Miyazawa assures leading world business group

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 Reuter.

The government set the new five-year-target at between 70 billion dollar and 75 billion dollar.

Japan has already become the world's largest aid donor, "an official with the Economic Planning Agency (EPA), told a press briefing. Just to increase the quantity of the ODA assistance won't be enough. We should focus on its quality as

The EPA also said it would put more emphasis on distributing Official Development Assistance (ODA) in areas such as environment infrastructure

In the previous five-year programme that ended in December, Japan distributed 49.68 billion dollar on ODA.

GATT talks to dominate G7 summit agenda TOKYO, June 26: Japan's agenda, and that he expects Prime Minister Kiichi Miyasome concrete things will

> come out". Sighania'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 Tartffs and Trade(GATT).

Heads of government of the world's seven rich industrial powers - United States, Japan, Canada, Britain, France, Germany and Italy are to attend the G7 summit.

Miyazawa also said the "effectiveness of the government would not be in any way jeopardized" because of the current political gridlock in Japan ahead of July 18 general elections following the dissolution of the lower house of

parliament last week.

Other issues discussed with Miyazawa included the need for improved market access to developing countries, macroe conomic issues such as con trolling budget deficits and aid to Russia, and the environ completed this year. ment, he said

Int'l chamber urges G7 to use 'last chance'

Reuter reports from Paris: A lobby group for world business told the Group of Seven rich nations yesterday to use the "last chance" offered by their summit meeting in Tokyo next month to ensure a GATT world trade deal soon.

The Paris based International Chamber of Commerce (ICC) accused the G7 governments of sapping business and consumer confidence by failing to pull together to restore world economic fortunes and breaking promises to wrap up the seven-year-old Uruguay

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

"The Uruguay Round has become the litmus test of the political will and leadership of the G7. And Tokyo is the Uruguay Round's last chance,

the ICC said. US proposing 3 pc

growth for G7 states Another AFP report from Tokyo adds: The United States is proposing a "common target" of three per cent economic growth for the Group of Seven (G7) industrial nations, drawing strong objections from Japan, the Jifi press reported Friday

Washington has also sought to curb the ratio of each G7

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

Sources said the economic targets were expected to become the "biggest theme" at the meeting.

"The proposals are unrealistic and, moreover, targeted at Japan," one source was quoted by Jiji as saying.

The so-called "sharepas" or personal emissaries of the G7 leaders sent ahead to pave the way for the summit, opened the three-day preparatory meeting in Chiba, east of Tokyo, to draft an economic declaration to be adopted at the summit and coordinate positions on other issues.

Apart from the common targets, Washington has also sounded out the possibility of

Japan reducing income taxes to bolster its flagging economy. Jitti said.

US Treasury Undersecretary Lawrence Summers told a seminar in Tokyo 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.

Summers noted that while 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, it was now expected to rebound to four per cent again in 1994.

Japanese officials said ear-Her that the G7 preparatory meeting would discuss ways to boost the stalled Uruguay Round of General Agreement on Tariffs and Trade (GATT). as well as western aid to Russia and East European nations.

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

Union Commerce Minister Pranab Mukherjee said at a meeting of the Gem and Jewellery Export Promotion Council (GJEPC) in Bombay Friday that the government has decided to provide necessary infrastructure for the growth of this industry as it is one of the major foreign exchange earner for India.

He said that the government also decided to launch a scheme, national information centre with an aim to give the GJEPC wider accessibility to the international gem and jewellery trade.

The Minister said that the government will see to it that Indian goods are competitive in cost and quality compared with other international goods.

Senate okays Clinton's deficit cut plan

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.

On a vote of 50 to 49, Senators approved Clinton's blueprint for slashing the federal deficit by 500 billion dollar over the next five years, mainly by raising taxes on the wealthy and corporations and cutting spending on social programmes.

"Tonight, the Senate voted for growth over gridlock by passing our plan... (and) sent a strong signal to middle-class Americans that Washington can work to create jobs, increase incomes, and spur economic growth," Clinton said in a statement after the pre-dawn

Six Democrats and all the Republican Senators voted against the plan, forcing Gore, who as Vice President is also president of the Senate, to cast the deciding vote. It was the first such vote since 1987.

The House had already passed its own version of the deficit reduction plan which will have to be reconciled with the Senate's draft in a conference bringing together members of both houses of

Congress. Congressional sources said the conference could begin as early as next week but would likely take several weeks to come up with a compromise

Both versions call for cutting the federal deficit by 500 billion dollar over the next five years by raising taxes on the

nation's wealthiest. The Senate version would Bentsen.

WASHINGTON, June 26: put 87 per cent of the deficitcutting 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.

zawa said yesterday the

Uruguay Round of GATT was

high on the Group of Seven

(G7) summit agenda, accord-

ing to the head of a leading

world business group, reports

Shankar Singhania, President

tional Chamber of Commerce

(ICC), made the remarks after

of the Paris-based Interna-

Indian industrialist Hari

Clinton's much criticised, broad-based energy tax was drastically reduced by the Senate to apply to motor fuels only, raising some 24 billion

dollar.
That compares to the House version that kept Clinton's proposal largely intact and called for taxes on electricity. natural gas, coal and oil products, raising 72 billion dollar.

Jet fuel was exempted from the energy tax in the Senate version to spare the ailing airlines from further financial

The most only debated issues in the economic package were the proposed spending cuts, with billionaire Ross Perot talking to reporters outside the Capitol, endorsing the Republican's call the reduce the deficit by cutting spending first. The biggest spending cuts

would come from restraining the growth of neimbursements for healtheare for the poor, a programme called Medicaid, and for the elderly.

The Senate scaled back the House version of Medicare cuts from 50 billion to 41 billion

Both bills include major breaks for lower-income earners through an earned-income tax credit.

"The differences between the House and Senate bills are not as great as some would have us believe," Treasury Secretary Lloyd



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 Clinton's proposed budget passed the US Senate in the early morning hours of the day after Vice-President Al -AFP/UNB photo Gore cast the deciding vote.

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 Reuter.

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

A top aide to Boutros-Ghali briefed Security Council members on the meeting but stressed the July 5 date was still tentative as Aziz needed to consult with Iraqi leader Saddam Husseth again.

Iraq is expected to notify Boutros-Ghali this week in Cairo where the Secretary-General is attending a meeting of the Organisation of African

No one was certain what prompted the offer as Iraq previously rejected a UN Security Council demand that it sell 1.6 billion in oil under tight UN supervision. The money would pay for humanitarian supplies and other costs, such as scrapping its weapons of mass destruction.

The last oil talks ended unsuccessfully in Vienna a year ago. Iraq said the tight UN monitoring proposed on its oil sales and expenditures was unacceptable.

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

Under an agreement signed 27 per cent of its cash crop due to virus.

The statement said that due to persistent damage caused to the crop by various pests especially curl leaf virus, white fly and bollworm, the cotton growing areas in the Punjab and Sindh provinces suffered heavy losses which also ad-

FAO has allocated 3.8 million rupee (130,000 dollar) to overcome the problem.

sented to a regional economic symposium in Riyadh last

Environmental concern likely to

destabilise oil market

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. "Looking into the oil market

ABU DHABI, June 26:

prospects, we can see it is beset with uncertainty because of the surrounding challenges," said the study, which was pre-

"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 dollar on each imported barrel of oil, to rise gradually to 10 dollar by the year 2000. The United States, another major oil importer also plans to impose a tax of 3.5 dollar to cut crude imports.

The proposals have drawn sharp criticism by oil producers, mainly Gulf states which argue the taxes would hit demand and depress their in-

Without such taxes, the sixnation Gulf Cooperation Council (OCC) 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.

"In case there is a change in demand, which is expected in the light of the energy taxes, then demand for OPEC oil will fall by 1.5 million BPD by the year 2000 and 2.2 million BPD by the year 2010. This will affect the expected production by the GCC countries," it said.

Bombay bond scam

CBI chief refuses to answer queries from probe body trist opposition activists were

NEW DELHI, June 26: An Indian police agency on Friday blocked queries from parliamentary panel over its investigation of a bribe charge involving Prime Minister PV Narasimha Rao, panel members said, reports Reuter.

The head of the Central Bureau of Investigation (CBI) refused to answer questions from the joint parliamentary committee probing a 1.28 billion dollar securities scandal on grounds that further investigations would be hampered, they said.

Stockbroker Harshad Mehta, a central figure in the scandal, said last week that he paid Rao 10 million rupee

TOKYO, June 26

Treasury Undersecretary

Lawrence Summers said Friday

that Japan could boost global

exports by some 60 billion dol-

lar and create up to two mil-

lion jobs world-wide by curb-

ing its current account sur-

the health of the world econ-

omy and the world economy

has a major stake in Japan's

economic performance," he

said, adding that its external

surpluses were a significant

Summers, who was speak-

ing at a seminar in Tokyo,

drag on world growth.

"Japan has a major stake in

plus, says AFP.

(320,000 dollar) in 1991 to secure protection and political patronage.

ing the CBI over the claims, which have been vehemently denied by Rao. Mehta will be examined by the committee next week.

senior officers.

The committee is question-

"The CBI said they are

seized of the matter. They are inquiring into it. That's all," said committee chairman Ram Niwas Mirdha after the sevenhour session, attended by CBI Director SK Datta and 11 other

Hundreds of opposition activists arrested AFP adds: Hundreds of cen-

by \$60b, create 2m jobs

arrested in central New Delhi on Friday as they staged a noisy demonstration demanding Narasimha Rao's ouster on corruption dhangs

Nearly 4,000 supporters of the Janata Dal (People's Party) chanting "Rao, resign" and waving anti-government placards were held by police near parliament as they attempted to march on the Prime Minister's office.

A Janata Dal statement demanded that Rao resign over last week's allegation by controverstal stockbroker Harshad Mehta.

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 Reuter.

This should be good news for importing nations, which often have huge populations to ·feed, but many lack the cash to take advantage of the low "The new crop will weigh

heavily on the market, and consumers are not buying," said a European delegate to a three-day International Wheat Council meeting this week.

The council, a Londonbased group of leading grain exporter and importer nations, last month put the 1993 world wheat crop at 564 million tonnes against 562 million in

sumption levels will be near these figures, there is added pressure from huge producer

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 in-

dard breadmaking wheat out of Europe have been sagging in recent weeks and are now at about 110 a tonne, more than 10 off levels a couple of

rieties may soon be offered at 100 or lower, below the three-

The European Community alone has some 17 million

ternal prices.

months ago.

year average. "July and August are seasonally quiet in import markets

and after that buyers will try an

dictate prices," a trader said.

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

Last year, Russia imported 26 million tonnes of grain and it says it may be able to keep 1993 imports down to 16 mil-"They're in no hurry,

they're harvesting their own crop, ports are busy handling earlier purchases and they may buy cheap new crop grain in Europe for overland transport," a trader said.

in the former USSR and East Europe get their feet on the ground, they focus on maximising their own farm production, so a number of export markets may be drying

And developing countries

often lack the cash to make purchases. This all adds to a strain on exporters.

"An increasing proportion of international grain trade is done on the basis of noncommercial credit, sometimes practically a gift," said Bill de Maria, chief IWC economist. Export competition will

thus remain intense, government and trade officials at the . twice-yearly IWC meeting said. The number-one exporter,

the United States, is expected to carry out another extensive programme of subsidised exports, food donations and food aid shipments, delegates said.

The Americans fear price pressure from rising domestic grain stocks. Official data show their anticipated end-93/94 wheat stocks at 18 million tonnes, almost a third above end 92/93.

reached there."

Japan can boost global exports

said Friday, reports AFP. here by Agriculture Minister Majid Malik and an FAO official Ismet Hakim, the FAO would send three consultants to Pakistan which this year lost

The production of cotton, which is Pakistan's main foreign exchange earner, had declined from 12 million bales last year to 9.33 million bales this year.

versely curtailed its exports.

conceded that the US trade deficit was the biggest global economic imbalance in the

mid-1980s.

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.

· 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.

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

demand for goods in Japan exceeds the domestic supply, so that Japan is a net provider of jobs rather than a next drain on jobs in the rest of the world," he said.

The extra demand that would be crated by a return of the Japanese current account surplus to its historically average level of 1.5 per cen 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.

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

Russia plans

to auction

Shandong, S'pore sign accord for closer trade ties

Although anticipated con-

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

TDB's chief executive officer Yeo Seng Teck said the memorandum's main feature was the establishment of the Shandong-Singapore Business Council (SSBC) under which local businessmen could gain direct access to Shandong offi-

The council would also coordinate investment and economic cooperation, and improve channels for exchange of information.

Prices for new crop stan-

Traders say some wheat va-

As emerging democracies

NEW DELIII, June 26: Thousands of children from poor

Although some 6,000 children have been rescued from

Most of the children — including some as young as five

The picture remains grim, said Kailash Satyarthi, one of

"These children are virtually slaves," he said. "They are the

Satyarthi periodically helps to rescue child labourers from

India's best known rights activists who heads the South Asian

nameless, faceless exiles of civilisation. They have no social

carpet-makers in the northern state of Uttar Pradesh. A May

28 raid on a village helped free 128 boys, a majority of them

families continue to slave away in Indias carpet industry de-

spite a mounting campaign against child labour within the

virtual bondage, an estimated 300,000 still do back-breading

work at scores of looms producing quality carpets that are

years in age - work on dimly lit looms for up to 16 hours a

day, seven days a week, in violation of the law. Many are un-

country and abroad, rights activists say, reports AFP.

dernourished and cut off from their families for years.

and legal entity. In fact, they don't exist on paper.'

exported world-wide, the activists said.

Coalition on Child Servitude.

Despite growing protests, Indian child labourers' agony continues skin diseases, cough, fever and lung infection," he added.

"They were a scared lot, hiding in the looms when we

They had been working for years. Some up to five years without wages. Rights activists say the children are lured from poor families with offers of job opportunities. But once they reach the

Attempts to escape invite punishment. Manufacturers and exporters admit it is children who have helped make India the largest exporter of carpets after Iran. But they are slowly cracking down on child labour, thanks to growing protests in importing countries.

Vocal groups in Europe, mainly in Germany which is the

leading buyer of Indian carpets, are making it known that

looms located in far-flung areas, they become near slaves.

they are opposed to imports of products made by child workers. Carpets are their main target. But what has really shaken the Indian carpet industry is a bill US Senator Tom Harkin has introduced in the US Senate demanding a ban on imports of goods produced by children.

In the case of India, the focus again on carpets.

Our people are really terrified, said Jalil Ahmed Ansari, secretary of the 350-member All India Carpet Manufacturers Association (AICMA). ...

He dubbed reports of child labour in carpet-making exaggerated. There is negligible number of children in the industry, he said in a telephone interview from Badohi, 650 kilometers (406 miles) southeast of here.

Ansari also blasted Satyarthi and his band of activists. Even if the problem exists, why go to Washington and Paris crying? It is a matter of India's prestige. There are economic reasons why children work in our country. It cannot be ended just like that.

Not everyone agrees. Some 50 carpet manufacturers who are willing to give up child labour have broken away from AICMA and formed a parallel body. The Carpet Export Promotion Council here has drawn up a code of conduct for its 2,700 members not to have their car-

pets knotted in any of the estimated 150,000 looms which employ children. "We are pressurising the loom owners, council secretary TS Chadha said." They are the main culprits. They were first

denying everything. The problems is, 100 per cent supervision is not possible. Chadha said all loom owners have been asked to register with the council and give an undertaking not to force chil-

dren to work for them. The council is also in touch with the Indo-German Export Promotion Project (IGEPP) over an innovative scheme to label Indian carpets to prove they are not made by children.

read: This carpet has not been made with child labour.

IGEPP coordinator Dietrich Kebsehull said the label would

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 Reuter. Itar-Tass news agency quoted Andrei Dogayev, Export-Import operations chief at the Foreign Trade Ministry, as saying, successful bidders would win the right to buy Algerian goods.

These goods were previously only sold through a handful of official trade organisations. Russian officials said last year they had virtually written off Soviet-era debts worth the equivalent of 142 billion dollar. The loans were offered to Third World allies of the USSR as gestures of political and

economic support.

in rags. "It was a pitiable sights," Satyarthi said. "The kids were being fed cheap rice, onions, and salt and made to work for 12 to 20 hours. They would be beaten if they slowed down their pace of work. "Many of the children were suffering from night blindness,

meeting with Miyazawa who will host the G7 summit in Tokyo on July 7-9. Singhania presented to summit chairman Miyazawa an ICC statement warning that the G7 leaders' political credibility was at stake if they failed to achieve progress in the and human resources. global trade talks. The ICC president said Miyazawa "agreed with us and said 'this is a top item on the