

# Singapore, India take up 12 multi-million dollar projects

SINGAPORE, Sept 10: Singapore and Indian companies, taking the cue from their governments, desire for expanded business links Friday said they were collaborating in 12 multi-million dollar projects, from shrimp breeding to ship-breaking, reports AFP.

Singapore's Trade Development Board (TDB) said that among the larger projects was a 700 million Singapore dollars (467 million US dollars) mini township Singapore's construction technology PTB Ltd. will build near New Delhi.

RSP architects planners and engineers, the Singapore firm Designing Sentosa City, said the project on 152 hectares (375 acres) will include high class housing, commercial and office buildings, schools, a medical centre and a golf course.

Top executives of Singapore and Indian companies signed joint venture agreements for all 12 projects here Friday before the departure of Indian Prime Minister PV Narasimha

Rao for home after a three day visit.

Singapore Prime Minister Goh Chok Tong, who has been encouraging local companies to move abroad to help the Singapore economy sprout an external wing, said he was delighted by the progress.

Goh said that Singapore companies were moving abroad very quickly.

"Our relations are getting better through this cooperation in the investment field and trade they will become much better," he said.

Officials of Singapore's Trade Development Board said the projects would substantially bolster Singapore's presence in India where Singapore's investments totalled only 22 million US dollars last year.

Seaford company Asia Pacific Seafoods and India's Blu Bay Marine Foods will set up an 18 million Singapore dollars (12 million US dollars) shrimp farm in Tamil Nadu while Inno Pacific Holdings

will join India's Parmanji Foods and Alcon real estates in setting up a Shakey's Pizza Chain.

Inno-Pacific said the first shakey's pizza restaurant will be opened in Goa, a resort town on India's west coast.

In another food related venture Singapore's Qaf Ltd will help the Kwalitee Ice Cream Group market and distribute bakery and other food products in Bombay in a 2.3 million dollar (1.5 million US dollar venture).

Two major Singapore government-linked companies, Kappel and Sembawang, also struck joint ventures with Indian companies.

Kappel said it was investing 13.5 million dollars (nine million US dollars) for an initial 26 per cent stake in a new private bank called Centurion Bank. Its partner in the venture is India's 20th century finance corp.

Sembawang projects Engineering Co. and the western Indian group will jointly build, own and operate termi-

nals for liquified petroleum gas.

The ship-breaking project in Gujarat state will be a joint venture between Singapore's Natsteel Ltd. and India's Thakral Group.

The project which involves the investment of some five million dollars (3.3 million US dollars) will focus on breaking very large crude carriers and producing finished steel products from cut steel plates, Natsteel said.

Other joint ventures include a 30 million dollars (20 million US dollars) warehousing and distribution facility in New Bombay, a commercial complex near New Delhi and establishment of electronic networking services.

Davinder Singh, a Singapore businessman who heads the India Business Interaction Group, said the deals signed during Rao's visit were only beginning.

"Very much more is going on behind the scenes," he said.

## Allied Signal to invest \$ 1b in India

NEW DELHI, Sept 10: US giant Allied Signal will invest one billion dollars in India in one of the single largest inflows of foreign capital after the market reforms of 1991, the Business Standard daily said here today, reports AFP.

The fortune 500 firm will focus on aerospace, automotive components and engineered materials and will use India as a manufacturing base for car parts, which will be exported to markets in Europe and the US, it said.

The investment plans are expected to be completed after the visit of Allied Signal chief Larry Bossidy who is coming here Sunday.

The 12-billion-dollar company is also scouting for partners to produce amorphous metals. It has already licensed the state-run Hindustan Aeronautics Ltd. to manufacture turbo propulsion engines and set up a joint venture with the local Kalyani group for braking systems.

Overseas companies have stepped up their presence in India after Finance Minister Manmohan Singh ended nearly four decades of socialist fetters, easing investment and repatriation norms.

**No more concessions for entry into GATT: China**

BEIJING, Sept 10: China has offered its bottom line for entry into GATT and won't make any more concessions, which might jeopardise the nation's economic development, an official report said Saturday, reports AP.

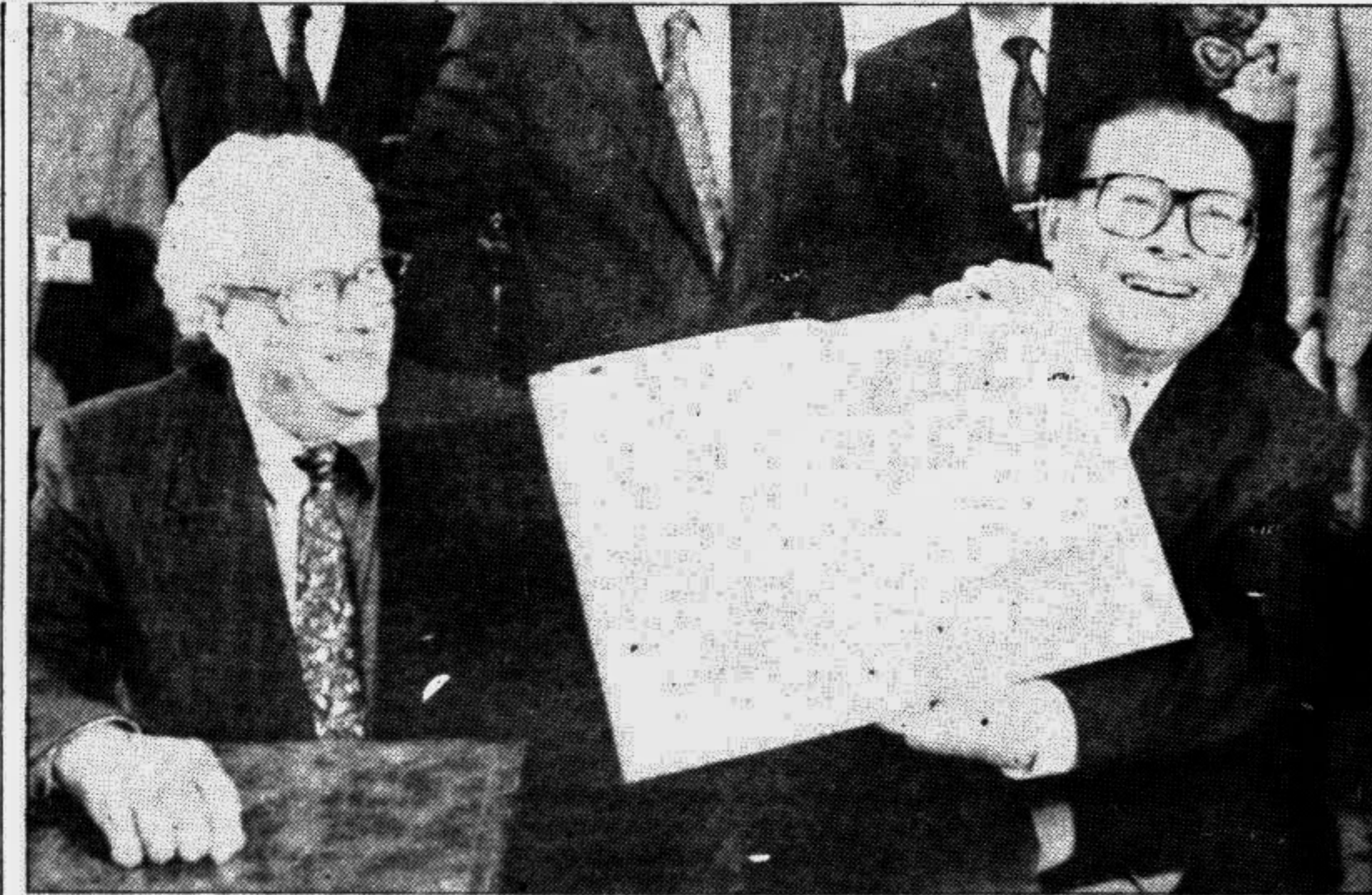
"We have made all the necessary concessions," said Li Zhongzhou, Director General of the International Trade and Economic Department in the foreign trade ministry.

"We will not be begging for GATT membership, and neither will we sacrifice our economic growth for that purpose," he was quoted in the China Daily as saying.

China recently submitted what it has called its final package of concessions for entry into the General Agreement on Tariffs and Trade.

They involve more than 90 per cent of China's products, with the only exception being certain sensitive goods.

The plan will also slash the overall tariff level by 55 per cent, and the tariff ceiling will be set at 35 per cent.



Chinese President Jiang Zemin (R) shows the Marseille golden book on which he just wrote a few words on Friday, next to the town's mayor Robert Vigouroux at the city hall in Marseille, France. — AFP photo

## EU finance ministers meet on plans for monetary union

LINDAU, Germany, Sept 10: European Union finance ministers Saturday began searching for ways to bring their governments' red-ink spending under control so they can qualify for the monetary union planned by 1999, reports AP.

Ministers of the dozen EU nations opened daylong talks on their ambitious plans for a monetary merger, with a joint central bank and a common currency, at a resort on Lake Constance in southern Germany.

The merger is the centerpiece of the group's Treaty on European Union, which went into effect last November to forge closer economic and political ties among the nations.

Under the treaty, an economic and monetary union could be formed as early as January 1, 1997 if a majority of nations meet tough criteria of low inflation and interest rates, stable currencies and healthy public finances.

With or without a majority, the union must begin no later than January 1, 1999.

Britain and Denmark already have opted out of the project.

During their discussions, the ministers intended to focus on criteria requiring the nations to have modest budget deficits and public debt before being admitted to the monetary union.

The requirement is tough

for many of the governments, which have built up enormous budget deficits and public debt by providing generous social benefit programmes. Some recently have dipped into the red because of extra spending during the serious recession that most of Europe is now coming out of.

Indeed, the EU's executive agency, the European Commission, has cited 10 of the 12 governments for running up hefty budget deficits. Only Luxembourg and Ireland were spared.

The ministers could follow

up the citations by ordering nations to take strict measures to trim their deficits. In serious cases, they could impose fines on recalcitrant nations or cut off some EU development funds.

Belgium, Italy and Greece are considered to have the worst deficit problems. Belgium has adopted a tough austerity plan to try to bring its economy in line.

Most analysts predict that Belgium, France, Germany, Luxembourg and the Netherlands will be in the first wave of countries forming a monetary union, with others joining later.

But the nations have been exchanging sharp words recently over Franco-German suggestions that a hard-core of countries push ahead in forging a united Europe.

Britain, Denmark and others less eager to give up national sovereignty to a central EU government would lag behind and become less influential in the group.

British Prime Minister John Major, always wary of European unity plans, blasted the proposals.

He said earlier this week that they could lead to "damaging divisions" in the trading bloc. Instead, he called for flexibility so that some nations could become more tightly linked in certain areas and not in others.

Wholesale prices up 0.6 pc in US

WASHINGTON, Sept 10: Wholesale prices surged 0.6 per cent in August, the biggest jump in nearly four years, the government said Friday, reports AP.

The August advance in the Producer Price Index was broad-based and was led by higher prices for food, gasoline, automobiles and tobacco, the Labour Department said.

The rise in the index, which measures inflation pressures before they reach the consumer, exceeded analysts' predictions and was the largest since it shot up 1.1 per cent in October 1990.

## Iraq, Russia sign \$10b trade accord

NICOSIA, Sept 10: Iraq and Russia have reportedly signed a 10 billion dollar trade agreement to take effect after the UN Security Council lifts the four year old oil and economic embargo, reports AP.

The Iraqi News Agency said the deal was endorsed Friday in Moscow by Iraqi Commerce Minister Mohammed Mehdi Saleh and the Russian Minister of Foreign Economic Relations, Oleg Davydov.

INA, monitored in Nicosia, said the agreement covered industry and oil projects, but did not elaborate.

It quoted Saleh as saying he hoped for a return to normal economic relations between the two countries. It also said Davydov praised Iraq's financial obligations despite the U.N. embargo's crippling of its economy.

The sanctions, which allow only imports of humanitarian items, have stripped Iraq of its main revenue earner oil exports.

Iraq has a seven billion dollar debt to Russia from when Moscow was one of its main trading partners and principle weapons suppliers before the sanctions were imposed in 1990 to punish Baghdad invading Kuwait.

Russia is one of several Security Council members who have recently advocated a softer line in dealing with Baghdad, in recognition of its stepped-up compliance with U.N. conditions for the lifting of sanctions.

On Monday, Russia's Interfax news agency negotiations envisaged Baghdad paying in both oil and hard currency for Russian help in building steel, methanol and other industrial facilities.

## CIS sets up body to boost economic ties

MOSCOW, Sept 10: Prime Ministers of former Soviet states agreed on Friday to set up an organisation to boost economic ties, the first super-national body in the Commonwealth of Independent States (CIS), reports Reuter.

The inter-state economic committee will coordinate energy, transport and communications ties and control common property of those countries. It will have power to enforce some decisions.

For the first time, leaders of the states will have to pluck up courage and responsibility, abandon a part of their national functions and determine the limits of the powers which they agree to pass over to the committee," CIS Executive Secretary Ivan Korotchenya said in a statement.

Votes in the committee will be distributed on the basis of "a country's economic weight," giving 50 per cent to Russia and 14 per cent to Ukraine. An 80 per cent vote will be needed to approve a decision.

"Russia will always be able to find another state, a com-

panion, to ensure a decision is approved," Russian CIS Minister Vladimir Maschchts told reporters.

Azerbaijan and Turkmenistan were the only CIS countries which refused to sign the agreement.

"Our parliament has not given me powers to sign this document," Azerbaijan's Prime Minister Suren Huseinov told reporters. "The idea of this committee as a controlling and executive organ does not correspond to Azerbaijan's interests."

Officials in Turkmenistan's delegation said they could decide whether to participate during the next CIS premiers' summit due in October.

The CIS, a loose grouping of most of the former Soviet republics, was formed when the Soviet Union fell apart in 1991.

The countries, excluding Ukraine and Azerbaijan also signed a draft agreement for a CIS payments union, aimed at resolving payments problems after the introduction of national currencies.

## Pakistan pumping fake money into Kashmir: India

NEW DELHI, Sept 10: India accused Pakistan's intelligence agency today of pumping fake Indian money into the troubled Jammu and Kashmir state to destabilise its economy, reports Reuter.

The Press Trust of India quoted a government statement issued in the state's winter capital of Jammu as saying that India last week arrested three separatist militants carrying 20,000 counterfeit Indian rupees in the Akhnor area of the state.

The news agency quoted the statement as saying the arrested militants revealed on interrogation that they were asked to mix fake notes with genuine currency.

The statement said some consignments of fake Indian rupees had already reached the state and were being used to pay off Pakistani contractors and militants to fund the inter-services intelligence's subversive activities.

India has long accused the intelligence agency of aiding Muslim separatists waging a four-year war against Indian rule of the disputed northern state. Pakistan denies the charge.

## US seeks retailers' help to cut child labour in garment sector

WASHINGTON, Sept 10: The Clinton administration is seeking cooperation of major clothing retailers in curbing the growing use of garment industry "sweatshops" that violate Federal labour laws, reports AFP.

"Many Americans do not realize that the fashionable clothes we buy in department stores may have been made in American sweatshops," Labour Secretary Robert B. Reich told a news conference Friday.

"We want to educate retailers about the persistent violations in the garment industry and to work with them in combating the abuses," he added.

The violations include sub-standard wages, failing to pay overtime and using underage children to work in the 22,000 small cutting and

sewing shops under contract to about 1,000 major manufacturers.

Officials acknowledged that many of the 984,600 garment workers are illegal immigrants who fear loss of their jobs if they complain about working conditions.

The Labour Department described the garment industry as a pyramid built on the cutting and sewing shops, which actually make the garments under contract with the major manufacturers. The manufacturers in turn sell the clothing to large retailers.

But the department said the number of cutting and sewing shops, which often are elusive and financially unstable, greatly exceed the government's enforcement resources.

So, Reich said, expanded efforts to curb violations will be

aimed at the top of the pyramid, using both persuasion and the little known "hot goods" provision of the Fair Labour Standards Act.

The provision, which refers to products manufactured in violation of federal labour law, will be used to halt shipments of garments that continue to be manufactured in violation of Federal labour laws.

**Greek govt plans to cut 15000 jobs at Olympic Air**

ATHENS, Sept 10: The Greek government has published a bill to cut 15,000 jobs at Olympic Airways, which has debts of 435 billion drachmas ( two billion dollars), reports AFP.

strikers would respond to the Prime Minister's call and call off their protest.

Kumaratunga said more labour unrest might force foreign investors to close factories or stop them from starting new ventures.

## Pakistani arrested for using counterfeit bills

SEOUL, Sept 10: A Pakistani man has been arrested on charges of circulating bogus 100 dollar bills, police said Saturday, reports AP.

The man, identified by police as Amir Rashid Suppra, 26, was charged with exchanging dozens of the counterfeit bills into Korean won at Seoul hotels last weekend.

Police said the man was also carrying a false passport when he was arrested in a Seoul subway station late Friday.

Suppra told police he acquired 40 counterfeit bills from a fellow Pakistani man named Mohammed Ashid. Police were investigating whether they were members of an international counterfeit ring.

The two Pakistanis are among some 50,000 foreigners, mostly from China, the Philippines, Bangladesh, Nepal and Pakistan, who are staying here illegally to find work.

## Lankan PM pledges 10 pc wage rise to striking workers

COLOMBO, Sept 10: Sri Lankan Prime Minister Chandrika Bandaranaike Kumaratunga on Friday promised striking workers at an investment zone a 10 per cent wage increase and said their grievances would be looked into, reports Reuter.

She told factory workers the increase in the minimum wage of 2,000 rupees (40) dollar a month would be effective before November 1 with their other problems being solved in a month.

Kumaratunga, whose people's alliance combine won last month's parliamentary poll, visited the Biyagama and Katunayake free trade zones near Colombo and spoke to worker representatives.

The government is concerned at strike at four factories in the Biyagama zone, over the dismissal of 118 employees from one factory.

On Thursday, Kumaratunga blamed the strikes on people who wanted to destabilise the government by using workers to cause unrest and violence.

"All issues raised by those workplace where there is unrest at present are problems which have remained unsolved for a long period of time," she said.

"It is unfair by the new administration that the workers should organise work stoppages immediately after we have taken on the being of

government", she said in an address over state Radio and Television.

She appealed to the strikers to immediately return to work and then discuss their grievances with the government.

It was unclear whether the

strikers would respond to the Prime Minister's call and call off their protest.

Kumaratunga said more labour unrest might force foreign investors to close factories or stop them from starting new ventures.

## Exchange Rates

Following are the Sonali Bank's dealing rates to public for some selected foreign currencies effective as on September 10. (Figures in Taka)

Currency	Selling		Buying		O.D. Transfer
	TT & O.D.	EC	TT Clean	OD Sight	
US Dollar	40.3875	40.4175	40.0900	40.0375	39.8690
Pound Sterling	63.0354	63.0822	61.2864	61.2061	60.9485
DM	26.5396	26.5593	25.8107	25.7769	25.6684
£ Dollar	7.7476	7.7534	7.5369	7.5270	7.4953
₹ Franc	29.8444	29.8666	29.0273	28.9893	28.8673
S Franc	31.8633	31.8869	30.9781	30.9375	30.8073
₹ Yen	0.4135	0.4138	0.3990	0.3975	0.3958
₹ Indian Rupee	1.2939	1.3036	1.2722	1.2531	-
₹ Pak Rupee	1.3210	1.3309	1.2988	1.2793	-
₹ Iranian Ryal	0.0231	0.0233	0.0227	0.0224	-

Currency	Selling		Buying	
	T.T. & O.D.	O.D.	O. D. Transfer	O. D. Transfer
₹ S Riyal	10.6300	10.6300	10.6300	10.6300
₹ UAE Dirham	10.9973	10.9973	10.9973	10.9973
₹ Kuwaiti Dinar	135.7107	135.7107	135.7107	135.7107
₹ Singapore Dollar	26.9376	26.9376	26.9376	26.9376
₹ D Gulders	23.2848	23.2848	23.2848	23.2848
₹ S Kroner	5.2773	5.2773	5.2773	5.2773
₹ Malaysian Ringgit	15.8196	15.8196	15.8196	15.8196

## Once banned 'decadent' activities come back in Myanmar to spice up trade fair

Fashion shows and karaoke sing-along sessions, which have once been banned and now still being frowned upon in this country for promoting decadence, highlighted this year's 19-day Myanmar trade fair held recently.

To the delight of many people, fashion shows and karaoke sessions charging three to five US dollars were held twice a day to promote Myanmar textile and fabrics.

Described as "decadent," fashion shows, beauty contests and ballroom dancing were banned and almost non-existent since the Burmese Socialist Programme Party (BSPP) was formed by the military after the March 2, 1962 uprising.

The ban was lifted when the ruling military came to power through the September 18, 1988 coup that ended both the socialist rule and the pro-democracy movement.

The so-called "decadent"

activities were allowed amid stern warnings against promoting "decadent cultures and music."

And, just for the duration of the trade fair, fashion shows were encouraged. Stalls at the fair were turned into permanent showrooms.

Trade Minister Lt. Gen. Kyi described the fair as a "success" since the value of the exhibited goods sold or contracted for sale totalled 21.86 million dollars, including 17.73 million dollars in much needed hard currency. About 500 kinds of commodities worth 33.33 million dollars were exhibited during the fair.

Though organizers expected only some 300 foreign businessmen to attend the fair, over 1,500 came. Some 20 state economic enterprises (SEEs), eight joint ventures (JVs), 36 cooperatives and 71 private enterprises participated.

The fair aims to promote export, find new markets, develop import-substitution products, and acquire high-technology and mutually beneficial joint investments.

To acquaint foreign businessmen with Myanmar's primary export commodities, five business seminars were held during the fair. Visitors were also treated to the traditional water and pagoda festivals.

The private sector, which has been allowed to handle exports since the last five years, now accounts for more than 50 per cent of the exports, Kyi said.

He added that imports were still high because of the requirement of direct foreign investors for the agreed projects.

Last fiscal year 1993-1994, the country's exports totalled 687.53 million dollars and imports 1.203 billion dollars. For the current fiscal year that began April 1, Myanmar is target-

ing 729.85 million dollars for exports and 1.204 billion dollars for imports.

Border trade was formally opened with China and Thailand, and there are plans to involve other neighbours - India, Bangladesh and Laos.

The first border trade fair was held last December 21 to 31 in the Shan state town of Tachilek on the Thai-Myanmar border, now known as the "city of the golden triangle."

Since Myanmar opened its doors, some 1123.32 million dollars had poured in for 88 projects, 63 of them under implementation.

The country's balance of trade has been literally in the red since it gained independence from the British in 1948, according to official reports.

Myanmar has blamed falling prices of primary export commodities and rising prices of imports as reasons for the

trade imbalance, according to official reviews.

It plans to turn border trade into a regular activity, find markets for Myanmar goods and boost foreign trade by organizing trade fairs not only in the Myanmar capital of Yangon but also in the border towns.

China, the only donor that continued funding when all other major donors suspended aids and loans after the 1988 coup, has just made a 50 million yuan (75 million dollars) mixed credit loan to Vietnam, and what was described as a major free trade speech by Hurd in Tokyo September 19, said the official.

media as "the biggest, longest, greatest, and the most beautiful" was opened.

China would also supply spare parts for the electric power station in the Mon state capital of Moulmein and a satellite ground station, and construct a new television relay station.

On June 6 last year, Myanmar and China signed a number of memorandum of understanding (MOU) and contracts. Among these are the contracts on timber extraction from the Kachin state town of Bhamo near the Sino-Myanmar border, and two million dollar worth of motor vehicles and equipment.

Myanmar was one of the first countries to recognize China when Mao Zedong assumed power in Beijing in 1949. This Least Developed Country (LDC) was also a constant advocate for the restoration of China's legitimate seat

in the United Nations until its admission.

The Sino-Myanmar boundary agreement was signed on October 1, 1960 when bilateral relations reached its climax.

Economic and technical cooperation began when a huge delegation led by the late Chinese Premier Zhou Enlai, attending Myanmar's independence anniversary, signed a Sino-Myanmar economic and technical cooperation agreement and a treaty of friendship and mutual non-aggression on January 9, 1961.

China provided a 30 million sterling pounds non-interest bearing loan in goods and services, repayable in 30 years after a 10-year grace period, under which 11 of the initial 25 project proposals were agreed for implementation.

Last year, China's Yunnan machinery import export corporation has extended a 30 million dollar non-interest bearing loan in goods and ser-

vices for 14 passenger vessels and 28 cargo barges repayable in five years.

China has been contributing in the efforts to construct roads and bridges in the border regions to facilitate border trade (which started between the two countries in 1988), and cooperation in the drug control drive.

China's rolling stock has begun dominating this LDC's century-old rail tracks. As some 20 million dollars worth of rolling stock ordered earlier has begun to arrive, China contracted for the supply of 35 million dollar worth of more stock late last year.

Meanwhile, Myanmar has told a visiting United States congressional delegation that livestock breeding, poultry farming, dairy farming and fisheries are the open fields in the country where American businessmen could invest.

Depthnews Asia