth in dollar terms, then we do not need this financing," Acharya said. "But if export growth is around 15 per cent in the next two to three years, then about two billion dollar a year would be required."

#### World sugar out put falls

WASHINGTON, June 24: The world sugar harvest for the 1992-93 season fell four per cent to 111.3 million tonnes, the U S Agriculture Department said, reports AFP.

The estimates show a de cline from the previous record harvest of 115.9 million tonnes, the USDA said.

With world consumption estimated at 112.4 million tonnes, up from 11.3 million tonnes the previous year, the agency said global sugar stocks will fall for the first time in four years.

The decline reflects a poor harvest in Ouba, South Africa, India, Thailand, China and Ukraine, the USDA said.

#### India cuts lending rate

BOMBAY, June 24: The Reserve Bank of India (RBI) said was cutting the minimum lending rate for banks by one percentage point to 16 per cent effective from Thursday, reports Reuter.

It was the third reduction in the minimum lending rate since last October when it stood at 19 per cent.

In a circular to commercial banks, Reserve Bank governor Chakravarty Rangarajan said he was also putting the savings deposit rate to five per cent from six per cent.

The RBI was also relaxing selective credit controls on wheat and cotton.

Bankers said the RBI had apparently moved to cut interest rates and further stimulate the economy following the arrival on schedule of monsoon rains and the reduction of inflation to under six per cent.

The RBI governor said in the circular that the price situation had shown a distinct improvement recently, while supplies of food staples such as wheat were extremely good.

Inflation as measured by the wholesale price index had come down to a year-on-year 5.8 per cent from 13.0 per cent a year ago, the RBI said.

#### Pakistan's forex reserves rise to \$ 426m

KARACHI, June 24: Pakistan's foreign exchange re serves rose to 426 million dollar in the week to Thursday, from 420 million dollar in the week to June 10, the State (central) Bank of Pakistan said, reports Reuter.

The bank said it also had gold coins and bullion worth 633 million dollar.

One banker said deposits in foreign currency accounts helped increase the reserves. which included 274.17 million dollar cash and short-term securities held abroad, 147.30 million dollar foreign exchange within Pakistan, and 4.94 million dollar Special Drawing Rights held with the Interna tional Monetary Fund.

#### Bombay bond scam

### RBI, foreign bank quiet over probe body report

BOMBAY, June 24: Foreign banks, criticised in the draft report of a parliamentary committee investigating India's biggest financial scandal, were tight-lipped and the Reserve Bank of India (RBI) refused to make any comments, reports Reuter.

The committee blamed four foreign banks for violating rules governing securities trading and criticised the RBI for poor supervision and a weak response even after the scandal erupted last year.

Foreign banks named by the committee are Standard Chartered Bank (STAN L). Citicorp's (CCI N) Citibank NA, Bank of America (BAC N) and ANZ Grindlays Bank (ANZ AX).

The committee suggested foreign banks be prevented from repairlating profits arising from irregular securities transactions and other mal-

Barry Northrop, Standard Chartered Bank's special representative for India, said in a statement that the bank would wait for a final report from the

But he added in a statement to Reuters that it was in the end up to the RBI to determine penalties for erring banks. Northrop heads a team of over 30 officials including accountants, lawyers and bankers specialising in securities transactions assessing the bank's involvement in the scandal.

## Seoul upgrades export projections to \$83.56

SEOUL, June 24: South Korea has upgraded its export projections for 1993 to 83.5 billion dollar, thanks to the depreciation of the Japanese yen and increasing exports to the United States, the Trade Ministry said Wednesday, reports

Officials at the Trade Ministry said exports were expected to reach 83.5 billion dollar this year, up 500 million dollar from the year-start projection, while imports would slip to 85.5 billion dollar from the already-projected 86.5 billion

The high yen, the steady increase in exports to the US market and relaxation of administrative regulations under the framework of the President Kim Young-Sam's new economic plan largely contributed to the rosy projection, they said.

They also projected that the average growth rate in exports this year would reach nine per cent as South Korea would be able to increase its exports by 10 to 11 per cent in the latter

#### EC steelmakers accuse US counterparts of launching trade war countries including seven EC

BRUSSELS, June 24: The European Community steel industry accused US steelmakers on Wednesday of launching a full-scale trade war with apparent government support and urged the EC to use all legal and political ways to combat it. reports Reuter.

The industry lobby group Euroser said a coordinated protest should be made against US trade practices at the G7 summit in Tokyo next month in the light of final anti-dumping and countervailing duties against steel imports from a score of

Eurofer said all legal and

political means must be used by the European Commission and EC national government to confront the situation, which it said risked severely prejudicing the outcome of the GATT Uruguay Round and of negotiations for a multilateral steel agreement. It said the duties announced

by the Commerce Department on Tuesday were unfair and resulted from largely arbitrary calculators which have no basis in economic logic and are of a political nature.

#### Tokyo plans to issue new bank notes to check counterfeiting

TOKYO, June 24: Japan will issue new bank notes using special luminous ink and ultra-small characters to prevent counterfeiting, a finance ministry official said on Wednesday, reports Reuter. He said the design of the

notes would be the same except for the changes in ink and in the size of characters reading "Nippon Ginko" (Bank of Japan).

The Bank of Japan issues three denominations -10,000 yen, 5,000 yen and 1,000 yen. One dollar is currently worth around 110 yen. The official said characters

and numbers on the 10,000 yen and 5,000 yen notes will be printed in brown instead of black while on the 1,000 yen notes they will change from blue to brown.

The new notes will be issued on December 1, but current notes will remain valid, he said.

Earlier this year, hundreds of counterfett 10,000 yen notes passed through automatic note exchangers at banks and railway stations on Osaka, setting off alarm bells in a country that prides itself on having the world's strongest currency.

Police suspect high-resolution colour copy machines were used to make the counterfeit

#### Clinton's health care plan likely to be postponed

WASHINGTON, June 23: President Clinton's oft-delayed plan to overhaul the nation's health care system likely to be postponed until the fall because of the battle to shape a new federal budget, administration officials said Tuesday, reports Reuter. Budget director Leon

Panetta, discussing efforts to hammer out a budget for the next fiscal year, said he was confident 'The differences will be resolved in August, before the August recess" of Congress. When asked if that meant

Clinton would delay presenting Congress with the details of his health care overhaul until at least September, Panetta said the White House was con-centrating its efforts on the budget.

The President's interest is in trying to get this done before the August break," Panetta said, "Our primary focus is in trying to get the economic plan done and then turning to the health care pro-

White House Press Secretary Dee Dee Myers said no final decision has been made on when the health plan would be announced.

Tiananmen Square protesters turn into businessmen Rajiv Chandra writes from Beijing

Three years ago, they were in prison together for joining the 1989 Tiananmen Square protests. Now out of jail, they have become big-time businessmen running an international consultancy

Once equipped with megaphones, banners and pamphlets, the six new entrepreneurs now find their lives revolving around fax machines and the ceaseless clatter of computer keyboards in an office atop a modern Beijing skyscraper. "It would be difficult for us to survive under

the old structure," says a 28-year-old economist. He was expelled from a university in Beijing and denied a state-sanctioned job with housing and other accompanying benefits. He now belongs to the new breed of activist-

businessmen emerging from the political turmoil of 1989 into the free market arena. "It's a break from the old system and the past," he says. But it remains unclear what such a politically-aware business class will augur for China.

The country's communist leaders hope that. sobered by jails, these new entrepreneurs will forget democratic demands of the past in their scramble - like other Chinese - to get rich. Like their much-admired counterparts in Singapore, China's supreme leader, Deng Xiaoping, prescribes economic freedom mixed

their view, will ensure the survival of Chinese But not all are convinced of the strategy. And the nay-sayers warn the so-called 'turmoil elite' will cash in on China's new wealth, gathering economic clout and political punch in a new

with tight political control to the masses. This, in

democratic thrust down the road. We have closely watched the new movements of some leading members of the turmoil elite," says Song Ping, a retired communist elder who \retains influence on some younger party members. "They have gone into business aimed at

staging a comeback." Indeed, China's intellectuals have watched their thriving middle-class counterparts in Taiwan and South Korea assert new democratic power in the formerly totalitarian societies. And just last year, Thailand's urban middle class rose against a corrupt military regime and demanded a return to democracy.

But supporters of China's pro-democracy

movement are themselves divided on the issue.

Citing the current obsession with making money

and the Chinese fear of social turmoil, an aca-

demic who was jailed for almost a year predicts

"Once in business, your behaviour is regu-

their commitment to the movement.

98 per cent of the new entrepreneurs will forget

lated by business practice and profit orientation," says another former activist. "In future, if someone asks such activists-turned-businessmen to contribute to the cause, they would first consider how such contribution serves their corporate interests."

Others, however, say their political commitment has even grown stronger. They cite recent examples of camaraderie that prompted activist businessmen to help newly released detainees or the families of those still in jail. "We were young then and did not have a very

understand now," says a 20-year-old businessman who was imprisoned for three years. The thing we all have in common is that our belief in democracy in China has not changed," he added. "Throughout history, men of property have been the motivating force in civilisation's

good understanding of what China faced. We

progress". Charting an independent economic course has not been easy for activists. Hindered by restrictions in Beijing, many have moved to south China where they are freer to start business. Some have linked up with overseas investors to

set up joint ventures in the southern provinces. But their political past continues to haunt them. They remain under tight surveillance, and midnight knocks on doors by security officials are not uncommon.

restaurant in a coastal province two years ago, but was pressured by security police to close. He lost more than 10,000 US dollar in the process. There are fears of bureaucratic interference in the working of the company once it grows, says this businessman who often sleeps with his

official accommodation. Official harassment varies from place to place. When one ex-activist applied for registration of his company, provincial authorities asked him to present a bank guarantee of more than 60,000 US dollar. When he came up with the guarantee, local security officials interfered and registration was refused.

This does not work in the interests of the Communist Party," he comments. "If one cannot follow the path to prosper, one is forced to become an outlaw. Then the only way out is a revolution." - IPS

