

## Tin prices fall to 20-year lows in London

LONDON, Sept 17: Tin prices fell to 20-year lows yesterday and traders said a further plunge could be in store, reports Reuter.

"People are just holding off now for prices to go even lower... even though there is a lot of buying to be done by western European end-users, one European trader said.

Traders on the London Metal Exchange (LME), had expected support around the 4,500 US dollar a tonne level yesterday.

The fall is the latest in a long decline in tin prices which started the year at around 6,000 dollar.

As with many commodities during the world recession, there is more tin than the market wants while stocks are at six-year highs and growing.

Traders say the result will be further drops in the prices.

China has been steady seller of tin and the United States has been off loading its stockpiles, held in the past for strategic reasons but with the end of the cold war no longer wanted.

A producer group set up in the wake of the tin price collapse in the mid-1980s to prop up prices by holding back exports is not working and some members even say it may be doing more harm than good.

Analysts say eventually the price tumble will force miners to close down and that should support prices though the question of when that will happen remain unanswered.

## China's grain output sets record

BEIJING, Sept 17: China's grain production this summer reached record levels, but the autumn harvest may be smaller than last year's, the official Xinhua News Agency reported Wednesday, says AP.

The Ministry of Agriculture reported the summer grain harvest was 108 million tons, an increase of 4.7 million tons over 1992.

However, it said the harvest of rapeseed, used to make edible oils, down because of cool temperatures and reduced planting areas.

Xinhua said that although severe floods hit parts of southern and eastern China earlier this summer, the majority of the grain-producing areas were not affected.

# US-Indonesia row over sale of French choppers to Iran

JAKARTA, Sept 17: A new row is brewing between the United States and Indonesia over the sale to Iran of French helicopters assembled by Indonesian firm Nusantara (IPTN) analysts here say, reports AFP.

Because of its new human rights policy in Asia, Washington this summer vetoed the resole to Indonesia by Jordan of four F-5 fighters. This time the Americans are worried about Indonesia's plans to deliver seven Super Pumas to Iran.

Ostensibly the helicopters are for civilian use but Washington fears they may be used for military purposes.

According to reports from Washington, US Secretary of State Warren Christopher raised the issue for the first time during a summit between presidents Bill Clinton and Indonesian President Suharto in Tokyo in early July.

On Wednesday Indonesian Research and Technology Minister Bacharuddin Jusuf Habibie, who is also head of IPTN, told journalists he was surprised by the American attitude, indirectly confirming that there was a problem.

In the past other Aeros-

patiale clients have asked that their helicopters be fitted with radar or automatic pilots of American make.

On Wednesday Habibie said that: "All the Super Puma components are 100 per cent French, so I see no reason for the Americans to object."

Firstly the Super Puma, a large helicopter made by France's Aerospatiale, has American components, and secondly because they can easily be adapted to military use.

Officially the Super Pumas are to be delivered to the Iranian Oil Company HSO, and to the Iranian energy ministry. An Aerospatiale team is currently helping assemble kits at the IPTN factory in Bandung, 150 kilometer (93 mile) Southeast of Jakarta, sources close to the French company say.

French aviation sources say the only American component likely to be used in the Super Pumas to be sold to Iran would be radio-navigation or radar systems, made by either Collins or Bendix. Similar French components are made by TRT or EAF.

The choppers are among 28 Super-Puma Sa 332's sold in the past few years in kit form by Aerospatiale to the Indonesia-

government controlled IPTN.

Renamed the NSA 332.11 have been sold in Indonesia, both the civilian and the military version, and one to the Malaysian royal family.

Jakarta to welcome US trade team

Another report adds: Indonesia will welcome the US trade team due here next week but will reject US moves to dictate to the country on labour laws, news reports said today.

France, which must give the green light for any sales outside Indonesia and Southeast Asia of French equipment assembled by IPTN, gave its go-ahead to Habibie in 1992.

The value of the contract has not been made public, but experts say one Super Puma sells for a minimum of 10 to 15 million US dollar.

Informed sources say the financial package for the helicopter deal has yet to be finalised, but that it is based on a counteroffer of Iranian oil.

The choppers are among 28 Super-Puma Sa 332's sold in the past few years in kit form by Aerospatiale to the Indonesia-

government.

Washington has threatened to withdraw trade privileges accorded to Indonesia should the country fail to improve its labour condition by February.

"We will show the steps that

we have taken (to improve labour conditions) based on our own system. We will tell them that we are a sovereign country," Yudono added.

Yudono said: "The choppers are among 28 Super-Puma Sa 332's sold in the past few years in kit form by Aerospatiale to the Indonesia-

## Cultural production in GATT talks French film, TV producers support govt position

STRASBOURG, Sept 17: Dozens of prominent French film and television producers, directors and actors accompanied Communications Minister Alain Cognon here yesterday to support the French position on cultural production in GATT trade talks, reports AFP.

Actor Gerard Depardieu addressed a gathering that included several members of the European Parliament to stress the importance of the "cultural exception" defended by France in talks preparatory to a signing of the Uruguay Round of the General Agreement on Tariffs and Trade.

The French are arguing that cinema and television production should be excluded from the GATT negotiations, a position strongly opposed by the United States and by the EC Commissioner in charge of the GATT talks, Leon Brittan, who is arguing for "cultural specificity."

Film Director Bertrand Tavernier warned the gathering: "The Americans want to treat all of us like the redskins. They'll allow us a few hills in Dakota, and if we're good they'll allow us another hill as a bonus."

Another director, Claude

Berri, said the survival of Europe's cultural identity as a whole was at stake.

Distributor Nicolas Seydoux, President of the Gaumont Chain, argued that "only the cultural exception's is possible."

Many of those present, along with leading cultural figures such as Actress Michele Morgan, Writer Bernard-Henri Levy, Producer Daniel Toscan du Plantier and Director Gerard Oury were among fifty celebrities who signed an open letter to the European Commission demanding the maintenance of the "cultural exception clause."

The signatories to the letter, which the magazine *Globe* published Wednesday, argued that "it is not only the economic future of Europe but also its cultural diversity and creativity that could suffer" from the inclusion of cultural productions in the GATT accord.

In an interview published in the daily *Le Figaro* Tuesday, French Culture Minister Jacques Toubon said France would refuse to sign the Uruguay Round of GATT if the cinema and audiovisual industries were included in the negotiations.

## US business inventories fall 0.5 pc in July

WASHINGTON, Sept 17: US business inventories fell 0.5 per cent in July, the steepest drop in more than two years, the government said Wednesday in what could be a positive sign for future economic activity, reports AP.

Inventories held on shelves and back lots totaled a seasonally adjusted \$663.3 billion dollar, the Commerce Department said. Inventories were unchanged in June. They last fell in September and July's drop was the sharpest since March 1991.

Much of the July inventory decline was concentrated among auto dealers, where stocks fell 4.9 per cent, the largest decline in nearly seven years.

Economists take lean inventories as a positive sign for future manufacturing activity. It means any pickup in sales at businesses probably will quickly translate into new orders to factories.

However, at least in July, sales were weak. They fell 1.1 per cent to a seasonally adjusted \$583.6 billion dollar. It was the biggest drop since December 1991.

The combination of a drop in inventories and an even sharper decline in sales caused the inventory-to-sales ratio to edge up from 1.46 in June to 1.47 in July. That means it would take 1.47 months to exhaust stocks at the July sales pace.

At the retail level, inventories fell 1.3 per cent 267.3 billion dollar. They were flat at factories at \$381.4 billion dollar and down 0.2 per cent at wholesalers to \$21.7 billion dollar.

## PLO men expected to attend WB, IMF meetings

LONDON, Sept 17: Representatives of the Palestine Liberation Organisation (PLO) are expected to attend the annual meetings of the World Bank and International Monetary Fund in Washington later this month, Bank spokesman said on Wednesday, reports Reuters.

The status of the PLO delegation to the meetings has not been decided, the spokesman told reporters, though it could be granted observer status following the signing on Monday of a peace accord with Israel.

The World Bank recently put forward a development plan for the West Bank and Gaza Strip which called for a three billion dollar development fund to be injected over the next 10 years.

The spokesman said the bank had offered to coordinate development efforts but that this had to yet been decided.

He said that among problems facing World Bank involvement in the region were that the PLO is not a member of the bank and that self-rule over parts of the region may not lead to sovereign status for some time.

PLO Chairman Yasser Arafat met World Bank officials in Washington on Monday before attending the White House peace signing ceremony.

Since the peace deal was struck, the European Community has offered a package of 24 million in immediate aid for education, health and business creation in Jericho and the Gaza Strip.

## Rural industry fastest growing sector of Chinese economy

BEIJING, Sept 17: More than 40 per cent of China's industrial output this year will come from rural enterprises, the official Xinhua News Agency said Thursday, reports AP.

Their share of the national output was just 30 per cent last year, but since then rural enterprises have been increasing production and profits at a 50 per cent annual pace, the report said.

Rural enterprises, generally owned by township or village governments, function outside the central government's economic planning system. They have proliferated since the mid-1980s and become the fastest-growing sector of the economy.

Rural industry injects almost one billion yuan (173 million dollar) into agriculture each year and provides millions of jobs, the report said.

The enterprises produce 75 per cent of the population's clothes, 38 per cent of the nation's coal, and 49 per cent of its paper, it said.

Although the government temporarily cracked down on rural industry in 1989, shutting down millions of enterprises to keep them from competing with factories under the central government, it changed its policy last year and adopted a hands-off approach.

New prosperity generated by the rural enterprises has enabled many communities to pave their roads, install electricity and build schools and other facilities for the first time.



PROCESS OF IODIZING - 1 : Labourers seen carrying away salt imported by Trading Corporation of Bangladesh (TCB) at Aliganj near Fatullah for mixing with iodine.

— Star photo

## Japan's GNP falls by 2 pc, trade gap swells

TOKYO, Sept 17: A senior official called Japan's economic situation "severe" Tuesday as government figures showed the economy contracted sharply in the April-June quarter, ending nine months of weak recovery, reports AP.

Prices had shot up 10 times in wholesale markets, the times of India reported. But the pioneer said that vegetable prices had jumped by 200 per cent.

The strike is more crippling than last time," said Surendra Kumar Kohli, president of a vegetable traders' association.

The strike is total and complete," said Om Prakash Agarwal, Vice-President of the powerful AIMTC. "No trucks are plying."

But Agarwal said the truckers had held talks with the government late Thursday and further negotiations were due Friday to press the scrapping of the 233-per cent hike in haulage licence fees.

## Pakistan to get \$ 377m IMF credit

WASHINGTON, Sept 17: The International Monetary Fund (IMF) announced Thursday it has approved 377 million dollar in standby credit over the next 12 months for Pakistan's economic programme, reports AFP.

Pakistan's programme

launched in 1988 is aimed at liberalising its exchange and trade systems and its domestic and foreign investment activities and privatisations.

It was the surplus 32nd consecutive month of growth.

A major factor in both cases was the surging Japanese yen, which has hurt exporters while swelling dollar-based export figures.

The Economic Planning Agency reported Tuesday that Japan's gross national product — its output of goods and services — shrank 0.5 per cent in April-June from the previous quarter, an annual rate of 2.0 per cent shrinkage.

But floods, trade imbalances, weak financial policies and political uncertainty pushed Pakistan's gross domestic product in 1992-93 down to three per cent from an average six per cent over the previous five years.

The country's 1994 plan

aims to bolster foreign exchange

reserves, stem capital flight,

and provide financial stability to encourage economic growth, building on earlier economic liberalisation efforts.

IFC will invest

\$ 100-150m in '94

Reuter from Islamabad said: The World Bank's private sector arm, the International Finance Corp (IFC) plans to invest US dollar 100-150 million in Pakistan in the coming year after investing 130 million dollar last year, officials said.

Pakistan received more IFC investment than any country in the central Asian, Middle East or North Africa regions in fiscal 1992-93 ended June 30, including 14.5 million dollar in equity, 85 million dollar in loans and 30 million dollar from syndicated loans, the Finance Ministry said.

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