

Steelworkers in India protest govt move to privatise IISCO

NEW DELHI, Sept 8: Tens of thousands of steelworkers across India went on a one-day strike Tuesday to protest the government's move to privatise the ailing Indian Iron and Steel Co. (IISCO), reports AFP.

The Press Trust of India (PTI) news agency said leftist and centrist trade unions had joined hands with the ruling Congress (I) Party's labour wing to quit work in a rare gesture of solidarity to force a reversal of the decision. IISCO has been a loss-making unit for nearly two decades.

The steel ministry decided to float tenders for its modernisation but the step has angered IISCO workers who fear mass retrenchment and layoffs under a new management.

PTI said the strike was "near total" in West Bengal state, where the IISCO plant is based, and other iron ore-rich regions such as Bihar and Madhya Pradesh.

An official of the Congress trade union said the protest had led to a "production halt" in three steel plants, while Steel Authority of India (SAI) sources said factory workers and junior executives had boycotted work.

Madhukar Pandhe, general secretary of the communist-backed Centre of Trade Unions (CTU), said here that 200,000 workers had stayed away from their jobs to protest the modernisation-cum-privatisation scheme.

Jakarta changes trade union

JAKARTA, Sept 8: Indonesia has restructured its only officially-sanctioned trade union, a pro-government labour leader said. But critics said the changes were cosmetic and only aimed at protecting trade concessions from Washington, reports Reuters.

"Joko Daulat, a deputy chairman of the pro-government SPSI union, said the organisation had now become a coordinating organisation to 13 unions based on industrial sectors.

The Clinton administration, critical of Indonesia's working conditions and crackdown on independent unions, has given Jakarta until February to improve labour rights or lose tax-free concessions under the generalised only of preferences.

Indonesia has long recognised only the SPSI despite its theory allowing other unions. The largest independent union, the Indonesia welfare labour union or SBSI was barred from holding its first Congress in July.

Mannan stresses use of computers for uplift

State Minister for Science and Technology Prof MA Mannan Tuesday said computer a common technology in the developed countries used in day to day matter. To reach our expected goal of development we have to expedite the uses of computers, he added, reports BSS.

The State Minister was inaugurating the first special evening training course on "Introduction to computer, Application Packages and Programming at Bangladesh Computer Council seminar room here.

Presided over by the Executive Director of Bangladesh Computer Council, the meeting was also addressed by the Secretary of the Ministry of Science and Technology Abdullah Haroon Pasha.

Twenty officers from various government and autonomous bodies are participating in the training course.

Canon develops smallest SLR camera

TOKYO, Sept 8: Japan's leading cameramaker Canon Inc said Tuesday it had developed the world's smallest and lightest Single-Lens Reflex (SLR) camera with a built-in flash, reports AFP.

The company said the camera, weighing 370 gram (13 ounce), would go on sale from October 5 at a price of 89,000 yen (850 dollar) in Japan, including a 28-80 millimetre lens, the world's first not requiring lead for production.

The camera body measures 14.5 centimetre (5.8 inches) by 9.2 centimetre (3.7 inches) and is 6.2 centimetre (2.5 inches) thick.

Canon said the camera, whose body will be sold separately for 59,000 yen, featured "enhanced silent film transport" and could also take panoramic photos.

OPEC shows no signs of slashing excess output

BRUSSELS, Sept 8: The OPEC nations increased oil pumping slightly last month, showing no signs of curtailing the excess output that has been blamed for slumping crude prices, according to estimates Tuesday, says AP.

The International Energy Agency reported the 12-nation cartel pumped 24.7 million barrels of crude a day in August, about 100,000 barrels a day more than in the previous month.

The average price of basket of crudes monitored by the group was 15.95 dollar a 42-gallon barrel last week, sharply below OPEC's target of 21 dollar. OPEC ministers will meet on Sept. 25 in Geneva to plan their output strategy for the final three months of the year.

Subroto, secretary-general of the Organisation of Petroleum Exporting Countries Exporting Countries pegged current production at 24.5 million barrels daily.

The estimates put the producing nations about one million barrels above their cap of 23.6 million barrels a day in the

July-September period. In June, the nations pledged to reduce pumping to give a life to prices.

"No one is cutting back," said Peter Bogin, associate director for oil markets at Cambridge Energy Research Association in Paris.

Gushing OPEC production has largely been blamed for plunging oil prices.

Prices also have been slipping because of market fears that Iraq might soon negotiate a deal with the United Nations to resume selling oil. The giant producer has been barred by international sanctions from exporting crude since its 1990 invasion of Kuwait.

Traders worry that if Iraq worked out an accord with the United Nations, it would send a flood of crude on the market that would depress prices further.

Subroto, attending an energy conference in Amsterdam, the Netherlands, said the group should be able to raise production. "The demand will increase in anticipation of the winter," he said.

He declined to suggest a production ceiling for the October-December quarter.

Demand for OPEC crude normally rises in autumn as customers in the United States and Europe buy more oil ahead of the winter heating season. The energy agency estimated demand for the group's oil at some 25.6 million barrels a day in the fourth quarter.

Demand for oil, though, has been weak this year because of the sluggish economy in the United States and the recession in West European nations. Industrialized nations are heavy consumers of oil.

In its report, the energy agency said Saudi Arabia, the world's largest oil producer, pumped about eight million barrels a day last month, up slightly from July.

Iran, OPEC's No. 2 producer, supplied about 3.7 million barrels a day in August, the report said.

On Monday, the Middle East Economic Survey, an oil industry newsletter, reported Iran's output unexpectedly dropped in August by nearly 300,000 bar-

rels a day to 3.325 million. It said Iran was a bit below its quota of 3.34 million barrels daily, the first time all year it has been under its limit.

The weekly publication attributed the decline more to "marketing foul-ups" than to an Iranian decision to abide by its quota.

The energy agency estimated the United Arab Emirates supplied 2.2 million barrels of oil a day last month and Venezuela produced 2.3 million barrels daily.

Kuwait, rebounding from the Gulf War damage to its oil industry, pumped nearly 1.8 million barrels a day.

Nigeria supplied 1.8 million barrels a day last month; Libya, 1.4 million barrels a day, and Indonesia, 1.3 million barrels a day.

Other estimates were: Algeria, 750,000 barrels a day; Qatar, 430,000 barrels a day; Gabon, 300,000 barrels a day.

The energy agency is an arm of the Organisation for Economic Co-operation and Development (OECD) made up of two-dozen industrialized

Sharp drop in trade gap brings hope to Indian economy

BOMBAY, Sept 8: A sharp drop in India's trade deficit has triggered hopes that painful economic reforms have started bearing fruit, analysts said here, reports Reuters.

"Economic liberalisation, the full float of the rupee and low inflation rates have contributed to better export earnings," N J Jhaveri, Joint Managing Director of the Industrial Credit and Investment Corporation of India, said.

The trade deficit fell to 438 million dollar for the April-July period, compared to nearly 2.1 billion dollar in the same period, of the previous year.

Exports shot up by 27 per cent in dollar terms to 6.9 bil-

lion dollar while imports were estimated at 7.35 billion dollar, showing a decline of 2.7 per cent.

The sharply higher exports are welcome news for a government struggling against union protests to dismantle four decades of socialist-style policies and integrate India with the global economy.

Higher export remittances and foreign investment in Indian companies has helped foreign exchange reserves rise to 7.13 billion dollar from around 6.3 billion dollar last year, analysts said.

The rupee has held steady at around 31.37 to the US dollar since its float in March and inflation has remained at six per

cent. "The high export growth is creditable, more so since it was achieved after India lost a major market following the disintegration of the Soviet Union," a Delhi-based economist said.

But analysts do not see low import figures necessarily auguring well for an industrial sector seen struggling to pick up.

"The low level of inventory build-up in import-intensive industries is a reflection of general economic recession," said Rajendra Gill of Bank of Nova Scotia.

"A pick-up in the economy will see inventory levels rising and imports picking up," he added.

Dollar higher against yen in Tokyo

TOKYO, Sept 8: The US dollar edged higher against the Japanese yen in Wednesday morning trading, while prices on the Tokyo Stock Exchange slipped in light trading, reports AP.

The dollar was trading at 104.40 yen at late morning, up 0.30 yen from Tuesday's close and higher than its finish in New York overnight at 104.25 yen.

The dollar remained stable as players sold the yen to take profits from recent gains and bought the dollar, following through on the overnight trend on overseas markets.

Traders continued to focus on the German mark and other European currencies, with expectations that there will be no change in credit policy by the German central bank in the immediate future.

The Bundesbank is scheduled to hold its policy-setting council meeting Thursday.

Meanwhile, the 225-issues Nikkei Stock Average fell 28.61 points, or 0.14 per cent, to 20,933.49 at the end of the morning session.

Pak money rates edge up to 16.5pc

KARACHI, Sept 8: Pakistan money rates edged up to 16.50 per cent after the State Bank of Pakistan accepted 2.18 billion rupee in T-bill tenders at a weighted average yield of 13.85 per cent, a dealer at Kasb said, reports Reuters.

The market was expected to be more liquid today although call rates would remain high, said Mohammad Yassen of Abn-Amro Bank NV Karachi.



BONN: German Chancellor Helmut Kohl (R) takes a rest while Foreign Minister Klaus Kinkel studies papers during the speech of Economic Minister Theo Waigel in the German parliament Tuesday. The government presented the draft budget for 1994. — AFP photo

Fund crisis may foil Palestinian dream of self-rule authority

DUBAI, Sept 8: Palestinians are ready to set up a self-rule authority in the occupied territories four months after signing a deal with Israel, but the question remains: Where will the money to run it come from? says Reuters.

Washington is trying to put together an emergency fund of 590 million dollar for set-up costs but has failed so far to obtain firm commitments from potential donors, diplomats said.

The World Bank has unveiled a 4.3 billion dollar economic development plan for the West Bank and Gaza Strip covering the next eight to 10 years — an indication of the economic crisis in the territories.

The Bank has invited Israel and its Arab neighbours to a meeting in Washington on September 20 to discuss the report. But diplomats in the Gulf said the talks were to be attended by economists rather than decision-making politicians and were unlikely to be the forum for donors to show their hand.

Rich Gulf Arab states, some still reeling from the enormous costs of the Gulf War, are balking at the massive amounts of money involved.

And the Palestine Liberation Organisation (PLO) flush with funds through the 1970s and 1980s when some of its officials were derided as play boy revolutionaries for parading in

luxury cars and designer clothing, is virtually bankrupt.

Its coffers were drained after it lost its main source of income when it angered the wealthy Gulf Arab oil states over its sympathy with Iraq following Baghdad's 1990 invasion of Kuwait.

Paradoxically, these same Gulf states are being asked to hear the lion's share of the emergency funding and for the World Bank plan.

Palestinians, who say they need about 1.3 billion dollar a year initially, say finance is a

major problem that has yet to be overcome. The PLO estimates total need over 10 years at 11.2 billion dollar.

"The Gulf states are being told that by pouring money into the Palestinian homeland, they would be investing in future security and stability... that prosperity in the territories would remove a potential flash-point for trouble that could spread to the rest of the Middle East," one diplomat said.

"Understandably, they are sceptical," he added.

Palestinian sources said the

Russia may get \$ 2.5b from US for reforms

MOSCOW, Sept 8: Russia could be about to receive a 2.5 billion dollar boost from the United States to aid its economic reforms as the two countries make moves to remove trade barriers left over from the cold war, reports AFP.

A statement by Russian presidency released yesterday said that US President Bill Clinton and his Russian counterpart Boris Yeltsin had discussed by telephone several matters still in suspense between the two countries.

Clinton informed Yeltsin of a plan to grant Russia 2.5 billion dollar of aid for its economic reforms the statement said. And it added that the US

was to discuss "abolishing discriminatory measures in American legislation concerning trade relations with Russia."

At the Group of Seven summit in Tokyo in July a White House official said Washington was moving closer to lifting the Jackson-Vanik amendment introduced in the 1970s which links trade advantages to a country's treatment of Jews.

And after the Vancouver summit in April this year Clinton signed an executive order directing certain govern-

ment agencies to pinpoint actions which would be taken to remove cold-war barriers to trade.

emergency fund and substantial commitments for the longer-term World Bank plan.

Gulf Cooperation Council foreign ministers, who ended a two-day meeting in Riyadh on Monday, welcomed the proposed PLO-Israel deal, but made no public mention of the cash needed.

Gulf diplomats said this did not mean they would not pay. But any contribution was likely to be limited and come from individual states rather than from their GCC regional alliance.

They said Kuwait in particular remained deeply antagonistic to the PLO and its leader Yasser Arafat. Any aid was likely to be channelled to bodies such as the World Bank or independent Arab or Palestinian institutions, rather than directly to the PLO, they added.

The diplomats said the United States had made clear it would not carry the full burden of bankrolling the peace process.

Washington was putting heavy pressure on its partners in the G-7 group of wealthy industrialised nations, especially Japan and the European Community, to take on meaningful commitments.

"They have promised to help but have yet to spell it out in dollar and cent" one diplomat said.

Japan to eliminate bid-ridding in construction works

TOKYO, Sept 8: After sharp criticism over a series of bid-ridding and bribery scandals, Japan's Construction Ministry decided Wednesday to widen the field of construction companies it allows to bid on public works projects, reports AP.

But the ministry's new system is short of the completely open one US officials have demanded in past negotiations as a way of ending the "dango," or bidding rigging practices said to be rampant in Japan's construction market.

Until now, only 10 designated contractors could bid on a given public works project ordered by the central government. The designated companies often get together before placing bids and come to an understanding of who will get the contract.

But under the new system, specific bidders will no longer be designated, and any company that has done a public works project worth 500 million yen (481,000 dollar) or more can bid. The ministry admits, however, that the new requirements will still limit the field to about 30 companies.

"If a completely open bidding system were introduced, it would allow firms with little experience to win," said Toshio Kutsukake of the Ministry's Construction Contractors Division.

Kutsukake said the new bidding system will be limited to large-scale projects of 1 billion yen (9.6 million dollar) or more for the time being.

Under the new system, contractors also must have recent experience with projects similar to the one being bid on, and there are requirements for the number of qualified engineers in the firm.

The ministry originally planned to introduce the new system later in the year, but widespread corruption cases surfacing in recent months forced it to facilitate the measure, critics said.

Value of ROK black market economy rises to \$57b last yr

SEOUL, Sept 8: The value of South Korea's pervasive black market economy rose sharply to a huge 46 trillion won (57 billion dollar) last year, about a fifth of gross national product, a private research institute estimated on Tuesday, reports Reuters.

The Shinhan Research Institute said the underground economy had expanded sharply from 2.2 trillion won (2.78 billion dollar) in 1983 to its present size.

The increase appeared to be related to the holding of elections during the period which needed large sums in political funds, according to the report. Proceeds from the underground economy have been hidden in financial institutions under false names, it added. But the days of hiding money easily were over.

The use of aliases in financial transactions was outlawed last month. The Shinhan report was part of an analysis of financial prospects in the wake of the false-name ban.

Underground market players, known as "big hands", have been lying low since the ban, paralysing the black market which was a major source of finance for many small companies.

Shinhan research released the figures after collecting and analysing data compiled by the government state think tanks, and private economic institutions.

China's military industries raise civilian output by 32.2pc this yr

BEIJING, Sept 8: China's military industries, two-thirds of which are engaged in civilian production, increased civilian output by 32.2 per cent in the first half of the year over the previous corresponding period, Xinhua reported Tuesday, says AFP.

The official news agency reported that companies run by the army have increasingly diversified their activities into a number of areas, from light industry to aerospace, and including electronics, cars and ship-building.

More than 60 per cent of Chinese motorcycles are made by army factories, Xinhua said. When it began converting its factories 15 years ago, production was mainly focused on bicycles, sewing machines and fans.

The army now owns more than 1,000 enterprise employing 300,000 researchers and three million workers. Its companies have notably contributed to the construction of special economic zones.



WASHINGTON: US Vice-President Al Gore (R) and President Bill Clinton stand on the White House lawn Tuesday flanked by forklifts holding reams of rules and regulations the president hopes to cut from the federal bureaucracy. President Clinton hopes to reduce the civilian non-postal workforce by 12 per cent over the next five years. — AFP photo

US, Japan to begin trade talks today

TOKYO, Sept 8: Japanese and US negotiators meet in Washington Thursday to begin tough talks on how to achieve and measure progress in reducing their huge trade imbalance, reports AP.

US officials have threatened to impose benchmarks of their own if the two countries fail to agree on mutual numerical targets.

The talks come as Japan's fragile economy appears headed back into recession. Japanese exporters have been battered by the high yen, which makes their products more expensive overseas, while consumer spending has stalled.

Meanwhile, frustration is growing in Washington over Japan's annual 50 billion dollar surplus in trade with the United States.

Faced with criticism of its handling of the proposed North American Free Trade Agreement (NAFTA) the Clinton administration hopes to deliver tangible success in trade with Japan.

On Tuesday, Treasury Deputy Secretary Lawrence Summers said the United States expects "real progress" in opening Japanese markets and in reducing Japan's surplus.

Japan and the United States agreed in July on a framework for trade negotiations, to be completed by the end of this year, which would create "objective criteria" for measuring progress in opening specific areas of Japan's market.

But the two countries immediately disagreed over what each meant by the phrase.

US officials are pressing Japan to accept numerical goals for reducing the trade imbalance. Tokyo has repeatedly rejected such targets as "managed

trade" and sought to highlight areas of global cooperation, rather than bilateral friction.

Foreign Ministry spokesman Teruaki Terada said Tuesday that Thursday's talks should emphasize cooperation in technology, the environment, telecommunications, population and fighting AIDS because those areas promise a "brilliant future for our relationship."

While the government of former President George Bush tried to eliminate structural causes of the US-Japan trade imbalance — which dipped and then swelled during its term — the Clinton administration has emphasized measurable results.

Japan, meanwhile, has urged the United States to improve its international competitiveness.

Under the trade framework objective criteria must be set for improving American access in autos and auto parts, computers, satellites, telecommunications, medical equipment, financial services and insurance.

US officials are particularly interested in supercomputers. Japanese government agencies and research institutes are expected to procure 11 more supercomputers this year, and US officials are unhappy that four earlier bids were won by Japanese companies.

The United States also wants Japan to slash its worldwide surplus in half within three years and boost purchases of imports by one-third.

Japanese officials say that's impossible given Japan's current economic woes.

US Federal Reserve Chairman Alan Greenspan also warned Tuesday that Japan's weak economy could stall sales of US products here.

ACEA attacks car trade deal between EC, Tokyo

BRUSSELS, Sept 8: European car industry leaders on Tuesday attacked a new car trade deal between the European Community and Japan, saying it was unacceptable for Tokyo to boost its market share during the EC sector's worst decline since World War-II, reports Reuters.

The board of directors of ACEA (European Automobile Manufacturers Association) said the deal meant that Japan's EC market share would rise to at least 12.5 per cent in 1993 from 11.3 per cent last year.

In a statement issued after discussion at a board meeting in Frankfurt, ACEA said this increase was "in total contradiction" with a 1991 EC-Japan agreement limiting Japanese car exports to the EC for the rest of the decade.

"At a time when European automobile manufacturers are announcing massive workforce reductions, an increase in Japanese market share is unacceptable," the statement said. ACEA said the 1991 agreement was based on the principle of fair sharing of market downturns as well as increases and that both sides had undertaken to uphold the spirit and the letter of this understanding.

ACEA said the latest agreement, announced in Tokyo last weekend after talks between the European Commission and the Ministry of International Trade and Industry (MITI), would cut Japanese car sales in the EC by about 100,000 this year

while the market would shrink by at least 2.4 million.

Japan agreed on Saturday to lower the ceiling on its 1993 exports of cars and light commercial vehicles to the community to 980,000. Compared with an earlier limit of 1,089 million set in April.

The April accord was based on a forecast that EC demand would fall by 6.5 per cent in 1993 while the new agreement is based on an estimated fall of 15.0 per cent.

Tuesday's ACEA statement welcomed both sides' efforts to adjust their market forecasts, but called on them to implement their commitments under the 1991 accord which provides for a transition period until the EC market is opened fully to Japanese competition at the end of 1999.

W German economy grows by half pc in second quarter

BERLIN, Sept 8: Western Germany's economy grew by a quarter per cent in the second quarter, the government announced Tuesday, a better-than-expected result that indicates the recession may have hit bottom, reports AP.

It's the first time in 15 months the government has recorded quarterly growth. Economists had predicted worse.