China resuming

trade ties with

S Africa

nounced Thursday that it is re-

suming trade and economic re-

lations with South Africa after a

33-year break, the officials

A spokesman for the China

Xinhua News Agency reported,

Council for the Promotion of

International Trade said ties

were being resumed because

multiparty negotiations in

South Africa had reached agree-

ment to set up a transitional

Executive Council in South

Africa and because of Nelson

Mandela's appeal to the

international community to

comes such an important de-

velopment in South Africa's

peace progress and decides to

resume its economic and trade

relations with South Africa,"

Xinhua paraphrased the unid-

the anti-apartheid struggle in

South Africa, and broke off

Japan will host

confce on African

development

host a conference on African

economic development and po-

litical reform next week that will

be attended by 48 Airican na-

tions and 13 donor countries.

the Foreign Ministry/said

the first of its kind, is organised

by Japan together with the

United Nations and the Global

Coalition for Africa, an informal

said the conference is part of

Japan's plans to enlarge its

its relations with Africa, accord-

ing to the official, who briefed

reporters on condition of

Japan's exports to Africa to-

taled 5.13 billion dollar in 1992,

while imports from Africa to-

taled 3.64 billion dollar. They

comprised less than two per

bilateral aid to Africa accounted

for only 10 per cent of its total

More than 400 participants,

including the heads of state of

Ghana and Uganda, are ex-

pected to attend the Tokyo

International Conference on

African Development, the min-

China will attend as observers,

Somalia, Liberia, Sudan and

South Africa, Russia and

Japan's 860 million dollar in

cent of Japan's total trade.

bilateral aid last year.

A Foreign Ministry official

Tokyo also plans to expand

forum for African issues.

diplomatic role.

anonymity

istry said.

The October 5-6 conference,

Friday, reports AP.

TOKYO, Oct 1: Tokyo will

trade ties in July 1960.

China long had supported

entified spokesman as saying.

'The CCPIT warmly wel-

drop economic sanctions.

BEIJING, Oct 1: China an-

#### India optimistic about LDCs economy

WASHINGTON, Oct 1: The sluggish global economic picture has a fltp side of opportunities if actions are taken to tap the growth potential of less developed countries (LDCs), an Indian official said yesterday,

reports AFP. Manmohan Singh, governor of the Bank of India, asserted that there are real reasons for optimism despite slow world growth, rising protectionism and the uncertain outcome of the Uruguay Round of international trade talks.

"There is another side to the picture that offers grounds for hope - but only if the international community acts boldly and cooperatively to implement a well-coordinated package of progressive policy initiatives," he said in a speech at the annual meeting of the International Monetary Fund (IMF) and World Bank here.

Singh said the rapid growth of Asian economies and the more recent turn around in many Latin American economies show that better global economic performance is possible if the growth potential of developing countries is

We are at a rare opportune functure when international initiatives to promote a more favourable environment will yield large payoffs not only for these countries, but also for the world at large," he told representatives of 178 countries attending the three-day official assembly, ended Thursday.

#### Dollar, stocks higher in Tokyo

TOKYO, Oct 1: The US dollar finished higher against the Japanese yen Friday, while prices on the Tokyo Stock Exchange rose moderately, reports AP.

The dollar closed at 106.38 yen, up 1.28 yen from Thursday's close and also above its overnight New York finish at 106.12 yen.

After opening at 106.00 yen, it ranged between 105.98 yen and 106.45 yen.

Dealers said the dollar stayed in a narrow range following its advance in New York, where it gained ground against all major currencies Thursday on better-than-expected US economic data. The Commerce Department

announced that US personal income rose 1.3 per cent in August, compared with a 0.2 per cent fall in July. US spending on personal consumption also rose 0.4 per cent in July, better than forecasts of a 0.3 per cent increase.

Meanwhile, the 225-issue Nikkei Stock Average rose 177.42 points, or 0.88 per cent, closing the week at 20,283.13. On Thursday, the average gained 28.30 points, or 0.14 per cent, closing at 20,105.71.

The Tokyo Stock Price Index of 1,165 issues listed on the first section was up 7.84 points, or 0.48 per cent, to 1,634.09. The TOPIX rose 8.39 points, or 0.52 per cent, to 1,626.25, the day before.

Prices rose as buying by investment trusts and public pension funds outpaced selling by investors on credit, dealers

The price of the benchmark No 145 10-year Japanese government bonds was 111.27 yen as of 3 pm (0600 GMT), down 0.04 yen from Thursday's

#### Dollar rises against major currencies in New York

NEW YORK, Oct 1: The American dollar rose against all major currencies Thursday after the release of better-than-expected monthly data on US personal income and consumption. The dollar reached its highest level in six years against the Canadian dollar, reports AP.

Gold prices rose. On the New York Commodity Exchange, gold for current delivery closed at 355.10 dollar a troy ounce, up 2.40 dollar from Wednesday. At 4 pm EDT (2000 GMT), Republic National Bank of New York quoted gold at 354.90 dollar a troy ounce, up 1.80 dollar.

Currency traders said the dollar advanced on the August government data, which indicated a strengthening US econ-

The dollar's rise was exaggerated by a thin volume of trading, traders said. Many traders were on the sidelines as Japanese banks concluded the first half of their fiscal year and other banks settled accounts at month's end.

The Canadian dollar hit its lowest closing level in six years against the dollar after a new opinion poll showed the Liberal Party with a 14-point lead over the Progressive Conservatives heading for the October 25 federal elections.

# EC, India move to boost trade ties with Israel

NEW DELHI, Oct 1: India invited Israel on Tuesday to set up joint ventures in the electronics industry targeting local and international markets, reports Reuter.

Minister of State for Science and Technology Rangarajan Kumaramangalam told visiting representatives of Israel's electronics industry: "You are welcome not just to one of the largest markets in the world ... the world's market will also be available to both of us."

Indian officials said the Israeli delegation - one of the steady stream of business visits between the two countries since they established diplomatic ties in January last year -- was expected to sign "three or four" joint ventures.

They did not identify the

companies involved. Israeli officials said deals ranging from electronics-aided irrigation units to missiles and guided weapons system would be negotiated with Indian com-

But they said talks between the Israeli delegation and Indian businessmen would mainly target India's massive plans to upgrade in backward telecommunications sector.

The government has allocated 400 billion rupee (12.90 billion US dollar) under a fiveyear plan ending March 1997 to expand and modernise the telecom industry.

AP from Brussels adds: The European Community's executive Commission on Wednesday proposed bringing Israel closer to the trade bloc, with extended political cooperation and increased trade ties.

If the plans win approval by foreign ministers of the 12 nations, Israel would become the first non-European nation to be given access to the Community's research and development programmes.

"The new agreement will represent a new stage in EC-Israel relations which should reinforce the steps being taken towards peace in the region," the Commission said in a state-

The new stage would mean free entry into the EC for Israeli services as well as letting Israeli firms compete for EC public procurement projects, said EC development chief Manuel

Increased political dialogue and cooperation in fields such as energy, environment and

anti-drug efforts are also ineluded in the Commission's plans to update a 1975 free trade agreement linking Israel with the 12-nation trading bloc.

The accord does not cover services or energy products, capital movement or scientific cooperation. Israel wants to expand the pact to reduce its trade deficit with the EC.

Marin said the most precious concession the EC could make would be to allow Israel access to its research and development projects. The seven nations of the European Free Trade Association are the only non-EC members currently benefiting from those programmes.

But, Marin said, "Israel will have to pay for its share of the research programmes."

The stepped-up ties do not include agriculture, because Israel's farm goods already have good access to EC markets. Marin said.

He also said he opposed sending more aid money. adding, "Israel is not a poor country. We can offer help in trade, technology, public procurement, but to give it aid money is something I don't agree with."

Marin also said the EC would review its financial ac cords with Egypt, Jordan, Syria and Lebanon with an eye towards establishing regional cooperation which included israel.

Marin said if the "experiment" of free trade in services works with Israel, "We'll think of extending it to other nations in the region."

Other nations will not have access to EC research and development programmes for quite some time, he said, because they are not technologically advanced or rich enough to benefit from or pay for the programmes. The EC is Israel's most im-

portant trading partner, consuming 38 per cent of its exports and providing 53 per cent of its imports.

Israel has long wanted to be part of the European Economic Area, which links the EC with six western European nations, but EEA officials have refused.

Since Israel agreed to recognise the PLO and accept Palestinian rule in the Israeloccupied Gaza Strip and Jericho, however, the EC exccutive has worked to upgrade Israel's status as an EC trading partner.



Irish President Mary Robinson (L) accompanies Nobel Peace Laureate Mother Teresa during a visit to Missionaries of Charity headquarters in Calcutta Thursday. Robinson inaugurated a centre for street children financed by the Irish funding agency Goal, the first of its kind in the city.

- AFP photo

## WB to set up trust fund for Gaza

WASHINGTON, Oct 1: The World Bank will establish a 50 million dollar trust fund, using part of its earnings to finance urgent needs in Gaza, a source close to the Bank said yesterday, reports AFP.

The fund will be modeled after a similar fund established to aid Russia before it became a member of the World Bank, he sources said that fund was used to finance urgent technical assistance.

The money would come from profits from treasury investments by the International Bank for Reconstruction and Development (IBRD), the parent institution of the World Bank family. In the fiscal year ending June 30, the profits totalled 1.1

billion dollar.

For the West Bank, the bank wants to establish a 35 million dollar trust fund in which it would participate with other donors.

A World Bank mission will travel to the Israeli-occupied territories October 10 to discuss what urgent needs there are. The Bank assessed those needs to reach at least 450 million dollar annually beginning in 1994 and 350 million dollar from 1998.

In 10 years, the needs will amount to at least three billion dollar in aid and 2.5 billion dollar in private investment.

The first conference on the economic needs of Gaza and

the West Bank will be held here Friday at the state department under the Bank's auspices and with the participation of Israel, the Palestinians, the United States, Russia, the European Community (EC) and other contributing countries.

They will determine who will pay how much, over what period time and under what

The United States has promised 500 million dollar over five years Japan 200 million dollar over two years and the EC a billion dollar. The Gulf countries and the Scandinavian nations also have pledged to contribute.

The United States also pro-

vides Israel with about three billion dollar a year in aid, more than to any other country.

AP report adds: World Bank President Lewis Preston said Wednesday that his organization stood ready to help and that based on comments he has heard this week from various countries "there is a good deal of enthusiasm to help."

In a speech to the general sessions of the IMF and World Bank on Wednesday, US Treasury Secretary Lloyd Bentsen told the delegates, "Immediate relief is needed to tangibly improve the daily lives of Palestinians - including access to basic necessities such as housing, medical facilities and water.

### EC spells out vision of single-market ME

CAIRO, Oct 1: The European Community (EC) spelled out its vision of a single-market Middle East linked by highways, power grids and super oil pipeline from the Gulf to the Mediterranean, reports Reuter.

As aid donors prepared to meet in Washington on Friday to coordinate backing for the PLO's self-rule deal with Israel, EC officials released a document suggesting regional projects they hope would make another Middle East war almost impossible.

"It is important to stress the economic framework of the political agreement. We are convinced regional cooperation is a

powerful element in bringing neighbours to live in peace," Belgian Ambassador Benoit Cardon De Liehtbuer told a news conference on behalf of the EC presidency.

Brussels has already doubled aid to the Israeli-occupied territories to about 170 million dollar per year over the next five years, taking the lead before the Washington conference.

The European Commission document details an agenda of how Middle East states could bind their economic futures so tightly together that going to war gain would be unthinkable - exactly as the EC itself did after the Second World War.

Clinton signs foreign aid bill

## US defers \$ 1.1 b Russian debt

WASHINGTON, Oct 1: The United States signed an agreement Thursday to formally defer 1.1 billion dollar in Russian debt payments with Treasury Secretary Lloyd Bentsen hailing the action as "another element in the international effort to assist Russia," reports AP.

Bentsen and Russian Finance Minister Boris Fyodorov participated in a formal signing deremony at the Treasury Department. The debt deferral represents America's share of 17 billion dollar in debt payments that the United States and other Western countries agreed to defer last April.

That total represented the largest single element of a 43 billion dollar Western aid package put together for Russian President Boris Yeltsin by the seven richest industrial countries - the United States, Japan, Germany, Britain, France, Canada and Italy. Bentsen said that last

Saturday's Group of Seven finance ministers meeting had expressed its strong support for Yeltsin in his current showdown with the Russian Parliament.

"The G-7 ministers expressed their strong hope that the latest developments in Moscow would help Russia achieve a decisive breakthrough on market reforms," Bentsen

Fyodorov thanked Bentsen for US support and called the debt agreement 'very symbolic during this very difficult period in the history of Russia."

A senior administration official, who briefed reporters on condition of anonymity, said that Russia had agreed to make more than 400 million dollar in deferred payments to the United States by the end of this year and the other 1.1 billion dollar that is past due, which represents both interest and principal payments, would be stretched out over 10 years.

AFP adds: President Bill Clinton singed a fast-tracked foreign aid bill Thursday granting 2.5 billion dollar for the former Soviet republics and other foreign aid projects. .

The 13 billion dollar package, which extends aid for the fiscal year beginning Friday, was signed just hours after it was passed by the Senate 87:11 in a bid to show support for Russian President Boris Yeltsin.

"Recent events in Moscow highlight the urgency of helping Russia and the other states of the former Soviet Union sustain the momentum of democratic and economic reform," Clinton said in a statement.

The White House has reiter ated its support for Yeltsin several times since the political crisis began last week when the Russian President dissolved parliament and called for new legislative elections.

#### Keating accuses opposition of spiking business

Libya were not invited.

CANBERRA, Oct 1: Australian Prime Minister Paul Keating accused the conservative opposition and two radical Green Party senators Thursday of forming a coalition to bring the country to its knees, reports

confidence

He told parliament here the opposition was holding midnight encounters with the Green senators to plot tactics aimed at deliberately spiking business confidence by continuing to thwart the government's deficit reduction strategy.

other 24 hours of turmoil for the Australian dollar, which slumped overnight to a six-andhalf year low of 64.20 U.S aithough it firmed a little during the day.

Keating's attack followed an-

Dealers say the government's failure to get its August 17 budget through the Upper House Senate is the major factor in the currency slump.

It had closed the previous day at 64.57 US cent and its fall on overseas markets sparked intervention by the U.S Federal Reserve Board on behalf of the

Australia Central Bank. Keating told parliament the budget had been favourably received by all the market indicators because of its mediumterm strategy to reduce the deficit and the use of tax cuts to provide a short-term stimulus.

But despite this, the opposition was going down on its knees to the Greens to bring down the country.

"They're actually now trying to form a coalition with the Greens to bring the country to its knees," Keating said.

Two-recently-elected Green party senators, Christable Chamarette and Dee Margets, whose policies are at the opposite end of the spectrum to those of the opposition, have vowed to oppose some of the revenue measures essential to reduce the deficit.

"But they are only two," Keating said. "It takes 38 votes to block measures in the senate and the 36 of the 38 will be provided by (opposition leader) John Hewson's unprincipled coalition in the senate."

## WB, IMF meeting

#### Third World ministers ask for assistance

WASHINGTON, Oct 1: Economic policymakers from more than 175 nations echoed the familiar call for aid to poor nations at financial meetings this week, but admit precious little money is available from their rich counterparts, reports

yesterday.

Ministers from a growing list of poor and developing countries asked for assistance at the annual meeting of the International Monetary Fund and the World bank.

The end to the Cold War has multiplied the number of nations jumping on the capitalist bandwagon. But industrial nations are too weak to fuel the global economic engine.

Mounting joblessness, budget deficits and anaemic growth has made aid from the developed world economically and politically difficult. "Now all of a sudden, some

of the countries that have always been a strong supporter of aid-Canada, the Nordic countries - are scaling back, said John Williamson, a senior fellow with the institute for International Economics.

'The United States and the UK have been doing this (scaling back) for some years," Their focus is instead on

their own economic ills. The geopolitical importance of countries in the former Soviet

Union and fears of a wave of refugees if those economies run around has spurred promises of aid there. The US and Russia signed an agreement Thursday giving Russia more time to pay off the debts it owes Washington.

A floor trader communicates with his hands after the launching of Japanese Government Bond

futures contracts (JGB) at the Singapore International Monetary Exchanged Limited (SIMEX)

The prospect of peace in the oil-rich Middle East has encouraged the petroleum-hungry west of offer aid to stabilise the region.

However, quick relief for some newly-emerging markets contrasts with slow support for other nations which have long been fighting poverty.

The fact that the fund and the World Bank have expanded their geographic reach must not cause them to lose interest in the developing countries, in particular the very poorest nations such as those of Sub-Saharan Africa, French Finance Minister Edmond Alphandery

told delegates. Bank of Italy governor Antonio Fazio said funds from the inter-American development bank, the top lender to the western hemisphere, are not unlimited.

Leaders instead called for a quick conclusion to the sevenyear-old Uruguay Round of trade talks which will add more than an estimated 200 billion US dollar global income annu-

#### Taiwan, Canada may set up jt high-tech industrial park

- AFP photo

TAIPEI, Oct 1: Taiwanese and Canadian businessmen are considering jointly setting up a high-tech industrial park in Canada to take advantage of the North American Free Trade Agreement (NAFTA), reports AP.

It would allow the Taiwanese investors to sell their products to the United States tariff-free and to obtain the advanced technologies needed for Taiwan's industrial restructuring, Vice Economics Minister Yang Shih-chien told reporters Thursday.

Yang visited Vancouver last week with six Taiwanese officials and businessmen to discuss the joint venture. The park would be 'a good

jumping-off point for Taiwan to enter the integrated market" of Canada, the United States and Mexico, Yang said. Under the plan, he said, a Canadian and Taiwanese devel-

opment company will be se-

lected to build the park. Michael Craddock, representative of the British Columbia Trade Office in Taipei, said Vancouver was chosen as possible site because it is a Pacific gateway.

Officials said the British Columbia's government and universities had offered to provide Taiwanese investors with computer software, semiconductor, and engineering technologies.

#### Soviet Union dies, but US anti-communism aid lives on WASHINGTON, Oct 1: The Soviet Union is dead, but demands for US foreign aid, once based on anti-communism, live on. Old adversaries from Moscow to Jericho are

their fledgling democracies, reports AP. Breathtaking changes around the world are shattering old assumptions. For example, who'd have thought that Congress on Thursday would rush to pass a foreign aid bill in order to speed 2.5 billion dollar

competing for scarce resources to help develop-

in assistance to Russia? Or who'd have thought the United Sates would convene an international conference at the State Department to raise money for the Palestine Liberation Organisation and that one of the donors would be Israel?

But even with these changes, there is one constant: the American people dislike and distrust foreign aid. "I don't think most Americans think the

foreign aid programme contributes to peace,"

said Rep. Lee Hamilton, chairman of the House Foreign Affairs Committee. Sen. Patrick Leahy, chairman of the Senate subcommittee that deals with foreign aid, said he day he peace agreement between Israel and the PLO was signed at the White House a poll found that 70 per cent of Americans opposed

Leahy said that unless the president and a bipartisan coalition in Congress reach agreement on how to help countries overseas, "Antipathy toward foreign aid in this country is going to win

giving aid to any of the countries involved.

The Clinton administration agrees on the need for change and has promised to submit legislation for a wholesale restructuring of the Agency for International Development. Its new director, Brian Awced, has testified that the agency has been inefficient and woefully mismanaged.

Reforming AID is regarded as an essential

Rep. Benjamin Gilman of New York, ranking Republican on the House Foreign Affairs Committee, said he and Hamilton headed a study of foreign aid that concluded that in the post-Cold War era it should have four principal objectives: promoting economic growth, sustaining the environment, alleviating poverty and promoting democracy. Gilman said the study also concluded US aid

should be limited to no more than 50 countries. The New York congressman said future efforts to help those who need it most around the world will have to have multinational support. "We can't manage it alone," he said. "Too

many demands are being made." In the old days, the criterion was simple: If a country could convince the US government it was threatened by communism, it got help. That led to the case of Somalia.

"First, they got all the money they could from he Russians, saying they were pro-Russia," Leahy said. "When the Russians finally realised their pockets were being picked and started backing off, the Somalis suddenly said they were pro-American, and like damn fools we rushed in with money." Leahy calls the Somalia example, a case of

senator said the passage of aid for Russia "reflects reality over ideology." Friday's donor conference to help sustain the move toward peace in the Middle East is an example of the new trend toward multinational

"Ideological blindness". On the positive side, the

The Clinton administration expects to raise as

much as two billion dollar in pledges for he Palestinians at the 45-nation gathering. Hamilton said the conference was an example of a case where the United States could serve as "a catalyst" to raise money for a cause that years ago might have prompted unilateral effort.

# alternative to avoid having Congress abolish the