

BRIEFS

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...

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.

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 government.

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.

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.

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.

Aussie education for China's officials

SYDNEY, June 24: Australia's biggest university will play a major role in educating China's future business executives in western-style economics through a joint-venture announced here with one of Beijing's leading universities.

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.

Industrial 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" 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 accident, and notify their supervisor or raise the alarm.

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."

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 decline from the previous record harvest of 115.9 million tonnes, the USDA said.

India cuts lending rate

BOMBAY, June 24: The Reserve Bank of India (RBI) said it 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.

Pakistan's forex reserves rise to \$ 426m

KARACHI, June 24: Pakistan's foreign exchange reserves 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.

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.

The committee suggested foreign banks be prevented from repatriating profits arising from irregular securities transactions and other malpractices. 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 committee.

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 AFP. 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 dollar.

EC steelmakers accuse US counterparts of launching trade war

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 Eurofer 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 countries including seven EC states.

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.



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. "We are asking for more to back our reform programme," said Finance Ministry chief economic 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 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 serious challenges facing the authorities 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 said. 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."

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 firm. 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 with tight political control to the masses. This, in their view, will ensure the survival of Chinese communism. 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 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 academic who was jailed for almost a year predicts

98 per cent of the new entrepreneurs will forget their commitment to the movement. "Once in business, your behaviour is regulated 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 good understanding of what China faced. We 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 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. One of the six business consultants opened a 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 partners in the office because they cannot get 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



Clinton's health care plan likely to be postponed WASHINGTON, June 23: President Clinton's off-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 concentrating 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 proposal." White House Press Secretary Dee Dee Myers said no final decision has been made on when the health plan would be announced.