Jakarta to limit domination of big businessmen

JAKARTA, Sept 16: President Suharto said Wednesday that the government would prevent big business dominating the Indonesian economy, reports AFP.

"The big businessmen are only a few, it is impossible for them to rule the Indonesian economy," Suharto was quoted as saying by Chairman of the Association of Indonesian Youth Businessmen (HIPMI) Adi Putra Tahir.

Tahir said Suharto also stated that the government has made rules to limit the domination of a handful big businessmen and to allow small and mid-size businessmen to develop. He did not elaborate.

In other issue, he said the President also called for HIPMI members to participate in efforts to eradicate poverty.

Suharto has repeatedly called for more focus in attempts at fighting poverty in this country where over 27 million of Indonesia's 183 million people still lived under the poverty line.

Around 36.5 per cent of Indonesia's some 63,000 villages fell into the category of poor villages in which the majority of inhabitants lived below the poverty threshold, Finance Minister Mar'ie Muhammad said.

Namibia issues own currency

WINDHOEK, Sept 16: Namibia introduced its own dollar Wednesday to replace the South African rand, burying another vestige of Pretoria's turbulent rule, reports AP.

The introduction of the dollar is largely symbolic, since it will be exchanged on a one-to-one basis with the rand in Namibia. Both currencies will be accepted in the country for the time being.

In the future, the new currency will give Namibia greater control over its economic and monetary policy, as well as its foreign exchange reserves. Currently, Namibia must adhere to restrictions set by the South African Reserve Bank.

With a separate currency, it would be in a position to break away from those restrictions, which include stringent foreign exchange controls.

The new dollar bills carry the portrait of Kaptein Hendrik Witbooi, a legendary hero in Namibia's struggle for independence. Namibian wildlife scenes are on the reverse side of each note.

Namibia once known as South-West Africa, gained independence from South Africa in 1990 after a 23-year war.

IFC swamped by pleas for help

WASHINGTON: Sept 16: The International Finance Corp, the World Bank's private sector arm, is being overwhelmed with requests for assistance as the global economy increasingly adopts a market model, the IFC said, reports Reuter.

In a briefing for reporters to unveil its annual reports, the IFC, which supports private sector development in the developing world, said it expected to lend some 2.4 billion dollar in the fiscal year to June 30 compared with 2.1 billion dollar the previous year.

"The demand very considerably exceeds our ability to supply," said IFC Executive Vice President William Ryrie.

He said the increased demand reflected countries that are abandoning state management of the economy and are moving toward policies that encourage the private sector as the main driving force of growth.

Ryrie said that there had been a substantial increase in demand for so-called infrastructure financing such as projects in telecommunications, transportation, power generation, water supply and the like.

GATT accord on global reforms appears bleak

BRUSSELS, Sept 16: Three months before the deadline for concluding seven-year-old talks under the General Agreement on Tariffs and Trade (GATT), prospects for an accord on global reforms appear increasingly bleak, reports AFP.

With France ready to veto a US-European Community deal on farm subsidies and many countries dragging their feet on other key issues, few diplomats are confident of a GATT deal by the cutoff date of December 15.

The Uruguay Round of GATT talks opened Puente Del Este in 1986 with the aim of sweeping liberalisations in a host of sectors, including market access, services, agriculture, textiles and intellectual property rights.

The round got bogged down in a row over farm subsidies, yet the issue looked settled last November when EC and US negotiators agreed to cut the volume of subsidised exports by 21 per cent over six years.

But France, the community's largest agricultural exporter, says the pact will exact an unfair toll on its farmers. Paris is threatening to veto the accord even if it means dealing a new blow to the EC is badly dented unity.

"The spectre of a crisis is not far off," French Agricultural Minister Jean Puech said Wednesday after talks in Brussels. "We do not want one but it is always possible, given the strategic stakes for France and Europe."

US officials refuse to reopen the so-called Blair House agreement, arguing it would just clear way for both sides to pile on new demands under pressure from powerful farm lobbies on both sides of the Atlantic.

The EC's executive commission also rules out renegotiation and the community's foreign and agricultural ministers are due to hold a joint meeting Monday in hopes of ending the impasse.

Diplomats close to the 116-member GATT fear that failure to settle the EC-US dispute quickly could lead to a collapse of the entire Geneva negotiations as they enter a final drive for an overall accord.

"If nothing is done and the situation remains fluid, the conventional wisdom is that the other countries in Geneva will not be willing to make the hard decisions," on other chapters, a US diplomat said.

The Uruguay Round, which was to have been concluded three years ago, was extended while Washington and Brussels thrashed out the farm problem. But GATT Director General Peter Sutherland says the December 15 deadline is final.

That is also the final date on which the Clinton administration can submit a proposed package to the US Congress on a take-it-or-leave-it basis without opening it up to amendments.

The "fast-track" deadline has been pushed back twice. But US officials said any further extension would require new legislation and a new mandate for the negotiators, which might not be easy if the EC reneges on the farm deal.

"Anybody who thinks that it is realistic to pass the present deadline and still reach an agreement is living in a fool's paradise," EC Foreign Trade Commissioner Sir Leon Brittan said Tuesday in Washington.

Brittan has scheduled a series of meetings with US counterpart Mickey Kantor in the coming months in an effort to resolve their differences, but this is not the only roadblock to a GATT accord.

French Culture Minister Jacques Toubon said Paris would not sign any GATT accord that would deny it the right to limit imports of American films and television programmes.

Obstacles also persist elsewhere. For instance, Japan and South Korea are resisting attempts to open up domestic rice markets and other countries are also less than forthcoming on market access.

More broadly, the momentum generated by the July pre-accord on market access reached by leaders of the United States, Japan, Canada and the EC in Tokyo appears to have petered out amid the continuing recession.

Sutherland said on August 31 he found it "disturbing to say the least" that less than half of the participating countries had tabled comprehensive offers in the key area of market access for goods.

On services, less than two-thirds of the countries had submitted initial commitments, but GATT officials said there were not that many issues to be resolved and they hoped to have a draft ready this month.

French farmers protest EC policy, talks

Another report from Paris says : Hundreds of French farmers protesting EC farm policy and GATT negotiations blocked roads and some railways in the Paris area on Wednesday, briefly cutting the capital's Ring Road.

In Paris itself, police placed a heavy guard around Prime Minister Eduard Balladur's offices and the Agriculture Ministry, for fear they would come under attack.

An estimated 2,400 farmers of the militant Rural Coordination adopted guerilla tactics, setting fire to roadblock of straw bales and running away whenever security forces appeared, only to erect a new blockade further down the road.

The Interior Ministry said the situation was under control and that road and rail blocks were being cleared as soon as they were set up.

The protestors blocked the Paris Ring Road with burning straw bales and ran away when police appeared. The police failed to catch them.

Earlier, trains between Paris and Orleans were blocked by piles of burning tyres placed on the line between Angerville Andetampes, officials of the state SNCF railway company said.

A high-speed train to the Atlantic coast was held up shortly before 06:00 AM (0400 GMT) by demonstrators on the stretch of line between Tours and Paris, Rural Coordination said from its headquarters at Grandville, near Charters.

Zimbabwe needs food aid before April '94 harvest

HARARE, Sept 16: Some 1.5 million Zimbabweans will need food aid before next year's harvest, Zimbabwe's national drought relief coordinator Constance Mubawa said yesterday, reports Reuter.

Mubawa said although many Zimbabweans were self-sufficient in food after a good rainy season this year. There were shortages in the south where farm production was low due to patchy rain.

"Zimbabwe expects to have 1.5 million people on food aid before the April 1994 harvest," Mubawa told a seminar.

A Ministry of Health official said on Tuesday more than 400,000 children under the age of five were still on the government's child food aid scheme set up last year at the height of a drought.

At the peak of the drought in 1992, one million children and about four million adults in a population of 10 million were dependent on imported food handouts.

LONDON: The largest collection of dinosaur eggs to come onto the market, an extremely rare nest of ten eggs laid between 70.100 million years ago, was sold at Bonham's, Wednesday for 46,000 pounds sterling to an unnamed American by a telephone bid. The eggs were excavated three years ago in China and measure 5 1/2 inches in diameter. — AFP photo

ABC planning to expand operations in Asia soon

ABU DHABI, Sept 16: A major Gulf bank partly owned by Libya is planning to expand operations in Asia to take advantage of business upturn, the bank's Executive President was quoted on Wednesday as saying, reports AFP.

The Arab Banking Corporation (ABC), an offshore unit based in Bahrain, already has strong presence in the Arab world and Europe and is one of the biggest financiers of trade between the two regions.

"There will be expansion in our operations in Asia very soon," Abdullah Al-Saudi told the United Arab Emirates daily Al-Khaleej. "But this will not affect our presence in the Arab world and Europe."

He said the expansion in Asia would be possible because the bank had enough funds as loans accounted for only half of its assets of 20 billion dollars.

Al-Saudi gave no details of the Asia plans but an ABC official told AFP they could include opening new branches and financing of projects there.

"We already have a strong presence in Hong Kong and Singapore as well as an office in Tokyo. But there is a need to increase such a presence in the whole region given the growing business opportunities there," the official told AFP by telephone from Manama.

Libya owns around quarter of the bank's paid-in capital of one billion dollar while the remaining shares are held by the Kuwaiti government, the state-run Abu Dhabi investment authority and Gulf individual investors.

ABC is the second largest bank in the Gulf in terms of assets and the third in shareholders equity, which stood at 1.4 billion dollar at the end of 1992. Its pre-tax profits stood at 74 million dollar in the first half of 1993 and 102 million dollar in 1992.

Al-Saudi said Libya had cut its shareholding to around a quarter from a third in 1990 but he gave no reasons for the reduction. He said ABC's trade operations could be hurt by a United Nations decision to tighten sanctions against Libya in its dispute with the West over the Lockerbie incident.

"If restrictions against Libya are increased, then this will affect development there and the movement of imports and exports through ABC," he said. "But all this is subject to international circumstances and we can speculate on what will happen in future.

He said ABC, with an authorised capital of 1.5 billion dollar, financed around 5.5 billion dollar worth of Euro-Arab trade, which stood at 50 billion dollar in 1992. This year, ABC's share could be even bigger.

Kuwait planning steps to reduce public sector wages bill

KUWAIT, Sept 16 : Kuwait is considering ways of reducing the public sector wages bill set this year at 3.9 billion dollar without cutting the pay of individuals, the daily Al-Anbaa on Wednesday quoted the finance minister as saying, reports Reuter.

"This study does not mean an intention to cut wages, not at all... the state does not think in such a manner," Finance Minister Nasser Abdul al-Rodhan was quoted as saying.

The budget for the financial year which started on July 1 included a 1.16 billion dinar (3.9 billion dollar) wages bill, accounting for almost 30 per cent of total expenditure.

The emirate's projects an overall deficit of 1.494 billion dinar (4.97 billion dollar) in the 1993/94 fiscal year.

Rodhan said the government wanted to encourage Kuwaities, who prefer the security and high wages of government jobs and account for less than half the labour force in Kuwait, to take private sector employment. It was thinking of subsidising their employment in the private sector if necessary, he added.

Asian stock markets close lower

HONG KONG, Sept 16: Asian stock markets closed mostly lower Thursday, with share prices plunging in Tokyo because of the resurgent yen and growing speculation that the government's economic stimulus plan might not include a cut in income taxes, reports AP.

Tokyo's 225-issue Nikkei Stock Average fell 445.64 points, or 2.13 per cent, closing at 20,502.15. It had fallen 200.32 points, or 0.95 per cent, to 20,947.79 on Tuesday.

The Tokyo Stock Price Index of all issues listed on the first section was down 23.24 points, or 1.38 per cent, to 1,657.09.

The US dollar plunged against the Japanese yen because of concerns that the economic stimulus package might not bolster US exports as intended.

The dollar closed at 104.62 yen, down, 1.13 yen from Tuesday and also well below its overnight New York finish of 105.98 yen.

Share prices in Hong Kong also tumbled, one day after police raided more than 100 companies in a securities probe of Hong Kong's Allied Group Ltd.

The Hang Seng Index, the Hong Kong market's key indicator of blue chips, fell 70.66 points, or 0.94 per cent, closing at 7,418.11.

Allied Group Ltd, the corporate flagship of Malaysian-Chinese investor Lee Ming-tee, has been under government investigation since last year for a serious of share transactions between January 1990 and May 1992.

Sydney: Australian share prices closed mixed in quiet trading, with gold, metals and mineral and resource stocks stronger but banks, media and some industrial issues weaker. The All-Ordinaries Index fell 1.0 points to 1,902.6

Seoul: Share prices closed lower for the third straight day on continued bearish sentiment. The Korea Composite Stock Price Index fell 5.05 points to 686.39.

Wellington: New Zealand share prices ended higher in busy trading following advances in a few blue chips. The NZSE-40 Capital Index rose 19.56 points to 1,968.61.

Manila: Share prices closed higher in moderate trading after two days of declines. The Manila composite index of 30 selected issues advanced 23.57 points to 1,975.73.

Taipei: Share prices fell for the fourth consecutive session, posting a new seven-month low. The market's weighted index fell 17.09 points to 3,765.01, the lowest level since 3,775.19 on Feb 12.

Bangkok: Thai share prices closed lower in moderate trading on profit-taking. The Stock Exchange of Thailand index fell 2.72 points to 989.64.

Singapore: Share prices closed mixed after major blue chips alternated between selling and buying. The 30-stock Straits Times Industrials Index fell 0.64 point to 2,000.71.

Kuala Lumpur: Malaysian share prices ended mixed. The Kuala Lumpur Stock Exchange's Composite Index, biased toward heavily capitalised stocks, rose 2.46 points to 819.77.

Jakarta: The stock exchange's Composite Index fell 1.260 points, closing at 430.053.

50,000 new flats to be built in Gaza, West Bank

PARIS, Sept 16: About 50,000 new flats will be built over the next two to three years in the Gaza Strip and the West Bank, largely with financial aid from the European Community, a Palestinian official said here, reports AFP.

Mohammad Abbas Abdel Haq, of the Palestinian Housing Council, said the body was founded two years ago in East Jerusalem with an EC grant of 43 million dollar.

He said 1,200 housing units were currently under construction, including 700 in Gaza Strip under an EC-financed programme.

Israel-PLO deal can force Suez Canal into price war

ISMAILIA (Egypt), Sept 16: The Israel-PLO accord and Middle East peace could force the Suez Canal into a price war to keep customers from a widening range of cargo options, a senior official said on Wednesday, reports Reuter.

"At the Suez Canal we face hard challenges from peace," Mohammed Ezzat Adel, Chairman of the Suez Canal Authority (SCA), told reporters.

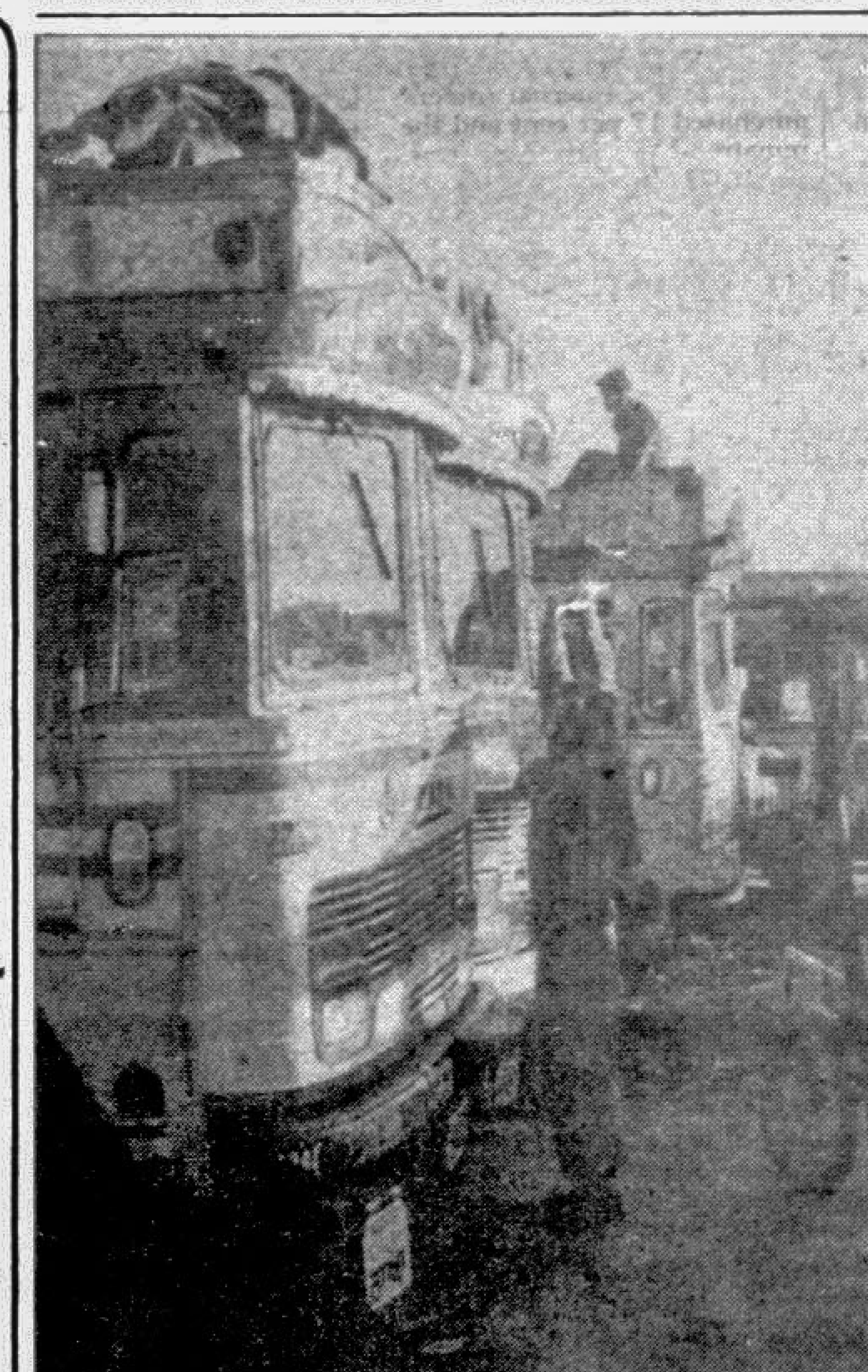
"There will be no monopolies in the future. We will enter into a price war with any other path, even outside the Arab region," he said, vowing: "The Suez Canal will always be the cheapest and the quickest and the most experienced."

Adel said peace would probably lead to the reactivation of Israel's oil pipeline from Eilat on the Red Sea coast to Ashkalon on the Mediterranean, adding to the competition for oil traffic.

The 12-year-old canal, Egypt's second largest foreign currency earner, long enjoyed a monopoly as the only alternative to hauling goods all the way round Africa to get them from East to West.

Since the 1970s, it has been challenged for precious tanker traffic by the Suez oil pipeline running through Egypt.

Oil industry sources estimate the Israeli pipeline has a capacity of 800,000 barrels per day. Because of the Arab boycott on doing business with Israel, less than a quarter of that is currently used.



NEW DELHI: A trucker yawns and stretches hours after the midnight start of a truckers' strike yesterday which will halt nearly two million trucks and tankers throughout India. The indefinite boycott has been called to protest a steep hike in licence fees. — AFP photo

Truckers launch indefinite strike in India

NEW DELHI, Sept 16: Nearly two million trucks and tankers went off the highways in India on Thursday as haulers launched an indefinite strike to protest a steep hike in licence fees, the truckers' union said, reports AFP.

A spokesman for the All India Motor Transport Congress (AIMTC) said the strike was "total" and had virtually paralysed the movement of freight across the country.

The spokesman, Ajay Pal Singh, said the boycott had taken nearly two million trucks. Tankers and light commercial vehicles off the roads and shut down 45,000 centres booking and delivering freight.

The strike would continue until the government withdrew an "Exorbitant" 233 per cent hike in annual "national permit" fees that truckers have to pay on each truck, he said.

The increase effective from September 1 was imposed to make up for losses resulting from abolition of entry taxes imposed by state governments on trucks entering their territory. The taxes were abolished under an agreement reached with the truckers' union last month to end a sig-day highway boycott that virtually paralysed inter-state freight transport.

Trucks haul more than 14 million tonnes of freight in India daily — almost half the cargo moved across the country.

Vietnam plans expansion of shoe industry

BANGKOK, Sept 16 : Vietnam plans a dramatic expansion of its shoe industry, more than tripling export earnings in the next two years, the government news service said, reports AP.

The government eventually hopes to compete with Taiwan, South Korea and other leading shoe exporters, the official Vietnam News Agency said in a dispatch seen Thursday in Bangkok.

Vietnam's 61 shoe manufacturers and 40,000 workers now export 45 million dollar in shoes annually. The government expects to increase export earnings to 170 million dollar by 1995, the news agency said.

The industry, centered in Ho Chi Minh City, Hanoi, Haiphong and Da Nang, produces medium-quality shoes, slippers and handbags for western Europe and North America.

Experts doubt OPEC's headway to prevent price collapse

Brussels, Sept 16: Runaway production of crude oil by OPEC nations had helped fuel a big drop in oil prices lately and jousting among members of the cartel has fostered doubts that the decline will stabilize soon, reports AP.

Analysts were skeptical Wednesday that the Organization of Petroleum Exporting Countries will do much at its meeting next week to prevent a price collapse.

The price slide has been good news for consumer — but bad news for the producers, many of whom depend heavily on crude revenues to fuel their developing economies.

"If OPEC doesn't find a way to get together and restrict supply, then oil prices may be headed for new lows," said Allen Sinai chief economist at Economic Advisers Inc in New York.

Crude Prices already have tumbled to their lowest level in three years — since shortly before Iraq's army invaded neighbouring Kuwait, a crisis that briefly sent prices shooting above 30 dollar barrel.

On the New York Mercantile Exchange, next-month delivery of light sweet crude oil settled at 16.86 dollar per barrel on Tuesday, down 10 cents. In London, North Sea Brent blend crude oil for October delivery settled at 15.60 dollar down 11 cent.

"Prices are going to be under pressure for the rest of the year," said Peter Oignoux, manager of the petroleum desk at Smith Barney, Harris Upham in London.

In the United States, energy prices slipped 0.5 per cent in August — the fourth month without an increase. Gasoline prices, as measured by the Labour Department's Consumer Price Index, were off 1.7 per cent and fuel oil, one per cent.

Lower oil and gasoline prices can help the economic recovery of the United States, Japan, Germany and other industrialized nations. Large factories and power stations will find fuel oil costs down as will airlines, big buyers of kerosene used to fuel jets.

"Certainly whatever recovery we have in the United States would be aided and enhanced by permanently lower oil prices," Sinai said.

OPEC isn't entirely to blame for plummeting prices.

Oil markets are skittish about the possibility that giant producer Iraq will cut a deal with the United Nations to resume selling oil. Baghdad was banned from exporting crude after the Kuwait occupation.

The prospect of a flood of Iraqi oil on a well-supplied market has panicked traders and contributed to the slump in prices.

Moreover, North Sea oil producers Britain and Norway have boosted output more than expected. Russia has increased crude exports to earn more for its struggling economy. And the world economic slump has curbed the industrialized nations' appetite for crude.

That that, though, may not be enough to get the dozen OPEC ministers to show restraint when they sit down for a strategy session September 25 in Geneva.

Already, analysts question whether the nations will be able to enforce a production ceiling designed to drive prices higher.

"If they don't tackle this problem of surplus oil, there is no hope that prices will go up," said Pierre Terzian, Editor of the Paris-based newsletter Petrostrategies.

But neither Saudi Arabia, the group's No. 1 producer, nor Iran, the second-ranking supplier, is likely to volunteer cutbacks to punch up prices.

Saudi Arabia, which pumps about a third of OPEC oil, has balked at going below eight million barrels a day.

Iran, scrapping with the Saudis for influence in the cartel, has been pumping more than 300,000 barrels a day above its cap of 3.3 million barrels.

And Kuwait, bouncing back from the Gulf War damage to its oil industry, wants to lift its cap.

Peter Bogin, associate director for oil markets at Cambridge Energy Research Associates in Paris, described the three as OPEC's "triangle of contention." All, he said, "are vying for market share before Iraqi oil returns to the market."

Nigeria also has been producing above quota. Before the war, Iraq lifted some three million barrels a day.

Overall, the nations are supplying about a million barrels a day over the July-September ceiling of 23.6 million barrels.

Venezuelan Oil Minister Alirio Parra has urged the nations to set a fourth-quarter limit of 24.5 million barrels a day — and stick to it.

OPEC's lack of discipline has been costly for its members.

Terzian estimated the nations will lose at least 10 billion dollar this year, maybe double that if prices stay at very low levels. And that, he said, raises the question of why belong to an organization used by some members as a "battlefield." Ecuador dropped out last January.

All in all, Oignoux said, "OPEC is in need of retread."

China's railway carries record 187m passengers

BEIJING, Sept 16: China's chronically strained railway system carried a record 187 million passengers in July and August, 11.4 million more than last year, the official China Daily reported Thursday, reports AP.

The newspaper, said the Ministry of Railways put extra trains on the most heavily travelled routes to tourist destinations and coastal cities.

The two-month period is the second busiest time of the year for the nation's railways, after the Lunar New Year.

Trains are frequently double-booked, and passengers have been known to pack themselves into the aisles, the bathrooms, between cars, underneath seats, and even onto the overhead luggage racks.