

## China will extend pension benefits to all workers

BEIJING, Apr 19: Pensions and insurance covering unemployment and medical care will be extended to cover workers throughout China, a senior official was quoted as saying on Friday, reports AP.

The comprehensive system will eventually become compulsory for all employers and employees in China, the China Daily reported.

Laws establishing the system will be in place by 2000, the report quoted a vice minister of labour, Wang Jianlun, as saying.

China will set up a new medical insurance system to replace the free medical care system in cities that has been in place for decades under the communist government.

The new system is designed to prevent abuse of medical resources and alleviate the burden of heavy medical bills. Attempts to reform the medical system have meant that increasingly costs are passed on to patients.

A pilot project for medical insurance was introduced in six cities and Hainan province last year and will be extended to 80 cities in a pilot programme, the report said.

In the next five years, accident and maternity insurance will be extended to at least 80 per cent of China's cities and countries.

## Sudan stops debt payments to IMF

KHARTOUM, Apr 19: Sudan has stopped its debt payments to the International Monetary Fund because it can no longer afford them, the governor of the Central Bank said in published remarks Thursday, reports AP.

"We have stopped paying the sum to the IMF since last January because of our inability," Sabir Mohammed Hassan, the bank governor, told the Modern Sudan newspaper.

He promised that the country would resume payments when it could.

Sudan has a foreign debt of more than 16 billion dollars, of which an estimated 1.7 dollars is owned to the IMF.

After falling into arrears, Sudan resumed token payments to the IMF in January 1995 to avoid becoming the first country expelled from the Washington-based institution.

The nation has been torn by a civil war since 1983 which has hurt commerce and drained the treasury of needed development funds. The war pits the Islamic North against rebels who have been fighting for autonomy for southern Christians and animists.

Consumer prices have been rising rapidly, and the value of the Sudanese pound has been depreciating. The pound currently is trading at about 1.260 to the dollar, compared with about 600 in mid-1995.

In the interview, Hassan blamed rising government outlays and heavy government borrowing from the banking system for inflation that has doubled the prices of some goods over the past year.

He said the Central Bank was pushing for a reduction in government spending and other anti-inflation measures.

## British public deficit in March \$14.5b

LONDON, Apr 19: The British public deficit in March was 9.6 billion pounds (14.5 billion dollars), the office of national statistics reported yesterday, reports AFP.

This figure, which was broadly in line with market expectations, brought the total deficit for 1995-96 to 32.2 billion pounds. This is more than three billion pounds above the government target for this financial year.

In the budget presented in November last year, the chancellor of the exchequer Kenneth Clarke allowed for a deficit of 29 billion pounds for the 1995-96 fiscal year to March 1996.

This reduces the scope for vote-winning tax cuts in the budget in November this year. The governing Conservative Party, which is some 30 points behind the opposition Labour Party in opinion polls, must call general elections by May next year.

Most of the overshoot in the target for the shortfall between government revenue and spending, known as the public sector borrowing requirement (PSBR), was caused by a shortfall in tax receipts mainly through Value Added Tax and corporation (company) tax.

These totalled 244.8 billion pounds in 1995-96, compared with the treasury's forecast of 247.2 billion pounds.

In the same period, central government spending was 280.3 billion pounds, above the treasury's forecast of 278.8 billion pounds.

Kenneth Clarke said: "My main aim is not just tax-cutting ... the main aim is to make sure we have the most successful economy in Western Europe."

He insisted, however, that the government deficit was on a downward trend: "What matters is that we are delivering a downward path. PSBR is going to be a long way down on last year."

## 1176 illegal workers held in US

WASHINGTON, Apr 19: The Immigration and Naturalisation Service has in recent weeks arrested over a thousand illegal aliens working in more than 100 businesses across the eastern United States, says Deputy Attorney General Jamie Gorelick, according to USIS.

A total of 1,176 aliens from 31 countries (8 from the Middle East/South Asia region) were arrested in 19 states, Puerto Rico and the Virgin Islands in a series of raids March 18 to April 12, she told reporters April 17.

The worksite enforcement operation began when INS obtained various leads about businesses and industries that are often associated with illegal employment, such as food processing, garment manufacturing, and construction. Although the initial raids focused on the illegal workers, follow-up probes will likely lead to prosecution or civil penalties against those employers found to have knowingly violated the law, said Gorelick and Sale.

In addition, three business could lose their federal contracts and be barred from competing for such contracts

again, in accordance with an executive order signed by the president last February, Sale pointed out.

The operations concluded last week are not unusual. INS has made worksite enforcement a priority. Our agents are out every day across the country, targeting illegal employers who disregard immigration laws, and working with federal and local agencies to remove illegal workers and make those available to legal workers," she said.

The 1,176 arrested aliens include three criminals, one of whom was wanted for attempted murder in New York. At least 14 had outstanding warrants for deportation. Most of the others have already been deported as well, said Sale.

Most of the arrested persons came from Latin America: Mexico 784, Ecuador 83, El Salvador 65, Guatemala 60, Honduras 36, Venezuela 29, Colombia 21, Brazil 19, Peru 18, Dominican Republic 18, Jamaica 6, Nicaragua 3, Dominican 3, St. Lucia 2, Costa

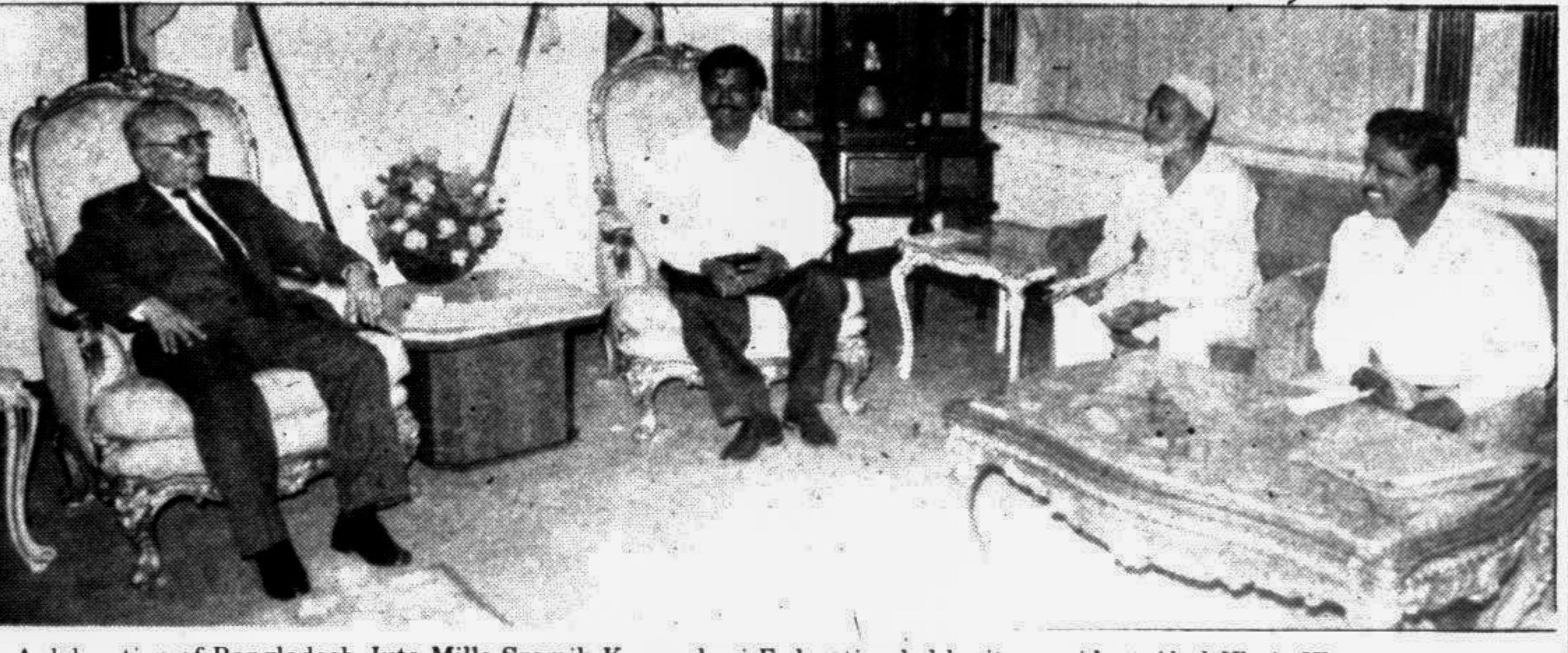
Rica 1, Haiti 1.

The rest came from 15 other countries in every region of the world, including South Asia, the Middle East and North Africa: India 3, Lebanon 2, Egypt 2 and Morocco 1.

The operation was a cooperative effort involving federal, state, and local law enforcement agencies. Not only immigration issues were involved: the US Labour Department took part, and is charging some of the businesses with wage-hour violations including paying sub-minimum wages. Labor also says the businesses engaged in unauthorized withholding of wages owed to the workers.

Freeing the 1,176 jobs opened up 15.3 million in annual wages for legal workers. Some of the jobs paid up to 13 per hour, according to Sale.

The two officials said the INS is in the process of increasing the number of its agents from 300 to about 700, guaranteeing that more such raids will take place.



A delegation of Bangladesh Jute Mills Sramik Karmachari Federation led by its president Abul Khair Khawza called on President Abdur Rahman Biswas at Bangabhaban on Thursday

— PID photo

## Reconstruction work in Beirut stops from fear of Israeli attack

BEIRUT, Apr 19: Work has stopped on major reconstruction projects in Beirut because contractors fear Israeli air strikes, and damage from the blitz will halve Lebanon's growth rate this year, officials said yesterday, reports Reuter.

Work on a 50,000-seat sports stadium and a major extension of Beirut airport had halted. Nabil al-Jisr, President of the government's Committee for Development and Reconstruction (CDR), said:

"The rate of growth that was expected to be between five and 6.5 per cent might shrink to two or three per cent," he said.

Jisr said the British company Trafalgar House Plc had stopped work on the sports stadium and Hochtief AG of Germany had stopped work on the airport.

"Work on the sports city has stopped because the company there could be Israeli air attacks," Jisr said in a televised statement.

He said Hochtief also stopped work on the airport for fear of Israeli air raids. The project is one of the biggest contracts in Lebanon's multi-billion dollars reconstruction programme.

The stadium and airport are both close to Beirut's Shi'ite Muslim southern suburbs

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## China lauds trade ties with S Korea

BEIJING, Apr 19: China's Deputy Trade Minister lauded trade ties with South Korea yesterday at the opening of a bilateral economic symposium aimed at further strengthening links between the one-time enemies, reports AFP.

"Sino-South Korean economic trade relations have witnessed rapid development during the past few years and the prospects are bright," Xinhua quoted Li Guohua, Vice Minister of Foreign Trade and Economic Cooperation, as saying.

China, which fought alongside North Korea in the 1950-53 Korean war, established diplomatic relations with the South in 1992, and bilateral trade has risen an annual aver-

age of 43.5 per cent since, to stand at 16.98 billion dollars in 1995.

The number one destination for South Korean overseas investment is now China, and a total of 6,154 projects had been established here by the end of 1995, worth 6.9 billion dollars in approved investment, according to South Korean statistics.

Sino-South Korean trade volume in the first quarter of 1996 was 3.9 billion dollars compared to 3.24 billion dollars for the whole of 1992, according to Chinese figures.

China is now South Korea's third largest trading partner, while South Korea is China's fourth largest.

SEoul, Apr 19: South Korea's leading computer maker said Friday it plans to build a personal computer manufacturing plant in Tianjin, China.

Trigem Computer Co. which churns out 1.2 million PCs a year, plans to double production through its China plant starting in 1998, a spokeswoman said.

Construction will begin later this year, she said. Trigem has a sales office in China last year.

Trigem, which also makes printers, modems, and other computer accessories, has been rapidly expanding in recent years as the result of a boom in the local computer market.

SHANGHAI: Fixed asset investment in China's state-owned sector grew by 16.2 per cent in the first quarter of 1996 from the same period last year, according to the State Planning Commission.

Fixed asset investment grew by seven per cent during the first two months of the year, compared with 28 per cent growth in the same period last year, and surged by 22 per cent year-on-year in March 1996, the state-run Xinhua News Agency said.

The data show continued progress in the government's effort to fight inflation by curbing investment in speculative and unprofitable projects.

The report said the government would keep tight controls on investment.

Fixed asset investment grew by 37 per cent in the first quarter of 1994; 59 per cent for the whole of 1993; and 43 per cent in 1992.

Analysts expect growth of slightly below 30 per cent this year. First-quarter investment growth was slowed by seasonal factors and delays because local governments set aside new project approvals until the National People's Congress determined in March a new development strategy for its ninth five-year plan, said An Lu, an analyst for Nomura International Co.

BANGKOK: The Commerce Ministry will seek Cabinet approval to open an office of commercial affairs on the Chinese island of Hainan, a ministry official said Friday.

## Aerospatiale of France buys UK battery company

PARIS, Apr 19: French state-controlled aerospace group Aerospatiale SA said Thursday its Aerospace Batteries (ASB) subsidiary has completed the acquisition of its British competitor, MSA (Britain) Ltd, reports AP.

The takeover strengthens the French company's dominant 90 per cent market share in the European market for thermal batteries by boosting its annual sales to around 100 million francs (20 million dollars).

The move puts it in a better position to attack the world market leader, American Picher, which enjoys a monopoly on the US market.

It would be the third such office in China, after those in Beijing and Kunming in Yunnan province.

The ministry said Hainan is rich in natural resources such as iron, and would be a gateway for Thai exports to mainland China.

The office would also facilitate exports of Thai rice directly to Hainan, instead of relying on the present practice of shipping them through China.

The Commerce Ministry is also urging the Foreign Ministry to open a consulate in Hainan.

Thailand and Russia have signed an air services agreement, Radio Thailand reported Friday.

The agreement will pave the way for three weekly flights between Bangkok and Moscow, and also flights between the two capitals with stops in either Vientiane in Laos or Hanoi.

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Entry in the tariff-cutting World Trade Organization requires member governments to relax various restrictions on

imports.

MANILA: The Department of Energy has awarded separate oil exploration contracts to Cophil Exploration Corp of the Philippines and to a consortium led by Stirling Resources NL of Australia.

The Stirling group, which includes Australia's Harman Resources NL and Sealot Pty Ltd, was given the right to explore 972,000 hectares (2.4 million acres) in the Babuyan Channel, northern Philippines, according to documents released by the department Friday.

Under the contract, the group must drill two wells within the one-year term of the contract. After the first well is dug, the consortium must inform the DOE within 120 days if it will enter into a service contract, drill a second well, or relinquish the contract.

Its financial commitments under the contract include a 300,000 dollars investment in seismic exploration and another 250,000 dollars per well. The penalty for non-drilling is 125,000 dollars per well.

TOKYO: New companies are being set up in Japan at a slower pace than in the United States, a researcher at a major think tank said Friday.

Shozo Ishibashi, a general manager at Nomura Research Institute, told reporters that setting up high-tech venture businesses in Japan is difficult because of the lack of funds, absence of managerial talent and other obstacles.

Japanese universities, key in originating research, lack patent offices, he said. Professors at state-run universities are not permitted to set up their own businesses.

SHARP CORP, one of Japan's top electrical machinery makers, said Friday it has established a joint venture with China's second-largest TV maker, Nanjing Panda Electronics Co.

The joint venture company will produce and market audio-visual products in China for the Chinese market and for export. Production is scheduled to begin in the summer of 1997.

— Source: AP

## WTO to set up panels in India-US textile disputes

GENEVA, Apr 19: The World Trade Organisation on yesterday agreed to set up two dispute panels to