

McNamara offers \$8b plan for check

# Population boom may eat up economic gains

UNITED NATIONS, Dec 11: Former World Bank president Robert McNamara warned that the world's population could triple within 100 years and wipe out most economic gains if nations did not inaugurate a multi-billion-dollar birth control programme, reports Reuter.

In a speech to the UN Population Fund, McNamara proposed an eight-billion-dollar programme by the year 2,000, with 3.5 billion dollar from industrial nations and 4.5 billion spent by developing countries themselves.

The World Bank, he said, should organise the financing and serve as the lender of the last resort.

Nothing that the world's population of 5.4 billion could triple within 100 years, McNamara said nations must take "immediate action to accelerate the reduction of population growth rates" in the 1990s. He pointed out that biologists said there were limits to the numbers of people the globe can support, but no one knew exactly what those limits were.

"Within the past decade, four global environmental phenomena have surfaced: the

loss of bio-diversity, acid rain, destruction of the ozone layer and climate change," he said.

"All are a function of rising population levels and increasing consumption per capita," McNamara said.

Industrial nations, McNamara noted, consume seven times as much per capita as Third World countries and should reduce their consumption to "assure a sustainable path of development for all the inhabitants of our planet."

He said infant mortality rates have fallen, while literacy, nutrition and life expectancy have increased. But the number of people suffering from hunger has increased to over a billion, the number of illiterates has risen to 900 million and infant mortality rates over at unacceptable levels.

Another report from Egypt adds: Egypt's population boom is swallowing the hard-earned benefits of its economic reform programme, the Minister for the Economy warned on Tuesday.

"There is no obstacle..... to the successes the Egyptian economy has achieved except the dangerous population

growth which has exceeded all expectations in the past 10 years," Youssri Mustapha said in a speech to business students.

Listing signs of progress in Egypt's reform programme in the past few months, he added that population growth undermined the reforms by spawning higher imports and foreign debt.

The International Monetary Fund (IMF) will next week review how Egypt has fared in the reforms which it embarked on in May.

But with a million extra mouths to feed every nine months, turning market reforms into better individual standards of living is an uphill struggle.

Mustapha said Egypt's trade deficit had risen in the fiscal year ending June 1991 — exports had grown, but imports had grown faster.

Ironically, the rate of population growth is actually slowing down in Egypt which has run family planning programmes since the 1960s.

No precise figures are available but experts in the field estimate annual population growth has dropped to about 2.3 per cent, from about 2.8

per cent five years ago.

Egypt's population, now about 56 million, has more than tripled in the past 50 years. On current trends, it will top 70 million by the end of the decade.

Mustapha said inflation had dropped from 22 per cent in 1989/90 to 17 per cent in 1990/91. He predicted it would fall again to 15 per cent by June 1992, and to just six per cent by June 1994.

He cited currency reform and the freeing of interest rates as factors that have created a stable base for economic growth and defended controversial treasury bills the government began issuing in January to cover its budget deficit.

"Inflation has been brought under control by financing the budget deficit from the real savings of citizens, and not by printing bank notes as in the past," he said.

Currency exchange had boomed since the government unified exchange rates two months ago, he said. Over 34 million dollar changed into Egyptian pound compared to less than nine million dollar a day officially when the black market flourished.

## Japanese aid team visits projects

By Staff Correspondent

A four-member Japanese team during its recent visit to Bangladesh observed the functioning of various projects implemented under Japanese aid, loan assistance and technical cooperation.

The team was sent by the Council for Foreign Economic Cooperation, which is an advisory group for Japanese Prime Minister.

Led by Tadaishi Ito, a council member, the Japanese team stayed in Bangladesh from December 3 to 7.

The purpose of the visit was to facilitate the Council of Japanese Aid Policies in taking decisions regarding Bangladesh, according to Japan embassy sources.

During their stay, the team members exchanged views on bilateral relationship between Japan and Bangladesh with M Saifur Rahman, Finance Minister, Enam Ahmed Choudhury, Secretary Economic Relations Division, and other officials concerned.

The projects visited by the team include Narayanjanj General Hospital, Meghna Bridge, Institute of Post-graduate Studies in Agriculture (IPSA) project at Salna (Savar). They also visited Urea Fertilizer Factory, food storage godowns, fish processing and refrigeration facilities project of Bangladesh Fisheries Development Corporation in Chittagong and some cyclone-affected areas.

Yasuo Maruyama, a member of the team and a member of the governing body of International Labour Organization, termed the visit fruitful saying that he was impressed by high demand for Japanese economic cooperation in Bangladesh.

## Tea brisk

CHITTAGONG, Dec 11: The weekly tea sale held here Tuesday saw brisk activities as buyers were active, market sources said, reports BSS.

Buyers for Poland and internal market competed for broken grades, particularly for bold brokens and well made types which had a dearer market.

Pakistan buyers absorbed the bulk of the fannings grades, generally at firm rates. Good liquoring types were in good demand. Internal buyers also lent good support.

There was wider demand for broken grades at generally dearer levels. Bold brokens were again mostly a dearer market following competition. Plainer and inferior types, however, eased slightly with fair withdrawals.

Good liquoring fannings met with a good market at around last levels and occasionally dearer while all others eased slightly following quality.

Nine hundred and twenty-seven chests of green tea on offer met with a fairly good demand at easier rates. Fine Young Hyson sold between Tk 54 and Tk 60/40, YH between Tk 52 and Tk 60 and Hyson between Tk 52 and Tk 60/10 per kg.

Five thousand two hundred and sixty-six chests of dust category on offer met with fairly good demand but at generally lower levels. A few powder types, however, were a strong feature.

There were 27,929 chests of tea on offer.

## UAE plans oil output raise

ABU DHABI, Dec 11: The United Arab Emirates (UAE) has chalked out plans to increase its oil production capacity to 3.5 million barrels per day (BPD). Oil Minister Yousef Omais Ibn Yousef said, reports AFP.

## Key decision on future union

Here are the key decisions regarding future European unification that were announced Wednesday by the 12 European Community leaders. They are to take effect on Jan 1, 1993 after ratification by the national legislatures in all 12 EC states.

### Monetary Union

The EC nations will create a European Monetary Institute on Jan 1, 1994. The precursor of European Central Bank that will start operating on Jan 1, 1997 at the earliest.

The bank will issue a single European currency any day after Jan 1, 1999. It is hoped at least seven EC nations — all with low inflation and modest budget deficits — will abandon their national monies and



Jute Minister Hannan Shah delivering his speech, as chief guest, at the workshop titled "Jute and Bangladesh Ecology" at Bangladesh Agricultural Research Council (BARC) auditorium Tuesday.

## Check use of polythene: Experts

# Jute policy urged

A just-concluded workshop on jute has urged the government to set up a Jute Commission and formulate a jute policy based on its recommendations, reports UNB.

The commission should include experts, government officials and representatives of all those engaged in the production and trading of jute.

It suggested, in order to carry out the proposed jute policy a permanent 'Jute Commissioner' should be appointed.

The workshop has also recommended diversified use of natural fibres like jute and Kenaf instead of artificial fibres to avoid environmental hazard.

The participants in the workshop suggested that permission for new polythene industries should be controlled to check environmental pollution.

They said the Bangladesh Jute Research Institute and

other research organisations working for jute sector should develop environmentally-sound jute retting method in close cooperation with the Department of Environment.

Other research activities, they said, should include identification of high-yielding jute seeds, alternative uses of jute and jute products and low-cost processing technologies.

They suggested that public awareness for increased use of jute products should be created and government should encourage use of jute products like curtain, carpet or mat in the offices and jute blankets in hospitals.

Other recommendations of the workshop are:

- (1) Jute and jute cuttings should be used as raw material for production of pulp and all grades of paper including packing material. In this respect, further technological and economic studies should be undertaken without delay.

(2) Price stabilization is essential to safeguard farmers' interest. Built-in mechanism should be developed for timely bank loan but with proper financial discipline.

(3) Further promotional activities for the sale of jute and jute goods should be undertaken both at home and abroad.

(4) Jute research should be strengthened and one per cent earning from jute and jute goods should be earmarked for research and extension work.

(5) Government should take steps to make relevant facts on jute known to all through various media.

About 60 delegates from different organisations participated in the day-long workshop held at BARC Tuesday.

It was co-sponsored by the Commonwealth Human Ecology Council (CHEC), Bangladesh and Bangladesh Agricultural Research Council.



A five-member Italian delegation, led by the country's Ambassador in Bangladesh Dr Claudio Paffico, called on State Minister for Civil Aviation and Tourism Mr Abdul Mannan at the ministry Tuesday. —PID photo

# US, EC advance conflicting demands for GATT accord

GENEVA, Dec 11: The United States and the European Community have been making a "genuine effort" to end the farm conflict that is holding up the clinching of a new world trade deal, the U S Ambassador to the General Agreement on Tariffs and Trade said Tuesday, reports AFP.

However Ambassador Rufus Yerxa, speaking after a new round of US-EC talks on GATT, also made it clear that Washington now expected new concessions to come from the European side, while an EC official made the opposite demand.

Yerxa said that EC concessions to end the long-running dispute on subsidies to farm trade, which has held up the signing of the Uruguay Round of GATT tariff cuts for almost a

year, were not sufficient.

The U S negotiator expressed hope that if both sides showed a "spirit of cooperation," the talks could conclude before the deadline of December 20 set by GATT Director-General Arthur Dunkel.

"If it drags on into the next year... I think we've got a serious problem," Yerxa told a press conference at GATT headquarters here.

The two sides, the world's two biggest farm exporting blocs, are trying to cut in overall farm tariffs of around 65 per cent over five or six years, amid resistance from the EC and concern among the hard-pressed American farmers about their export markets.

The U S official was particularly firm on the issue of ex-

ports of so-called cereal substitutes, such as soybeans and corn starch, which the EC continues to want to restrict.

The United States is a major exporter of such products, which are used as substitutes for cereals in livestock feeds.

The EC has sought to trade off concessions on allowing U S imports of cereal substitutes for reciprocal advantages, a process known in GATT jargon as "rebalancing."

But Yerxa flatly stated: "there is no possibility of rebalancing being part of this deal."

An EC official insisted however that without U S concessions on cereal substitutes, there would be no agreement at all.

Asked about Japan's objections to the tariff agreement, Yerxa said simply: "oh, they will survive."

# Bush seeks Democrat help to pull up economy

CHICAGO, Dec 10: President George Bush said on Tuesday that the US economy's performance was unacceptable and pledged to work with Democrats who control Congress to try to reach agreement on a plan to turn it around, reports Reuter.

The President travelled to Chicago for the latest in a series of trips to show his concern for the economy. He also wants to rally Republican support in the middle west, a key battleground in the 1992 presidential campaign.

Bush toured the Chicago Board of Trade and spoke from the "soybean pit" of the agriculture trading floor. Brokers wearing brightly coloured sport coats cheered Bush and then pandemonium broke out when he picked up a hammer and rang the ceremonial bell opening trading for the day.

"I am not happy nor is anybody with the state of the economy," Bush said. "We want to see it moving. We want to see it growing."

The President's popularity has taken a slide simultaneous with the slowdown in the US economy. Bush's prudence, so important to his foreign policy successes, has proved a liability on the economy because of

a perception of inaction at a time when people are losing their jobs.

Bush has rejected advice from many private business people and economists to move swiftly on a new plan to trigger economic growth. He has decided to wait until his annual State of the Union Address in late January to unveil a growth package.

"I will gather up the best ideas I can between now and

## Shares in Tokyo close lower

TOKYO, Dec 11: Share prices on the Tokyo Stock Exchange closed lower in thin trading Wednesday after recovering from their lowest intra-day level this year. The US dollar moved higher against the yen, reports AP.

The 225-issue Nikkei Stock Average tumbled 450.16 points, or 2.05 per cent, closing at 21,502.90.

In mid-afternoon, the average was down nearly 800 points, breaking through the previous intra-day low for 1991 of 21,309.48, recorded on Aug 20.

at the time that the Congress comes back, try to lay partisan politics aside and get this country moving with a strong growth package that is long overdue," Bush said.

His plan for boosting the economy is expected to include once again a cut in the capital gains tax rate, an idea repeatedly rejected by the Democrats as advantageous for the wealthy. He also may offer tax cuts for first-time home buyers and for research and development.

Last week Bush's Budget Director, Richard Darman, said one option under consideration was tax cuts for the middle class, a proposal favoured by many Democrats who say it would stimulate spending.

"The current performance of this economy is unacceptable," Bush said on Tuesday.

"Growth is too slow. But there's some encouraging signs. Interest rates are down — mortgage interest rates — inflation seems to be holding down, and now we've just got to give it a kick and get it started up again," he said.

## Help for Moscow

Reuter adds from Washington: Meanwhile, a congressional panel plans to

explore ways to help the Soviet Union increase its oil exports, an aide said on Tuesday.

Soviet oil production, which has fallen amid the country's political chaos and affected world supplies, could have a drastic impact on the United States, which imports half of its oil.

The aide to the House of Representatives Energy and Power Subcommittee, said the panel, which plans a hearing on Wednesday, is considering a proposal to send technical advisers to help the Soviets repair faulty pipelines and equipment.

He said such support could help free up hundreds of thousands of barrels of oil.

Most western companies are not interested in helping the Soviet Union maintain its existing pipelines because they feel bigger profits lie in developing or finding new oil fields, the aide said.

## Belgian, Dutch envoys laud MIDAS projects

By Staff Correspondent

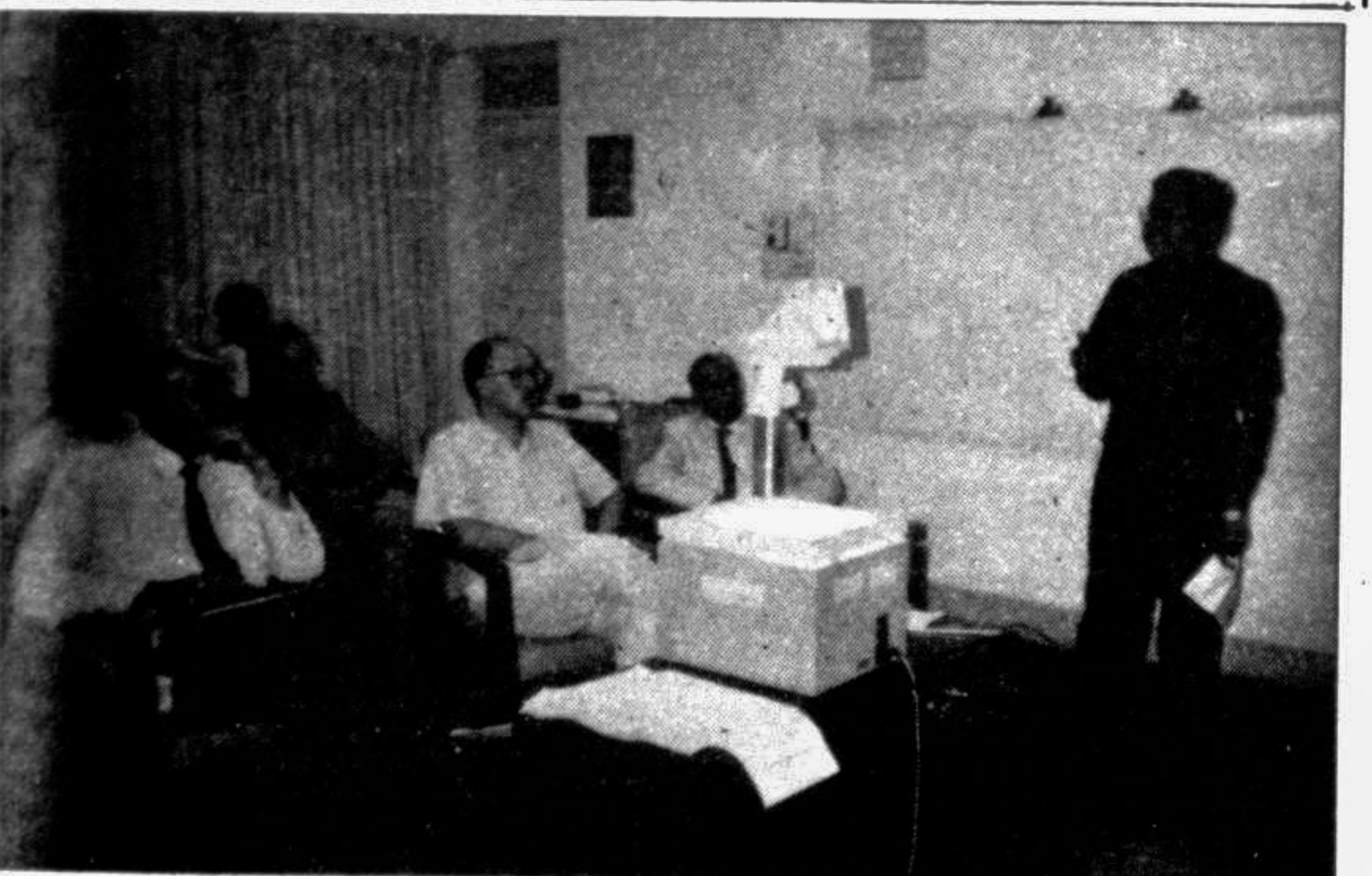
The Belgian Ambassador to Bangladesh Mr Michel Geuens, the Royal Netherlands Ambassador Mr Henricus Gunjantaan and Mrs Gunjantaan, and Mr Max Madaecker, Counsellor of the German Embassy in Dhaka recently visited the MIDAS office in Dhaka.

The visitors were received by the MIDAS Board of Directors, headed by Mr RMH Hirji. Mr Mahmoodul Haq, Executive Director of MIDAS apprised them of MIDAS activities and achievements over the recent years in the area of small and micro enterprise development for generating non-farm employment in Bangladesh.

The diplomats visited two MIDAS-assisted projects in the city.

They expressed their satisfaction at the operational efficiency of the small industrial units and at the quality of their products, according to sources.

They also lauded MIDAS role in the economic development of the country.



Mahmoodul Haq, Executive Director of MIDAS briefing Belgian Ambassador Mr Michel Geuens (extreme left) and other foreign diplomats on MIDAS activities and achievements in small-scale industry development in Bangladesh recently.

# What EC accord on monetary union envisages

MAASTRICHT (Netherlands), Dec 11: Here are extracts from Wednesday's European Community agreement on monetary union. The agreements on political union will be incorporated into a separate document, reports AP.

"The activities of the Member States and the Community shall include..... the adoption of an economic policy based on the close coordination of Member States' economic policies, on the internal market and on the definition on common objectives, and which is concluded in accordance with the principle of an open market economy with free competition.....

These activities shall include their irrevocable fixing of exchange rates leading to

the introduction of a single currency, the ECU, the definition and conduct of a single monetary policy and exchange rate policy the primary objective of both of which shall be to maintain price stability..... and to support the general economic policies in the Community.....

"A European System of Central Banks..... and the European Central Bank..... shall be established in accordance with the procedures laid down in this Treaty.....

"The primary objectives of the European System of Central Banks shall be to maintain price stability.....

"The basic task to be carried out through the ESCB shall be:

"To define and implement the monetary policy of the Community;

"To conduct foreign exchange cooperations.....

"To hold and manage the official foreign reserves of the Member States;

"To promote the smooth operation of payment systems.

"The ECB shall have the exclusive right to authorize the issue of bank notes within the Community. The ECB and the national central banks may issue such notes. The bank notes issued by the ECB and the national central banks shall be the only such notes to have legal tender status within the Community.

"The ESCB shall contribute to the smooth conduct of policies pursued by the competent authorities relating to the prudential supervision of credit institutions and the stability of the financial system.

"The ESCB shall be composed of the European Central Bank..... and of the central banks of the Member States....."

"When exercising the powers and carrying out the tasks and duties conferred upon them by this Treaty and the Statute of the ESCB, neither the ECB, nor a national central bank, nor any member of their decision-making bodies shall seek or take instructions from Community institutions / or bodies, from any Government of a Member State or from any other body."

"Recognizing that the United Kingdom shall not be obliged or committed to move to the third stage of economic and monetary union without a separate decision to do so by its government and Parliament."

adopt the EC currency in 1997.

Britain was allowed to stay out of the EC currency until an unspecified date. It opposes monetary union for ideological reasons;

Denmark was also allowed to opt out of the currency pending a referendum on the issue, a constitutional requirement. The Danish government backs monetary union.

### Political Union

EC states move toward a joint foreign and security policy with most decisions requiring unanimity;

The Western European Union, a long-dormant group of nine EC states, will be revived to act as the EC's defense body, but linked to the NATO alliance;

Gives EC jurisdiction in specific areas with the member states voting to implement decisions. These areas include industrial affairs, health, education, trade, environment, energy, culture, tourism, consumer and civil protection;

Social affairs becomes an EC jurisdiction in all EC states, except Britain which rejected EC-imposed labour legislation on workers' rights;

Increased political cooperation will be carried out under a new name — European Union. It will also create a permanent diplomatic network of senior political officials in the EC capitals.

### Federalism

EC leaders dropped reference to an EC "with a federal goal," a term Britain rejected as the embodiment of an encroaching EC super-state.

Instead, the political union accord describes the Community as "an ever closer union in which political decisions have to be taken as near to the people as possible."

### European Parliament

The 518-member EC assembly gets a modest say in shaping some EC legislation. Its new powers fall short of what the assembly had sought, i.e. an equitable sharing of the right to make EC laws with the EC government.

### Rich-Poor Gap

Spain got a formal commitment from its richer partners for more money for itself, Ireland, Greece and Portugal, the Community's poorest members. The EC will review its bookkeeping methods and in future take more account of the relative wealth of EC members.