

Murayama calls for more trade cooperation from US

SINGAPORE, Aug 29: Japan is doing its part to achieve a trade agreement with the United States and expects more cooperation from Washington, Japanese Prime Minister Tomichi Murayama said Monday, reports AP.

The comments by Murayama in Singapore, the final stop on his four-nation tour of Southeast Asia, raise the likelihood of a US-Japan clash over trade as Washington's September 30 deadline for an agreement nears.

To reduce Japan's 60 billion dollar annual trade surplus with the United States, Murayama said, Japan must cut taxes to stimulate consumption, speed-up deregulation and work on a long-term plan for more public investment.

Japan is already acting in those three areas, all of which have been the subject of American demands. But Washington has also insisted that Tokyo set benchmarks to measure whether American imports are increasing.

Murayama, however, gave no indication of flexibility on that issue, saying: "Japan will play its part and I hope the United States will play its."

The Clinton administration has said it will single out Japan under the Super 301 trade law, clearing the way for sanctions against Japanese goods, unless a trade agreement is reached by September 30.

Murayama, addressing a press conference at his Singapore hotel, also continued his week-long zig-zag on

how eagerly Japan should seek a permanent seat on the United Nations Security Council.

In a meeting Sunday with reporters accompanying him, Murayama said he had "concerns" that as a permanent member Japan might be forced to join UN military activities that would conflict with Japan's pacifist constitution.

On Monday, however, Murayama reaffirmed that Japan is "not thinking of this negatively" and simply wants to "make clear what we can contribute by becoming a permanent member."

While many conservatives in Murayama's coalition back a vigorous effort to get a permanent Security Council seat, dovish legislators feel Japan

may not be ready yet.

Murayama had the final meetings of his four nation tour Monday morning, holding talks with Singapore Prime Minister Goh Chok Tong.

The two leaders agreed that Japan should host the third annual summit of Asia-Pacific leaders next year. The summit was hosted last year in Seattle by President Clinton and will take place in Jakarta, Indonesia, this year. It brings together leaders from North America, Japan, South Korea, China and Southeast Asia.

Murayama and Goh also agreed for joint Japan-Singapore efforts to promote investment by the two countries in less developed Asian nations.

Iran, Pakistan form joint economic committee

ISLAMABAD, Aug 29: Iran and Pakistan have formed a joint committee to further explore avenues for bilateral economic cooperation, reports Xinhua.

The committee was formed during the talks between the visiting Iranian Minister for Heavy Industries Nejad Hosseini and Pakistan Industries and Production Minister Muhammad Asghar here yesterday.

The Iranian minister arrived here Saturday on a five day visit to Pakistan.

During the talks, Asghar stressed the importance of enhancing cooperation in the field of heavy industries.

He said the two countries may cooperate by providing professional expertise and technology to each other while the Iranian minister called for exchange of products between the two countries.

APEC advisers recommend policy of 'Open Regionalism'

CANBERRA, Aug 29: Key advisers to the Asia Pacific Economic Co-operation (APEC) forum have urged the 17-member group not to create a regional trade bloc.

The Eminent Persons Group (EPG), a panel of government representatives and appointees from forum members, has instead recommended a policy of "Open Regionalism" in a report to the body, the newspapers reported.

Australian government sources were unavailable for comment. The panel's report is due to be published in the Indonesian capital Jakarta tomorrow.

"The report, which will play a crucial advisory role in the development of APEC, calls

for a system described as "open regionalism", in which free trade and investment results from APEC, but does not constitute a trade bloc," the Australian newspaper said.

Debate has raged between those in the EPG who favour a trade bloc similar to the North American Free Trade Agreement and the European Union, and proponents of freeing up trade to all countries.

"The report has effectively recommended a compromise whereby individual APEC members would be allowed to decide whether to extend the benefits of trade liberalisation within APEC to non-member countries," the Australian said.

"We are not proposing creation of an Asia Pacific Free Trade Area," the Australian Financial Review newspaper quoted the panel's report as

saying. "We advocate the ultimate achievement of free trade in the region," the EPG was quoted as saying.

The APEC group of countries accounts for about half of the world's output and links Australia, the United States, Canada, Mexico, Japan, China, Hong Kong, Taiwan, South Korea, Indonesia, Brunei, the Philippines, Malaysia, Singapore, Thailand, Papua New Guinea and New Zealand.

Earlier this month, EPG sources told Reuters the panel had decided at its last meeting to recommend a blueprint for free trade within the region by the year 2020.

They said the plan allowed individual countries to lower their trade barriers to all countries, not just other APEC members, if they wished.



Nigerians in church on Monday pray for the strike to end as the oil workers go into their ninth week of a strike that is crippling the country. The strikers are calling for the release from jail of opposition leader Moshood Abiola and his installation as president.

Most Japanese firms expect to shift output overseas

TOKYO, Aug 29: More than three-fourths of manufacturers responding to a poll published Monday said they predict an increasing amount of Japanese production will be shifted overseas, reports AP.

The survey, conducted by the Nihon Keizai Shimbun, Japan's leading financial newspaper, concluded that the skyrocketing yen has eroded profits of exports and is sending manufacturers scrambling to set up overseas bases.

Based on 158 responses to a questionnaire mailed to 507 major manufacturers, the newspaper poll predicted that overseas manufacturing by Japanese firms will increase by an average of about 20 per cent through the rest of the decade.

Respondents also said the plan to decrease capital spending at home.

Lower domestic capital investment will mean fewer jobs at home, the survey concluded.

Businesses said they plan to increase employment by 5.5 per cent in fiscal 1994 and 11.4 per cent in fiscal 1995. In the same period, they'll hire 0.6 per cent and 0.8 per cent fewer workers in Japan.

Manila facing problems in ratifying GATT deal

MANILA, Aug 29: The approach of the deadline for the Philippines to ratify the General Agreement on Tariffs and Trade (GATT) is forcing the country to confront the inefficiency and uncompetitiveness of its sheltered industries, reports AFP.

President Fidel Ramos, who has embarked on a programme of economic liberalisation, is strongly lobbying the Philippine Senate to ratify the GATT before the end of the year, citing various potential gains for the country.

GATT which requires members-nations to open up their markets, has not surprisingly, run into rough sailing in a country where protectionism is equated with patriotism.

GATT critics, led by the leftist Opposition, have announced a series of protests for the rest of the year, warning that it will bring about massive unemployment and displace domestic industries.

But economists have charged that it is this school of thought, favouring domestic industries at the expense of greater access to foreign markets, that has caused the

Philippines to be left behind by its fast-growing neighbours.

The Philippine Chamber of Commerce and Industry (PCCI), the country's main business group, endorses the GATT but also warns that "a drastic overhaul of ways of producing and marketing would have to be undertaken by potential losers," if they are to survive.

Trade Under Secretary Ernesto Bautista says the country really has no choice but to ratify the GATT by January 1, 1995 if it does not want to lose up to 63 per cent of its export earnings, forecast at 15 billion dollars in 1995, to aggressive competitors.

Although the Philippines has until 1996 to ratify the GATT without suffering penalties, it will be at a disadvantage against other nations that ratify the agreement first.

"Belated entry into GATT will result in the loss of market shares to competitors who will enjoy GATT membership privileges starting January 1, 1995," a conference organised by the conservative Centre for Research and Communications (CRC) think-tank warned.

Japan, Singapore for holding APEC summit every year

SINGAPORE, Aug 29: The leaders of Japan and Singapore agreed Monday that Asia-Pacific leaders should gather for a summit that looks as if it will become an annual event, reports AP.

The first summit of the Asia-Pacific Economic Cooperation forum was hosted last year in Seattle by President Clinton. It brought together leaders from North America, Japan, South Korea, China and Southeast Asia.

The second summit will be held this November in Jakarta, Indonesia.

In a meeting with visiting Japanese Prime Minister Tomichi Murayama, Singapore Prime Minister Goh Chok Tong called on Japan to host the third summit next year in Tokyo, and Murayama agreed.

Japan, which had already been named APEC's chair country for next year, is moving ahead with preliminary preparations for the summit, Murayama said.

Goh said the third annual summit "will strengthen the foundations of APEC," which is aimed at promoting free trade across the Pacific.

Saudi-Pak achieves full target within six months

ISLAMABAD, Aug 29: Saudi-Pak Industrial and Agricultural Investment Company has almost achieved full year target of total financing of over seven hundred million rupees within six months (Jan-June, 1994) besides substantially raising foreign currency deposits from abroad.

In an exclusive interview with APP, Chief Executive, Saudi-Pak, Muhammad Rashid Zahir said that seventy to eighty per cent financing of total amount of 71 million rupees, approved during first half of the current calendar year was in the power, cement, polyester and utilities sectors.

He said that Saudi-Pak approved the projects in those important sectors which were included in the national economic priorities. Long term financing of dollars ten million is expected to be received from Islamic Development Bank this year as a line equity and leasing, he said.

He said that total forty four projects were approved against ninety six applications received during this period. Total disbursement amounted to rupees 186 million during Jan-June, 1994 against the disbursement of 91 million rupees in the first half of the last calendar year other than merchant banking, he added.

AT & T wins court verdict to buy McCaw Cellular

WASHINGTON, Aug 29: A T and T Corp. won court approval Thursday for its 12.6 billion dollar plan to buy McCaw Cellular Communications, the nation's largest cellular phone company, reports AP.

US District Judge Harold Greene gave A T and T a partial waiver from his landmark order 10 years ago that broke up the telephone giant. The waiver allows A T and T to acquire cellular properties that McCaw co-owns with regional Bell telephone companies, including the lucrative Houston and Los Angeles markets.

"Today's ruling is good news for consumers and business customers as well as for competition in the cellular industry," said A T and T spokesman Jim McGinn. The company hopes to complete the merger by September 30.

Turkish businessmen determined to resume trade with Iraq

BAGHDAD, Aug 29: Top Turkish businessmen visiting Iraq said yesterday they were determined to resume some form of bilateral trade despite the continuing UN embargo on Iraq.

They said their patience was wearing out with the Iraqi sanctions, now in their fifth year, and vowed to exert utmost pressure on the government of their Prime Minister Tansu Ciller to find a way to revive their once lucrative trade with Iraq.

"The embargo is on Turkey. We are the main victims. We are the losers," Cetin Oduncu, General Manager of a Turkish Electrical Engineering Company told Reuters.

The Iraqi government has rolled out a red-carpet welcome for the delegation of about 70 businessmen and 15 journalists.

It is the largest Turkish group in Baghdad since the UN clamped a blanket embargo on Iraq for invading Kuwait in 1990. And the team has captured headlines since arriving on Saturday.

"Our members will pressure the (Ankara) government to find some way to start trade," said Necati Arkan, member of the Board of Directors of Istanbul Chamber of Industry.

"Turkey has also been pun-

ished by the embargo," he said.

Turkey has been lobbying hard for an easing of the embargo, saying it has adversely affected business particularly in its southeast region inhabited mainly by a restive Kurdish minority.

But its efforts have born little fruit so far with Washington determined to forestall any trade rapprochement. The United States headed the military coalition that evicted the

Vietnam's tea export rises

HANOI, Aug 29: Vietnam exported 9,000 tonnes of tea in the first eight months of the year, eight per cent more than the same period in 1993. A press report said Sunday, reports AFP.

According to the Saigon Giai Phong newspaper, the state owned Vinatex company had exported 5,300 tonnes since January to Middle East and North African nations.

It has set a target of sending 10,000 tonnes abroad in 1994, the Ho Chi Minh city newspaper added. Vietnam exported a total of 17,000 tonnes of tea in 1993.

The main importing countries are Algeria, Libya, Russia, Poland, Germany and Japan.

Iraqis from Kuwait and leads the pro-sanctions lobby at the UN.

Ankara has failed to win US approval to reopen an idle and rusting oil pipeline between Turkey and Iraq.

It has also been unable to resume supplying its southern neighbour with humanitarian commodities allowed under the stiff regime of UN trade sanctions in return for Iraqi diesel.

The businessmen said it was time their government moved quickly as Iraqi authorities were losing patience with Turkey's unfulfilled pledges to resume trade.

One businessman said while western countries were turning a blind eye to Iraq's trade with Jordan and Iran, Turkey was being pressed to adhere to the letter and spirit of the embargo.

Arikan said Turkey was losing 2 billion dollars annually in direct trade with Iraq and another 2 billion dollar in related businesses.

He said his colleagues had made up their mind to supply Iraq with everything allowed under the embargo and press for the normalisation of trade.

He said payment was not a problem as Iraq in the past proved to honour its debts.

Gulf Air slashes fares on Doha-India route

DOHA, Aug 29: Gulf Air has slashed fares on flights between India and the Gulf Arab state of Qatar, where Indians form the largest expatriate community, reports Reuters.

Travel industry sources said the decision to lower fares between Qatar's capital Doha and four Indian cities was expected to spark a price war among regional airlines, one of which is owned by Qatar, a Gulf Air shareholder.

Gulf Air lowered return fares between Doha and Madras, Bombay, Trivandrum and New Delhi on tickets valid for six months as of August 25. It lowered its fare to 1,950 riyals (\$355 dollars) from the published rate of 2,600 (714 dollars) riyals on the Doha-Bombay route as well as on return flights to New Delhi.

Qatar has launched its own airline Qatar Airways and plans to increase flights to India after it expands its fleet. Its return fare to Bombay is currently 1,800 riyals (494 dollars).

Gulf Air is also owned by Oman, which recently launched its own airline.

Gulf Air's Doha-Madras return fares were dropped to 2570 riyals (706 dollars) from 3,420 riyals (939 dollars) and Doha-Trivandrum to 2,630 riyals (722 dollars) from 3,510 riyals (954 dollars).

Greenback performs mixed against Asian units over the week

HONG KONG, Aug 29: The US dollar performed mixed against Asian currencies over the week. Signs of progress in Japan-US trade talks pushed the dollar higher in some markets, but Washington's recent interest rate hike led to more cautious buying of the greenback, reports AFP.

JAPANESE YEN: The Japanese yen fell from a one-month high Wednesday to close the week lower at 99.55 to the dollar, down 1.20 from a week earlier, as the Bank of Japan stepped in to support the US unit.

After opening the week at 98.57 to the dollar, the yen peaked at 97.55 on Wednesday, the first time since July 18 that the dollar slipped below 98 yen.

AUSTRALIAN DOLLAR: The Australian dollar closed Friday at 74.31 US cents from 74.07 US cents at the previous week's finish. The Australian dollar's slight rise was supported by keen Asian buying late in the week, analysts said.

On the Reserve Bank of Australia's trade weighted index, a basket of major trading currencies, the Australian dollar closed at 53.7 points from 53.5 points the week before.

HONG KONG DOLLAR: The Hong Kong dollar weakened further during the week, closing at 7.7285-7.7295 on

Friday, against 7.7272-7.7277 a week ago. The effective exchange rate index stood Friday at 122.2 unchanged from the previous week.

INDONESIA RUPIAH: The Indonesian currency, which opened the week's trading Monday at 2,172 rupiah, closed trading Friday at 2,174 rupiah, or two rupiahs lower than the previous week's finish.

MALAYSIAN RINGGIT: The ringgit closed the week firmer, gaining 88 points to 2,5445 to the US dollar, from 2,5533 a week earlier.

"The ringgit's rise this week was mainly attributed to developments in the previous week, when (the central bank) Bank Negara lifted almost all curbs on the inflow of foreign funds for short-term investments," said a dealer.

NEW ZEALAND DOLLAR: The New Zealand dollar closed Friday slightly up, to close at 60.28 US cents. Last Friday it closed at 60.07 cents.

PHILIPPINE PESO: The Philippine peso weakened against the US dollar, closing at 26.465 from last Friday's 26.157, as a Philippine central bank measure began to have an impact on trading.

The central bank on August 15 imposed a cut on bank reserve requirements from 20 to 17 per cent for every peso de-

posited in a bid to slash short-term interest rates.

SINGAPORE DOLLAR: The Singapore dollar hit a new high against the US dollar at 1.4990 here Friday compared to last week's level of 1.5020, dealers said.

SOUTH KOREAN WON: The won further strengthened against the dollar, with the basic rate set at 802.1 won to the greenback Saturday, compared with 803.70 per dollar a week ago.

The won's surge was mainly due to the inflow of export earnings, traditionally concentrated in the last week of every month, and stock investment funds, dealers said.

TAIWAN DOLLAR: The US dollar dropped to close Friday at 26.265 against the Taiwan dollar, compared with the previous week's finish of 26.435.

The greenback hit a 14-month low of 26.203 Thursday as a result of strong speculation that the local unit might rise in response to imminent inflation spurred by four typhoons hitting Taiwan over the past two months, market dealers said.

THAI BAHT: The Bank of Thailand's Exchange Equalisation Fund Friday fixed the official mid-rate at 25.00 bhat to one US dollar, compared with the previous week's close of 24.98 bhat.

Better Sino-US ties depends on Beijing's entry into GATT

BEIJING, Aug 29: The United States wants to make up for lost time by providing substantial backing to US firms competing for business in China's growing market, visiting US Secretary of Commerce Ron Brown said Monday, reports AP.

But Chinese Trade Minister Wu Yi told Brown that development of closer ties between the two countries would depend on Beijing's success in joining the world trade organisation, the General Agreement on Tariffs and Trade, official reports said.

During a meeting that lasted over an hour, Wu said China planned within the next few days to present a package of concessions intended to meet the requirements of the trade watchdog and to express its desire for faster action on its application for membership in the organisation.

Earlier Monday, Brown told a gathering of US business executives in Beijing that the

United States would support China's application, if it manages to meet GATT requirements.

China wants to enter GATT as a developing, rather than an industrialised country. This would give it easier accession conditions.

But the United States has preferred tougher entry conditions for China to ensure that its fast-growing export sector does not gain undue advantages.

Brown said Monday that Washington planned to provide concerted and effective support for US firms that were handicapped in the past by restrictions on doing business in China.

"I don't want a level playing field," Brown said, using a phrase most often heard in US trade talks with Japan. "I want a tilted playing field."

Brown said the tilt would come not from unfair advantages, but from easing restric-

tions on soft loans, export controls and other limits on business with China that have long been linked to political disagreements with the ruling Communist Party.

China's growing trade surplus with the United States — at 23 billion dollars.

In 1993, second only to Japan — has given Washington added incentive to concentrate on economic, rather than political issues.

"The United States government is now playing an activist role on your behalf and we plan to turn up the heat," Brown said. "We are not ideological or philosophical about this. We are relentlessly pragmatic. Bottom-line oriented."

Brown arrived in Beijing on Saturday with 24 executives of large US corporations for talks the Chinese are hailing as a fresh start for US-China trade. The eight-day mission also will include stops in Shanghai, Canton and in Hong Kong.

He is the first Cabinet-level official to visit since President Clinton's decision in May to separate the issue of normal trade ties from China's human rights practices.

That decision was strongly welcomed by US firms doing business in China's increasingly competitive market.

US executives here complain that companies from other major nations, such as Japan, France and Germany, have had an unfair advantage because of support from their own governments, particularly in the form of concessional loans for foreign-aid projects.

"The question is not 'what is wrong with China?' but 'how do we manage?' said Charles A. Hamrick, Executive Vice President of the American Chamber of Commerce in Beijing.

Brown promised Monday to continue to lobby Congress to ease restrictions on export controls and to push for Export-Import Bank financing

for investments in China.

Ex-Im Bank loans, at below-market rates are considered essential to the profitability of projects in countries like China because of costly local government regulations, limits on repatriation of profits and tax rules.

Brown said that later Monday, he expected to sign more than a dozen agreements to help US business as well as a joint statement on Cooperation in Commercial Law, intended to improve the transparency of China's trade and investment laws.

Investment in those projects, Brown has argued, is of greater importance to US national interest than pressuring Beijing on its human rights practices.

The executives travelling with Brown, some from major US firms such as Chrysler and Bell Atlantic Corp., also hope to clinch deals worth several billions of dollars.

Brown said that some 25

billion dollars in projects would be at stake in the next few years and that almost 10 times that amount in infrastructure projects was in the pipeline.

US businesses hoping to win contracts for such projects, which include telecommunications facilities, ports, airports, railways and other major infrastructure, face hot competition from other major nations.

Japanese government and business leaders are frequent visitors, including the heads of major trading house Mitsui and Co and Toyota Motor Corp.

When German Chancellor Helmut Kohl visited China last November, he went home with contracts worth several billion dollars.

German conglomerate Siemens AG recently announced plans to spend more than 500 million dollars on joint ventures in China and to build three power plants.

Shipowners to pay \$10m to affected fishermen in Vietnam

HANOI, Aug 29: The owners of two ships that collided spilling oil into a southern Vietnamese river have agreed to pay 10 million dollars to fishermen whose businesses were wiped out, a report said Monday, reports AFP.

The payments will be the first in Vietnam since the introduction of an environmental law this year, the Saigon Giai Phong newspaper said.

Authorities in Can Gio district at the mouth of the Long Tau river said marine life had "virtually been exterminated" by 200 tonnes of oil spilled after a collision between a Vietnamese tanker and a Taiwanese cargo vessel in May.

The owners of Taiwanese vessel UNI Humanity and the Vietnamese tanker Transco-01 have agreed to pay for losses caused by the oil spill and survey work to assess the environmental damage.