

ADB plans to
launch \$750m
global bond
issue

MANILA, Feb 7: The Asian Development Bank (ADB), is planning to launch a 750-million dollar global US dollar bond issue, its first such float, the Philippines-based institution said Monday, reports AFP.

The proposed issue, to be offered simultaneously in the Japanese, Asian, European and US markets, will be jointly lead-managed by IBI International PLC and Salomon Brothers and underwritten by a select group of co-lead managers to be announced at the time of the issue, an ADB statement said.

The securities will trade globally on a 24-hour basis through integrated clearing systems in the US and Euro-markets, with the maturity and pricing to depend on market conditions at launch date, it added.

ADB Treasury officials are to meet with investors in Asia, Europe and the United States shortly to present the bank's recently announced 2.8-billion-dollar borrowing programme for fiscal 1994.

Manila suspends
fuel price rise

MANILA, Feb 7: The government will temporarily suspend a fuel price increase that has triggered bombings of oil companies and threats of a nationwide strike, President Fidel Ramos announced Monday, reports AP.

Ramos said a Cabinet group and representatives of opponents of the hike jointly asked the Energy Regulatory Board for a three-week suspension of the price increases.

The board is nominally independent but Ramos said he expects it will agree to the request.

Four days after the January 28 increases, which ranged between 15 and 28 per cent, a Manila-based communist group, the Alex Boncayao Brigade, bombed the offices of the state-controlled Petron Corp, Philipinas Shell and Caltex Philippines. One security guard was injured.

The opposition alliance, Rol Back Movement, has announced a nationwide strike Wednesday to demand a price reduction. Transport strikes have already been staged in cities outside Manila.

Speaking at a nationally broadcast news conference, Ramos said the Cabinet-opposition committee will study "long-term, comprehensive and just solutions" to perennial national deficits, which caused the fuel price hike. The increase was used to cover an oil import levy for reducing the deficit.

The committee also will ask for a suspension of increases in transport fares, raised the same day as fuel prices.

"I am very happy that such an agreement was forged," Ramos said. "There will also be a cease-fire of sorts."

But other groups opposed to the fuel price increase have announced they will still strike Wednesday to press for a total roll back.

Ramos said the joint committee will look into possible alternatives to generate revenues such as the use of government savings, recomputation of fuel rates, and sale of government properties.

Transport
operators in
Calcutta go
on strike

CALCUTTA, Feb 7: Most of Calcutta's transport operators stopped work today to demand higher fares to offset a rise in fuel prices, crippling India's biggest city, reports Reuters.

Most private operators went on strike after the government raised petrol prices by about 6 per cent and diesel rates by about 10 per cent.

A few private transport operators and public buses started work as normal, but by mid-morning most were off the roads.

The bus workers were to attend a rally called by their trade union, controlled by the Communist government of West Bengal, of which Calcutta is the capital.

The private operators who wanted to keep working appeared to have stopped in fear of attracting violence from the strikers.

Taxis, buses and mini-buses were off the roads, leaving millions in India's biggest city wondering how they were going to get to work. Most petrol pumps were also closed.

Global job crisis
worsening: ILO

WASHINGTON, Feb 7: Thirty per cent of the world's labour force is either out of work or underemployed — a global jobs crisis gripping both rich and poor nations, a United Nations agency said yesterday, reports Reuters.

"It's a crisis that in some countries could really explode and undermine the social fabric very badly," Ali Taqi, chief of staff of the International Labour Organisation, said.

The Geneva-based ILO estimates that more than 820 million people worldwide are either unemployed or working at a job that does not pay a subsistence wage.

In a new report on the global economy called "defending values, promoting change," the ILO said the problems is no longer confined to developing countries but is afflicting industrial countries as well.

"Few countries are spared a serious and in many cases

deepening employment crisis," ILO Director General Michel Hansenne said in the report.

Industrialised market economy countries, most of which two decades ago had achieved and thought they could sustain virtually full employment, now face an unemployment rate of 8.5 per cent, he added.

But it is in the poor countries where the crisis is most acute — and where the dangers are greatest. Taqi told Reuters the situation in Africa is particularly troublesome, with most countries there experiencing a continued major decline in living standards.

"Sub-Saharan Africa is a general disaster," he said.

He warned that the tentative steps toward democracy from Latin America to the former Soviet Union could be brought to a halt and even reversed if workers find they don't have the means to earn a decent wage.

Taqi said the global jobs crisis is not just the result of the recession that has plagued the world economy in recent years.

It's something more endemic and longer-lasting than that and reflects the rapid pace of technological change and increasingly fierce global competition.

"You've got a level of unemployment that is persisting," Taqi said. Close to half of those people out of work in the European Union, for example, have been without a job for over a year.

World leaders are supposed to gather in Copenhagen in April 1995 to try to tackle the crisis and the world poverty that goes along with it.

The group of Seven industrial nations — Britain, Canada, France, Germany, Italy, Japan and the United States — will hold a jobs summit of their own next month to address problems posed by the 35 mil-

lion out of work in the industrial world.

"Nobody right now has the answer, or a set of answers," Taqi said.

A better-educated, better-trained workforce that can take advantage of the opportunities presented by the rapidly changing world economy is essential for success, but not a guarantee, he said.

Much of the debate in the industrial world has centred on the question of labour market flexibility and whether governments should dismantle some of the web of benefits set up for workers that have tended to discourage job creation.

Taqi pointed to the need for a more flexible labour force, but also stressed the importance of governments ensuring minimum levels of protection from injury and decent working conditions for their country's workforce.

Malaysia firm to build dam
despite opposition

KUALA LUMPUR, Feb 7: Resource-rich Malaysia is moving ahead with plans to build a giant dam, which will flood an area the size of Singapore, despite claims the unprecedented power project could wreck the environment, reports AFP.

The multi-billion dollar dam, covering 18,000 hectares (45,000 acres) to Sarawak state, will be South-East Asia's biggest after the proposed China's Three Gorges Dam Project, environmental groups said.

The Bakun Project would supply power across the South China Sea to peninsular Malaysia to feed Kuala Lumpur's energy guzzling industries, as well as provide electricity to neighbouring South-East Asian countries.

The high-voltage 650-kilometres (403.8-mile) subma-

rine link would be the world's longest undersea power transmission, said a British energy expert in Kuala Lumpur.

Environmentalists said potential damage to the ecology would be enormous if work on the 15 billion ringgit (six billion dollars) dam proceeded according to plans drawn up on the basis of studies conducted by Brazilian and local experts.

Mahathir last month raised eyebrows when he launched the project, four years after he himself announced that Malaysia would not proceed with it as part of our sacrifice for the environment.

The Bakun Project would have an installed capacity of 2,500 megawatts (MW). Malaysia's total power capacity now stood at 7,000 MW with demand slightly in excess of 5,000 MW.

Bandh call in
Orissa to protest
price hike

BHUBANESWAR, Feb 7: The CPI (M) and SUCI in Orissa today separately called a 12-hour bandh in the state tomorrow to protest the centre's decision to hike the prices of several essential commodities, reports PTI.

The ruling Janata Dal had yesterday called a bandh on the same day against the increase in prices of petrol, diesel, rice, wheat and sugar.

The three left parties, who held a joint meeting here, said that the bandh would also highlight the anti-people policies of the ruling Janata Dal government in the state, according to the CPI (M) state secretariat member, Santosh Das.

Though the state Janata Dal President, Ashok Das had said yesterday that he was negotiating with the CPI and CPI (M) to enlist their support for the bandh, the CPI (M) leader said that the three left parties were of the view that the ruling dal had supported the economic policies of the centre dictated by the IMF and World Bank.

We shall not join hands with the Janata Dal but will definitely work for the success of the bandh, Das said adding the three left parties were also critical of the BJP for supporting the Congress (I) policies time and again.

Japanese firm
sets joint venture
in Vietnam

TOKYO, Feb 7: Nissho Iwai Corp, a major Japanese trading company, said Monday it has agreed to build a chemical fertilizer plant in Vietnam in its first joint venture with a Vietnamese firm, reports AP.

The move comes four days after President Clinton lifted the US trade embargo on Vietnam, making it easier for Western companies to enter Vietnam.

Nissho Iwai and government-owned Southern Fertilizer Co. will set up a 10 million venture in Ho Chi Minh City as early as March, said Nissho Iwai spokesman Tesuya Onishi.

The new company is owned 51 per cent by Nissho Iwai and the remaining 49 per cent by the Vietnamese company.

Onishi said it is Nissho Iwai's first such joint venture, though the company has supplied equipment to Vietnam in such areas as fisheries and textiles in the past.

With an annual production capacity of 200,000 to 300,000 tons of chemical fertilizer, the new company is scheduled to start production in September 1996, Onishi said. He said all fertilizer produced at the company will be marketed in Vietnam, which remains a largely agricultural country.

Chinese press is blaming Taiwanese for fake yuan

BEIJING, Feb 7: An official Chinese newspaper is blaming Taiwan counterfeiters for a flood of fake 100 yuan notes whose high quality is fooling even forgery specialists, reports Reuters.

"Warning, counterfeit 1990-series 100 yuan notes have hit the streets," the state-run International Finance News said in issues seen on Sunday in Beijing.

"These fake notes are very close to the real thing and we think they are coming from Taiwan," the newspaper said.

Like real banknotes issued by the central People's Bank of China, the fake notes are printed on top-grade paper and include not only a watermark but also an embedded metal strip.

Even viewed under ultraviolet light the notes look real. The only reliable test is an American-made counterfeit detection pen whose ink appears yellow on real notes but black on fakes.

Iran becomes
ARC member

Iran has become a member of the Asian Reinsurance Corporation, says a press release.

This brings the total number of members to 10.

Other members are: Afghanistan, Bangladesh, Bhutan, China, India, Philippines, South Korea, Sri Lanka and Thailand.

The Asian Reinsurance Corporation was established in 1970 as regional inter-governmental organisation through the initiative of UN/ESCAP with a view to strengthening national insurance and reinsurance markets and establishing closer cooperation in the field.



Bangladesh and China signed an agreement yesterday to extract coal from Barapukuria in Dinajpur. Abdul Jalil Khan, Secretary of Petrobangla and Vice-President Mei Haou Lien of China National Machinery Import and Export Corporation (CMC) signed the agreement on behalf of their respective governments.

Tokyo resumes talks
on tax package

TOKYO, Feb 7: Japan's ruling coalition resumed negotiations Monday over a divisive tax package, and the government's chief spokesman vowed that a deal would be ready by the end of the day, reports AP.

Prime Minister Morihiro Hosokawa announced his tax plan last Thursday, but it was dropped Friday after objections from the largest coalition party, the Socialists, and other coalition legislators.

The Socialists threatened to bolt from the fragile seven-party alliance that governs Japan if Hosokawa insisted on

his proposal to more than double a national sales tax in 1997 to pay for a tax cut this year.

Coalition leaders met Monday to work on a compromise. "We have no more time," said Chief Cabinet Secretary Masayoshi Takemura.

The tax cut is supposed to be part of an economic stimulus plan that the prime minister wants to bring with him when he travels to Washington to meet President Clinton later this week.

US officials have called for a tax cut believing consumers would use some of the windfall to buy foreign products.

Japan's current
account surplus
hits record
\$ 131.35b

TOKYO, Feb 7: Japan's current account surplus ballooned 12 per cent in 1993 to a record 131.35 billion dollar the Finance Ministry announced Monday, reports AP.

The current account is a broad measure of a nation's international financial flows, and includes merchandise trade, services and tourism. The surplus grew from 117.55 billion dollar in 1992.

The yen's appreciation during the past year has inflated dollar-denominated trade figures.

More 'forest killing fields'
discovered in Cambodia

PHNOM PENH, Feb 7: Cambodian officials discovered more "killing fields" while flying over the country's western region recently. But this time, the victims were not people, but Cambodia's trees, reports IPS.

The severely denuded forests in the country's western provinces are witness to the indiscriminate chopping of trees during Cambodia's decades of war.

Although the Indochinese Kingdom still has one of the largest forest blocks in Asia, the United Nations had warned it could lose most of its forests in five to ten years.

Environment Minister Mok Mareth, a French-trained biologist and agronomist, laments the "environmental catastrophe" in the country's west, where large tracts of land have been stripped bare through logging and gem mining by Khmer Rouge Guerrillas.

The Khmer Rouge, who had reneged on the agreements of a peace pact that led to the formation of a new Cambodian government this year, is said to have raked in several hundred million annual from secret deals with Thai loggers and precious stone traders.

The guerrillas group intensified their logging activities late last year in an effort to beat a UN deadline on timber exports that took effect last December 31.

About 1.5 million cubic metres of Cambodian timber found their way out of the country in 1992. The UN Development Programme (UNDP) puts the stump extraction value at just over 90 million US dollar, and the international market value at about 165 million US dollar.

But even before the Khmer

Rouge went into a logging frenzy, Cambodia's internal strife that began in 1970 had already taken a heavy toll on the country's environment.

Two-thirds of Cambodia had been covered by dense rainforests almost 30 years ago.

Now, less than half remains, and only a quarter is primary forest.

Forestry experts contend much of the war time deforestation took place during the four-year reign of the Khmer Rouge in the late 1970s. The guerrilla group had then tried to turn the whole country into one big rural commune.

Instead, it turned Cambodia into massive killing fields, causing the death of more than one million of its people and destroying much of the country's environment.

These days, massive deforestation is silting up the Tonle Sap Lake, with devastating effects on the region's fishing and farming sectors.

Measures to avert the damage came too late. Even the UN ban on Cambodian timber exports proved almost impossible to enforce because the country's four rival factions, including the Khmer Rouge, held control over their own areas.

Although all actions agreed to the ban, they continued to violate it to raise badly needed funds to finance their own political and military activities.

Neighbouring Thailand, Laos and Vietnam, while officially supporting the UN ban, continued to buy Cambodian timber. Japan also clandestinely imported logs from the country.

Now that three of the four factions are part of the new

coalition government, it has become a little easier to deal with the problem. But talks with the Khmer Rouge, which dropped out of the peace process before the UN organised elections in May, have made little progress. Thus, the government must now look for other steps to keep the nations whole and protect its forests.

Mok Mareth says a total ban on logging is the best solution, but the country needs wood as a source of revenue and energy. "We need wood to cook our rice. We do not have any other source of energy," says the Environment Minister.

Shafat Ahmed Chaudhuri, Managing Director and Secretary of Delta Life Insurance Company Ltd addressing the press conference on the occasion of launching of first health insurance scheme of the company in the city yesterday. Jafar Halim R also seen.

Asia-Pacific region currencies
gain ground against US dollar

HONG KONG, Feb 7: Almost All Asia-Pacific region currencies gained ground on the US dollar last week, but markets in the region closed Friday ahead of the announcement of a rise in US interest rates, reports AFP.

The rate hike is expected to put upward marginal pressure of the greenback against Asia-Pacific currencies in the coming week, an analyst said.

Japanese yen: The Japanese currency gained ground to close at 108.37 yen to the dollar here Friday, up 0.73 yen from its 109.10 finish a week earlier.

Investors sold dollars for yen on prospects of US pressure to bring the exchange value of the yen to a higher level to help slash the chronic US trade deficit with Japan.

dealers said. But working-level talks here between Japan and the United States reportedly failed to produce an agreement.

After opening at 109.98 yen on Monday, the Japanese currency moved between 107.75 and 110.10 to the dollar yen over the week.

Investors were closely watching the unstable Japanese political situation stemming from Hosokawa's proposal to increase the consumption tax.

Thai baht: The Bank of Thailand fixed the official mid-rate at 25.43 baht to the US dollar at closing Friday, unchanged from the previous week.

Australian dollar: The Australian dollar rallied almost half a US cent during the week as international funds poured

their money into the domestic share market, analysts said.

Against the US currency, the Australian dollar finished at 71.41 US cents from a finish seven days earlier of 70.96.

"News of a larger than expected December current account deficit was easily absorbed," said a report by Schroders Australia.

The Australian bureau of statistics said Wednesday that Australia's seasonally adjusted current account deficit rose to 1.77 billion dollars from 1.19 billion in November.

"International funds continue to pour into the Australian equity market," the report said. The share market's key barometer, the all ordinaries index, reached a record high Thursday of 2,340.6 points.

Hong Kong dollar: The local

currency was up very marginally at a closing rate Friday of 7.723-7.724, from 7.724-7.725 seven days earlier. The effective exchange rate index was 126.6, up 0.1 point against Thursday.

Malaysian ringgit: The ringgit fell 165 points to close the week lower against the US dollar at 2.7665, from 2.7500 previously.

Dealers attributed the Greenback's rise to strong support from offshore banks for the dollar, amid bearish sentiment for the ringgit following a clampdown on speculators of the local currency by the government.

Philippine peso: The Philippine peso climbed for the second straight week against the dollar, ending at 27.615 from 27.676 a week earlier.



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