

# Journalists block Rao's move to open media to foreign firms

NEW DELHI, Sept. 12: Indian Journalists' Unions on Sunday put up a roadblock to Prime Minister P. V. Narasimha Rao's latest possible economic liberalisation effort — opening up of the country's media to foreign firms, shut out for four decades, reports Reuter.

The present liberalisation policy is again putting up a welcome sign for the colonial powers of yesterday to return to India with the force of media," four unions said in a letter to Rao.

The unions, which included the National Union of Journalists and two main news agency unions, said foreign media companies could use their strong finances and superior technology to cripple the homegrown media.

India resolved in 1955 not to let in foreign media organisations, but is having serious thoughts of undoing the move as part of the economic reform programme launched in 1991.

The government is expected to take a final decision soon on whether to allow for-

ign companies to set up or have investment stakes in Indian media firms.

Political and media opposition has mounted this month following signals which were taken as indicative of Rao's support to foreign media firms entry.

The ruling Congress Party's spokesman, Chandulal Chandra, said earlier this month that many politicians feared foreign media could hinder Indian culture, but changed his stance within two days and said they were welcome.

The move was widely interpreted as a signal from Rao.

Domestic newspaper reports said investment stakes for foreign firms in Indian media companies found support in a committee of senior ministers appointed to examine the issue.

The unions, taking a cue from such reports, said Rao seemed to have made up his mind to allow foreign publications but vowed to carry on a

campaign against the entry of foreign media firms.

They urged Rao to give a serious thought to the entry of foreign media before taking a final decision.

"We may even seek an appointment with the Prime Minister or President to press our case," Kuldeep Singh Arora, a spokesman for the voluntary media watch group, which coordinated the joint union of secessionists, told Reuters.

Some newspaper barons are believed to be lobbying hard to oppose investment proposals that could usher in well-known world publications to Indian newsstands.

Britain's Pearson Group, publisher of the Financial Times, has proposed a tie-up with the Calcutta-based Ananda Bazar Patrika group for a business daily. But Bennett, Coleman and Co, the publisher of the Times of India, says it has the right to use the Financial Times' name in India.

Living Media India, publisher of India Today, wants to

link up with Time Warner Inc to publish an Indian edition of Time Magazine.

Other publications including the International Herald Tribune, Elle, and TV guide, published by Rupert Murdoch's news corp, are also trying to enter the Indian market, say industry sources.

India has some 10,000 publications in 18 local languages, considered a vibrant and potentially profitable market for foreign titles. Foreign publications can be sold but not published under the present rules.

The unions said foreign media organisations could distort national interests by emphasising secessionist movements.

India's northern Jammu and Kashmir state and some of its north-eastern areas are facing secessionist problems.

In the move to allow foreign media to come to India, we see a recipe for the country's emotional disintegration and a system of remote control of its affairs," the letter to Rao said.

## S. Korea to allow 4,000 more foreign workers

SEOUL, Sept. 12: President Kim Young-sam said Monday South Korea will allow 4,000 more foreign workers this year to work at the nation's shoe-making factories to help boost their competitiveness, reports AP.

South Korea's shoe-making industry has suffered a recession in recent years as foreign buyers increasingly shifted their orders to China and Southeast Asian countries where labour costs are much cheaper.

The government will give work permits to 10,000 more foreign workers this year to ease a labour shortage in labour-intensive industries and will allocate the first 4,000 to shoe-making companies, Kim said.

Most of the other foreigners will work at textile factories, government officials said.

Kim made the remarks during a visit to Pusan, a traditional industry base for shoe-making companies, 340 kilometers (210 miles) south of Seoul.

Currently, South Korea sponsors 20,000 foreigners, mostly from China, the Philippines, Bangladesh and Nepal, in an apprenticeship programme to fill low-paying menial jobs.

As South Korea becomes more prosperous, an increasing number of South Koreans have shunned manual labour, forcing many businesses to shut down.

The government also said it will replace the current one-year work visas for foreign workers with two-year work permits to help ease the labour shortage.

## Bank of England increases interest rate

LONDON, Sept. 12: The Bank of England hiked interest rate by 0.5 percentage points to 5.75 per cent on Monday, despite continuing economic recovery, reports AP.

The rise in the prime rate — the first for nearly five years apart from during a 1992 run on the British pound — was to pre-empt any rise in inflation, Chancellor of the Exchequer Kenneth Clarke said.

Inflation is running at a 2.7 per cent low of 2.2 per cent.

To make sure it stays that way, we need to act in good time to prevent inflationary pressures taking hold especially since changes in interest rates affect inflation only after a considerable lag," said Clarke.

He added that the Conservative government would take no risks with the recovery.

The rise was the first since October 5, 1989 — apart from a temporary hike on what has become known as Black Wednesday in September 1992 before Britain pulled out of the European Monetary System which links currencies.

On February 8 this year, Clarke cut interest rates by .25 point.

So often in the past, accelerating inflation has prevented us from enjoying sustained growth," Clarke said Monday.

Hubeika, who served as a senior Middle East economy expert for several years in the World Bank, named Japan, Taiwan, Singapore, Thailand, South Korea, Hong Kong, Indonesia and Malaysia as the principal Asian economic giants.

He said the eight nations registered an annual growth rate of 5.5 per cent between 1985 and 1990, compared with 2.3 per cent in most industrialised countries, 0.2 per cent in Africa and 1.8 per cent in the Middle East and Latin America.

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## Cairo, Egypt



Yenny Hurtado (L) from the Confederation of Latin America, Mayan Villalba (C) from Asian Migrant Centre and Patrick Taran from Geneva talk on Sunday on the issue of 125 million migrant women in the world, during the NGO Forum in Cairo, a conference running parallel to the UN sponsored population and development meeting.

— AFP photo

## GCC states urged to learn from Asian economic giants

ABU DHABI, Sept. 12: Gulf Arab states should copy the development experience of Japan and other Asian Economic giants if they want to achieve adequate growth in non-oil sectors, a former World Bank expert said Sunday, reports AFP.

The six-nation Gulf Cooperation Council (GCC) already has a developed infrastructure and other advantages absent in those Asian nations before they started to record the fastest growth rates in the world in the early 1960s, Luwes Hubeika wrote in the United Arab Emirates (UAE) daily Al Kahle.

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an even stronger base, which is the existence of an excellent infrastructure and enormous financial capabilities and natural resources which were almost absent in those Asian tigers," he said.

Citing studies by the World Bank and other international institutions, he attributed the economic success of the Asian tigers to political and social stability, strong governments with clear development strategies, the building of a modern infrastructure, intensive training and education programmes and wise financial policies.

He praised the policy of

### Rice consumption in Japan slumps

TOKYO, Sept. 12: Rice consumption by the average Japanese slumped to a record low between April and June, and it is expected to continue falling, the government's food agency said today, reports Reuter.

"Basically, rice consumption has been declining steadily because of diversification of the Japanese Diet," an agency official said.

Monthly consumption per person slumped to a record low of 5.09 kg (11.22 lbs) during the period, 5.7 per cent lower than a year earlier.

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concentrating on the industrial sector, which surged from 32 per cent of gross domestic product in 1965 to 45 per cent in 1990.

Other factors behind their success included efficient management and manpower, control of budget deficits, and heavy investment in export oriented industries.

Hubeika said the GCC states — Saudi Arabia, Kuwait, Oman, Qatar, Bahrain and the UAE — could follow the example of the Asian tigers in pursuing an industrial policy aimed at reducing reliance on unstable oil earnings, which still provide more than 80 per cent of total GCC income.

"GCC states are also seeking to tackle their budget deficits and they now enjoy political, economic and social stability," he said.

The success of any future economic moves hinged on the training of an indigenous labour force to replace foreign workers, especially since most member states had now joined the General Agreement on Tariffs and Trade (GATT).

Hubeika said the GCC states, which control more than 40 per cent of the world's oil, should also revise subsidies and other domestic economic policies and allow the private sector to play a leading role in development.

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## Beijing to charge high fees for outsiders to live in capital

BEIJING, Sept. 12: Beijing's city government has decided to charge new residents as much as 11,600 dollars to move into the capital, an official report said Monday, according to AP.

The new regulation, which is to go into effect November 1, is an attempt to control the massive influx into the capital from elsewhere in China, the Xinhua News Agency reported.

Under China's household registration system, each citizen is registered as living in a certain city or village. Until the 1980s, Chinese were not allowed to travel or move without official approval.

However, as controls on personal freedom relaxed, travel restrictions also were eased. That has caused a massive migration of peasants into urban centres such as Beijing and Shanghai in search of better lives. In many cases, they live in peasant ghettos or on the streets, and have been blamed for rising crime in the cities.

Nationwide, about 80 million peasants have left their farms for the cities. In Beijing, there is an estimated "transient population" of 1 million.

Those who find work can get permits that allow them to settle in Beijing, but now the city government plans to charge for that privilege.

IBM is positioning the new models, which it calls the System 390 Parallel Enterprise Servers, to compete against so-called minicomputers that run a different kind of software known as Unix.

The company has sold ear-

lier System 390 models to more than 45,000 customers, some of them more than a decade ago. The new models are far smaller in physical size, a reflection of advances in technology, and use less energy because they are cooled by air rather than water.

The thing we're most excited about is that this will actually go back and touch the customers who are on what we would call old mainframe technology," said Nick Donofrio, Senior Vice President and chief of IBM's large-scale computer division.

IBM feels pressure to keep its big machines competitive with Unix-based systems by Hewlett-Packard Co and others who are aiming at the huge market of mid-sized compa-

nies.

"We're attempting to make

## Chinese president says

### Market economy doesn't conflict with socialism

PARIS, Sept. 12: Visiting Chinese President Jiang Zemin said yesterday that planning and the free market are economic means, rather than an essential difference between socialism and capitalism, reports AP.

South Korea's shoe-making industry has suffered a recession in recent years as foreign buyers increasingly shifted their orders to China and Southeast Asian countries where labour costs are much cheaper.

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Most of the other foreigners will work at textile factories, government officials said.

Kim made the remarks during a visit to Pusan, a traditional industry base for shoe-making companies, 340 kilometers (210 miles) south of Seoul.

Currently, South Korea sponsors 20,000 foreigners, mostly from China, the Philippines, Bangladesh and Nepal, in an apprenticeship programme to fill low-paying menial jobs.

As South Korea becomes more prosperous, an increasing number of South Koreans have shunned manual labour, forcing many businesses to shut down.

The government also said it will replace the current one-year work visas for foreign workers with two-year work permits to help ease the labour shortage.

Asked whether China will carry out political reforms to maintain its current economic development, Jiang replied that while it was focusing on

building a socialist market economy, his country was also paying close attention to political reforms.

Jiang said, however, "we will not copy the model of any other country."

The Chinese people, especially those who fought for the birth of a new China, are quite familiar with the history of the French capitalist revolution and the declaration of human rights, Jiang told journalists at the state guest house here.

History shows that all progressive things are cherished by the succeeding generations in all countries, Jiang said.

We are living now in a diversified world in which the levels of tradition, culture and economic development differ from the country to another, Jiang explained.

"I firmly believe that when all countries abide by the principles of mutual respect and cooperation, we will be able to usher in a bright world for the next century," Jiang said.

He said rice was consumed by more than 90 per cent of Indonesia's 18 million population, which was expected to grow by 1.6 per cent in the coming five years.

Sudodo said that at the end of the 1970s, Indonesia's average per capita rice consumption was about 130 kilograms (27.3 pounds) a year.

He said the consumption increased to 147 kilograms (323.4 pounds) in the early 1990s and was expected to jump to 154 kilograms (338.0 acres) a year in the next decade.

The rice field expansion was calculated without taking into account the conversion of rice fields into industrial or residential areas, which in Java island alone reduced farm area by 40,000 hectares (58,000 acres) a year.

Inflation is running at a 27 per cent low of 2.2 per cent.

To make sure it stays that way, we need to act in good time to prevent inflationary pressures taking hold especially since changes in interest rates affect inflation only after a considerable lag," said Clarke.

He added that the Conservative government would take no risks with the recovery.

The rise was the first since October 5, 1989 — apart from a temporary hike on what has become known as Black Wednesday in September 1992 before Britain pulled out of the European Monetary System which links currencies.

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Hong Kong market's indicator of blue chips, fell 254.65 points, or 2.5 per cent, closing at 9,890.37. On Friday, the index had slipped 5 points.

Brokers attributed the slump to fears that the US Federal Reserve may increase interest rates after the release on Friday of higher-than-expected inflation figures in the United States.

The market also was hit by some profit-taking following sharp rises last week, they said.

In Tokyo, share prices closed mixed.

The 225-issues Nikkei Stock Average rose 19.40 points, or 0.10 per cent, closing at 19,917.28. On Friday, the average had slipped 1.90 points, or 0.10 per cent, to 19,897.88.

The Tokyo Stock Price Index of all issues listed on the first section was down 0.43