

### Japan to boost foreign aid by 50 pc

TOKYO, June 26: Japan plans to boost foreign aid by up to 50 per cent in 1993-1997 from the previous five years, Tokyo announced on Friday, reports Reuters.

# Miyazawa assures leading world business group GATT talks to dominate G7 summit agenda

TOKYO, June 26: Japan's Prime Minister Kiichi Miyazawa said yesterday the Uruguay Round of GATT was high on the Group of Seven (G7) summit agenda, according to the head of a leading world business group, reports AFP.

agenda, and that he expects some concrete things will come out. Singhania's meeting with Miyazawa coincided with the failure of the United States, Japan, the European Community and Canada to achieve a breakthrough in ministerial talks here on market access, a key factor in the success of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT).

Other issues discussed with Miyazawa included the need for improved market access to developing countries, macro-economic issues such as controlling budget deficits and aid to Russia, and the environment, he said.

Round of the GATT talks. The business group said it hoped the G7 would, as several leaders have said, reach an agreement in Tokyo on opening up access to national markets, a deal seen as essential for the Uruguay Round to be completed this year.

member's current account surplus to two per cent or less of its gross domestic product (GDP), the news agency quoted Japanese government sources as saying.

Japan reducing income taxes to bolster its flagging economy, Jiji said.

### India plans to boost gem, jewellery exports

NEW DELHI, June 26: The Indian Government has decided to establish high-level technological infrastructure for exports gems and jewellery, reports Xinhua.

## Senate okays Clinton's deficit cut plan

WASHINGTON, June 26: The Senate approved an amended version of President Bill Clinton's deficit reduction plan Friday by the narrowest of margins, with Vice President Al Gore casting the deciding vote, reports AFP.

put 87 per cent of the deficit-cutting burden on those earning more than 100,000 dollar a year, while the House's version — practically identical to Clinton's original plan — would get 90 per cent of the money by raising taxes on incomes higher than 50,000 dollar.



US President Bill Clinton (L) greets the crowd as his budget director, Leon Panetta (R) looks to announce a new AIDS policy coordinator in Washington on Friday.

### Iraq offers to resume oil sale talks with UN

UNITED NATIONS, June 26: Iraq has offered to resume negotiations with the United Nations on selling a limited quantity of oil and Baghdad's negotiators may come to New York on July 5, diplomats said on Friday, reports Reuters.

The offer was made by Iraqi Deputy Prime Minister Tareq Aziz to Secretary-General Boutros Boutros-Ghali when they met in Geneva last Monday.

### FAO to help Pakistan in cotton pest management

ISLAMABAD, June 26: The United Nations Food and Agriculture Organisation (FAO) has agreed to provide technical assistance to Pakistan for the management of key cotton pests, an official statement said Friday, reports AFP.

## Environmental concern likely to destabilise oil market

ABU DHABI, June 26: Growing world environmental concern is expected to create uncertainty in the oil market as it will make it more difficult to predict demand, according to a Gulf study, reports AFP.

But the study by Majid al-Munif of Saudi Arabia's King Saud University said it expected environment protection measures by industrial nations to depress oil demand by around 1.5 million barrels per day (BPD) by the year 2000.

The biggest challenge is the environment issue, which is expected to affect the oil market directly or indirectly.

The European Community has cited environmental concerns for its proposal to impose a carbon tax of three dollars on each imported barrel of oil, to rise gradually to 10 dollars by the year 2000.

Without such taxes, the straitened Gulf Cooperation Council (GCC) will produce 17 million BPD by the year 2000 and 22 million BPD by 2010, said the study, which was published in Gulf press on Friday.

## Japan can boost global exports by \$60b, create 2m jobs

TOKYO, June 26: US Treasury Undersecretary Lawrence Summers said Friday that Japan could boost global exports by some 60 billion dollar and create up to two million jobs worldwide by curbing its current account surplus, says AFP.

Now, Japan's surplus is the major asymmetry in the world economy and its imbalance has evolved from a surplus largely concentrated with the United States to a surplus spread roughly evenly across Asia, Europe and North America.

The extra demand that would be created by a return of the Japanese current account surplus to its historically average level of 1.5 per cent of GNP would be enough to create more than 60 billion dollar in additional exports from the rest of the world which translates into an extra one or two million jobs.

## Wheat prices head down under crop pressure, but consumers stay away

LONDON, June 26: A large world wheat crop is expected this year and will depress prices in the 1993-94 (July/June) marketing year, grain experts say, reports Reuters.

The European Community alone has some 17 million tonnes of wheat in its intervention stores. Low world prices will add to the cost of exporting the EC's subsidised surplus as the EC has high internal prices.

Another concern is that leading importer Russia has become a credit-buyer and aims to buy less grain from world markets.

Export competition will thus remain intense, government and trade officials at the twice-yearly IWC meeting said.

### Shandong, S'pore sign accord for closer trade ties

SINGAPORE, June 26: China's Shandong province and Singapore signed a Memorandum of Understanding Saturday paving the way for more investment and closer trade and economic ties, a Trade Development Board (TDB) official said, reports AFP.

## Despite growing protests, Indian child labourers' agony continues

NEW DELHI, June 26: Thousands of children from poor families continue to slave away in Indian carpet industry despite a mounting campaign against child labour within the country and abroad, rights activists say, reports AFP.

They were a seared lot, hiding in the looms when we reached there. They had been working for years. Some up to five years without wages.

skin diseases, cough, fever and lung infection," he added. "They were a seared lot, hiding in the looms when we reached there."

## Russia plans to auction Algerian debt

MOSCOW, June 26: Russia plans to auction 20 million dollar of Algerian debt to the former Soviet Union — an attempt to glean some profit from non-performing debts inherited from Soviet days, reports Reuters.

What the world needs from Japan now is a sustained period of domestic demand-led growth, a period when the

Summers, a former chief economist at the World Bank, noted that Japan's current account surplus had plunged from four per cent of gross national product (GNP) in 1987 to less than 1.5 per cent in 1990, but was now expected to rebound to four per cent again in 1994.

Summers said such a reduction was a prudent and realistic objective for the Japanese government.