

Business Briefs

IBM drops Manila wafer project plans

MANILA: American computer giant IBM Corp has temporarily dropped plans to build a joint-venture, \$ one billion wafer fabrication plant in the Philippines, its local partner has announced.

Lawrence Qua, president of Philippine electronics concern Ionics Circuits Inc, said Thursday a glut of computer wafers worldwide has forced the project to be put on hold.

A wafer fabrication plant is considered the backbone of the semiconductor industry because it produces the basic material for the production of microchips.

Qua said the oversupply was the result of a slowdown in sales of computers, especially in Asia which has been hit by a currency crisis, he said.

"We'll have to wait until the market is right for us to build a wafer plant here and (see) if government is ready to live up to its commitment on the project," he added.

Ionics and IBM were expecting to get Philippine government incentives to make the project viable. But the government, running a budget deficit, isn't keen on giving tax incentives at the moment.

North-to-south rail project in Taiwan

TAIPEI: After much haggling over the last few weeks the Taiwan High Speed Rail Corp, and the Ministry of Transportation and Communications finally signed the contract Thursday to build the country's massive north-to-south rail line.

"The rail project will surely boost Taiwan's economic growth... and will create 97,000 new jobs per year" in the cement, steel and infrastructure sectors, Premier Vincent Siew said at the signing ceremony.

The build-operate-transfer rail link will connect the northern capital of Taipei with the southern port city of Kaohsiung at a cost of more than 400 billion Taiwan dollars (11.62 billion US dollars).

The signing was delayed twice over disputes about the government's ability to complete 20 infrastructure projects related to the rail line and about a deposit placed by Taiwan High Speed Rail. It was originally supposed to be signed July 1.

Credit card-sized audio player

TOKYO: Nippon Telegraph and Telephone Corp. and Kobe Steel Ltd said Thursday they have jointly developed the world's smallest network audio player.

The two companies plan to commercialise the player, tentatively called Solid Audio, in the first half of the next fiscal year, which starts in April 1999.

The credit card-sized player obtains audio contents by downloading from network-computer ports in houses, offices and public places, and its 16-megabyte memory enables it to play back at compact disc quality, the two companies said.

Hyundai keen to buy Kia

SEOUL, South Korea: South Korea's leading automaker Hyundai Motor was sending a letter of intent Thursday to bid for Kia Motors Corp and its commercial vehicle maker, Asia Motors Co., a Hyundai spokesman said, reports AP.

Earlier this week, Samsung Motors Inc. sent its letter, becoming the first to do so among 23 automakers invited to join in the auction of the two troubled companies.

Last week, Korea Development Bank put Kia and Asia Motors up for international sale as part of its efforts to end the controversy over the companies' future.

Moody's downgrades Malaysia bond ratings

KUALA LUMPUR: An influential bond rating agency rattled Malaysia on Friday by predicting the economy would shrink by up to 5 per cent this year.

Moody's Investors Service Inc downgraded the country's long-term bond ratings to a medium grade just two notches above junk-bond ratings. Moody's also downgraded Malaysia's short-term foreign currency bonds.

Moody's assessment came one day after Malaysia announced an ambitious plan to revitalize an economy sinking into recession.

Thursday's government forecasts said the economic contraction would be checked at 2 per cent this year and it would begin to recover in 1999.

The rating agency said the downgrade reflected "the rapid deterioration in Malaysia's economy this year and the expected effects on the banking system and on government finance."

Govt takes aim at five key strategies to implement Nat'l Fisheries Policy

The government as part of its responsibility will give maximum emphasis on five main strategies for implementation of the National Fisheries Policy with a view to increasing fish production throughout the country, reports BSS.

Official sources told the agency in Dhaka yesterday that the government's efforts would be exerted on extensive research, expansion, training, consulting service and supervision in the overall fisheries sector, the main provider of animal protein to the day to day meal of the country's people.

Besides, the government will play its supplementary role to encourage the private sector in fish production. This role includes providing training on improved technology and management, supply of high-variety fish, fish health service, supply of fish feeds, ensuring fair price and proper marketing of fish, cooperation to create association and priority of real fishermen in getting khas waterbodies.

According to an official statement, the total domestic waterbodies are 43.38 lakh hectares including 40.47 lakh hectares of open waterbodies with floodplains, 1.52 lakh hectares of dighponds and haors and 1.38 lakh hectares of coastal shrimp farm.

Besides, there is 1.66 sq kms area of sea up to 200 nautical miles along the 480 kms of coastal line. All these sources of fish resources can contribute enormously to the rural economy by creating opportunities

of self-employment and providing protein to the vast population in the country, the officials observed.

The statement said a total of 14.92 lakh metric tons of fish were produced from these sources in 1997-98 fiscal, which is 8.65 per cent higher than the production level of 1996-97 fiscal year.

Meanwhile, State Minister for Fisheries and Livestock Satish Chandra Roy spelled out the main features of the National Fisheries Policy as increasing and developing fish resources, poverty alleviation, providing animal protein to consumers at home, raising export and preservation of environment and biodiversity.

The state minister said, the present government as part of its sincere efforts approved the National Fisheries Policy in April this year and observed that no government during the last 21 years since 1975 had taken any initiative in this regard.

The officials said the present government in fulfillment of its commitment to remove poverty through creating employments took up a special project during the last year and helped nearly 7,000 unemployed youths achieve success under this programme.

The project titled 'Poverty alleviation through coordinated fish cultivation' will be expanded in phases, the officials said, adding unemployed youths and distressed women are being provided loans free of

interest under this programme. In the course of time, they said, these loans will be used as revolving fund.

The present government, which considers the importance of the fisheries sector in the socio-economic development of the country, allocated a total of Tk 586.18 crore in the Fifth Five-Year Plan. The fish production target has been fixed at 20.75 lakh metric tons in the last year of the Fifth Five-Year Plan period (during 2001-2002) when the per head availability of fish will be 35 grammes, the officials said.

Besides, the government has fixed the fish export target at 95,000 metric tons during the Fifth Five-Year Plan period to fetch Tk 3804.50 crore as export earnings. With this and in view, the officials said, the government incorporated 30 fisheries sector project in the current ADP with a total allocation of Tk 85.60 crore. Last year's allocation was 73.21 crore for a total 31 projects incorporated in the fisheries sector.

However, the officials said, the Fifth Five-Year Plan has provided for considerable development of the fisheries sector through intensive and semi-intensive fish production in open waterbodies as well as dighs, ponds, floodplains and irrigation projects.

The government is now actively considering creation of safe sanctuaries for various fish on a regional basis to ensure natural breeding and free movement of fish species in open waterbodies, which pro-

vides nearly 50 per cent of the total annual fish production in the country.

The per head fish consumption was 33 grammes in 1962-63 which came down to 21 grammes in 1979-80 but. This has now shot up to 25.60 grammes due to increase in fish production, the officials said.

The government during the Fifth Five-Year Plan period will preserve the natural fish breeding areas as safe sanctuaries, impose ban on catching fish with eggs and small fish fries, provide adequate loans to fish farmers, arrange for importing hatchery apparatus for private fish farmers and make available fish feeds and other required materials for this sector.

Besides, measures will be undertaken to build an efficient manpower in the fisheries sector both at government and non-government level, side by side preservation of larger water bodies and application of biodiversity for the fisheries sector management.

Other measures include implementation of the fisheries management policy mitigatory steps to stop harm on fish production due to flood control as well as water management and urbanisation programmes, modern technology for shrimp production, and strengthening the survey in ascertaining the real reserve of sea resources.

The government will also use modern certificate system to ensure qualitative standard of exportable shrimp and other fishes, the officials said.

Betel leaf farmers face bad days in SW dists

From Our Correspondent

MAGURA, July 24: Betel leaf farmers in 10 south-western districts of the country is facing bad days.

A group of growers in Magura district told this correspondent that they were facing serious problems in cultivating betel leaf due to manifold reasons including lack of government patronisation, increasing prices of agri-inputs, lack of marketing facilities and bank loans.

Meanwhile, several thousands betel leaf growers have been compelled to leave their paternal profession.

The prices of bamboo, jute sticks, ropes, straws, natural and agri-manure like oil cake which are needed for betel leaf cultivation increased sharply, they said.

A quality bamboo sells for Tk 110 to 120. Straws and jute sticks are not available in many areas of the 10 districts.

According to the Agriculture Extension Department, betel leaves are grown in Magura, Narail, Jessore, Bagerhat, Satkhira, Khulna, and sadar thana of Kushtia district and some areas of Chuadanga and Meherpur districts.

Betel leaf, one of the most important cash crops in the country, is exported to many countries. Besides, it is used as a raw material of medicines, knowledgeable sources said.

According to them, about Tk 25,000 to 28,000 is needed for a biga of land to cultivate betel leaf. But the produce sells below its production cost.

The growers alleged that they did not get loans from the

commercial banks for betel leaf cultivation.

Some wholesalers said there is huge demand for betel leaf in foreign markets like Pakistan and Middle Eastern countries.

The growers urged the government to take proper initiative to improve the betel leaf cultivation in the districts.

Indian FDI inflows double in June despite sanctions

NEW DELHI, July 24: Foreign direct investments in India almost doubled in June over the previous month despite US and Japanese sanctions after New Delhi's May nuclear tests, a business daily said yesterday, reports AFP.

India attracted 16 billion rupees (410 million dollars) of overseas investments in June against 8.6 billion rupees (220 million dollars) in the previous month, The Economic Times reported, citing official sources.

India staged five nuclear tests in May, provoking a tit-for-tat response from its arch-rival Pakistan.

The United States and Japan slapped sanctions against both neighbours, leading to fears that foreign investments would be sharply hit. The US sanctions have since been relaxed.

The Economic Times said total foreign direct investment in the six months to June had crossed 1.5 billion dollars.

India attracted foreign direct investments worth 3.2 billion dollars in 1997.

Four awarded for agri performance in Magura

From Our Correspondent

MAGURA, July 24: Magura Agriculture Department awarded prizes to four of its block supervisors for their best performance.

The prize-giving ceremony was held at the district's sadar thana parishad auditorium recently.

Deputy Director of the department Md Wazuddin presided over the function while Advocate Biren Siddar, MP, was present as chief guest.

A total of 103 block supervisors and other agri-workers attended the ceremony.

Yen tumbles as Obuchi becomes LDP chief

TOKYO, July 24: The yen fell heavily against the dollar today after Foreign Minister Keizo Obuchi was elected head of Japan's ruling Liberal Democratic Party, dealers said, reports AFP.

At 5:00 pm (0800 GMT), the Japanese currency was quoted at 140.53-55 to the dollar.

The yen had fallen to a low of 141.70 yen at 3:15 pm (0615 GMT) after Obuchi's election to the top party post, which paves the way for him to become Japan's next prime minister.

But the yen climbed back to 141.20 shortly afterwards.

In earlier trading, the currency fetched 141.04 to the dollar and 141.40 in New York late Thursday.

Against the mark, the dollar was quoted at 1.7850-52 marks, compared with 1.7857 four hours earlier in Tokyo and 1.7864 in New York late Thursday.

Compaq expects continued profit in Asia

SINGAPORE, July 24: US computer giant Compaq expects continued profitability in crisis-ridden Asia but will cut costs in its regional operations nonetheless. The Sunday Times reported, says AP.

Paul Chan, Compaq's Asia-Pacific vice president and managing director said Friday the company plans to cut inventory and introduce more value-added products to ensure profitability in the region, according to the newspaper.

Chan stressed the need to ensure proper inventory levels by improving efficiency in the company's supply network.

Compaq's second-quarter sales in Asia-Pacific dipped 15 per cent from the previous quarter, the report said. The company noted sales in Indonesia fell sharply because of the recent social and political unrest there.

The Indonesian crisis has affected our volumes dramatically," Chan said. In 1996 it looked as if Indonesia was going to be a fairly large market for us, but then came the crisis."

"Demand (there) is still good, but the credit is not," he added.

Compaq posted a 3.6 billion dollars net loss in the second quarter because of huge charges related to its purchase of Digital Equipment Co. and global plant closings.

Manila urges Southeast Asian nations Take lead in reshaping world financial system

MANILA, July 24: In his debut Friday on the international stage, new Philippine President Joseph Estrada urged Southeast Asian nations to take the lead in reshaping the world financial system to ensure that Asian-style currency crises are not repeated, reports AP.

Estrada, speaking at the opening of the annual meeting of foreign ministers from the Association of Southeast Asian Nations, said the nine-nation group also needs to strengthen its ties to win back the confidence of investors and recover from the devastating regional financial crisis.

Only a few countries in ASEAN — once the world's most rapidly developing region — are expected to escape recessions this year.

"As we have gone through this storm together, we have acquired a deeper realization that we need to bind ourselves to one another even more tightly," Estrada said. "After all, the world treats us as one; we get rewarded and we get penalized as one."

The speech was Estrada's first on foreign affairs since his inauguration June 30. During his campaign, the former action movie star pledged to focus on domestic concerns and limit his overseas travel, particularly to poor countries, which he said was a waste of time.

He told the ASEAN ministers, however, that Philippine foreign policy would be anchored on Southeast Asian solidarity. Close relations within ASEAN, he said, should be forged through greater frankness.

"Let us be open to one another and freely and candidly exchange views on matter how controversial the issue," he said. "Only by talking freely and candidly can we rise and build and prosper together."

In an unprecedented discussion over dinner Thursday night, the foreign ministers took the more cautious step of agreeing to support more frank expressions of views within ASEAN about events in member nations when they affect other members.

But they decided to maintain the group's cardinal principle of non-interference in each country's domestic affairs.

UN promises more development aid for ASEAN

MANILA, July 24: The United Nations promised an additional six million dollars in aid to Southeast Asia on Friday to help alleviate poverty, create jobs and fight environmental pollution during the next three years, reports AP.

A letter of intent was signed between the UN Development Programme and the Association of Southeast Asian Nations just before the opening of the annual ASEAN foreign ministers' meeting.

The UN Development Programme has been giving aid to ASEAN since the groups formation in 1967.

The latest assistance is to be used "for promoting the ASEAN countries' economic recovery and tackling the social problems arising from the economic situation in the region," said the letter of intent signed by Rodolfo C Severino Jr., the ASEAN secretary general.

The group — which consists of Brunei, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam — also committed itself to using the money to combat pollution, especially cross-border haze caused by foreign fires in the region.

Iraq negotiates with 22 cos to boost oil output

BAGHDAD, July 24: Iraq is negotiating with 22 foreign companies that could help develop oil fields and vastly increase production, Iraq's oil minister was quoted Thursdays saying, reports AP.

LT Gen Amer Mohammed Rashid told a Parliament committee that Iraq aimed to raise production to 6 million barrels a day, the weekly Al-Zawara newspaper reported.

That would be nearly double its 3.4 million barrel daily output before the 1990-91 Gulf crisis.

Iraq plans to "start production at the big and newly-discovered fields which have not been developed yet to accomplish our plan to increase production limits to 6 million barrels per day," Rashid was quoted as saying.

Rashid said, the companies negotiating with Iraq included France's total and Elf Aquitaine. He did not name them, but said they included ones from "Europe and

Southeast Asia and China for the same purpose." Russia's Lukoil also is known to be holding talks with Iraq.

Western oil company officials have said they will not proceed with oil field development until UN trade sanctions imposed after Iraq's 1990 invasion of Kuwait are lifted.

Iraq had been exporting about 1.6 million barrels per day under the UN-approved oil-for-food programme, which allows the country to sell limited quantities of oil for food and medicine for its 22 million people. An additional 800,000 barrels a day are produced for local consumption.

In recent weeks, however, UN officials have said Iraq exports had risen to 2.4 million barrels a day. Oil industry experts suggested this reflected a drawdown of stocks and said it probably couldn't be sustained.

The oil-for-food programme initially allowed Iraq to export billion worth of oil every six months.



A worker of Daewoo Motors, dressing like a beggar, performs during an anti-government rally to rising layoffs outside Daewoo headquarters building in Seoul on Wednesday. — AP/UNB photo

EU ministers strike deal on checking marine pollution

SINTRA, Portugal, July 24: European environment ministers reached what they called a landmark deal on Thursday on reducing marine pollution in the northeast Atlantic, including new rules on dismantling old oil rigs and curbing radioactive discharges, reports AP.

The ministers from 12 European Union nations, Norway and Iceland agreed that most decommissioned oil rigs must be dismantled on shore.

At the insistence of Britain and Norway, where most of the 720 rigs are located, the ministers shied away from a total ban on sinking rigs at sea.

The dismantling of 40 of the largest offshore installations — those weighing more than 10,000 tons — will depend on the conclusions of case-by-case technical feasibility studies, the ministers said after a two-day meeting here.

The rigs' stumps, or footings, may be allowed to stay on the sea floor because it would be too hard to remove them.

Addressing another key issue at the conference, the ministers also agreed to reduce discharges of radioactive waste to "close to zero" by 2020. No specific target was set.

Nuclear companies had warned that adopting the so-called "zero option" for radioactive discharges would put them out of business.

Officials declined to set a cost on the measures, the expense of which could run into hundreds of millions of dollars.

The meeting in this town on Lisbon's outskirts was the first at ministerial level for the Convention for the Protection of the Marine Environment of the Northeast Atlantic.

The decisions are legally binding on the convention's members, whose waters stretch from the Arctic Circle in the north to Portugal on Europe's southwestern tip.

"I doubted we'd clinch a deal. It was very difficult," Portuguese Environment Minister Elisa Ferreira said after all-

night negotiations.

British Deputy Prime Minister John Prescott emphasised that jobs and investment would be generated by dismantling disused rigs.

"This deal is a very good example of how gain comes out of an environmental objective," he told reporters.

Britain and France were at the centre of the negotiations on levels of radioactive waste.

More than 90 per cent of all radioactive waste discharges into the sea covered by the accord come from three nuclear reprocessing plants, located at Sellafield and Dounreay in Britain and at La Hague in France.

French Environment Minister Dominique Voynet said the agreement represented "a huge step forward" in environmental affairs.

Norwegian Minister Guro Fjellanger said she was still worried by discharges from Sellafield, which are amassing on the Scandinavian coastline.

1998 will be a year of recession, says Malaysia

KUALA LUMPUR, July 24: Malaysia projected a grim economic outlook for 1998 after conceding that a recession was inevitable, reports AFP.

"Some sectors such as construction, manufacturing, and services have been badly hit and growing numbers of workers are being retrenched," minister for Special Functions Daim Zaiduddin said.

He was speaking at the release of the national economic plan report.

The report came 10 days after Finance Minister Anwar Ibrahim said Malaysia's economy was projected to shrink by one to two per cent this year, revising an earlier forecast of two to three per cent growth.

The report came amid growing business pessimism with the corporate sector weighed down by a credit squeeze and mounting debt.

This year's projected fall in the gross domestic product would be the first decline in 13 years.

Malaysia's GDP grew 7.5 per cent last year with the full impact of the regional currency crisis only starting to be felt in the December quarter.

US, DPRK set up joint economic committee

SEOUL, July 24: An economic committee between North Korea and the United States had been set up to coordinate business between the two countries, North Korea's central news agency (KCNA) said today, reports AFP.

A joint committee for the promotion of economic cooperation has been inaugurated here for the purpose of coordinating investment and trade cooperation between businesses of the Democratic People's Republic of Korea and the United States, said the KCNA, monitored here.

"The committee will advance constructive suggestions for encouraging investment and trade," it said, adding that it will also "contribute to deepening understanding and promoting exchanges between businesses."

Further details on the committee were not available.

The report came as Washington and Pyongyang were poised to meet next month to discuss various bilateral issues including the possibilities of easing imposed US economic sanctions on North Korea.

Tanzania earns \$139m from fish exports in '97

DARES SALAAM, July 24: Tanzania earned 139 million US dollars last year from selling abroad processed fish netted in Lake Victoria, a minister disclosed here yesterday, reports Xinhua.

Minister for Natural Resources and Tourism Zakia Meghji told parliament which is in session in central domo that some 50,000 residents in the lake regions of Mara and Mwanza have been employed in fish catching, processing and exporting.

"In order to increase the income of fishermen, the owners of the processing industries give fishing gears to them in the form of soft loans and they sell their fish to the industries in return," the minister said.

Meghji said the industries have provided local governments a lot of revenue and managed to control malnutrition in the lake region because of a great local fish consumption to provide enough protein.

Last week, Meghji said Tanzania has planned to export fresh fish products, mostly Nile perch, to China, Japan and Australia in a bid to lessen dependence on a volatile European Union (EU) market.

She said the government appreciated the EU's lifting a six-month ban on imports of fresh fish products.

Japanese finance minister puzzled by Moody's credit rating review

TOKYO, July 24: Japanese Finance Minister Hikaru Matsunaga said Friday he "can't understand" why US credit rating agency Moody's Investors Service placed Japan's government debt under a rating review, says AP.

Moody's announcement on Thursday, a blow to Japan's struggling economy, signalled doubts about Japan's ability to repay its debts. A downgrade would raise borrowing rates for the country's government and companies.

Matsunaga said Japan has plenty of money to pay its debts. "Japan's foreign exchange reserves have, if anything, increased recently, and the amount of our foreign asset holdings is huge," Matsunaga said at a regular news conference.

He said he told a reporter on Thursday.

"I can't understand why it (Moody's) is reviewing," he said.