

# S Africa pushing deeper into Gulf market

ABU DHABI, Mar 4: South Africa is pushing deeper into the lucrative Gulf market after a dramatic increase in trade with a region which had long barred products from Pretoria, reports AFP.

Only two years after Gulf Arab states ended anti-apartheid sanctions against Pretoria, South Africa has become one of their biggest trading partners and officials expect the exchange to increase further.

Trade with the six-nation Gulf Cooperation Council (GCC) peaked at around 800 million dollars in 1993, a surge of around 200 per cent over 1992, according to a senior South African trade official.

"Our trade with the United Arab Emirates (UAE) jumped by more than 400 per cent to around 180 million dollars in 1993 and with the GCC by 200 per cent," said Gifford Fitchat, head of the Middle East department at the South African Foreign Trade Organisation (SAFTO).

"We are confident trade will

continue to increase because both sides have a large economic potential and are working in that direction after years of economic boycott," Fitchat told AFP by telephone from his Johannesburg office.

As part of its drive, South Africa is holding its second Middle East exhibition in the Emirate of Dubai in May, and officials said more than 100 companies had already confirmed their participation.

SAFTO is sponsoring the three-day fair, "South Africa in the Gulf" — strengthening the link.

The first exhibition, "South Africa in the Gulf" — new link, was held in Dubai in October 1992, when large deals were struck.

South Africa had long been regarded as taboo in the Gulf, until most regional states lifted the boycott following sweeping reforms by President Frederik De Klerk.

During the 20-year boycott, South Africa established secret military and trade links with the Gulf but deals in both fields

were relatively small.

Although it has established diplomatic relations with only one GCC member — Bahrain — Pretoria's ties with the region have largely improved since the reforms.

It intends to set up ties with other members and open a trade office in Dubai to promote exports to the region, including Iran.

Last year, it set up an office in Abu Dhabi to coordinate arms sales to the Gulf after a successful participation in two international defence exhibitions in the UAE.

South African officials have reported negotiations for the sale of several types of weapons, including the advanced Rooivalk Helicopter.

The coming South African exhibition will be bigger than the previous one," said Abdul Rahman Al-Mutawli, Director General of the Dubai Chamber of Commerce and Industry.

"During my recent visit to South Africa, I felt there was a strong interest by the companies there in our region."

## Clinton's \$1.5t budget gets green signal

WASHINGTON, Mar 4: A House of representatives panel approved President Clinton's 1.5 trillion dollar budget Thursday almost untouched, the first step on its road to approval by Congress.

The House budget committee vote of 25 to 17 along party lines sends the spending plan for fiscal 1995 — which starts October 1 — to the full House for action later next week.

"This budget directs more federal government money toward investments, criminal justice, education and training, building infrastructure and conducting research — the basic thrust of the president's plan," said Chairman Martin Olav Sabo, a Minnesota Democrat, after the committee acted.

The budget resolution, based on the plan Clinton offered last month, must be approved by both House of Congress but needs no presidential signature.

It projects about 1.514 trillion dollars in spending and 1.338 trillion dollars in revenue, leaving a deficit of 175 billion dollars.

PARIS, Mar 4: Escalating trade frictions sent the yen higher against the dollar in Tokyo Friday. Stock prices also inched upward, reports AP.

President Clinton's decision Thursday to revive a tough trade provision known as Super 301 sent the dollar down against the yen in New York, and remained lower in Tokyo.

The dollar opened at 103.62 yen, but rose on rumors that the Bank of Japan was buying yen to keep the currency buoyed above the 104 level.

At late morning, the greenback was trading hands at 104.27 yen. It closed Thursday at 103.32.

Japanese officials expressed regret over Clinton's decision and have said they may appeal any unilateral trade actions by Washington to the General Agreement on Tariffs and Trade, and international trade watchdog group.

The Super 301 clause provides for unilateral sanctions

against countries engaged in what the United States considers unfair trade practices.

Currency markets overseas responded only slightly to the news, and reactions were largely played out before the Tokyo market opened.

"Because the United States can now use the Super 301, they are less likely to use currency as a weapon," said a trader with Citibank.

The stock market did not blink on news of the revival of the trade weapon. "It may take months or even years before sectors and products are singled out for sanctions," said Raymond Bressoud, an Assistant Director at the Union Bank of Switzerland, Tokyo branch. "The market was not scared."

The 225-issue Nikkei Stock Average rose 206.32 points, or one per cent, to finish the morning session at 19,812.18. The average fell 138.91 points Thursday, or 0.70 per cent, to close at 19,605.86.

The Super 301 clause provides for unilateral sanctions

## India gives airlines free hand to do business

NEW DELHI, India, Mar 4: Faced with stiff competition from private air taxis, the government has ended its stranglehold over its two airlines to make them more profitable and market oriented, reports AP.

It has also scrapped rules that have hindered the operation by private air taxis that have set up shop in India in the last few years.

Air-India and Indian Airlines, the nation's international and domestic carriers respectively, can now offer stocks to the public, raise loans from the market and operate with less government control.

"We'll now have to pull up our socks," an official of Indian Airlines said Wednesday on condition of anonymity.

The two state-run airlines also relied heavily on the large number of government officials, who were not allowed until last month to fly on private airlines.

Even though most private airlines in India operate with less than five jets — compared to 55 jets that Indian Airlines owns — many passengers prefer them because their flights are on schedule and the service is better.

On Tuesday, the government scrapped an old law that banned air taxis from advertising their flight schedules or even calling themselves air-lines.

"In our advertisements we could only say breakfast flight, tea time flight or dinner flight .... now we can bravely give the schedule," said Syed Riaz Halder, a manager of East-West Airlines, the largest private air taxi company in India.

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