Indian farmers to step up drive Afghanistan will become commercial against foreign agro firms

BANGALORE, India, July 14: Indian farmers opposing the GATT proposals on agriculture vowed to step up their drive against foreign firms Tuesday, a day after they raided a seed farm of the US multinational Cargill, reports AFP.

The militants said they would intensify the campaign from July 21 to coincide the anti-GATT drive with the 11th anniversary of the death of several people when police fired on a rally of farmers demanding

higher prices for their products. The threat followed Monday's razing of a building on the premises of a 2.3 million dollar Cargill seed processing plant in Bellary, a small town in the southern state of Karnataka of which Bangalore is the state

The US plant is set to open in October this year.

A spokesman for Cargill Seeds India Pvt Ltd said the razed building was a temporary structure which housed administrative offices of the US multinational

Monday's destruction of the building was also the second attack by farmers on the complex since December 1992.

The Karnataka government Tuesday deployed hundreds of police around the Cargill complex, and ordered an investigation into the attack as the farmers threatened to step up their action against multinationals in

Karnataka. "There is nothing wrong in

crossroads of Central Asia: Rabbani

KABUL, July 14: Afghan President Burhanuddin Rabbani in a televised press conference Tuesday expressed his desire that war-torn Afghanistan would become the commercial crossroads of Central Asia in the near future, reports AFP.

'We hope that our country will play a main and pivotal role in the region for the commercial movement between ECO and international countries". Rabbani

The Economic Cooperation Organisation (ECO) is made up of 10 regional Islamic states whose total population exceeds 300 million, and which enjoys a strategic position in the heart of Asia, and possesses huge energy resources, Rabbani said.

Of the many protocols adn memoranda signed between the

HAVANA, July 14: Cuba has

been looking to its communist

brethren in Hanoi and Beijing

for economic assistance to help

cent Istanbul ECO summit. Rabbani highlighted the agreement between Afghanistan, Pakistan and Turkmenistan for a joint pipeline to export regional natural gas to the international market.

Rabbani said Alghan repre sentatives were invited to Turkmenistan October 27 for 'serious and through talks' regarding this gas pipeline.

Another important ECO project affecting Afghanistan was the proposed construction of a railroad linking Tashkent in Uzbekistan to the International Sea-port of Karachi in Pakistan.

Rabbani, in noting the problem of landlocked countries such as Afghanistan in importing and exporting trade goods. expressed his hope that concessions be made for Afghan nationals to personally supervise a section of Karachi Port in order to expedite the transfer of local trade goods.

"Most of Afghanistan's goods come and go via Karachi, and it ts our hope that Pakistan will assist in granting certain facilities in Karachi Port,* Rabbani stated

While food, medical and reconstruction aid was pledged by ECO countries to Afghanistan Rabbani said the ECO coun tries themselves appealed to nations around the world for further urgent assistance to Afghanistan.

But Rabbani said he expected more action than words from participants at the ECO

"We hold the conviction that in order to develop the effectiveness of ECO we should not confine ourselves to words speeches and decision-making- it is necessary to take practical steps towards imple menting the decisions taken, Rabbani declared.

On an optimistic note, the Alghan President declared that the security situation in Kabul had improved and he antici-

pated a peaceful future. There are some elements who prefer the personal or group interest to that of the state, and these still cause instability and disturbances to achieve their own vested goal, Nabbani admitted

But the President insisted: There are no valid reasons left for creating disturbances in Kabul."

Maharashtra announces new package of incentives to investors

BOMBAY, July 14: Maharashtra state has announced a package of incentives for agricultural and mineral industries to defend its status as India's leading industrial base, reports Reuter.

Economic analysts say Hindu-Muslim riots and bomb blasts in the past six months in Bombay, Maharashtra's capital and India's commercial centre, have shaken foreign and local investor confidence in the wester state.

The new policy will for the first time in a decade allow industries into Bombay if they are non-polluting and high-tech, Maharashtra industries Minister Jawaharalal Darda told Reuters.

The policy is due to come into force in October. For the past ten years no

new industries have been permitted within the city limits of Bombay.

The new policy is aimed at attracting investments in agroindustries, export-oriented industries, mineral-based industries and specialised industrial complexes for leather, hostery, software, electronic hardware and diamond cutting.

It gives special benefits to UNITA manufacturing exclusively for exports, exempting them from sales tax on the pur chase of raw materials and capital equipment.

For units set up in less developed areas of the state, the government will refund for five years duties paid on power.

Maharashtra has India's highest industrial per capita output at 4,215 rupee (135 dollar) against a national average of 1,727.90 (55- dollar).

But a combination of bloody riots, the growing influence of a Hindu militant party, rising wages and rocketing property prices have encouraged companies to look else where.

Leading business houses such as Tata and the Essar Group have started locating new projects outside Bombay, where India's industrialisation began in 1954 with a textile

Bombay's problems began in the 1980s when militant trade unionism led to the closure of most of the textile mills. It caused fears that Bombay would decline like Calcutta, where a militant leftist movement drove businessmen out in the seventies.

Last week the state government of Karnataka, of which

Bangalore is the capital, announced a new industrial policy aimed at making it India's most advanced state.

attacking multinationals be-

cause they are in India to ran-

sack the national food security

system and sovereignty over

agriculture", said M D Nanjun

daswamy, Chief of Karnataka

his forum will not permit them

to operate in the state, adding

that their next target would an-

other multinational processing

margosa leaves for pharmaceu-

tical products in the Karnataka

The militant farm leader said

Farmers' Association.

town of Turnkur.

It will be a step ahead of Maharashtra and Gujarat in providing incentives and concessions to industrialists and will take Karnataka into the top position in industrialisation by 2000, Karnataka Chief Minister Veerappa Motly said.

Many big companies have shifted their corporate bilices to Bangalore, companies came here because they could provide for their managers bungalows with garden and servant quarters for the price of a small flat in Bombay, said R Vishwanathan, Secretary of the Greater Mysore Chamber of Industry.

In contrast, Bombay's over crowding led some people to call it Slumbay.

fuel the impoverished Caribbean island nation's move toward a free-market economy, reports AFP. Vietnam and China hold promise for Cuba whose econ-

omy crashed following the 1991 collapse of the Soviet bloc and the transformation of Havana's Eastern European trading partners into capitalist economies.

Highlighting the developing ties between Cuba and Asia have been a series of high-level official visits between the three countries since late last year.

Last week, Vietnamese Foreign Minister Nguyen Manh Cam visited Cuba to discuss transportation, health and agri-

cultural cooperation. In June, Foreign Minister Roberto Robaina Gonzales visited China. Vietnam has agreed to sup-

ply Cuba 100,000 tons of rice annually until 1995 at favourable terms at a time when Cuba's food supply is critically scarce and its sugar harvest, the principal cash-crop, has hit a 30-year low.

Cuba and Vietnam have both also been crippled by a strict US economic embargo, though Hanoi said that Washington has shown signs of softening and that the trade ban could be lifted against Vietnam.

Cuba too holds out hope that the administration of US President Bill Clinton might lift the trade ban, which would have a dramatic effect on Cuba's withering economy.

But even as they hotly pursue western investment to pump up their struggling economies, Cuba, Vietnam and China continue to pledge their commitment to Marxism Leninism - the ideological tie that binds three of the few re-

Rcuter report says: Cuba will resume normal loading of its remaining sugar delivery contracts after July 18 when the period of force Majeure declared last June 4 expires, the state sugar selling company Cubazucar said on Tuesday.

maining communist states.

Cuba declared force Majeure -the inability to fulfil sugar shipment contracts because of forces outside its control - last June 4, following torrential

Vietnam, China hold promise for Cuba rains that damaged transport routes to sugar loading termi-

> There is no intention of extending the force Majeure period," a Cubazucar spokesman told Reuters.

From July 18 onwards, we can accept those clients that have contracts with us," he

The Cubazucar spokesman, without giving figures, said small quantities of sugar remained to be shipped to Russia

and other clients under existing outstanding contracts. There are some ships wait-

ing. The month of July is already covered for ships and then we have some smaller ships which will load during August," he added. WB short-lists 3 European firms for

Beijing expects higher investment from Gulf states

ABU DHABI, July 14 Wealthy Gulf Arab states have around 600 million dollar of investments in China but the figure will largely increase due to new incentives, a Chinese official was quoted on Tuesday as saying, reports AFP.

Hu When, Commercial Attache at the Chinese embassy in the United Arab Emirates (UAE), said the investments by the six-nation Gulf Cooperation Council (GCC) were concentrated in construction, communication and industry.

30GCOW investments whave reached 600 million dollar since China began to adopt an openness policy in 1976, she told the UAE daily Al-Khaleej.

We expect investment applications to rise dramatically in the next period. The current conditions in China are very suitable for investment after the incentives offered by the government to attract foreign investment.

She said such a policy at tracted about 35 billion dollar in foreign investment in 1992, mainly from Japan, South Korea, Taiwan and the United

Chinese Vice Premier for Trade, Li Langing, discussed economic cooperation and investment during his tour last week of Iran and GCC states -Saudi Arabia, Bahrain, Kuwait, Oman, Qatar and the UAE.

He signed oil, trade and investment agreements with some GCC members, including two accords with the UAE to encourage joint projects.

WASHINGTON, July 14: US

trade representative Mickey

Kantor denied the United States

has backed down from tough

commercial sanctions to enforce

side deals to the North Ameri-

can Free Trade Agreement,

port," he told journalists who

asked about several press re-

had retrieved the call for sanc-

tions from the negotiating table

on the NAFTA side deals at

position at all," Kantor insisted

Talks between Iraq and the

"We have not changed our

"We want real teeth, real

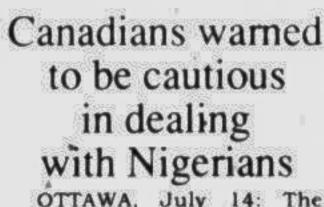
talks last week in Mexico.

at a press briefing.

ports that American officials

That is an inaccurate re-

reports Reuter.



Canadian government has warned businessmen to be cautious in dealing with unsolicited business proposals from Nigeria, saying some victims have had to be rescued by armoured vehicle, reports AFP.

And it is offering to escort any Canadian business people visiting Lagos from the airport to their hotels— for a fee.

The department of external affairs and international trade. in a newsletter to the Canadian business community, said Tuesday that unwary Canadian and other foreign business people had suffered frequent and substantial financial losses

Without citing further de tails, the newsletter says: There have been instances of Canadian business persons being intimidated and held in communicado in hotel rooms. requiring rescue by armoured vehicle."

A spokeswoman at the department of external affairs and international trade was unable to provide any details of the incidents in which armoured vehicles were necessary to free captive Canadian businessmen.

But she emphasised that Canadian business people visiting Nigeria should contact the Canadian High Commission in

The department newsletter said Canadian business people could ask the high commission for an escort to meet them at Lagos Airport and take them downtown for a fee of 20 US

Nepal's foreign trade rises. by 18.4 pc

KATHMANDU, July 14 Nepal's total volume of foreign trade increased by 18.4 per cent to reach 39.36 billion rupee (about 803.26 million US dollar) in the first nine months of the fiscal year 1992/93 over the corresponding period of the previous year, reports Xinhua.

But the total trade deficit remained large with 13.16 billion rupee (about 268.57 million US dollar), according to the economic survey 1992/93.

In Nepal's foreign trade, India's share was 26.4 per cent and that of other countries was 73.6 per cent. The volume of trade with India was up by 5.2 per cent and totalled 10.37 billion rupee (about 211.63 million US dollar), while trade with other countries reached 28.99 billion rupee (about 591.63 million US dollar) with an increase

During the review period of the current fiscal year, total exports rose by 32.6 per cent over the corresponding period of the previous year and reached 13.09 billion rupee (about 267.14 million US dollar).

ports increased by 12.4 per cent to reach 26.27 billion rupee (about 536.12 million US dollar)

DUBAI, July 14: Three "The response to the tender was large, said one source European firms are on the short-list of bidders for a turnclose to the project, adding that key 500 million dollar project to its total value was between 450 build a hydrocracker plant in million dollar and 500 million Pakistan, oil industry sources dollar. The short-list was formed by the World Bank. said on Tuesday, reports which is offering 35 per cent fi-They said Technip of nancing for the project, and France, Britain's Amec PLC and sponsors Crescent Petroleum Italy's Snamporogetti are the

Company International Ltd. Crescent, based in Sharjah, United Arab Emirates, gained Pakistnan's approval for the It has a 35 per cent equity

project in September 1989.

share in the project which will upgrade some 1.6 million tonnes a year of residual fuel oil from two Pakistani refineries and imported feedstock into 1,4 million tonnes of high-value distillate fuel.

The plant, to be built near Karachi, will include a vacuum distillation unit, a viscosity breaker, an amino unit, a hydrogen unit and two hydrocracking units.

State-owned Petroleum Refining and Petrochemical Corporation (Perac) holds a 15 per cent share in the project, Pakistan's state oil company has five per cent, Shell Pakistan holds five per cent and the Islamic Development Bank has 10 per eent eent.

The remaining 30 per cent is held by private investors, the sources said.

South Asian countries aim at reforms to liberalise economies

\$500m Pak project

In recent years, most of the South Asian countries have introduced major economic reforms in such important areas as industry, foreign trade, investment, public sector enterprises, and the foreign exchange, fiscal and financial systems.

main competitors for the three-

month tender announced in

Reuter.

The reforms are aimed at liberalising the economies in varying degrees.

Privatisation and deregulation of investment are key components of economic reforms in most of these countries.

Deregulation aims at removing unnecessary government controls over the private sector to enable it to concentrate more on increasing output and efficiency and less on complying with or circumventing government regulations.

Privatisation is considered beneficial for enhancing the efficiency of enterprises owned by government, encouraging private sector initiative, greater competition and better allocation of resources, and relieving the government budget from the financial burden of loss-making enterprises.

In India, licensing has been removed for all industries of any size except for 18 industries, which will be regulated for such reasons as security, chemical hazards, and overriding environmental or social concerns. The exemption is also applicable to expansion of the existing units. With the liberalisation of the economy and the industrial sector, the government also intends to restrict the role of the public sector to eight industries in the strategic and basic in-

Foreign investors are to be frastructural sectors. In July 1991, as part of a new industrial policy, it was announced that approval would be given for FDI with up to 51 per cent foreign equity in 34 high priority areas, provided that the foreign equity covered the import of capital goods fully and outflows on account of dividend payments were balanced by export earnings over a period. Total foreign ownership is on a repatriable basis to be allowed in the power sector, fully export-oriented units and selected high-technology Remittances of dividends industries. Existing companies

In the 1992/93 budget, foreign investment has been al-

tain prescribed guidelines.

can also raise foreign equity up

to 51 per cent, subject to cer-

lowed in critical sectors such as oil and gas. Non-resident Indians and overseas corporate bodies owned by them are also permitted to invest up to 100 per cent in high-priority industries with full benefits of repatriation of capital invested and

income accruing thereon. The Government of Pakistan has quite a broad agenda on privatisation that covers industries, telecommunications and other infrastructure, and the banks and development finance institutions.

Some 115 industrial units were identified for divestiture in 1991. More than 22 units had already been transferred to the private sector and bids in respect of 32 units were at various stages of consideration.

Out of four nationalised commercial banks, two have already been privatised. One of the banks has been divested to a management group formed by the workers of the bank.

Before actual privatisation, the government negotiated an agreement with representatives of workers of public enterprises to safeguard their interests.

The agreement removed any possible resistance from the workers and contributed to a smooth process of privatisation.

In the process of deregulation, the government has abolished the requirement of prior sanction for all industries, except those on the specified list, which includes arms and ammunition, security printing, currency and mint, high explosives and radioactive substances.

treated in the same way as local investors. Foreigners and overseas Pakistanis have been allowed to make new investments without having to obtain prior approval except in a few industries, for which domestic investors also require government approval. Foreign investors have been permitted to own up to 100 per cent of equity in venture and to purchase equity in existing industrial companies

and disinvestment proceeds no longer require the Central Bank's permission. All controls on the operation of foreign currency accounts by foreign firms and individuals have been abolished. Access to borrowing by foreign companies has been greatly liberalised. Foreign firms have been permitted to borrow from the domestic market.

In addition, the Government has opened to the private sector a number of areas for investment which used to be the monopoly of the public sector. These include banking, power generation, telecommunications, airlines, shipping, road construction and port opera-

In Bangladesh, industrial deregulation has been continued in the new industrial policy announced in 1991. The investment sanctioning process has been decentralised by allowing various agencies to sanction projects.

The limit for projects which development finance institutions and nationalised commercial banks can accept for financing without prior government sanction has been raised to Tk 300 million. All projects with investment exceeding Tk 300 million require approval of the government.

No prior government sanction is required for investment in areas open to the private sector provided the industries are set up with the entrepreneur's own funds or with funds from private banks or private financial institutions. The sanctioning procedure for foreign investment has been simplified Furthermore, no prior approval is needed for foreign investment in joint ventures in most cases.

Thus far a large number of industrial and commercial enterprises, and two of the five nationalised commercial banks have already been privatised, besides permitting the establishment of a number of banks in the private sector.

The government has expressed firm determination to continue with the process of privatisation and proceeded with a programme of sale of public enterprises through the lloating of tenders.

Bangladeshis working abroad will be encouraged to purchase these industrial units. or shares in them, in foreign currencies. However, resistance from workers of public enterprises has delayed the imple mentation of the privatisation

In Shri Lanka, a total of 21 public enterprises have been

successfully privatised since 1989 and an additional 40 have been eleared for privatisation. One important feature of the privatisation programme in Shri' Lanka is the emphasis placed on broadening the ownership base while ensuring continuity of the enterprise.

In general, the method used is to sell 60 per cent of the shares to a prospective entrepreneur through a tender process, 30 per cent to the general public through the stock market, and 10 per cent given as gifts to the employees of the

An important achievement of the public enterprise reform programme was privatisation of the management of most of the State-owned estates. Some 449 State-owned estates were regrouped into 22 independent regional plantation enterprises and their management was given to 22 private sector companies on a profit-sharing basis

This new arrangement brought 95,000 hectares of tea, 59,000 ha of rubber and 11,000 ha of coconut plantations under management contract.

As in many other areas, reforms have been introduced to deregulate industries and foreign investment. Foreign investment controls have been virtually eliminated, with the exception of only a few areas of activity reserved for local in-

The new industrial policy of Nepal emphasises deregulation. As a result, the licensing requirement for setting up industries has been largely abolished, except for a specified list of industries related to defence, public health and environment.

Moreover, registration and licensing procedures have been simplified. A "one window" sanctioning procedure for industry has been established.

To attract foreign investment, a simplified foreign investment approval system has been developed.

The government is commit-

ted to a privatisation programme for public enterprises. Three manufacturing units were already in the process of privatisation and another 60 were under examination for possible divestiture. Measures have also been taken to privatise five agricultural farms in the government sector.

ESCAP survey, 1992

for a one-time sale of 1.6 billion

ongoing talks this week on an Iraqi sale of 1.6 billion dollar of oil were related to destruction of weapons. The rule compliance obligation of disarmament is under resolution 687, said spokesman Matt Nerzig. The current talks

last week as saying that commissions overseeing labour and the environment would not have the power to impose sanctions, fines or penalties. The United States has in-

ted by Mexico and Canada. Kantor repeated the US Mexican and Canadian negotiators assertion that important

last week's round of talks. Many in the US Congress.

enforcement," he said. US negotiators were quoted

US still wants tough sanctions

sisted all along that those commissions should have "teeth" or enforcement powers, a stance that has been adamantly resis-

progress was made during the

including Sen. Max Baucus, a

to enforce NAFTA side deals Montana Democrat who chairs the environment committee and the international trade subcommittee, have said they would only vote for NAFTA if it is sent to congress with strong side deals, particularly on the

Thai beauty, Maneerat Kanlayacert, holds her trophy, after

emerging the winner of the ASEAN Model Search '93 in

Singapore on July 13. The 23-year-old Thai beat 11 other fi-

nalists from six ASEAN countries. She received a working

contract worth 12,500 US dollar with Carrie Models in

Singapore 3,125 US dollar in cash, a working contract worth

6,250 US dollar with GAP Rodels in Tokyo, a return air

ticket to Paris as well as cosmetics and accessories.

environment. Baucus and others like him fear that enforcement will be impossible if left in the hands of

-AFP/UNB photo

each nation. Critics are particularly concerned over pollution along the 2,000-mile US-Mexico border, where many US firms have moved to take advantage of a cheaper workforce and where many more are expected to relo-

cate once NAFTA is in place.

'Iraq-UN oil talks separate from total embargo issue' dollar are going on at the same UNITED NATION, July 14:

time but are resolutions 706

United Nations on limited oil and 712, which are two differsales are a separate issue from ent matters of discussion and lifting the entire embargo, a UN considerations. spokesman said, reports Tim Trevan, a spokesman for the UN special commission re-Reuter. The spokesman was asked sponsible for destroying frag's about a New York Times story war machine, gave several inthat mistakeningly assumed terviews this week in which he

> his commission. Trevan, who is now en route to Baghdad, stressed that Iraq had to accept long term monitoring and ongoing verification as stated in resolutions 687 and 715 before the commission

stressed that the current oil

talks were a separate issue from

would give it a clean bill of health and recommend to the Security Council the oil embargo be lifted entirely. In a confusing series of 1991

resolutions, the council also demanded Iraq sell 1.6 billion. dollar in oil. This was to take the burden

off UN agencies supplying Iraqis, including rebellious Kurds in the north, with food as well as pay for weapons costs and other a reparation fund for war victims of Irag's 1990 invasion of Kuwait. Iraq would prefer to sell oil

freely and have the embargo lifted.

OTTAWA, July 14: The

from Nigerian business scams.

of 24 per cent.

Nepal's total volume of imcompared with the corresponding period of the previous year.