

Israel proposes \$ 100 m fund to create jobs for Palestinians

JERUSALEM, Mar 18: Prime Minister Shimon Peres proposed a 100 million dollars international fund Sunday to create jobs for Palestinians and ease the hardship created by Israel's closure of its borders with the West Bank and Gaza Strip, reports AP.

The ban on travel, which keeps tens of thousands of Palestinians from jobs inside Israel, would continue indefinitely, he said, because Yasser Arafat's Palestinian Authority had not yet done enough to combat terrorism.

"There can be no choice but to continue the closure," Peres said.

The measure runs counter to the open borders and interlocking economies envisioned by the Israel-PLO accords and preferred by Peres. It was imposed February 25, following the start of a wave of suicide bombings in Israel that killed 58 victims.

Palestinian officials say the closure costs their economy millions of dollars daily and has driven unemployment to

around 70 per cent. They also argue that by increasing desperation in the Palestinian areas, it feeds support for the Islamic militant groups trying to wreck the peace process with terrorist attacks.

The proposed fund reflects Israel's acknowledgment that the closure is creating "an insufferable situation of distress that is also very dangerous from a security point of view," Environment Minister Yossi Sarid said Sunday.

Arafat spokesman Nabil Abu Irdineh declined to comment on the proposal, saying the Palestinians had not been told about it.

The cabinet also took other steps to soften the effects of the closure — allowing shipments of food, medicine and humanitarian aid into the West Bank and Gaza. Four truckloads of flour and a truckload of tea arrived in Gaza on Sunday from Israel.

Peres also said Sunday that Israel's troop redeployment in Hebron, the only West Bank city still under Israeli control,

would depend on the Palestinian Authority's fight against terrorism.

Under the terms of the Israel-PLO autonomy agreement, Israel was supposed to withdraw troops from Hebron by the end of March.

But after the bombings, Peres said the withdrawal would depend on Arafat's crackdown against the militants and on fulfillment of his pledge to remove clauses calling for Israel's destruction from the PLO charter.

Israel police, meanwhile, shut down two Islamic organizations on Sunday on suspicion they transferred funds to families of Hamas members involved in attacks.

Palestinian police confirmed arrests were made, but did not say how many.

Earlier Sunday, Police Minister Moshe Shahal said hi-tech equipment donated by the United States would be used to separate Jerusalem from the West Bank without turning the city into an armed fortress.



A queue of tempes for fuel oil in the city yesterday, the tenth day of non-cooperation programme called by the major opposition political parties. —Star photo

Polls show 67 pc Britons oppose Euro currency

LONDON, Mar 18: Two-thirds of Britons are against trading in their pounds for a single European currency and 80 per cent would like a referendum on the issue, a poll released yesterday said, reports AFP.

A total of 67 per cent were against adopting the currency, which is to be called the Euro, in Britain, said the NOP poll published in the Sunday Times.

Twenty-three per cent were in favour.

A huge majority of 80 per cent would like a referendum in Britain on the single currency question, the survey said.

Responding to questions on Britain's EU membership, 30 per cent said they believed it had been good for the country. Thirty-seven per cent said it had been bad for Britain, but good for the rest of Europe, and 13 per cent said it had been bad for everyone.

Asked how they would vote in a general election, 53 per cent said they would back the opposition Labour Party, up by three percentage points since last month's 29 per cent. Conservative (up one per cent) and 14 per cent Liberal Democrat (down three per cent).

The NOP interviewed 1,500 on Thursday for the poll.

Russia firm on ban of US chicken imports

MOSCOW, Mar 18: The Russian government is standing behind a ban on US chicken imports ordered by health officials who claim American sanitary standards are inadequate, reports AP.

Deputy Prime Minister Alexander Zaveruykha said lifting of the ban, which effectively went into place on Saturday, depended on American poultry producers taking steps to eliminate the danger of salmonella.

"Russia stands and will stand on principle" behind the suspension of import licensing, Zaveruykha said in a meeting with farmers Saturday in the city of Voronezh.

The suspension was initially announced on February 16 and the last licenses issued expired Saturday.

Zaveruykha said the media was whipping up a "political racket" over the ban on imports which was ordered by the Ministry of Agriculture's veterinary department, the Interfax news agency reported Saturday.

Vyacheslav Avilov, the ministry's chief veterinary inspector, said on Friday that the United States had met most of Russia's demands, but the

problem of salmonella had not been resolved in time to beat imposition of the ban.

Moscow offered to meet immediately with US officials to solve the problem, but so far no answer had been received despite the expiration date of import licenses, he told Interfax.

Prime Minister Viktor Chernomyrdin agreed in principle two weeks ago to drop the ban in exchange for assurances from US Vice President Al Gore that the quality of US chicken exports will be closely monitored.

The American procedure for salmonella testing does not satisfy Russia because it "does not exclude the possibility of contamination with dangerous intestinal diseases," Avilov said.

US officials have rejected Moscow's complaints about health and sanitation standards and said a ban was simply an effort to protect struggling Russian farmers.

In Washington, Department of Agriculture spokesman Tom Amontree said Friday that the United States was getting "confusing messages" from Russia, but would continue talks.

Sale of gold up in Taiwan

SINGAPORE, Mar 18: Taiwanese investors cleared banks of bullion bars during China's military exercises off the island last week and the effects rippled through the international market, traders and analysts say, reports Reuters.

Shipments of gold from major suppliers worldwide have been piling up in Taiwan to meet orders as investors rediscovered gold as a safe haven in turbulent times.

Taiwan's Pan Asia Bank said it had imported more than five tonnes of gold since March 8 and sales had been 10 times more than normal.

On Thursday the state-run Central Trust of China Bank said it had doubled its normal shipments of gold and had 30 to 40 people lined up outside its doors before opening time to buy bullion.

London analysts said gold had fallen from 400 US dollars in February to 393 dollars an ounce in early March, but that strong Asian demand rippling outwards from Taiwan had sparked a five-dollar rally.

Indian rupee may depreciate after general elections

BOMBAY, Mar 18: The Indian rupee, which staged a surprisingly strong recovery against the dollar this month, is expected to depreciate after general elections in April or May, according to analysts and exporters here, reports AFP.

The rupee strengthened to about 34.20 to the greenback on Friday after a six-month downward spiral that saw the rupee fall last month to a record low of 38.50 rupees to the dollar.

That was around 20 per cent off the rate of 31.37 rupees to the dollar which prevailed for more than two years until August.

The central bank, the Reserve Bank of India, put in place a package of steps that halted the decline including forcing exporters to repatriate earnings that were being held overseas in anticipation of a weakening rupee.

Exporters, who have been hit hard by the stronger rupee, said it was "artificially high."

Post elections, said Allison, the rupee was expected to fall to between 35 and 36 to the dollar. "New Delhi would not want the dollar to strengthen too much," he said.

Allison said the rupee "would crash to 40 for one dollar by the end of 1996 if a party seen as unfriendly to foreign direct investment is voted in."

A recent report by Standard Chartered Bank's treasury division said it would be reasonable to expect a moderately weaker rupee until after the elections and until a new government is in place.

The report, which was prepared in December, said the rupee could find itself in a semi-controlled float in a range of 35 to 36 to a dollar during the latter half of 1996.

Finance Minister Manmohan Singh said this month he did not expect any major changes in the value of the rupee in the next couple of months.

Analysts said increased dollar inflows from foreign portfolio investors, expatriate Indians, Indian corporates and exporters as well as central bank selling of dollars had strengthened the rupee.

He expected the rupee to fall to between 36 and 37 to the dollar soon after the elections. "That would be a realistic level till the end of the year if a stable government is voted in," he said.

"If there is an unstable government, the rupee could take a severe beating," he added.

An analyst with a US-based stockbroker who declined to be named said there could be pressure on the rupee from next month.

"I see the rupee depreciating post-election to 35 to the dollar and expect an annual depreciation of about seven per cent," he said.

Analyst Devesh Kumar with stockbroker W.I. Carr (Far East) expected rising import payments to see "a pick up in demand for dollars from May onwards."

The dollar is undervalued at 34 rupees, he said. The earlier sharp depreciation in the value of the rupee has been corrected and it has moved up, more than necessary.

Analyst Ian Allison of Birla Marlin Securities said New Delhi would maintain the rupee-dollar exchange rate at 34 to the dollar "till the elections as they believe a strong domestic currency sends out the right signals to voters."

Int'l business fair opens in Cairo

CAIRO, Mar 18: Forty-six countries, including Israel, joined the ceremonies on Saturday as Egypt opened its 29th international business fair, officials said, reports AP.

Prime Minister Kamal Ganzuri inaugurated the fair, where 34 nations have official delegations while 12 others are represented by companies, Supply Minister Ahmed Al-Guwelli told reporters.

Nearly 1,400 companies, about 1,000 of them Egyptian, are taking part in the fair.

Azerbaijan and Cameroon are joining the fair for the first time, while this is the second year to a row that Israel has participated.

Revenues from the fair should reach 12 million Egyptian pounds (3.5 million dollars), up 2 million pounds (600,000 dollars) from last year, Guwelli said.

The fair will be open only to business for the first six days, then be opened to the public until it ends March 29.



Participants seen practising their skills at a day-long workshop on "An Introduction to Common Software" arranged by Bangladesh Professional Secretaries Association in collaboration with Concept Computer Network on Friday.

Marcos mausoleum faces power cut for non-payment of bills

MANILA, Mar 18: Electricity will be cut off to the refrigerated crypt housing the remains of the late President Ferdinand Marcos if his widow does not pay the bills soon, the power company said Monday, reports AP.

With some four million pesos (154,000 dollars) in bills unpaid, the Ilocos Norte Electric Cooperative was set to turn off the power Monday at the Marcos mausoleum, said Romulus Pascual, a company official.

But, he said, the vice governor of Ilocos Norte, Marcos home province, asked for an extension.

Pascual said officials of the cooperative agreed to continue power services until April 30 to allow the widow, Imelda Marcos, and loyal supporters of the ousted ruler to find ways to pay the bill, which has accumulated since 1989.

Marcos was ousted in the "people power" revolution of February 1986 and fled to Hawaii, where he died in 1989.

Pascual said he has not been contacted by Mrs. Marcos, who represents her own home province of Leyte in Congress, on how the bill would be paid.

Computer software piracy Japanese banker held on suspicion

TOKYO, Mar 18: A Japanese bank employee has been arrested on suspicion of illegally copying and selling "Windows 95," the popular Japanese-language version of the well-known computer software, officials said Monday, reports AP.

It was the first time in Japan that any person has been arrested for allegedly pirating Windows 95 software since it went on the market last year, said Akio Koyama, spokesman for the Aichi Prefecture (state) Police.

Microsoft Corp. the US software company headed by Bill Gates, began selling the Japanese version of its Windows 95 in Japan in November. Japanese computer makers soon began marketing full lineups of Windows 95-equipped personal computers.

The man arrested Sunday was identified as Junji Fukuda, 46, an acting section manager at Sumitomo Trust and Banking Co's Tokyo head office, according to police and bank officials.

A Sumitomo Bank spokesman, speaking on condition of anonymity, said the company will apologise if the alleged pirating by Fukuda proves to be true. The spokesman refused to provide further information regarding the arrested employee.

The arrest comes as Japan has been criticized abroad for what is seen as a lack of seriousness in cracking down on alleged violations of copyright laws.

Following complaints from the United States and Europe, a Japanese government agency said last month it is planning to provide 50 years of copyright protection for music recordings.

Japan currently gives no protection to recordings produced before 1971, meaning that people can legally copy old albums, such as those made by Beatles, and sell them without paying royalties to either the artists or recording companies.

Fukuda was suspected of illegally copying the Japanese Windows 95 and its related software and selling them for a total of 114,489 yen (1,090 dollars) to 13 people between April 1995 and February this year. Fukuda knew the 13 through a computer communications network, the police spokesman said.

Fukuda sold the copied versions of the computer software for one-third the regular retail price of around 10,000 yen (95 dollars) per set, police said.

Acting on tips from undisclosed sources, the prefectural police have been posted to watch a bank as well as the bank accounts of customers who have bought the copied versions, Koyama said.

Koyama said two of the 13 people involved were residents of Aichi Prefecture, central Japan. Fukuda used a fake name to send a list of copied software via electronic mail to the buyers, asking them to transfer money into a forged bank account, the spokesman said.

If convicted, violators of Japan's copyright law face up to three years in prison, or a fine of 1 million yen (9,500 dollars).

China will remain self-sufficient in grain: Li

BEIJING, Mar 18: Premier Li Peng said yesterday China will remain self-sufficient in grain, despite growing fears that its population and per capita grain consumption are rising too fast, says AP.

"China has great potential for increasing grain yields and will remain self-sufficient in feeding its population of 1.2 billion people," Peng told a news conference after the closing session of the National People's Congress.

He said China's ninth five-year plan (1996-2000) and its long-term economic goals "underlined the importance and detailed measures to be taken for enhancing agricultural development."

These measures comprise the use of high-technology to boost yields, widespread irrigation to increase the acreage of fertile land, a diversification of food sources through aquaculture and forestry and the one-child-per-family population control policy.

China had a record grain harvest of 465 million tonnes in 1995, up from a disappointing 444.6 million tonnes the previous year.

But Chinese experts say the country will have to ensure annual average increases of four million tonnes over the coming 35 years in order to provide sufficient grain, and the US-based Worldwatch Institute has warned that China could face a deficit of 365 million tonnes by 2030.

Japan's trade surplus shrinks 46pc in Feb

TOKYO, Mar 18: Japan's surplus in merchandise trade continued to fall in February, slipping 46 per cent from the same month last year to 6.13 billion dollars, the government said Monday, reports AP.

Imports remained strong in February, rising 17 per cent to 27.9 billion dollars for the 36th straight month of expansion.

Exports, meanwhile, fell 3.3 per cent to 34.1 billion dollars for the first monthly drop in three years.

Japan's imbalance in merchandise trade has been slipping thanks partly to efforts by Japanese manufacturers to move production overseas as a way to avoid the debilitating effects of high production costs at home and an unfavorable exchange rate.

The decline in Japan's surplus last month from the 11.31 billion dollars posted in February 1995 marked the eighth consecutive monthly drop from year-earlier levels.

The politically sensitive imbalance with Japan's largest trading partner, United States, fell 29 per cent to 3.44 billion dollars in February from 4.85 billion dollars a year earlier.

Autos led the decline in overall exports, dropping 12 per cent in value and 8.6 per cent in volume. Automakers have been especially aggressive in moving production offshore.

Shipments of other products such as televisions and videotape recorders, as well as those of industrial machinery and chemical products, also showed a sharp year-on-year decline in February.

The surplus with the European Union also fell for the second straight month, due largely to a sharp increase in imports of such items as clothing, chemical products and optical equipment.

Imports were pulled up by items such as computers and other office automation machinery, which surged 59 per cent in February. Clothing and accessories, as well as semiconductors, also contributed to the steep increase.

Imports of crude oil, which account for a large part of Japanese imports, jumped 11 per cent in value terms as the average import price rose to 19.11 dollars per barrel from 17.99 dollars per barrel a year earlier.

The merchandise trade surplus is measured as goods pass customs but before adjustment for seasonal factors.

Most currencies in Asia, Pacific rise slightly over the week

HONG KONG, Mar 18: Most currencies across the Asia-Pacific region either rose slightly against the US dollar or remained little changed, as China's series of military manoeuvres and exercises off the coast of Taiwan tended to dominate the attention of traders, reports AP.

JAPANESE YEN: The yen edged against the dollar in directionless trading this week as overall sentiment towards the US currency remained positive, dealers said.

It stood at 105.76 yen to the dollar in late trading Friday, compared with 105.42 yen a week earlier.

After drifting lower in the early part of the week, the Japanese currency firmed on Wednesday as the dollar retreated on weaker US bond prices.

But it fell back again towards the week's end, depressed by a rumour that the Taiwanese central bank was buying back the dollar when it appeared that tensions with China were easing. Following the market's close, China announced a new series of military manoeuvres off Taiwan.

Higher US stock and bond prices Thursday also supported the dollar against the yen here on Friday.

TAIWAN DOLLAR: The Taiwan currency strengthened to close Friday at 27.453 against the US dollar, gaining 0.46 Taiwan cents from the previous week's finish range between 27.499.

The local unit has moved at tight range between 27.499 and 27.50 from Monday to Thursday due to massive intervention by the central bank to bolster the Taiwan dollar amid Chinese military exercise against the island.

An easing of tensions across the Taiwan Strait Friday spurred selling of the US dollar and helped the local unit pick up steam. Following this, China announced a new series of military manoeuvres to run through Taiwan's presidential elections this week.

AUSTRALIAN DOLLAR: The Australian dollar made strong gains over the week, despite the release of data which broke local currency down.

The Australian dollar closed at 77.33 US cents, compared to 76.68 US cents a week earlier.

The only weak point was a quarter-cent softening Friday when selling out of Hong Kong and Tokyo let the currency slide, brokers said.

The release of stronger employment figures for February and a revision of treasury estimates for the 12 months to June 1997, which sent the budget into deficit, failed to make an impression on the dollar, leaving it to continue its steady climb upwards.

Traders were generally confident the currency would continue climbing towards 78.00 US cents in the week ahead.

On the Central Reserve Bank of Australia's trade weighted basket of major trading currencies, the local unit ended at 56.4 points from 55.8 the previous week.

HONG KONG DOLLAR: Ended the week at 7.7314-7.7324 to the US dollar, slightly up from a range of 7.7322-7.7332 a week earlier.

SINGAPORE DOLLAR: The Singapore dollar ended the week stronger against the US dollar at 1.4070 from 1.4075 previously.

"There is no short term upside potential for the greenback. We therefore expect it to remain at these levels or slip lower over the next week," said Tan Kee Wee, an analyst with Singapore's United Overseas Bank.

NEW ZEALAND DOLLAR: The New Zealand dollar closed Friday strongly up to 68.85 US cents compared with 67.49 of a week earlier.

Part of the rise was attributed to an 800 million NZ (550 million US) bid by Asian investors for a 20 per cent stake in Brierley Investments Ltd.

Trading volume Friday was only moderate.

"The market's wary. It's not really sure whether its bullish or bearish at these levels," a dealer said.

The Central Reserve Bank issues its economic forecast on Thursday.

INDONESIAN RUPIAH: The Indonesian currency closed on Friday at 2,336 rupiah to the US dollar, or 11 rupiah lower than at closing the previous week.

MALAYSIAN RINGGIT: The ringgit ended the week 53 points higher at 2,5392 to the US dollar, on good commercial demand for the local unit coupled with heavy offshore selling of the greenback, dealers said.

There was keen interest in selling of the dollar on perceived easing of tensions between China and Taiwan.

PHILIPPINE PESO: The Philippine peso depreciated to 26.204 pesos to the US dollar on March 15 from 26.192 pesos to the greenback on March 8.

SOUTH KOREAN WON: South Korea's currency weakened to close the week at 780.7 won to the US dollar, compared to 777.9 won at the previous week's close.

THAI BART: The Bank of Thailand's exchange equalisation fund Friday fixed the official midrate at 25.21 baht, a dealer at the Thai Farmers Bank said.

China-Taiwan tension may hurt Thai tourism

BANGKOK, Mar 18: Thailand's tourist industry should brace for a bad period because of the tensions between China and Taiwan, a leading bank said Monday, reports AP.

Taiwanese were the third largest group of tourists to visit Thailand in 1995, while mainland Chinese were the fifth, said a report from Thai Farmers Bank Research Centre.

In 1995, 475,000 Taiwanese visited Thailand, while 380,000 Chinese came.

"The political tensions will have an adverse affect" on tourist arrivals from both countries, the bank said.

The effects also may be felt in related service and retail industries, as visitors from Taiwan spend an average of 184 dollars a day on an average six-day trip, the bank said. Chinese spend an average of dollars 160 a day for a seven-day trip, it added.

Also Monday, the House of Representatives' foreign affairs committee asked officials of the foreign affairs, labour and social welfare ministries to explain what plans they have to assist Thais working in Taiwan should hostilities with China break out.

Taiwan, which is building several major infrastructure projects, has become the largest market for Thailand. More than 120,000 Thais were working in Taiwan in 1995, mainly in construction and manufacturing, a large leap from the 10,000 who were working there in 1992.

Fokker staff get dismissal notices

THE HAGUE, Mar 18: More than five thousand staff of the bankrupt Dutch aircraft company Fokker received dismissal notices at the weekend, company sources said Sunday, reports AP.

The redundancy notices and a thank you letter from management were sent to employees' homes by special delivery.

For 950 of the company's 5,664 employees the package also contained a letter of engagement from their new employer, Fokker aviation, which groups the viable space, military, electronics and fleet maintenance subsidiaries.

Fokker aviation, with 2,500 staff, Fokker Space BV, the military branch Fokker Special Products BV, electronics unit Fokker ELMO BV and Fokker Aircraft Services BV.

A further 350 staff are being kept on for three months to finish building aircraft already ordered.

A telephone helpline for former employees and their families has been set up. In the central city of Dordrecht, where several Fokker workshops were located, 15 job-search consultants have been sent to help those made redundant.

Fokker, one of the world's oldest aircraft-makers, was declared bankrupt on Friday after aviation industries of China (AVIC) and South Korea's Samsung aerospace industries failed to come up with a rescue plan.

The decision meant not only one of the biggest mass layoffs in Dutch corporate history, but also job losses abroad for firms that supplied the long-ailing company.

Students from 85 states meet to discuss economic problems

WARSAW, Mar 18: Students from some 85 countries opened a nine-day meeting in Warsaw Sunday to discuss the challenges of a global society and exchange ideas on solutions to resolve worldwide economic problems, reports AP.

The annual congress of the International Association of Students in Economics, Commercial and Sciences (AIESEC), which calls itself the world's largest student-run organisation, is being attended by some 600 youths.

Also attending were Poland's President Aleksander Kwasniewski and George Soros of the US-based Soros foundation, that has been helping eastern European countries to establish market economies.

"Meetings like this help us to learn how to work in a team, help us to exchange ideas," said Iva Hadziska, an 18-year-old from Bulgaria.

Dave Naczyc, who studies international relations at the University of Michigan, said he felt the gathering helped increase worldwide "economic cooperation."

Soros said that following the collapse of the communism, organisations like AIESEC face a challenge of building up an open society — to cope with the "defects of capitalism such as inequality of wealth and instability of the economic system."

"The prevailing ideology today, the ideology of laissez faire — that everybody acts for himself, and then everything will take care of itself — is now even more dangerous than communism," Soros said.

AIESEC, which is financed by donations from private companies and foundations, claims 25,000 members, students from more than 800 schools worldwide. It was established in 1948 to promote student exchange programmes and develop youth interest in world affairs.