

Whitewater affair plaguing White House

LITTLE ROCK, Arkansas, Aug 18: Two ex-business partners of President Bill Clinton and Arkansas governor have been charged with fraud and conspiracy in the latest twist in the Whitewater affair plaguing the White House, reports AFP.

Neither the President nor his wife Hillary Clinton were cited for any wrong doing in the indictments handed down here Thursday by a grand jury investigating various matters stemming from the president's business dealings while governor of this southern state.

But the indictments of James McDougal, his ex-wife Susan McDougal and Governor Jim Guy Tucker came as a relative jolt in the Whitewater probe after a round of congressional hearings that produced few concrete disclosures.

The three were named in a 21-count indictment that included wire, mail and bank fraud, and conspiracy charges. Tucker had already been indicted by the same grand jury on charges of lying to a lending company to get a \$300,000 dollar loan.

Most of the counts made public Thursday carry a prison term of as many as five years and a maximum fine of \$500,000 dollars. Tucker denied the latest charges and said he had no intention of resigning. "They are false. I have violated no law," he said at a news conference.

The McDougals were partners of the Clintons in Whitewater, a failed land development deal in northern Arkansas.

Tucker succeeded Clinton as governor of Arkansas shortly after the presidential election in 1992.

The new charges stem from allegedly improper dealings involving the Madison Guaranty savings and loan, which James McDougal owned, and the federally backed Capital Management Services Lending Company.

Capital Management Services already has been at the centre of a swirl of allegations.

Mexico rings up 6th consecutive trade surplus

MEXICO CITY, Aug 18: Mexico rang up its sixth consecutive monthly trade surplus, with 602 million dollars in July for a year-to-date total of 3.69 billion dollars, according to Treasury Department figures made public Thursday, reports AP.

The July surplus compares to a deficit of 1.545 billion dollar in July of last year, while the seven-month surplus compares to a deficit of 10.392 billion dollars during the same period in 1994.

A Treasury Department news release said exports rose 27.8 per cent in July for a total of 6.082 billion dollars compared to the same month in 1994. Imports dropped 13.0 per cent to 5.480 billion dollars compared to July of 1994.

The sharp devaluation of the peso last December from around 3.25 per cent US dollar to around 6.10 this week has helped cut imports to the bone and make Mexican exports highly competitive.

The devaluation set off an economic crisis that has been buffeting Mexico relentlessly since December 21, causing massive unemployment, a sharp recession and mounting business bankruptcies.

New top executive at MCA

LOS ANGELES, Aug 18: Attorney Howard Weitzman, whose clients have included some of the biggest names in Hollywood, was named a top executive at entertainment giant MCA Inc. Thursday, reports AP.

Weitzman, 55, perhaps best known for representing O. J. Simpson just after the June 12, 1994 murders of Simpson's ex-wife and a male friend, will become MCA's new executive vice president in charge of corporate operations.

Most recently, Weitzman served as a managing partner of the law firm Katten Muchin Zavis and Weitzman.

Weitzman has been involved in some of the most high-profile cases in Hollywood.

He was the attorney for pop star Michael Jackson in a sexual abuse lawsuit filed by a minor and later settled. He was also actress Kim Basinger's lawyer when she lost in 8 million dollars settlement, forcing her into bankruptcy.

'Duty-free access to US markets' issue

Malaysia won't make appeal to US

KUALA LUMPUR, Aug 18: Malaysia will not appeal if Washington decides to deny Malaysian goods duty-free access to US markets, newspapers reported on Thursday, reports Reuters.

Prime Minister Mahathir Mohamad said after a cabinet meeting on Wednesday that Malaysia should be able to continue trade without the general system of preferences (GSP) as it is competitive and capable, the Business Times reported.

"The cabinet decided that the government will not make an appeal on the matter," the newspaper quoted

Foreign Minister Abdullah Badawi as saying.

"It is time we graduated," he said. "We have been encouraging our industries to be independent and to engage in trade without having to depend on incentives such as GSP."

US Trade Representative Mickey Kantor recommended on Tuesday that Malaysia be phased out of the US GSP by January 1997.

The GSP allows goods from developing countries to be imported into the United States duty free, or at low tariffs.

Malaysia was the top beneficiary of the GSP programme last year, accounting for 28 per cent of total GSP imports from 145 countries. In the past year, Malaysia's exports of GSP products rose to 5 billion dollars from 3 billion dollars.

Earlier, Malaysian Minister of International Trade and Industry Rafidah Aziz said Malaysia would appeal the decision, if it had an avenue to do so.

Rafidah told reporters after arriving home from a South American investment mission that according to the

GSP legislation a beneficiary country would graduate from the programme once its per capita income reached 8,000 dollars a month.

But Malaysia, which has become the world's 19th largest trading nation after a decade of rapid economic growth, has a per capita income of only 3,440 dollars now, she said.

"We also hope that other countries, which accord GSP status to Malaysia, will not use the US move as a precedent to withdraw their trade privileges from Malaysia," she added.

Dollar rebound to help Japanese exporters boost earnings

TOKYO, Aug 18: The dollar recent rebound to near 100 yen will help major Japanese exporters to boost their earnings for the year to March 1996, the Nihon Keizai Shimbun said yesterday, reports AFP.

Pre-tax profits of eleven major export-dependent auto makers and electronics makers will nearly double from the preceding year if the dollar consolidates around 100 yen, the leading economic daily said, based on its own estimates.

The dollar, which plunged below 80 yen at one point in April, has rebounded sharply in the past weeks. On Wednesday it rose above 98 yen.

The Nihon Keizai said the Nissan Motor Co. Ltd. will generate a pre-tax profit of 20 billion yen (204 million dollars) at an exchange rate of 100 yen to the dollar, reversing a loss of 61.1 billion yen in the previous year.

Toyota Motor corporations pre-tax profit, estimated at 200 billion yen at 90 yen to the dollar, will reach 280 billion yen at 100 yen, it said.

Meanwhile, Hitachi Ltd. and Toshiba Corporation, major consumer electronics makers, are expected to see profit rises of about 30 per cent, the paper said.

India's economic reforms yield results

NEW DELHI, Aug 18: India's four-year-old economic reforms have yielded growth opportunities for small businesses, which are finally rallying behind the government's liberalisation programme, a leading industry group said yesterday, reports Reuters.

The Confederation of Indian Industry (CII) released a survey which said 82 per cent of small firms favour liberalisation and 72 per cent expect business to pick up between October 1995 and November 1996.

India's small firms, which traditionally have enjoyed protected markets, tax breaks and easy bank credit, have long feared that economic reforms would wipe them out.

Such apprehensions may have been misplaced. The small-scale sector grew at a faster rate than big business between 1991, when Prime Minister PV Narasimha Rao launched his reform programme, and 1994.

Small-scale output grew by 5.6 per cent in 1992/93 (April-March) and 7.1 per cent in 1993/94, while overall industrial production expanded by 2.3 per cent in 1992-93 and 4.1 per cent in 1993-94, government data showed.

The CII's 10th annual outlook for small business was based on a survey of 414 small firms across sectors.

Food shortage in LITTLE-held region

COLOMBO, Aug 18: Thousands of civilians are facing a food shortage in Tamil rebel-held northern Sri Lanka, as authorities squabble over the International Committee of the Red Cross escorting food ships, officials said Thursday, reports AP.

The government administrative officer in Jaffna Peninsula, K Ponnambalam, has warned that flour supplies had run out, supplies have not reached the 800,000 residents of the peninsula since July 9 when the military launched its biggest offensive in eight years against Tamil rebels.

Five government chartered ships, carrying the monthly requirement of 9,000 tons, could not sail because of a military curfew during the offensive.

To complicate matters, after the curfew was lifted, the ICRC which used to escort the ships to the peninsula, pulled out last month when the rebels withdrew a promise not to attack the vessels. In June, an ICRC ship was sunk by a rebel mine of Kankesanthurai. One Indonesian sailor was killed.

The guerillas had objected to the ships unloading part of their cargo at Kankesanthurai, a government-held port. The guerillas say the food was used by the military.

The Red Cross has offered to escort food ships to the rebel-held port of Point Pedro, with security checks and anchoring overnight at the military port of Kankesanthurai, officials said.

The offer is being considered by the defence ministry, said an official at the Commissioner General of Essential Services' Department. He did not wish to be identified.

Three ships loaded with supplies, including kerosene oil, are awaiting orders to sail, the official said.

"There has been no conclusion to the negotiations to resume escorting the ships... certain clarifications need to be made, but we hope there is a possibility of doing so soon," said Shaun Hoyt, a spokesman for the Red Cross. The ICRC has escorted food ships in Sri Lanka since 1989.

The rebels are fighting for an independent homeland in the north and east.

operate an airline here. Officials declined to give any details of the talks, but the South China Morning Post spoke of a deal worth up to 350 million Hong Kong dollars 45 US dollar, representing 10 per cent of Dragonair.

The China National Aviation Corp. bought 5 per cent of Cathay Pacific in 1992.

Another 12 per cent of Cathay, and 46 per cent of Dragonair, is owned by Citic Pacific Ltd, a Hong Kong-listed arm of Beijing's China International Trust and Investment Corp.

Cathay's majority shareholder, Swire Pacific Ltd, of Hong Kong, also owns about 13 per cent of Dragonair.

KUALA LUMPUR: Malaysia will formulate a new industrial master plan that the government hopes will guide manufacturing from the year 1996 to 2006.

The plan will emphasize on developing 'industrial clusters,' said the trade and industry minister, Rafidah Aziz on Friday at the start of a week of consultations with the private sector on the plan.

Clusters mean industrial townships with a concentration of manufacturer and suppliers of parts and goods.

Although manufacturing contributes the most towards

Asia business briefs

Malaysia's economic advancement, about 12.5 per cent of total growth, industries and suppliers tend to be scattered. The private sector as the prime mover of manufacturing activities will have to assume ownership of the planning process, Rafidah said.

Six areas have been identified for the study to formulate the master plan: transportation equipment, electronics and electrical goods, materials and advanced materials, chemicals, food processing and textile and apparel.

The lead organisation for the study, commissioned by her ministry, is the Malaysian Institute of Economic Research while DRI-McGraw-Hill, a US-based economic data and consulting firm, is to help in international analysis.

JAPAN — Mitsubishi Heavy Industries Ltd. Japan's leading heavy industrial concern, has won a contract along with trading house Itochu Corporation to build a urea plant in Bahrain, Mitsubishi Heavy announced Friday.

Mitsubishi Heavy said the plant will be operated by Gulf Petrochemical Industries Co, a Bahrain-based chemical company. Mitsubishi Heavy hopes to complete construction of the plant by September, 1997.



Michael Jackson replies to E-mail received from fans in a "Simulchat" on cyberspace in New York on Thursday. — AFP/UNB photo

Jackson meets cyberfans

UNDATED, Aug 18: Michael Jackson invaded cyberspace Thursday night, answering pre-screened questions from fans connected by computer to the Internet and the three major online services, reports AP.

Jackson's virtual interview — text only, no pictures — for the first time linked the chat rooms of America Online, CompuServe, Prodigy and the Internet, the global network. The words also scrolled across MTV and Sony's giant TV screen in New York's Times Square.

"I'm doing the simulchat because I love my fans and the real people, and this is my chance to talk to you," Jackson said. "We live in an amazing age that our forefathers only could have dreamed of."

"We're pioneering, and I think it's great."

Jackson took the opportunity to attack tabloid media, although he didn't exactly break new ground in his answers.

"You must not believe everything you read, it's tabloid garbage," he said. "I just want everyone to be aware that the media is garbage."

Attendance figures for the cyberchat were not immediately available, although more than 4,000 people were logged onto the America Online version of the event.

Asian stock markets close mixed

HONG KONG, Aug 18: Asian stock markets ended the week mixed Friday, with share prices falling in Tokyo for the second straight day, reports AP.

Tokyo's Nikkei Stock Average of 225 selected issues closed at 18,032.49 points, down 117.21 points, or 0.65 per cent. The average now has fallen 126.24 points in two days after posting a 706.01-point gain on Wednesday.

The Tokyo Stock Price Index of all issues listed on the first section fell 8.10 points, or 0.56 per cent, to 1,433.32. The TOPIX lost 7.59 points, or 0.52 per cent, on Thursday.

Share prices fell on profit-taking by domestic institutional investors and dealers in reaction to recent sharp gains. The market's main index rose this week to six-month highs.

Meanwhile, the US dollar was quoted at 97.89 yen, up 0.01 yen from Thursday's close and above its 97.05 yen in late New York trading.

In Hong Kong, share prices closed generally mixed in light trading. The Hang Seng Index, the Hong Kong market's key indicator of blue chips, slipped 0.84 point, or 0.01 per cent, closing at 8,895.82. On Thursday, the index slumped 88 points.

Brokers said the market continued to be hit by selling pressure, and that trading was light as many investors remained on the sidelines awaiting directions from overseas markets.

WELLINGTON: New Zealand share prices closed lower in moderate trading.

Although the details of the officials' contract aren't public, a Mitsubishi Heavy spokesman said the company will receive 10-15 billion yen (102-153 million dollar) for the plant.

Mitsubishi Heavy said the plant will produce 1,700 tons of urea a day when completed. It will be operated by Gulf Petrochemical Industries, or GPIC, joint venture between the government of Bahrain, Saudi Arabia's Saudi Basic Industries Corporation and Petrochemical Industries Co. of Kuwait.

The project will be the first time for Mitsubishi Heavy to be the main contractor of a plant in Bahrain, although it provided machinery including compressors for a GPIC plant in the early 1980s.

Urea is used in making plastics, fertilizers, adhesives and other products.

NKK Corp, a leading Japanese steelmaker, aims to double the amount of equipment its engineering division procures from overseas to 22 billion yen 224 million dollars this fiscal year.

NKK is looking to increase procurement particularly from machinery makers and materials producers in Europe and southeast Asia, a spokeswoman said.

The company expects the high level of the yen versus the dollar will make overseas parts and equipment more affordable, she said Thursday, adding that with the dollar at 100 yen, the goal to double overseas procurement would still stand.

The dollar this week rose to a six-month high of 99 yen. Further dollar appreciation could cause the company to reassess its plans, she cautioned.

NKK buys a range of equipment and materials from overseas for its engineering business.

Japanese companies have been increasing procurement of materials from overseas for several years to cope with the yen's consistent appreciation.

Those materials, if priced in dollars or currencies pegged to the dollar, are cheaper in yen terms.

NKK ranks second in crude steel production in Japan after Nippon Steel. It owns 70 per cent of US-based National Steel Corp.

Fiji — Sugar mill workers ended a nine-day strike Friday after an industry tribunal awarded them a 3.5 per cent salary increase.

The strike brought production of sugar, Fiji's principal export, to a standstill.

The World Bank, in its most recent regional report, described sugar and tourism as the lifeblood of the South Pacific island nation's economy.

Fiji produces about 500,000 tons of sugar a year. Earnings from sugar account for about 12 per cent of Fiji's gross domestic product. — Source: AP

Strike mars live TV coverage of Russian space launch

MOSCOW, Aug 18: A strike by workers at the Baikonur space centre is jeopardising traditional live TV coverage of an international space launch, a news agency reported Friday, reports AP.

The staff of the television centre at Baikonur, the sprawling former Soviet launch site in Kazakhstan which Russia now leases, have not been paid for three months, ITAR-Tass reported.

The 50 workers responsible for TV launch coverage say they will not return to work until they are paid.

Due to an oversight, their department was not included in an agreement between Russia and Kazakhstan on the use of Baikonur, and so no funding was allocated, the agency said.

Russia and Kazakhstan will have to negotiate the status of the TV centre or sell it to resolve the problem, the agency said.

Russian astronauts Yuri Gidzenko and Sergei Avdeyev are scheduled to leave with their German colleague Thomas Reiter for training at Baikonur on August 23, while the launch is scheduled for October 3.

Japan gives \$17.6m aid to Vietnam

HANOI, Aug 18: Japan, Vietnam's biggest aid donor, gave the communist country 1.6 billion yen (17.6 million US dollars) in grant aid today to upgrade primary schools in the north, the Japanese embassy said, reports Reuters.

An agreement for the aid was signed by a senior embassy official and Vietnam's education ministry.

Japan resumed aid to Vietnam in 1992 after a long break and now gives it about 600 million dollars every year.

Int'l donors will meet in Paris to discuss Yemen's economy

CAIRO, Aug 18: International donors are to meet at the end of the year in Paris to discuss the Yemeni economy, Yemen's Deputy Prime Minister Abdel Kader Bajammal said yesterday, reports AFP.

The United States, Japan, France and Britain as well as Arab and international financial institutions will take part in the conference to be sponsored by the World Bank, Bajammal told the Arab Daily Al-Sharq Al-Awsat.

He did not give a date for the conference, which he said, would promote economic ties between Yemen and the rest of the world.

Yemen hoped to attract western investors in the field of oil metallurgy and construction, said Bajammal who is also Yemen's Planning and Development Minister.

He told the London-based paper that Sanaa was "determined" to implement economic reform, including a "large privatisation programme which will begin with the electricity sector."

International donors last met to discuss ways of supporting the Yemeni economy in Geneva in 1991.