

**World trade talks
Hosokawa holds
same policy as
Miyazawa**

TOKYO, Aug 25: Reformist Prime Minister Morihiro Hosokawa turns out to have used the exact words of his rival party predecessor in one part of a policy speech — and the opposition lost no time Wednesday, in chiding him about it, says AP.

Referring to the Uruguay Round of world trade talks, Hosokawa said Monday: "While agriculture is an area in which all countries face difficult problems, I intend to make the utmost efforts for a solution based upon mutual cooperation under our basic policy."

Former Prime Minister Kiichi Miyazawa had used that exact phrase in a policy speech in January. By "basic policy," both prime ministers meant Japan's refusal to allow imports of rice, the nation's staple crop.

Hosokawa's coalition ousted Miyazawa's Liberal Democratic Party from power after July elections.

Am I the only who senses that the prime minister's stance on this issue is quite irresponsible? Yohei Kono, the LDP's new leader, asked in a question session in Parliament Wednesday.

Kono said Hosokawa "keeps repeating the word 'new' but has failed to say clearly what specific changes he wants to make after 38 years of LDP rule."

**Rao urged to
subsidise rate
of natural gas**

AGARTALA, Aug 25: The Tripura chief minister, Dasarath Deb has urged the Prime Minister, PV Narasimha Rao to subsidise the rate of natural gas, which is available in abundance in the state, so that both government and private undertakings would take an interest in setting up industries, reports PTI.

In a letter to the Prime Minister yesterday, Deb said that the high price of gas was discouraging industrialists from setting up industries in this landlocked state.

Deb said that the petroleum and natural gas ministry had fixed the rate at Rs 1000 per cubic metres in Tripura and other north-eastern states though in some cases the rate was fixed at Rs 500 cubic metres.

The Chief Minister said that industrialists could be lured to the state only if the rate was Rs 1,000 per cubic metres adding that this would help in removing the "sterile" industrial condition prevailing here.

Deb said that the proposed gas-based fertiliser and methanol project could not get off due to the non-approval of the union natural gas and petroleum ministry.

**India's financial
sector work-force
to go on strike
on Sept 2**

CALCUTTA, Aug 25: Over a million work-force in the entire financial sector of the country would go on a day's strike on September two to press for their demands, reports PTI.

Samir Ghosh, General Secretary of the Joint Action Committee of trade unions in banks, insurance and financial institutions, told newsmen here that the strike would be followed by another day-long strike on October and an indefinite strike from November 2.

The demands were immediate revision of wages, which were overdue, introduction of pension in addition to the contributory provident fund and gratuity, bonus for all and a halt to privatisation moves in the nationalised banking and the financial sector.

**Top Russian grain
industry officials
in India**

MOSCOW, Aug 25: Top Russian grain industry officials are in India discussing whether shipments of soyameal and feed grain could repay some of India's debt to Russia, a senior grain industry official said today, reports Reuters.

The official, at Roskhlbrodrukt state grain purchasing company, declined to be named. He said the Russian delegation wanted India to pay 300 million dollar of its 9.6 billion dollar debt to Russia in food-stuffs — mostly soyameal and feed grain. But he said he was not sure whether India could supply sufficient grain and soyameal to make up this sum.

"The figure of 300 million dollar is the maximum and they may agree on shipments worth 100 or 200 million dollar," he said.

He said the Russian delegation in Delhi was headed by Oleg Klimov, president of state grain exporter and Alexander Kudelya, vice-president of Roskhlbrodrukt.

WB will mull over loan proposals to Third World

WASHINGTON, Aug 25: The World Bank will consider proposals on Thursday to give out tens of billions of dollars each year to developing countries, bank officials said, reports Reuter.

The proposals — designed to expand the amount of information the bank makes public about its loans — range from the establishment of a one million US dollar public information centre to publication of hitherto secret documents.

"The bank should be more open about its policies and activities," acting president Ernest Stern said in a memo to the bank's board obtained by Reuters. "Broader dissemination of information will enhance the quality of our work and strengthen public understanding of it."

But US environmentalists and bank critics charge that the proposals do not go far enough. They want the Clinton administration to press the bank to open its operations further than is currently proposed.

The World Bank's proposed changes... are totally inadequate," a coalition of environmentalists said.

The coalition — the envi-

ronmental defence fund, friends of the earth, the Sierra club and the bank information center — argues that the World Bank proposals will not result in the public having a meaningful say in how the organisation is run.

Both sides in the dispute agree that greater public disclosure will enhance the effectiveness of the bank's loans by giving those who will be affected by its construction projects a voice in the process.

But the bank believes that it must also be careful not to jeopardise its relations with its borrower countries by releasing confidential information.

An earlier proposal that would have let to the bank obtaining blanket approval from borrowers for disclosure of information has been dropped following objections from some of those same nations, much to the dismay of environmentalists.

Instead, the bank will give borrower governments a chance to review reports that are to be made public so that they can identify confidential issues that should be kept secret.

"The World Bank's current proposal to release documents on a case-by-case basis represents an unacceptable step back from the previous proposal," the environmental coalition said.

Besides considering proposals for more public disclosure, the bank's board on Thursday will also hold a preliminary discussion on establishment of an independent inspection panel to handle complaints about the organisation's loans.

Here again, US environmental groups have criticised the bank for not going far enough and for not giving the proposed panel enough power.

external debt, Ariff said, adding that the group "will provide advice on steps that should be taken to resolve the debt problem."

To act on any specific proposals, the developing countries have to establish an effective dialogue with creditor nations, multilateral agencies and commercial banks, he said.

"Some of the members of the NAM that are not severely indebted may want to pledge action on other issues in order to gain further relief for more affected countries of the South," he said.

The advisory group, which held two previous meetings here in November and February, comprises 11 experts from Ethiopia, India, Indonesia, Jamaica, Kenya, Mexico, Nigeria, Sri Lanka, and Uganda.

Indonesia is the current Chairman of NAM, which groups 108 developing countries. The advisory group will focus on 18 countries, mostly African, which are severely affected by

environmental damage, he said.

While the white minority Pretoria government believes it has dismantled apartheid sufficiently to warrant the lifting of remaining economic sanctions, Nelson Mandela's African National Congress has urged that pressure be retained until a transitional government leading to democracy is in place.

On a more positive note, Stalls noted that South Africa had managed to survive a balance of payments crisis in the past year, pay for the drought-enforced importation of food and was still able to meet all its international financial commitments.

Addressing the annual meeting of bank shareholders, Stalls said that at the end of July, the bank's gross gold and foreign reserves stood at 7.4 billion rand (2.2 billion dollar) equivalent to the value of only one-and-a-half months' imports of goods and services.

Stalls said the country's foreign reserves would have to increase to much higher levels for the bank to continue



SYDNEY: Ken Cowley, chairman and chief executive of News Corporation Ltd, smiles at a press conference in Sydney yesterday as he announces a 72 per cent jump in net profits. Rupert Murdoch's media giant made 579 million US dollar profit after a big year for its American and British broadcasting and printing networks. — AFP photo

News Corp's profits rise sharply

SYDNEY, Aug 25: News Corp on Wednesday reported that profits rose sharply in the final quarter of its fiscal year on improved performance by its publishing and broadcast operations worldwide, reports AP.

For the three months ended June 30, the company earned US 153.2 million dollar or 67 cent per American Depository Receipt. That compared with earnings of 47.9 million dollar 18 cent per ADR, in the same period a year earlier.

Revenue rose to US 1.88 billion dollar from 1.86 billion dollar in the year-earlier quarter.

For the fiscal year, profits rose to US 605.2 million dollar, or 2.81 dollar per ADR, from 384.5 million dollar 2.15 dollar per ADR, in the 1991-92 period. Revenue fell to 7.48 billion dollar from 7.81 billion dollar.

"The exceptional result is due to improved performance from the company's newspaper, magazine, and television operations, as well as its associated companies," News Corp. said. "Gains from these businesses were offset by significantly lower performance in filmed entertainment."

The company's British-based satellite television operation, BSkyB, and its Australian domestic airline, Ansett, both reported profits for the fiscal year compared with losses in the previous year.

Rise in dollar turns S Africa's gold, foreign reserves 'low'

PRETORIA, Aug 25: Political uncertainty and the appreciation of the US dollar against the rand had left South Africa's gold and foreign exchange reserves at an "uncomfortably low" level, Reserve (central) Bank Governor Chris Stalls said yesterday, reports AFP.

Addressing the annual meeting of bank shareholders, Stalls said that at the end of July, the bank's gross gold and foreign reserves stood at 7.4 billion rand (2.2 billion dollar) equivalent to the value of only one-and-a-half months' imports of goods and services.

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smoothing out the disruptive fluctuations in the foreign exchange market, where average turnover amounted to 14 billion rand (4.2 billion dollar) a day.

The continued appreciation of the dollar against the rand since September encouraged adverse leads and lags in the movement of foreign capital, he said.

A quick resolution to debt rescheduling talks and the normalisation of South Africa's relationship with the International Monetary Fund and the World Bank would relieve some of the pressure on foreign reserves, Stalls predicted.

"Delays in settling these issues contribute to a feeling of uncertainty on the part of the international financial community

about South Africa's ability to meet its future financial commitments," he said.

While the white minority Pretoria government believes it has dismantled apartheid sufficiently to warrant the lifting of remaining economic sanctions, Nelson Mandela's African National Congress has urged that pressure be retained until a transitional government leading to democracy is in place.

On a more positive note, Stalls noted that South Africa had managed to survive a balance of payments crisis in the past year, pay for the drought-enforced importation of food and was still able to meet all its international financial commitments.

Pak foreign exchange reserves rise to \$400m

ISLAMABAD, Aug 25: Pakistan's foreign exchange reserves have risen to 400 million US dollar as a result of measures taken by the government, said caretaker Finance Minister Syed Babar Ali yesterday, reports Xinhua.

Speaking at the Senate session here, the finance minister said this increase marked a significant improvement in the foreign exchange reserves which are expected to reach one billion US dollar by the end of the current financial year ending on June 30, 1994.

The balance of payment came under severe pressure during the last financial year (from July 1, 1992 to June 30, 1993).

**Case against loans to Iraq
Five bankers sentenced to probation in US**

ATLANTA (Georgia), Aug 25: Five employees of the Atlanta branch of an Italian bank accused of involvement in a scheme to illegally loan billions of dollars to Iraq were sentenced to probation after a judge said they played only a minor role in the affair, reports AFP.

US district judge Marvin Shoob disputed prosecution claims that the scheme to lend five billion dollar to Iraq came from low-level employees at the Banca Nazionale del Lavoro.

At a sentencing hearing Monday, Shoob said there was evidence of a conspiracy involving the United States, Italy and Britain to secretly finance Iraqi arms purchases in the late

1980s that ended up being used in the Gulf War.

John Hogan, a special assistant to Attorney General Janet Reno, told the judge that the Justice department concluded there was no evidence of an effort by former president George Bush's administration to arm Iraq, a some democratic lawmakers had charged.

Some in Congress have charged the attempt was aimed at appeasing Iraqi President Saddam Hussein prior to August 1990 invasion of Kuwait.

Those sentenced Monday included Paul Von Wedel, who received six month's home detention and five-year probation.

Tokyo to extend \$1.33 b loan to Beijing

TOKYO, Aug 25: Japan has decided to extend loans totalling 138.7 billion yen (1.33 billion dollar) to China in fiscal 1993/94 to promote its reforms and open-door policies, the foreign ministry said on Tuesday, reports Reuter.

The ministry said in a statement Tokyo agreed to provide the loan in the current fiscal year ending March 1994 as part of Japan's third package of yen-based loans to China, worth a total 810 billion yen (7.78 billion dollar).

The package is aimed at financing 42 Chinese projects over a six-year period that started in fiscal 1990/91.

Under the 1990-95 programme, Japan provided 122.5 billion yen (1.17 billion dollar) in 1990/91, 129.6 billion yen (1.24 billion dollar) in 1991/92 and 137.3 billion yen (1.32 billion dollar) in 1992/93.

The new loan will be used for 18 projects, including five new projects. It has a 30-year term, with a 10-year grace period and a 2.6 per cent annual interest rate, it said. The loan is not linked to contracts to Japanese companies.

UAE bans import of dry milk from Lithuania

ABU DHABI, Aug 25: The United Arab Emirates (UAE) has banned the import of dry milk from Lithuania after it discovered high radiation levels in a large shipment, a UAE officials said Sunday, reports AFP.

The shipment, which arrived in Dubai last week from the Netherlands has been returned to its original destination, said Musa Ahmed, director of the public health section at the Dubai municipality.

"Our tests have shown the shipment is polluted with serious radiation elements as a result of the (1986) Chernobyl nuclear disaster," he told AFP by telephone. "We have ordered all dealers in the country to completely stop importing Lithuanian milk."

He said the municipality had informed the food and agriculture organisation about the shipment and was in contact with authorities in the other gulf cooperation council states to coordinate action.

Chinese garlic threatens Spanish farmers

CORDOBA, Spain, Aug 25: Spain's garlic growers risk being forced out of business by cheap Chinese imports, the head of the farmers' association Asaja said on Tuesday, reports Reuter.

Chinese bulbs are being passed off as Spanish grown and sell in Spanish markets for half the price—84 peseta (0.615 dollar) a kilo as opposed to a minimum of 162 peseta (1.19 dollar).

Garlic producers in southern and western Spain have started protest movement and Asaja wants the government to limit Chinese imports, impose tariffs and stop false labelling.

Chinese garlic is whiter, smaller and stronger tasting but otherwise hard to distinguish from Spanish grown plants.



Showket Hossain, Country Sales and Marketing Manager, DHL Worldwide Express along with Alex Grutter, District Sales Manager and Eduard Loew, Sales Executive, DHL Switzerland during his recent Switzerland visit at Basel Airport in front of DHL aircraft.

US govt goes to court to defend NAFTA

WASHINGTON, Aug 25: The government goes to court to defend the North American Free Trade Agreement (NAFTA) against attacks by environmentalists that could scuttle plans to create the world's biggest free trade zone, reports Reuter.

While the debate centres around the fallow of increased commerce, the courtroom battle will focus on the public's right to information versus the president's right to govern.

Environmentalists fear new pollution over the Northern Hemisphere is free of trade barriers and say the pro-NAFTA administration is consequently leery of telling the facts.

For its part, the government denies any cover-up and says lobbyists are infringing on the president's right to strike a deal

by demanding a report on the pact's potential fallout.

The two sides fight their case in the US court of appeals Tuesday afternoon, presenting oral arguments that will be ruled upon in anything from three weeks to three months.

Legal and economic experts predict a government victory, but say the case nonetheless damages the pact's already dented credibility in Congress, which is yet to vote on the NAFTA.

While largely in unison about the probable outcome of the case analysts are divided over the merits of the case.

"It was bad enough when you had the executive branch and the legislative branch haggling. Now you have the intrusion of the court system into US

trade policy," said Michael Aho, an analyst at the council on foreign relations.

But Tea Lee, a NAFTA opponent with the economic policy institute think-tank, said the public has a right to know how the earth might suffer the United States, Mexico and Canada unite into the world's biggest free trade zone.

"Now matter how this is resolved, members of Congress can feel that they deserve to have an environmental impact statement before they cast their votes," said Lee.

The stage was set for Tuesday's appeal case in June, when judge Charles Richey said the government had broken the law by not compiling a study of the Apot's environmental impact.

Japan's economy reflects adverse impact of yen's appreciation

TOKYO, Aug 25: Japan was bombarded Tuesday with an array of weak economic data and corporate profit declines, reflecting the adverse impact of the yen's appreciation and lousy sales in almost all major markets except Asia, reports AFP.

The most discouraging news came from the economic planning agency which downwardly revised its assessment of the Japanese economy last week amid growing signs that the country is heading towards a double-dip recession.

The agency said Tuesday its leading index of economic indicators remained below the crucial boom-or-bust line of 50 points in June for the second month in a row, falling from a revised 41.7 points in May to 36.4 points.

The index measures 13 areas of economic activity, indicating the outlook in the coming six months. Fifty points is considered the dividing line between a future expansion or contraction in overall activity.

"We don't consider that the economy will continue to deteriorate," an agency official said. "But we can't expect a rapid recovery."

employment, machinery orders, inventories of finished goods, housing starts, shipments of durable goods and corporate profits, the agency said.

Among other discouraging announcements Tuesday — the Japan Cahin Store Association said sales at supermarkets in July fell 2.6 per cent from a year earlier to 1,370 billion yen (13 billion dollars), marking 11 months of uninterrupted declines.

Sales of food rose 1.2 per cent, but clothing sales fell 8.3 per cent and overall sales are not expected to improve in August which was marred by continued cool weather.

The international trade and industry ministry said industrial output in the three months to June shrank 1.5 per cent, from the previous quarter with shipments falling 2.7 per cent.

Inventories declined only 0.7 per cent and continuing adjustment may depress production further in the current quarter.

Matsushita Electric Industrial Co. Ltd said group pre-tax earnings fell seven per cent to 33.7 billion yen in the three months to June with sales also falling seven per cent to 1,596

billion yen.

"The high yen, low demand for audio-visual products and the negative impact of Japan's cool summer on air conditioner sales all contributed," the world's biggest consumer electronics manufacturer said.

Honda Motor Co. Ltd. said group pre-tax profit plunged 55 per cent to 15.3 billion yen in the same period, with sales falling 17 per cent to 920 billion yen.

"Although overall sales volume in Asia excluding Japan showed a steady increase, a decline in sales of automobiles in Japan, North America and Europe, as well as the strong impact of the higher yen, negatively affected revenue," the third-biggest Japanese car-maker said.

TDK Corp. said worldwide profits before tax plunged 42 per cent to 6.4 billion yen in the same three months with sales falling 9.6 per cent to 121 billion yen.

view for possible downgrading. Citing downward pressure on the Japanese electronics giant's profits and cash flow.

Finance Minister Hirohisa Fujii's disclosure Tuesday that the Japanese government implemented 56 per cent of this year's public works projects in the first quarter, the highest ratio since 1966, was meanwhile greeted cautiously.

"These funds are simply not being injected into the economy quickly enough to have much positive effect," said Kenneth Cortis, senior economist at Deutsche bank capital markets (Asia).

He blamed the "cascade of political scandals" in Japan and the "pervasive reluctance on the part of local authorities to engage in much new spending for fear—either rightly or wrongly—of being drawn into a web of suspicion."

"Japan is caught in the tightening grip of a vicious deflationary vice," Gourtis said, noting that spending delay had combined with the cool summer and the strong yen to push the economy back into recession in the current quarter following a relatively strong performance in the first quarter.

China hopes to export satellite by 2000

BEIJING, Aug 25: China intends to enter the highly competitive world market for satellites by the turn of the century, the official China Daily reported today, says AFP.

"We hope that... Chinese-made satellites will be exported by the year 2000," it quoted a spokesman for the China National Space Administration, as saying.

China is capable, the China Daily report said, of manufacturing all kinds of satellites and the Chinese academy of space technology is upgrading products for export sales.

Meanwhile, China's rocket manufacturer, China Aero-Technology Industry Corp., angrily rebutted suggestions it had suffered.

The Beijing-run daily Wen Wei Po in Hong Kong quoted a spokesman for the enterprise as saying "no one can stop nor restrain the Chinese aero-industry from entering the international market."

"It will be a futile effort," he said. The report came after China and the US satellite builder Hughes Aircraft, closed the file on the loss of a long march 2 rocket and its Australian payload, the satellite Optus B2, 48 seconds after lift off on

December 21 from southwestern Xichang.

China and Hughes said on August 14 that there was no conclusive evidence that the loss was caused by either launch or faulty construction.

The market for manufacturing and launching satellites is estimated in the tens of billions of dollars, with the prime contenders being large US corporations, such as Martin Marietta, Hughes and Ford aerospace, and the European space agency.

China has already signed contracts with foreign electronics companies to launch their satellites. The order book includes the launch of 20 satellites with Motorola of the United States.

Five most ambitious design, the east is red 3, is a telecoms satellite scheduled to be placed in orbit next year, with an operational life expectancy of eight to 10 years, he said. The four others are intended for meteorology and scientific research.