EC allocates \$ 13.25 m for

Kurds BRUSSELS, June 25: The European Community has allocated 11.5 million ECUS 13.25 million dollar) to finance humanitarian aid for Kurds in northern Iraq and Shi'ites in southern Iraq, the European Commission said here Thursday, reports AFP.

It said in a statement that there were still many refugees in the two regions, more than two years after the Gulf war in 1991, and that there was a pressing need for emergency medical and food aid.

The commission added that water, sanitary facilities and affordable heating and cooking oil were also scarce in the two

Since the Gulf war, the commission has given 120 million ECUS (138 million dollar) in relief aid for Iraq.

Market access talks toward GATT deal fail TOKYO, June 25: Ministe-The four sides were supposed to have come up with an rial talks on market access between the United States,

"ambitious package" to open world markets. But they failed Japan, the European Community and Canada broke down to find common ground on reducing certain tartffs, abolishhere Thursday, placing in ing non-tariffs barriers and jeopardy the successful conclusion of the stalled Uruguay services trade. Despite some progress - or

"The main problem was be tween the Americans and the Europeans," a Japanese negotiator said, highlighting that the two sides which blocked progress in agriculture in the past were now jeopardising the Uruguay Round again.

But added to this was Japan's obstinate refusal to negotiate the opening of its rice market, blocking any possibility of an agreement on agricul-

"The important thing now is to work out how to manage this looming crisis," said a'disillusioned negotiator who asked not to be named.

The talks got off to a sour start for the Japanese, Europeans and Canadians Wednesday - only hours earlier. Washington announced antidumping tariffs on imports of steel from 19 countries. Trade officials in Tokyo, Brussels and Ottawa, which are all affected,

strongly denounced the move. The quadrilateral meeting then plunged into crisis from when European Trade Commissioner Sir Leon Brittan withdrew all offers from Brussels in a bid to gain concessions from the other three

sides, participants said. Brittan was nevertheless suggesting that the four parties should try to agree to a more modest package of measures, taking into account past experience and adopting a "simplified and structured ap-

non-ferrous metals.

productions:

The simplified approach

- 100 per cent on the

suggested by Brittan would put

all industrial products on a

scale with three types of tariff

highest tariffs (the Americans

have around one thousand so-

called peak tariffs, 10 times as

many as the Europeans).

The four sides had already agreed to abolish tariffs on The European move, even if some products, a source close supported by Japan and Cato the negotiators said. These nada, was far from the position defended by the Americans were construction equipment, pharmaceutical products, especially on textiles and the medical equipment, beer and US tariff structure, putting steel although the Europeans sceptics on the possible fringe said abolishing steel tariffs of an agreement

In the area of trade in serrequired market regulations. On the other hand, there vices, the Americans, the Europeans and the Japanese was deep discord between the seemed to have pursued a dia-Europeans and the Americans on textiles, electronics and logue of the deaf.

- 30 per cent in other ar-

Washington refused to cede ground on shiping. Brussels refused to move on audio-visual services while Tokyo main tained its position on financial services although the Japanese did offer to open their pension fund market wedder.

As for opening markets to agricultural products, an area not covered by the so-called

Blair House Agreement be tween Brussels and Washington, the Japanese position

left no doubt for pessimism. Tokyo refuses to consider the tariffication of rice imports its closed market.

which would single an end to At a joint news conference after the talks failed, ministers from the four sides insisted

that all was not lost. Brittan asserted 'we are well on the road" towards

reaching an accord. "We still have work to do. Kantor said. "The United States is looking for a package on market access in time for

the G7. Canadian Trade Minister Michaeel Wilson expressed confidence that the four sides would be able to make a positive contribution before the G7 summit.

Bangkok hopes to post 8 pc GDP growth

BANCKOK, June 25: The That central bank figures for the first five months of 1993 indicate that Thailand is expected to achieve the projected economic growth of seven to eight per cent this year, says Xinhua.

in the first five months of 1993, the industrial sector swelled by 10.8 per cent, led by the sales of motor vehicles and petroleum products.

The private investment index rose 9.7 per cent, which is considered by Bank of Thailand authorities as a normal range for the projected gross domestic product growth.

Domestic consumption has also accounted for the healthy trends.

Singh rejects charges of laxity during scam build-up

I was not a sleeping finance minister

List of countries, regions to get

US subsidised wheat

WASHINGTON, June 25: Here is the list of countries and regions that will receive between June 1993 and May 1994, 32

(11 countries) and

the centre-right national re-

publican convention. The

freezing of poll results has

raised doubts over military

leader Ibrahim Babangida's

thrice-delayed handover date,

sion and concern about pos-

sible outbreak of civil unrest in

this ethnically and religiously

diverse society has affected its

prospect of attracting much vi-

invest in the economy will nat-

"Anyone who had plans to

tal investment, analysts say.

The ensuing political confu-

now set for August 27.

Commonwealth of Independent States

Georgia: 4 million tonnes

Jordan: 500,000 tonnes

Lebanon:2,00,000 tonnes

Mexico: 1.4 million tonnes

Morocco: 2.9 million tonnes

Pakistan: 1.35 million tonnes

Philippines: 1.65 million tonnes

Mounting political uncertainty puts

Nigerian economy on hold

Nicaragua: 85,000 tonnes

Norway: 160,000 tonnes

"Honduras: 45,000 tonnes

Malta: 65,000 tonnes

order," Falowora, former head

of the Manufacturers Asso-

in Africa's most populous na-

tion since the electoral com-

mission on Wednesday sus-

pended the results of the June

group seeking extended mili-

tary rule earlier won a court

order restraining the commis-

Social Democrat tycoon

Moshood Abiola well ahead of.

Initial returns showed

sion from naming the victor.

12 presidential poll. A shadow

Tension has been building

ciation of Nigeria, added.

DELHI, June 25: India's Finance Minister Manmohan Singh, the author of far-reaching economic reforms, in an interview with India's Economic Times said, "I was not a sleeping finance minister," and rejected charges he was lax during the build-up to the financial scandal, reports Reuter.

"Those who say that I was sleeping while the scam was on should look at the amount of time I spent on the financial sector reform, he was quoted

But he declined direct connection the draft report by a joint parliamentary committee investigating the 40 billion rupee (1.28 billion dollar) securities fraud, and side-stepped suggestions he should resign.

"I have no lure for office. Let me say I shall cross that

Algeria: 2.3 million tonnes

Barreladesh: 500,000 tonnes

China: 5.53 million tonnes

Egypt: 3.5 million tonnes

Finland: 135,000 tonnes

ABUJA, June 25: Mounting

uncertainty about Nigeria's

transition from military to

civilian rule has plated the

country's ailing economy on

hold, say economic analysts,

has been a virtual paralysis in

the economy because of the

political uncertainties," Olad-

apo Fafowora, a Lagos-based

business consultant, told

to deteriorate until we are able

The economy will continue

"In the last few weeks there

according to Reuter.

Reuters.

Cyprus: 80,000 tonnes

Bahrain and Kuwatt: 175,000 tonnes

Baltic countries: 400,000 tonnes

Eastern Europe (Albania, Bulgaria,

Czech Republic and Slovakia): 50,000

Round, reports AFP.

Trade (GATT).

next day.

"new determination" as US

Trade Representative Mickey

Kantor put it - they failed to

agree to the framework of an

accord as part of the global

trade talks under the General

Agreement on Tariffs and

decided to hold a final make-

or-break round of talks in

Tokyo on July 6 as Group of

Seven (G7) leaders gather in

the Japanese capital for their

three-day summit start in the

in a last-ditch effort, they

A draft report by the committee said the Finance Ministry had been slow to act on the securities fraud, which has forced the resignation of the country's Commerce Minister and Attorney General.

Harshad Mehta, the stock broker at the centre of the scandal involving 50 banks and brokerage houses, has alleged that he gave Prime Minister P V Narasimha Rao an illegal political campaign donation of 10 million rupee (320,000 dollar). Rao has denied the accu-

Singh said the government planned to press ahead with further reform of the country's previously protected and statemanaged economy.

million tonnes of wheat subsidised by the US government, reports AFP.

Hungary, the

Action was needed to improve investment in key areas

bridge when I reach it," he such as electric power generation and oil exploration, while the government expected soon to approve the first private banks in 25 years, he said.

> to finalise a new loan agreement with the International Monetary Fund (IMF) this year. Despite the improved eco-

Singh, said India expected

nomic outlook, the country needed a safety net in case the balance of payments deteriorated, he added.

UK largest investing country in India

Xinhua report says: The investment of US companies accounted for 60 per cent of the total foreign investment approvals in India in the last four

Kenneth C Brill, Charge d'Affaires, US Embassy here said in a meeting in south India city of Madras on Thursday that in fact US is the largest investing country in

dollar as on date. He expected this to go up to 2-5 billion US dollar in the next few years and a significant chunk of it will be in the power sector.

India, totalling 650 million US

Tea export to UK rises

Another report adds: India's tea export to the United Kingdom in between January and March 1993 has increased by 56 per cent over the same period in 1992, according to tea trade sources.

In the first quarter of the current year, the export touched at 5698 metric tons against 3633 metric tons in the same period of 1992, the

Poland: 700,000 tonnes

Sloventa: 200,000 tonnes

Romania: 700,000 tonnes

Romania: 700,000 tonnes

Shri Lanka: 550,000 tonnes

Tunisia: 600,000 tonnes

. Turkey: 300,000 tonnes

Yemen: 500,000 tonnes

Sub-Saharan countries in Africa

South Africa: 600,000 tonnes

Trinidad and Tobago: 125,000 tonnes

(29 countries) 2.7 million tonnes

plans until the political situa-

economy is beset by many

woes including corruption in-

flation a battered currency

crumbling infrastructure, low

productivity and high foreign

Future economic relations

between Nigeria and its mainly

western trade partners and

creditors are likely to be influ-

enced by the outcome of the

current political crisis,

bankers said.

Sub-Saharan Africa's biggest

tion is clearer," Fafowora said.

prove the teaching force.

teachers and trainees. The technical assistance will

ADB accepts Pak contribution to technical fund

The Asian Development Bank has accepted an offer of a contribution from Pakistan of 1,610,000 rupec (about 60,000 US dollar) to the Bank Technical Assistance Special Fund (TASF), says a press release.

The Fund is the main source of financing for the bank's technical assistance grants to its developing member counr-

This will be Pakistan's 17th contribution to the TASF.

As with Pakistan's last ten contributions, the latest contribution will be available for procurement from all the bank's developing member countries.

ADB President Kimimasa Tarumizu expressed the bank's apprectation for the contribution in a letter to bank alternate complete with technical, economic and social assessments and full implementation arrangements for a proposed rural infrastructure development project.

Cambodia's teacher training programme to get ADB grant

The education sector in Cambodia will be reviewed and further developed with a 1,300,000 dollar technical assistance grant which was approved by the Asian Development Bank, says a press release.

The grant will be financed by the Swedish International Development Authority (SIDA) and administered by the bank. The technical assistance is consistent with the provisions of the Paris Accord and was approved by the Supreme National Council of Cambodia in December 1992.

The technical assistance will address the two most significant issues facing education in Cambodia, that is to establish clear priorities for further development of the sector and im-

The objectives of the technical assistance are to develop an appropriate technology and carry out an analysis of the edueation sector, and improve the capability of teacher trainers in providing in-service training to primary and lower secondary

consist of two parts.

aid to residents of the besieged city during a fashion show in Sarajevo on Thurs-- AFP/UNB photo Jakarta imposes travel bar on 300 defaulting businessmen

Amateur models display clothes made of plastic, recycled from the humanitarian

JAKARTA, June 25: The Indonesian government- has barred over 300 businessman from travelling overseas because of their failure to pay off large loans from state banks, reports Reuter.

Immigration officials said on Friday the finance ministry had asked them to impose the six-month ban but did not name the individuals.

We are just implementing what is requested by the finance ministry to the justice ministry, said Hario Subayu, immigration spokesman.

Chief of the government claims affairs agency Adolf Warouw earlier told parliament the travel ban only involved bad debtors to state banks because his office was only authorised to deal with state-owned

The bad debt issue has been in the local headlines over the past week after a leaked document, supposedly from the central bank listed a number of leading companies which had Jarge debts with state banks. The document appeared to

that state banks had large amounts of non-performing loans, many of which had been handed to the politically wellconnected.

confirm the concerns of many

Over 300 businessmen having a minimum of 250 million rupiah (120,000 dollar) in bad debts were in the list, Warouw

He said his agency had been notified of bad debts with state banks totalling 900 billion rupiah (430,000 dollar) in fiscal 1992/93 alone.

to put our political house in his rival, banker Bashir Tofa of urally want to suspend such 18 years after the end of the war, Vietnam sees US as economic saviour

Eighteen years after the end of the Vietnam war, the United States is still bearing a grudge. At the annual meeting of the Asian Development Bank in Manila in April, the US once again delayed renewing multilateral aid to its enemy of old. Japan, Germany, France and Asian countries all argued for Vietnam's inclusion in the international financial arena.

Foreign interest in Vietnam's wealth of natural resources such as oil, minerals and agriculture is booming. Actual investment shot up by 80 per cent in 1992. BHP Co! Ltd., an Australian oil company, won the tender to start drilling 250 kilometres offshore from Vung Tau - a two billion dollar venture expected to yield around 750 barrels of oil.

And it is not alone - British Petroleum, Shell, Total, Mitsubishi O'il and Arabian Oil are all active. Vietnam is showing the first signs of what is sure to be very rapid develop-

Since the reformist policies of Vietnam's perestroika, or doi moi, began in 1986, the country has seen a lot of changes. Ho Chi Minh City, still generally referred to by its old name of Saigon, is visibly Vietnam's economic power-

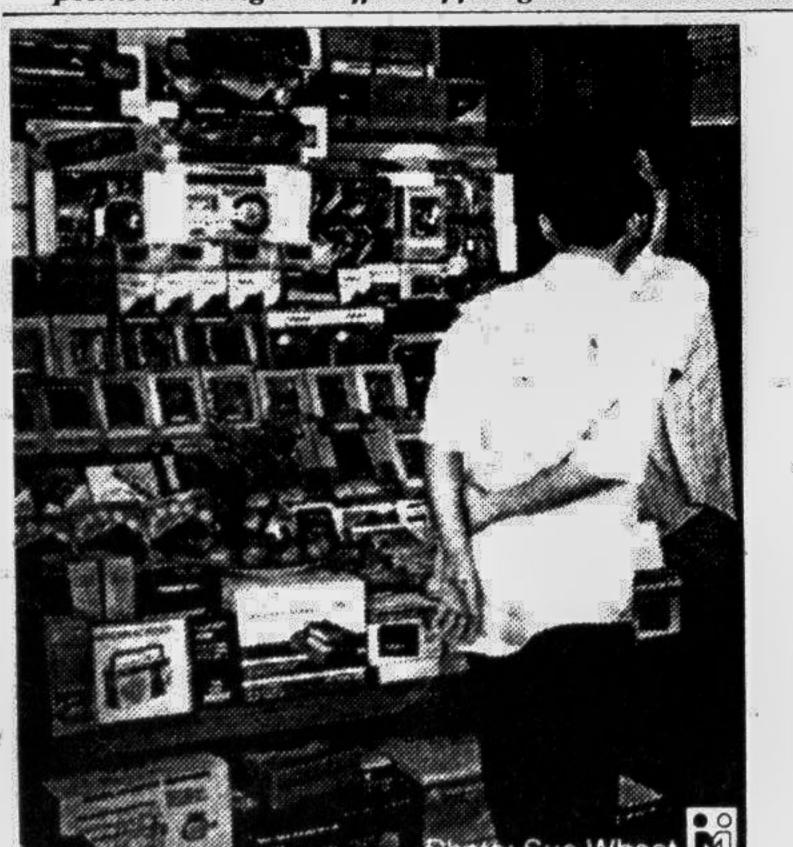
High rise hotels and offices are being built all over the city to accommodate the ever-increasing number of foreign business people and tourists. Billboards advertising Western companies are common place. In the markets, sophisticated electronic goods with famous international names such as Sanyo, AIWA and Toshiba line the stalls.

Smuggled from neighbouring Thailand and Cambodia, they are sold to the Vietnamese public, hungry for the goods of the developed, capitalist world. Foreign investors are falling over themselves to get into Victnam, more than four billion dollar having already been committed.

Ironically, it is the US that the Vietnamese see as their ultimate economic saviour. Without its consent, the Asian Development Bank is loath to give Vietnam any of the expected 200 million dollar soft loans it has planned, and the IMF and World Bank cannot release any funds.

The Vietnamese are waiting with bated breath for the US to lift the trade embargo. Dr. Buí Le Ha Dean of the Faculty of International Trade and Tourism at Ho Chi Minh City University of Economics, says Victnam desperately needs foreign investment and support from financial institutions like the IMF and World Bank in order to develop. We are hopeful that it will agree to lift the embargo this year."

Vietnam is in the mids of economic transformation. Eighteen years after the end of the war, much of its success at turning itself around will depend on whether the United States lifts its trade embargo. Without US consent, the World Bank and IMF cannot release any funds. As Gemini News Service reports, both the



The New Vietnam - electrical goods abound.

But amid the signs of heightened economic activity, the Victnamese people's enduring poverty cannot be avoided. The

positive and negative effects of foreign investment are already being felt by many Vietnamese. belief that increased foreign investment and pursuit of a freemarket economy will save the country is not shared by all.

Throughout Saigon, cigarette sellers line the streets from dawn until midnight, cyclo drivers hound tourists to get a fare of 50 cents or one dollar - a large proportion of the average Vietnamese monthly wage of about seven dollars. Many fight off poverty with the help of money sent from relatives who have gained asylum abroad.

About 25 per cent of the city's inhabitants are homeless and street crime is increasing, especially as the number of dollar-laden foreign visitors increases.

In addition to oil and building, one industry definitely expanding as a result of foreign investment is prostitution. An estimated 100,000 prostitutes work in Saigon, picking up foreign tourists and businessmen from bars with names like Good Morning Victnam and Apocalypse Now.

As Vietnam becomes part of the South East Asian tourist and business route, the thriving prostitution industry which first established itself in earnest during the Vietnam war will inevitably return. This time around Aids is an additional fear, especially given that the number of HIV carriers in Thailand is estimated at 200,000 to 300,000.

Change has been rapid, and the dichotomy between East and West is strikingly obvious. Old women in conical hats and betel nut-stained teeth sell hand-held computer games in a Saigon market, two young women in traditional ao dai dress try on baseball caps, and on one of the many French-style boulevards a Mercedes Benz slowly forces its way through the stream of cyclists.

Traffic is increasing daily, with the Japanese auto makers keen to move into an as yet untouched market. How Saigon will overcome the terrible traffic congestion and pollution problems Bangkok has faced since Thailand's Economic boom is not at all clear.

Environmentally, Vietnam is in a delicate position. The US strategy of deforestation using Agent Orange during the war destroyed an estimated 20,000 square kilometres of forest and farmland. The resultant toxic pollution has left many areas still dangerous for farming.

Since the war, excessive logging by the state has further exacerbated deforestation, and now it is feared increased foreign investment and industrialisation will add to pollution and environmental exploitation. With foreign investors allowed to hold 100 per cent ownership of companies and the legal system still in embryonic form, environmental laws which companies must abide by in their own countries could

easily be flouted. Education and health are also areas of concern. One of Vietnam's greatest strengths is a well-educated population. However, since doi moi, state funding of public services has been removed and the numbers of children attending school

is falling dramatically. Vietnam could soon face the same problems as many other newly industrialised countries - local people being relegated to menial, low-paying jobs while overseas managers and a small elite group of nationals take the well-paying jobs. Sweatshops in foreign-owned factories are already common

and the cost of labour is among the cheapest in Asia. The government abolished the minimum wage in 1991 as an incentive for foreign investment and in an attempt to encourage the US to lift the trade embargo. While unemployment is around 30 per cent, the people have little choice but to accept any work they can, no matter what the pay or con-

ditions. Nguyen Minh Cuong, project officer at Oxfam's Haanoi office, explains: "For the last 50 years, although people were poor, they were fairly equal. Now no one can comprehend the problems of unequal development that will accompany economic liberalisation, with the poor getting poorer and the rich getting richer. No one believes that will happen."

With or without the US, the race is now on for foreign investors and Vietnam is eagerly embracing the free market system. When the US does decide to lift the trade embargo. as it surely will, the surge in foreign investment will undoubtedly give rise to another Asian tiger.

At the moment, Victnam's faith in the international community to raise the country out of poverty and put it on the road to prosperity seems unwavering. Gemini News

Sue Wheat is a freelance writer based in London, specialising in development and environmental issues in South East