

BRIEFS

Toyota's domestic output reaches 80m

TOKYO, Sept 9: Toyota Motor Corp., Japan's biggest automaker, said Thursday its domestic production has reached a total of 80 million vehicles in a span of nearly six decades. Eiji Toyoda, honorary chairman, attended a brief ceremony marking the occasion as a 42,000 dollar Crown Royal Saloon-G rolled off an assembly line at the main Motomachi Plant in Toyota City in central Japan, the company said. The occasion occurred two years and seven months after Toyota's achievement of total production of 70 million vehicles. Toyota officials said the 80 million total stands as the third highest among the world's major automakers, after 235 million by General Motors Corp and 142 million by Ford Motor Co, both of the United States, reports AP.

Aide to Kim resigns over wealth issue

SEOUL, Sept 9: An aide to President Kim Young-sam resigned Wednesday, becoming the first victim of a new government drive to oust high-ranking public officials who have amassed wealth through questionable means. Park Ro-young, 55, submitted his resignation after Kim declared he would dismiss any officials found to have amassed wealth illegally, the resignation was immediately accepted. Park, a police superintendent assigned to Kim's office, became a target of public criticism after disclosure that he owned property worth 3.6 million dollar. He allegedly accumulated the wealth through real estate speculation and other illegal means, reports AP.

Dollar stable, stocks fall in Tokyo

TOKYO, Sept 9: The US dollar hovered higher against the Japanese yen in Thursday morning trading, while prices on the Tokyo Stock Exchange slipped in light trading. The dollar was trading at 105.35 yen at late morning, up 0.47 yen from Wednesday's close but lower than its overnight New York finish at 105.60 yen. Yukio Kimura, a dealer with Asahi Bank, said the dollar weakened slightly from its opening at 105.50 yen on profit-taking, but generally remained stable, in particular against major European currencies. On top of media speculation on the rate cut, some political and business leaders have indirectly urged the Bank of Japan lower its official discount rate, now standing at 2.5 per cent, to stimulate the faltering economy, reports AP.

IDB okays \$188m for new finances

JEDDAH, Sept 9: The Islamic Development Bank (IDB) has approved new loans totaling 188 million dollar to help finance development in 1993, would get two loans totaling 27 million dollar. It will receive 12 million dollar to establish car spare parts factory and 15 million dollar to import rubber from Indonesia or Malaysia. Jordan would receive 11.2 million dollar to meet the cost of a university hospital. Yemen would seven million dollar to construct a road and Gabon eight million dollar to build 171 classrooms, reports AP.

Stock market lower in New York

NEW YORK, Sept 9: The stock market fell Wednesday in a follow-through from the previous session's losses. Investors, analysts said, have been selling stocks that ran up in value over the past two months of rallying. At the same time, fears about the economy have made market players nervous. "It's a continuation of Tuesday's downturn," said James Solloway, director of research at Argus Research Corp. Alfred Goldman, director of technical market analysis, with AG Edwards and Sons brokerage firm said the market action as "normal, healthy consolidation rather than anything more severe," reports AP.

Toshiba to cut jobs of 5,000 persons

TOKYO, Sept 9: Japan's Toshiba Corp plans to reduce its workforce by about 5,000 persons over three to five years in line with plans to shift toward more value-added business, such as multimedia, a company spokesman said Monday. The electronics giant plans to reduce its current payroll of 75,000 by curbing hiring and natural erosion, the spokesman said. "Every year, about 3,000 employees leave the company," he said. "Meanwhile, we plan to recruit less people." As a result, the decline of total employees would amount to about 5,000 in three to five years, he said, reports AP.

AFTA may fail in promoting free trade among members

MANILA, Sept 9: For months, a plan by six South-East Asian countries to put up a free trade area has been dogged by private business fears that it goes too far in opening up their economies to potentially ruinous competition, reports IPS.

Economists say these fears are overblown. The real danger, they add, is that the Free Trade Agreement of the Association of South-East Asian Nations (ASEAN) may fall because it does not go far enough in promoting free trade among its members.

"As things now stand, very little is really being opened says Jacques Jacques Pelkman, a Dutch economist of the university of Maastricht who has specialised on regional economic blocs. "Five years from now, we will still see very little impact."

The ASEAN Free Trade Agreement (AFTA) could have as substantial impact in the long term, Pelkman adds, but only if ASEAN takes bolder measures to open up their economies to each other and thus achieve not only "regionalism" but also "regionalisation."

But AFTA sceptics say economic realities are likely to frustrate the ASEAN's still doubtful political will.

Analysing AFTA's prospects, Pelkman makes a distinction between "regionalisation" and "regionalism". He described regionalisation as the process in which economies in a region become increasingly integrated through market forces with or without formal trade agreements between governments.

Protectionist sentiments remain strong as evidenced by the lengthy exclusion lists put together by ASEAN government at the behest of powerful business lobbies. Products in these lists will not be covered by tariff cuts.

The Philippines' exclusion list contains more than 3,000 product categories. Politically influential manufacturing lobbies have succeeded in putting many of the goods of the sensitive industries like appliance manufacturing on the list.

Doomsday scenarios where in industries are wiped out by competing ASEAN imports are exaggerated, says Emmanuel De Doss, Executive Director of Manila's AFTA advisory commission. "Industries will have five to six years to make the necessary adjustments," he stressed.

Past ASEAN efforts to promote intra-regional trade have flopped, largely because member countries were exporting similar goods to western markets.

"Regionalism" refers to the process of formal integration attained through the sort of pacts that has created the European Community or is gradually forming the North American Free Trade Area (NAFTA).

According to Pelkman, East Asia is a prime example of regionalisation.

Despite the absence of formal trade agreements, intra-regional trade and investment has flourished in the last five years between Japan and the Newly Industrialised Countries (NICs) of South Korea, Taiwan and Hong Kong, on the one hand, and would be NICs of South-East Asia, on the other.

In contrast, intra-ASEAN trade has actually declined since hitting a peak in the early 1980s. The share of intra-ASEAN trade out of total ASEAN trade has fallen from about 25 per cent in 1982 to between 10 and 15 per cent in the early 1990s.

Past ASEAN efforts to promote intra-regional trade have flopped, largely because member countries were exporting similar goods to western markets.

The last such attempt, the ASEAN Preferential Trading Agreement (PTA), was dismissed as a joke: it lowered tariffs on such goods like snowmobiles which ASEAN states did not trade among themselves.

AFTA goes much farther than the PTA. But some analysts warn that given the rapid changes now transforming the international economic landscape, like the emergence of China as a major trading power, AFTA is not moving fast enough.

Economists say AFTA's best hopes lies promoting trade between different segments of the same industry. But that will take of only if ASEAN governments prune down its lengthy exclusion lists and remove the protection it gives to favoured domestic industries.

Pelkman argues that ASEAN governments should give these exclusion lists a limited life and require industries in these lists to restructure and become more internationally competitive.

The Dutch economist says without these, AFTA is likely to go the way of other failed attempts to build regional blocs.



Israeli stockbrokers thank Yasser Arafat

TEL AVIV, Sept 9: Israeli stockbrokers are sending thanks to an unlikely benefactor this week following record highs on the Tel Aviv stock exchange: PLO Leader Yasser Arafat, reports AFP.

Arafat, for a quarter of a century Israel's public enemy number one, has sent the markets into ecstasy following his enthusiastic endorsement of a Palestinian autonomy plan that could bring peace to the Israeli-occupied territories after more than 25 years of conflict.

The Tel Aviv stock index has soared by nearly 10 per cent since September 1 and traders expect the rise to resume in the coming days provided the peace train keeps running.

The announcement of the accord has also prompted a flood of enquiries from foreign firms keen to invest in Israel, and hints that Arab countries might lift their tight boycott of Israel.

The next Arab League meeting in Cairo on September 14 will discuss lifting the economic embargo, according to a Saudi newspaper report this week.

The daily Mariv newspaper published a cartoon Tuesday showing Arafat blowing into a huge balloon labelled "stock exchange".

Bank Leumi, the second biggest bank in Israel, placed full-page display advertisements in Israeli newspapers Tuesday under the banner headline: "we were not surprised."

The bank created in June a "peace investment fund" in which companies believed to be the greatest beneficiaries of peace have already invested their share portfolios.

France for renegotiation of EC-US farm accord

PARIS, Sept 9: The French government and GATT Chief Peter Sutherland held to sharply divergent position on farm trade yesterday, as Paris maintained its demand for renegotiation of a farm agreement — even at the price of blocking World Trade Talks, reports AFP.

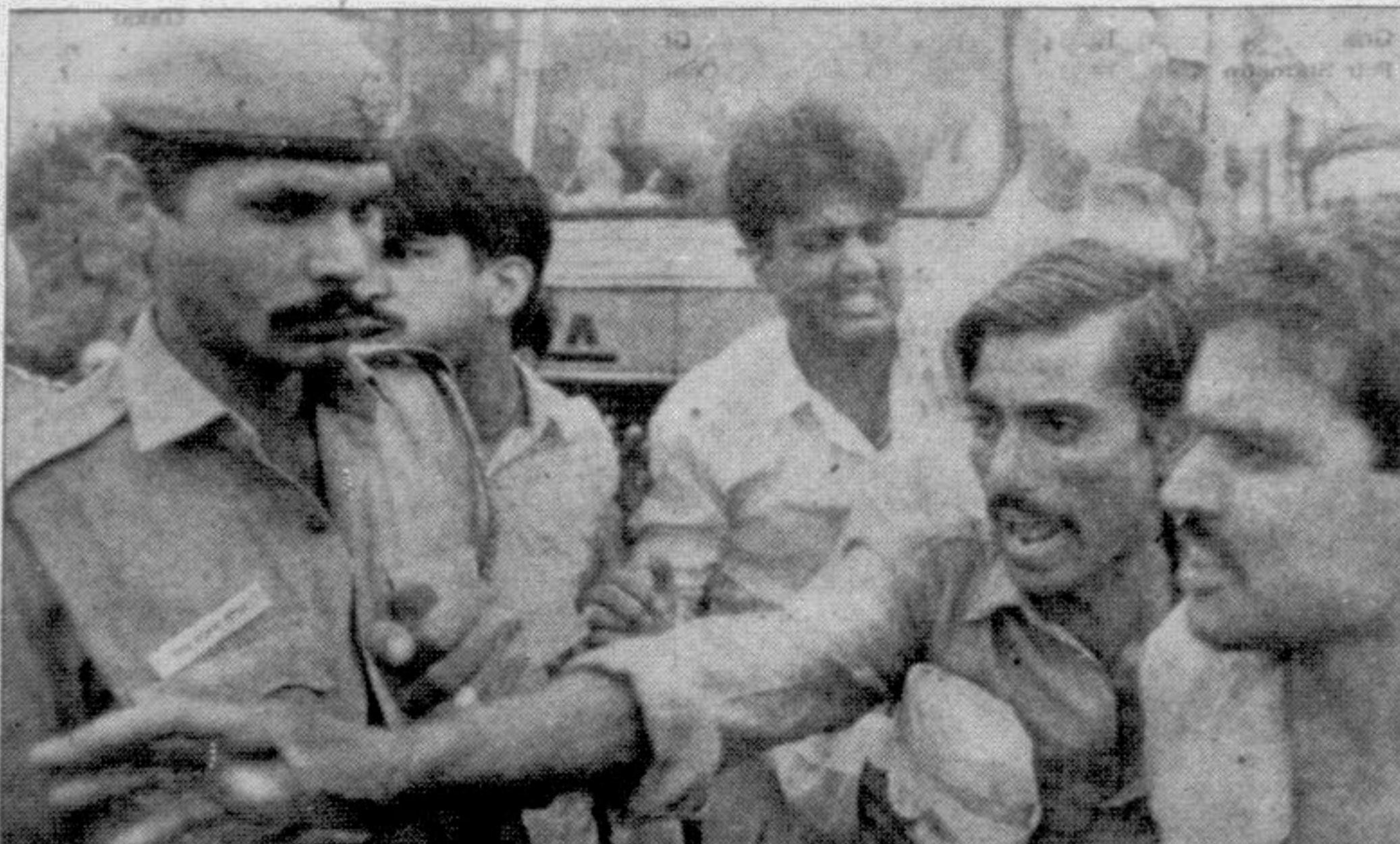
In a visit to Paris at his own initiative, Sutherland, the Director-General of the General Agreement on Tariffs and Trade (GATT) saw all French Ministers involved in the trade issue, including Prime Minister Edouard Balladur.

Particulars said the talks had been "very frank" diplomatic lingo for marked by sharp disagreement, and Su-

therland did not change his position by an inch, saying in connection with the EC-US Blair House agreement that "there are a significant number of contracting parties (to GATT) who refuse to reopen Blair House — and as long as the parties do not agree to reopen it, then clearly there can be no renegotiation."

The Blair House agreement was reached in Washington last November by negotiators for the United States and the European Commission, and calls for certain limits on farm production and subsidized farm exports, sharply opposed by France, which fears its farmers would suffer unduly from such reductions."

Referring to the date of December 15 this year set for conclusion of the Uruguay Round, Sutherland said.



NEW DELHI: Supporters of the Hindu nationalist Bharatiya Janata Party (BJP or Indian People's Party) protest Thursday against the increased tariff for electrical power even though long blackouts in the capital have become an almost daily reality. Nearly 2,000 BJP activists, intending to march onto the residence of Power Minister N K P Salve, risked arrest as their protest took place under very heavy security.

— AFP photo

Tokyo reluctant to emergency imports

Japanese consumers may pay more for rice

TOKYO, Sept 9: Japanese consumers, who already pay one of the world's highest prices for rice, may pay even more due to an exceptionally cold and damp summer and Tokyo's reluctance to allow emergency imports, reports Reuter.

Some famous rice brands, like Koshihikari brand, may rise by 500 yen (four dollar) per 10 kg (22 lb) on a retail basis," said Toshiharu Nishiguchi, vice president of Beloku Data Bank, a rice information firm.

Agricultural cooperatives and wholesalers held their first Tokyo tender for the 1993 rice crop on Wednesday, with all successful bids for 13 brands totalling 43,000 tonnes surging to the price limit. The limit increase is set at five per cent of the average rice price computed from previous bids.

The minimum and maximum bids were both at the price limits. We decided on the winners through lottery," said an official of Jishu Ryuutsu-Mai Kakaku Keisei Kikou, a semi-government

You can't buy anything unless you put in the highest price. With so much competition, you have to try to get what you want in a single shot," said Kenichi Moronuki, president of rice wholesalers Moronuki Shouten near Tokyo.

The 21-member league runs the boycott from the Boycott of Israel Bureau in the Syrian capital Damascus. The trade rules have been widely ignored for years, partly because major Arab trading partners Germany and the United States forbid their nationals from honoring the boycott.

Arab economic boycott of Israel to remain

CAIRO, Sept 9: The Arab League said Wednesday that its 42-year-old economic boycott of Israel will remain until all occupied Arab territory is returned, including east Jerusalem, reports AP.

The boycott was established because of the Israeli occupation," Adnan Omran, the league's deputy secretary-general said.

Peace cannot happen until there is a complete withdrawal from every inch of Arab territory occupied after 1967, including Arab Jerusalem."

The boycott was formally established in 1951, banning Arab trade with any company dealing with Israel. The goal was to disable the economy of the Jewish state and end what the Arab League considered the illegal occupation of Palestine.

The 21-member league runs the boycott from the Boycott of Israel Bureau in the Syrian capital Damascus. The trade rules have been widely ignored for years, partly because major Arab trading partners Germany and the United States forbid their nationals from honoring the boycott.

The Fed said the general sluggishness was keeping price increases under control with the exception of lumber prices, which apparently are climbing in anticipation of further demand for new homes caused by

the lowest mortgage rates in 25 years.

The central bank noted bright spots in housing and auto sales, both helped by low interest rates, but it said overall the recovery continued to be spotty.

"Geographically, economic growth appears weaker on the East and West coasts while central areas such as Cleveland, Dallas, Kansas City and Minneapolis report stronger than average growth," it said.

The newspaper quoted unnamed authoritative sources as predicting industrial growth would slow to less than 20 per cent within the year. The sources said China's optimum industrial growth rate was around 15 per cent, it added.

The Chinese government has sought to put the brakes on rapid economic expansion to bring down inflation.

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Water now booming and profitable business in Madras

MADRAS (India), Sept 9: Every day at dawn, hundreds of tankers begin making the rounds of this Indian port city carrying water to parched residents suffering from their worst-ever drought, reports AFP.

Hundreds of thousands of homes in Madras have not received a drop of water in their taps for several months and depend on the tankers for survival. So do government offices, hospitals, hotels and industries.

Repeated monsoon failures and a falling water table have forced the authorities to truck in water from hours away.

Water is now a booming and profitable business in Madras.

"We are facing a very acute drought," said M S Srinivasan, Chairman of the Madras Water Board, trying his best to look unfazed.

He added that 80 per cent of the city's six million people do not get potable water through their taps.

Madras, capital of Tamil Nadu state, periodically suffers water shortages. "But what makes the present drought the worst is the depletion of water table," Srinivasan said in an in-

terview.

The daily water requirement of Madras, India's fourth largest city, is 60 million gallons (228 million litres). The water board is able to supply only 22 million gallons (83.6 million litres) because reservoirs are almost dry.

Privately owned companies meet a portion of the remainder.

Some 600 government-chartered tankers daily bring water from Neyveli, 200 kilometres (125 miles) from here, and the Palar river, 75 kilometres (46 miles) away. Another 600 private carriers fetch ground water from nearby villages.

The government first brought water from Neyveli by train, but stopped due to financial constraints.

The water board chlorinates the Neyveli water, fills 6,500 huge tanks and rations it out to residents. Each tanker makes at least five trips a day.

Often a family of half-a-dozen has to do with just 10 buckets of water. Long queues and quarrels are a regular feature when water is distributed.

"What we are going through is hell," said an exasperated housewife, Vasanthi Ramanathan. "Imagine struggling for water

in a metropolis?"

Thousands of families have dug wells in their backyards. Some buy unchlorinated ground water for bathing and washing clothes.

Many streets draw ground water with manually-operated pumps, some 6,000 of which have been installed by the authorities.

The impure ground water, high in iron, leaves yellow stains on clothes and wash basins. "It is a miracle there has been no epidemic in Madras," said Gopal Venkateshwaran, a banker.

"We are unable to meet the demand," said R Pathy, the owner of a leading tanker company that sells 364,000 gallons (14.2 million litres) of water daily. "This year's drought is the worst."

Pathy, like many others, blamed the government for the crisis.

"It is total mismanagement," he said. "Shortages are a yearly feature in Madras. Once things get better, the government goes to sleep."

Senate approves Clinton's \$1.5b national service plan

WASHINGTON, Sept 9: The Senate gave final approval Wednesday to a 1.5 billion dollar compromise version of President Clinton's plan for students to earn university money in exchange for national service, reports AFP.

The 57-40 vote, mostly along party lines, gave Clinton the first all-new programme of his administration. The bill now goes to the White House for his signature.