

## Thailand eases visa rules for Central Asia, Eastern Europe

BANGKOK, Thailand. July 4: Thailand has eased visa requirements for 21 countries of Eastern Europe and Central Asia, allowing passport holders to obtain a tourist visa on arrival at Thai international airports, says AP.

The Cabinet approved a regulation Tuesday allowing the change from the previous system, which required previous approval from a Thai embassy or consulate. The changes are expected to be approved by Parliament without difficulty.

Interior Ministry officials said the aim was to expand tourism by making Thailand a more convenient place to visit. But critics fear that changes will simply make it easier for more people to exploit Thailand's sex industry.

The 21 countries include Latvia, Estonia, Lithuania, Poland, Hungary, the Czech Republic, Slovakia, Romania, Croatia, Russia, Ukraine, Belarus, Moldova, Georgia, Armenia, Azerbaijan, Kazakhstan, Uzbekistan, Turkmenistan, Kirgizstan and Tajikistan.

## Daewoo workers threaten strike

SEOUL, July 4: Workers in South Korea's second largest shipyard, Daewoo heavy industries, voted yesterday to go on strike after pay talks broke down, the union said, reports AFP.

Some 3,471 unionized workers, or 79 per cent of the membership, approved the union's call for a complete strike if their demands for a 14.57 per cent pay increase were not met. A partial strike would start Thursday, they said. The company is standing on an offer of 9.6 per cent.

Labour and management were due to meet again on Thursday to negotiate 31 unsettled points in the wage deal, a company spokesman said.

Daewoo heavy industry, a subsidiary of the leading Daewoo business group, has an annual capacity of 2.2 million gross tonnes, making it South Korea's second biggest shipyard.

The shipyard is located in the western port city of Inchon, 40 kilometres (25 miles) west of Seoul.

## Malaysia's national power co to buy electricity from Bakun Dam

KUALA LUMPUR, Malaysia. July 4: Malaysia's national power company signed an agreement Wednesday promising to buy electricity from a giant dam whose construction has been halted by a High Court order, says AP.

Under the agreement, Tenaga Nasional Ltd. would buy 70 per cent of the electricity generated by the Bakun Dam, which is scheduled to begin operation in 2003. Tenaga signed the agreement with Bakun Hydroelectric Corp. Ltd., a subsidiary of Ekran Ltd., the government-backed dam's private developer.

The agreement was supposed to have been signed June 24 but was postponed following a High Court order last month ordering Ekran to stop construction on flouting environmental laws. The court was acting on a petition by three residents of Sarawak state on Borneo Island, where the 5.44 billion dollars dam is being built.

Environmentalists say the dam will submerge large areas of rain forest and displace about 10,000 people.

The Sarawak state government, which has a share in the project through government-owned companies, has said it will pay 500 million ringgit (120 million dollars) in compensation to the natives and also build houses for them in new areas.

The government has said it is confident that construction on the dam need not be halted as the court order only refers to technical errors that can be corrected soon. Ekran, meanwhile, has appealed against the order.

The dam is to have a capacity of 2,400 megawatts and Tenaga is to pay 16.5 sen (6.6 US cents) per kilowatt-hour for the first five years and 17 sen (6.8 cents) per kilowatt-hour for the next 25 years.

Ekran had demanded 19.8 sen (cents) 7.92) per kilowatt-hour and it took more than a year of negotiations to cut the price.

# Yeltsin wins for market reform, but trouble looms

MOSCOW, July 4: President Boris Yeltsin, who campaigned against a return to communism with a pledge to carry on with market reforms, appears to have won a convincing victory in Wednesday's presidential election, reports Reuter.

But the transition to a Western-style economy was far from smooth in Yeltsin's first five years in the Kremlin and faces an array of potential hazards at the start of a new four-year term.

"The most we can hope for is further muddling through like we have right now. The time of radical reform is over," one western economist said last week.

Three difficulties stand out — a coming crunch in public finances that could threaten western loans and hard-won falls in inflation, the need to win communist parliamentary backing for his new government, and, possibly, the economic policy ambitions of new Kremlin security supremo Alexander Lebed.

Nonetheless, Russian and western financiers welcomed Yeltsin's big win, which seemed all but certain with

two thirds of the vote counted. Yeltsin has said he will reappoint Prime Minister Viktor Chernomyrdin, once had of the state gas monopoly. But unlike the outgoing team, the new government must be approved by a parliament dominated by communists since elections in December.

Chernomyrdin, in power since 1993, has already said he will reshuffle his cabinet. But Yeltsin, despite a purge of hardliners last month has ruled out a return of leading liberals such as Anatoly Chubais, who spearheaded the most dramatic market reforms in 1991 and 1992 and was sacked early this year.

But Yeltsin's comeback from single-digit popularity ratings this year has been bought with lavish, if often vague, promises of new spending and a dramatic go slow in tax collection. Analysts warn that a 40 per cent shortfall in first-half tax revenue and new spending means a cash crunch, inflation or both.

"Ahead lies a fierce clash with the very dangerous worsening of the economic situation and the necessity of overcoming a financial crisis," Kremlin Economic Adviser Mikhail Delaygin told interfax news agency on Wednesday.

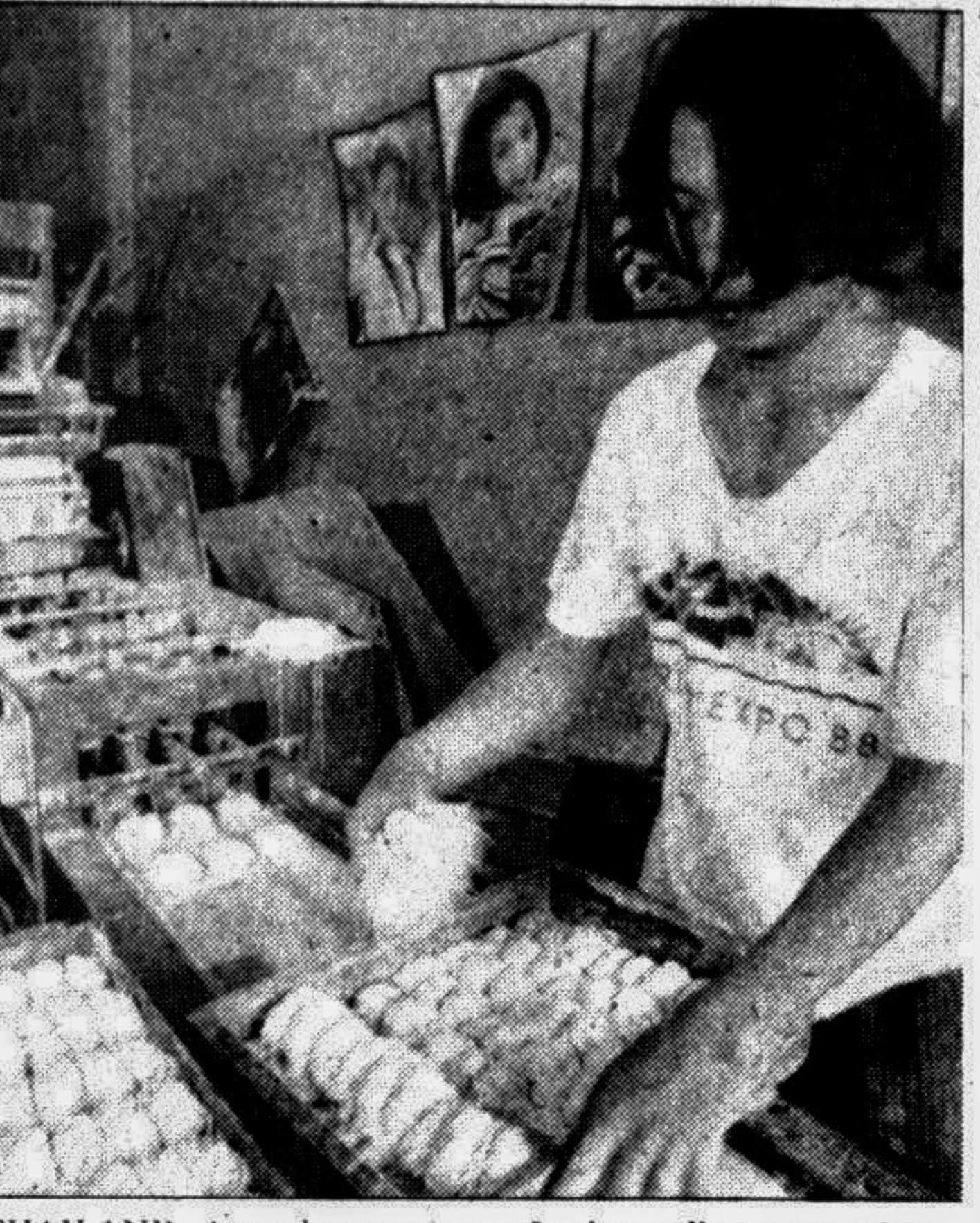
Yeltsin was already had to pay more attention to demands to protect Russian industries against foreign competition and restore welfare support for the needy.

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THAILAND: A worker arranges fresh noodles on wooden trays at a small noodle factory in the Thai capital Bangkok yesterday. Noodles are a staple ingredient of Thai cuisine, mainly used in soup, one of the most popular snacks in Thailand.

AFP/UNB photo

## Indian govt flayed for steep increases in petrol prices

NEW DELHI, July 4: India's month-old government ran into a storm of criticism from communist partners and trade unions on Wednesday after announcing steep increases in petroleum prices, reports AFP.

The CPI-M is one of 13 parties in Deve Gowda's United Front (UF) alliance, which stretches from free traders to Marxists.

But economists predicted the rise would add at least two percentage points to inflation.

The government said the increases were needed to plug a burgeoning deficit in a subsidy programme, called the oil pool.

Analysts said the government of former Prime Minister PV Narasimha Rao, wary of electoral fallout, had failed to adjust prices for two and a half years, allowing the deficit to grow out of control and jeopardise oil firms' finances.

But the government did not adjust the price of kerosene oil, which is used in cooking and thus is critical to many households' finances.

"While it is true that the Narasimha Rao government had callously allowed the oil pool deficit to go up constantly for over two years, the Deve Gowda government has chosen to bridge this by putting the

burden on the common people," the Communist Party of India-Marxist (CPI-M) said in a statement.

The CPI-M is one of 13 parties in Deve Gowda's United Front (UF) alliance, which stretches from free traders to Marxists.

Unlike its sibling, the Communist Party of India (CPI), the CPI-M has decided not to join Deve Gowda's fractured government.

There are no steps being taken to raise resources from the affluent sections and big business," the CPI-M said. "The Deve Gowda government has to show its capacity and willingness to take the rich."

The centre of Indian trade unions called on the working class to mount pressure on the government to withdraw the price increases.

Opposition parties eagerly denounced the price increases. The main opposition Bharatiya Janata Party threatened to launch nationwide protests unless the rises were rescinded.

SINGAPORE, July 4: ASEAN has predicted that six of its economies will post an average 1996 gross domestic product growth of 7.5 per cent, a shade lower than last year, with inflation falling to 4.8 per cent, reports AFP.

The forecast by the Association of Southeast Asian Nations (ASEAN) put Thailand's growth at 8.6 per cent, the highest in the group, and Brunei's at 2.5 per cent, the lowest, the Singapore Business Times said Thursday.

Other members of ASEAN are Indonesia, Malaysia, the Philippines, Singapore and Vietnam. Vietnam, which only joined the group last year, was not included in the forecast.

The report prepared by the ASEAN secretariat tipped 7.1 per cent for Indonesia, 4.4 per cent for Malaysia, 6.5 per cent for the Philippines and 7.0 per cent for Singapore.

The six countries averaged GDP growth of 7.6 per cent last year. Only the Philippines will see its economy grow faster this year by 6.5 per cent

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