Iran targets $ 19.8 b oil, gas revenue

NICOSIA, Jan 28: Iran's parliament set a target on Monday of 19 79 billion dollar for oil and gas revenues for the year from next March 21, Tehran Radio reported, says Reuter.

In a budget debate the parliament also authorised the sale of 2.79,000 barrels per day (BPD) of crude oil to finance the import of refined products, the radio said.

The procedure was used in the budget after several Iranian refineries were damaged during the 1980-88 Iran-Iraq war.

The revenue figure, virtually the same as for the current year, was criticized by some deputies as too high although President Akbar Hashmemi Rafsanjani said it was based on a conservative estimate when he presented the budget last month.

Iran, the second biggest producer in the Organisation of Petroleum Exporting Countries (OPEC) pumped 3.35 million BPD of crude oil in December. About 900,000 BPD is consumed domestically and the rest constitutes the main source of Iran's export earning.

OPEC oil prices, averaging below 17 dollar per barrel, failed to increase significantly after many OPEC members announced output cuts this month, including a 100,000 BPD reduction by Iran.

Japan launches world's first superconducting ship

KOBE, (Japan) Jan 28: Japan launched the world's first superconducting ship Monday, challenging 150 years of domination by propeller-driven ships, reports Reuter.

Looking like a cross between a whale and a space rocket, the Yamato 1 slid into the waters of the western Japanese port of Kobe, amid the heavy iron of a previous generation of ships and watched by a small crowd.

The experimental ship, built by the Ship and Ocean Foundation, is powered by superconducting electromagnetic propulsion (SEMP), which could theoretically allow it to achieve speeds close to 100 knots, about 200 km per hour.

"This kind of ship should be better at high speed, where propellers don't work so well," said Kensaku Imaichi, Director of the foundation and Emeritus Professor of Osaka University.

When the 30-metre, 280-tonne ship starts tests this summer, it will carry only 10 people and move at about eight knots, but Imaichi said speed would increase with improvements in superconductor technology.

Bread prices double in Moscow

MOSCOW, Jan 28: Moscow inhabitants woke up on Monday to another price nightmare, discovering that the bread price at their bakeries, which had tripled at the start of January, had doubled, reports AFP.

A loaf of bread that cost 0.80 rouble (80 kopeck) before the price decontrol that went into effect on January 2 now runs 3.6 to 4.2 rouble. The dollar is now at around 120 rouble on the black market. The minimum wage is 342 rouble a month.

Recent price surges mean that bread, already a basic food, has now taken over in part from other foods that have become very (and sometimes too) expensive.

The Russians government's economic reform program called for continued controls on prices of such products as bread, milk and vodka. Official, the prices of low-quality breads, such as black bread, have not gone up.

Increased investment in education urged

Developing nations to grow 3 pc in '90s, forecasts WB

BEIJING, Jan 28: The 1990s will see the economy grow at an average annual rate of two per cent in industrial countries, three per cent in developing countries, but by at least five per cent in East Asia, according to the World Bank, reports Xinhua.

The World Bank made the prediction in its 1991 World Development Report (WDR 91) Tuesday. World Bank officials and experts held a discussion on the report here with officials from the Chinese Ministry of Finance and Chinese finance scholars.

Vinod Thomas chief economist of the Asian regional economy of the World Bank, who is also responsible for drawing WDR 91, said that per capita income is projected to grow by about 2.5 per cent a year in industrial countries and three per cent in developing countries in 1990s, which means 'a substantial reduction in poverty'.

Thomas said WDR 91 has mainly discussed the challenge of development. However, the search for growth and poverty reduction in developing countries is not only the World Bank's mission, but is perhaps the greatest challenge facing the world as a whole.

He advised the developing countries to reorder priorities to energize the development process.

These countries should increase investments in education, health and infrastructure, said Thomas stressing that these investments must be carried out in an economic environment of market competition and openers to the rest of the world.

Summarizing the world economic development of the past forty years, Thomas maintained that a successful economic expansion depends largely on how central planning and market forces complement each other.

According to Thomas the state and market interact in four vital areas investing in people, building competitive markets, linking with the global economy and establishing a stable macro economy.

The report endorses greater and more efficient state activities in building human and physical infrastructure, but not the expansion of the state to direct participation in production, he said.

In his opening speech at the seminar, Chinese vice minister of finance Chi Haibin said that since the economic development has a direct bearing on world peace, it is not only the imperative task for the developing countries alone, but has become a mission of the international community as a whole.

However, Chi said, every country should choose its own development plan in light of its concrete conditions, the feasibility of the plan lies in whether it can promote social productivity and improve people's lives.

Facts have proven that China made the right choice in this regard, Chi stressed.

Luo Qing, head of the World Bank Department of the Ministry of Finance, admitted that China is facing the challenge posted by the interaction of central planning and market forces.

China's economy will develop faster if we handle the two aspects properly, said Luo.

Arab countries demand access to markets of industrial states

ABU DHABI, Jan 28: Arab officials opened a post-war economic conference in the Gulf Monday with a call on industrial states to open their markets to Arab goods, reports AFP.

The officials, holding their first economic gathering since the Gulf War, charged that protectionist policies by key industrial nations harmed Third World economies and threatened reforms.

"It has become essential to appeal to world trade blocs to remove protectionist barriers which are blocking our access to their markets," said United Arab Emirates (UAE) Minister of State for Financial and Industrial Affairs Ahmad al-Tayer.

"Arab countries, in coordination with other developing nations, can play a key role to attain their interests through collective pressure for freeing trade," he told the more than 100 economic officials and experts from the 21 Arab League members.

The three-day conference, organised by the Arab Monetary Fund (AMF), will focus on Arab internal and foreign trade, which accounts for more than 50 per cent of Arab economic activity, as well as the impact of non-Arab trade blocs.

Delegates were to examine ties to three major groups the European Community (EC), the US-Canada-Mexico bloc and Japan and its fast-growing South East Asian neighbours.

They said protectionism and attempts to boost trade within those blocs would adversely affect trade with outside countries.

"The EC experience has shown that trade among community members had increased while it declined with other countries," AMF Chairman Osama al-Faqih told the conference.

Faqih, a Saudi, said Arab and other Third World countries were facing a difficult atmosphere in international trade relations.

"Such an atmosphere has made it hard for developing nations to reach external markets, a fact that threatens their economic reforms," he said.

According to statistics protectionism had slowed down growth in international trade to six per cent in 1991 from nine per cent in 1988.

It is also expected to push up the deficit in the Third World's current account to 100 billion dollar from 17 billion dollar during the same period, he said.

In comments later, Faqih urged League members to lift barriers among themselves to boost inter-Arab trade, which accounted for less than 10 per cent of total Arab trade of 170 billion dollar in 1989.

He added that a 500-million-dollar fund set up by the AMF in 1989 to finance inter-Arab trade represented a good but in sufficient step.

"Freeing trade among Arab states will expand regional markets, and support and diversify the productive base," he added. "This will benefit not only Arabs, but their trade partners as well."

ASEAN leaders sign accords toward economic integration

SINGAPORE, Jan 28: Leaders of the Association of Southeast Asian Nations signed agreements Tuesday that could finally put their six countries on the road to economic integration, reports AP.

Winding up the fourth summit meeting in ASEAN's 25 years, the heads of government endorsed AFTA, the ASEAN Free Trade Area, which is to be set up over 15 years starting Jan. 1, 1993.

They also signed a programme of common effective preferential tariffs, which is to serve as the tariff-cutting mechanism to achieve AFTA, and a separate "Singapore Declaration" of general principles.

Reuter adds:The declaration was signed by Brunei's Sultan Sir Hassanal Bolkiah, Indonesia's President Suharto, Malaysia's Prime Minister Mahathir Mohammad, Philippine President Corazon Aquine, Singapore Prime Minister Goh Chok Tong and Thai Prime Minister Anand Panyarachun.

The key points of the declaration are:

Forming an ASEAN Free Trade Area (AFTA) within 15 years in response to regional economic groupings emerging among developed countries;

Introducing a Common Effective Preferential Tariff (CEPT) scheme to reduce intra-ASEAN tariffs to between zero and five per cent by the year 2008. The CEPT will be the main instrument for turning ASEAN into AFTA;

Setting up of a ministerial-level council of ASEAN ministers to supervise, coordinate and review the implementation of the tariff reduction scheme as a first step towards creating a Free Trade Area;

Forging closer ties with countries in Indo-China and welcoming accession by all South-East Asian states to the 1976 treaty of amity and cooperation, seen as the first step towards membership of ASEAN. Southeast Asian states not part of ASEAN are Vietnam, Laos, Cambodia and Burma;

Strengthening of the United Nations international peacekeeping role in the region;

Promoting dialogue on security in ASEAN's established forums, including annual meetings with its main trading partners the United States, Japan, the European Community; Canada, Australia, New Zealand and South Korea.

Holding an ASEAN summit every three years with informal summits in between;

Supporting the principle of the General Agreement on Tariffs and Trade (GATT) for free and open trade;

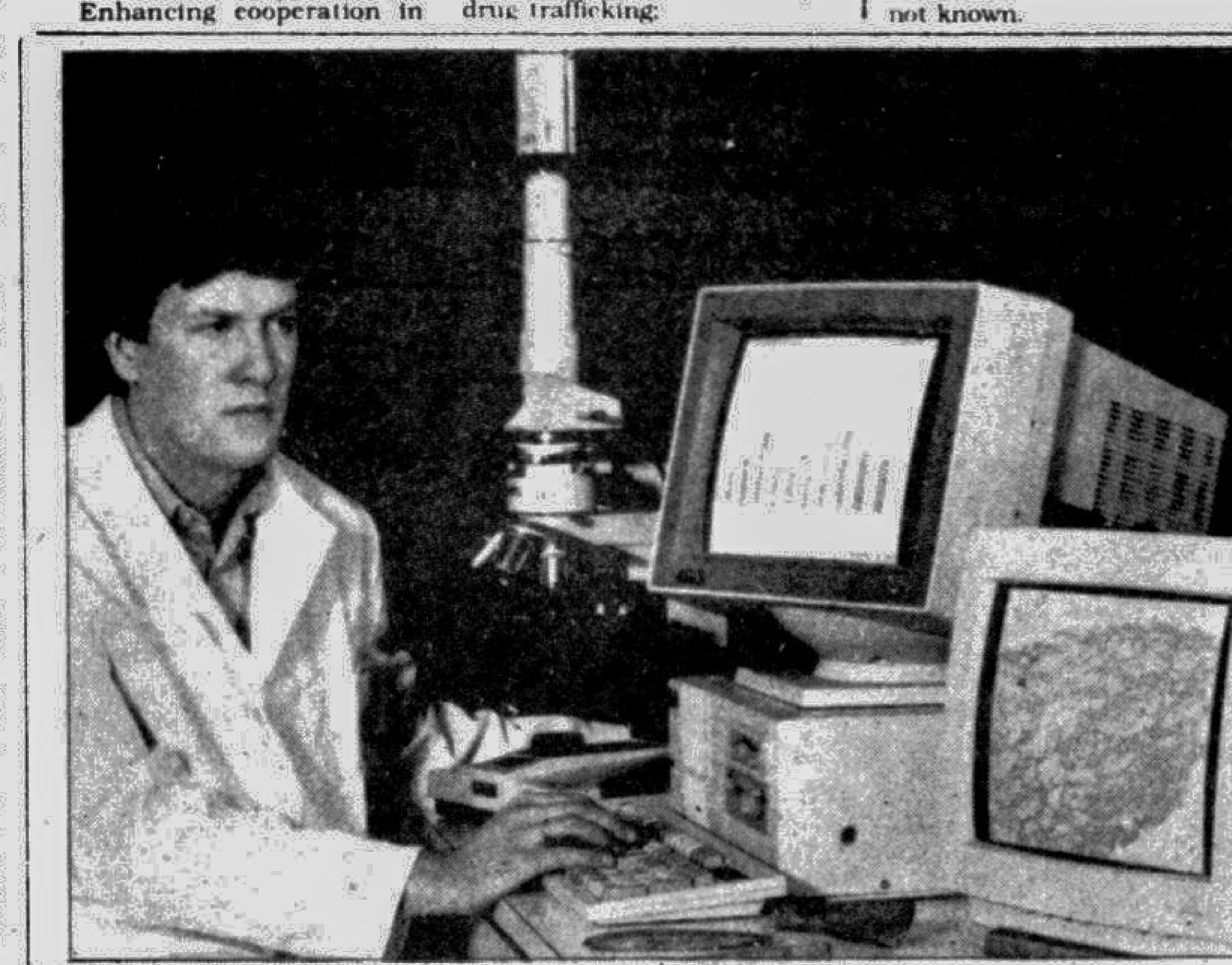
Attaching importance to regional ties through the Asia-Pacific Economic Cooperation (APEC) forum and recognising the consultative function of the Malaysia-proposed East Asian Economic Caucus (EAEC);

Improving cooperation on trade, conducting negotiations on ASEAN agricultural products, commodities and energy and encouraging free flow of capital and other financial resources;

Jointly developing telecommunications and tourism; promoting greater participation by women in social and economic development;

Enhancing cooperation in environmental issues such as transboundary pollution, natural disasters, forest fires and illegal logging;

Boosting efforts to curb the spread of AIDS (Acquired Immune Deficiency Syndrome), drug abuse and illegal drug trafficking;



ANCIENT METALWORK: Dr Paul Budd, a member The Ancient Metallurgy Research Group at Bradford University in northern England, studies a colour enhanced metallographic image generated through a reflected light microscope, and a graph produced from the analysis of such data. — LPS photo

"Asia should try nuclear power for energy"

MANILA, Jan 28: Asia-Pacific countries could develop nuclear power as well as solar and wind energy to replace present sources which pollute the environment and lead to global warming, a meteorological expert said here, reports AFP.

Ekkri Jatila, the Technical Director of the United Nations World Metrological Organization(WMO), told AFP pollution is increasing in Asia where "there are very large numbers of big cities with very heavy car traffic and industries."

Jatila, who attended a U.N meeting of donor countries last week, said Asian countries should try to develop cleaner sources of energy like those harnessed from the sun and the wind, which he said are "plentiful" in the region.

He also said governments in Asia could also develop "safe nuclear energy," and that Third World countries, in principle, could handle nuclear technology "if only the safety rules will be followed."

The major nuclear power producing states in the region are Japan, Taiwan, South Korea and India. Other countries building or acquiring nuclear plants include Pakistan and China.

Cosmonauts demand cosmic salary

MOSCOW, Jan 28: A cargo ship linked up with the Mir orbiting space station Monday as ground controllers and cosmonauts pressured the Energia space agency for higher pay. Cosmonauts now make about six dollar a month, reports AP.

"Our work is Cosmic, our Pay should be Cosmic," read a banner hanging from the wall of the mission control center during the docking of the cargo ship M-11 and the Mir station. The scene was broadcast on television.

The controllers are supporting a demand for more pay by the three cosmonauts now in orbit, who on Saturday threatened to strike for a pay hike. The cosmonauts on the Mir have lived there since October.

"Our renowned cosmonauts today are prepared to join the ranks of picketers and strikers," state-run television said Saturday."One of the most prestigious jobs on Earth has become one of the lowest-paid."

Cosmonauts and some of the ground controllers work for Energia, a state-owned company that emerged from the Soviet space industry as the leading space company. The controllers' salaries were not known.

Western livestock, know-how risk local breeds in LDCs

WASHINGTON, Jan 28: Western technology and livestock introduced in developing countries are threatening to wipe out a number of their domestic animal species, a UN agency said Tuesday, reports AFP.

The United Nations Food and Agriculture Organization (FAO) said in a statement that an analysis has shown these inroads "could hurt the entire world in the long run".

The endangered breeds may be the only ones able to survive long term in these regions, and once these genetic resources disappear, they are lost forever, a trend we have already seen in the West, FAO Director-General Edouard Saouma said in the statement.

In Europe, half of all breeds of domestic animals that existed at the turn of the century have become extinct, and a third of the remaining 770 breeds are danger of disappearing within the next 20 years, Saouma said.

"The West has the resources to protect its native breeds, but the developing world does not, he said.

A breed can be completely changed genetically within 10 years, he said, calling for a worldwide effort to reverse the "urgent" situation.

The Third World gets up to half of its food from livestock of 30 species, the FAO said.

Some of those animals threatened with extinction are;

The Shahiwal cattle of Pakistan and some parts of India, a dairy breed that thrives in the region's heat. Local producers are trying to adapt the holstein dairy cow to the area, despite its incompatibility with the climate.

The extremely fertile Taihu PG of China, which thrives on a potato-and-cabbage diet readily available in China.

The Fayoumi chicken of Egypt a good egg layer that can withstand high heat conditions that would kill western developed chickens.

To counteract the threat, the FAO unveiled a five-year programme aimed at ensuring the survivability of the world's animal resources.

The FAO plans to compile the world's first global inventory of animal genetic resources set up conservation banks of frozen semen and embryos of animals judged to be endangered and valuable, and develop the first international legal framework on the global trade in animals.

Kuwaiti production soaring

OPEC output cut a must to save price

KUWAIT, Jan 28 : OPEC must cut oil output to prevent sharp falls in crude prices as Kuwaiti production continues to climb and Iraq looks to resume oil sales to an already glutted market, Kuwait's Oil Minister Hamound al-Rqobah said.

Rqobah told Reuters in an interview it was difficult to say how much OPEC must trim by but its ministers should agree on an effective formula when they meet in Geneva on February 12.

I think OPEC should do something — we should think seriously about the second and third quarters when seasonal demand is low, he said.

Rqobah said he was not surprised that this month's voluntary cuts of over 400,000 barrels per day (BPD) by nine of OPEC's 13 members had failed to boost the sagging oil market.

More cutbacks were needed but it was difficult to judge how much until OPEC ministers had discussed the situation, he said.

If oil prices remain low, Kuwait might have to borrow more money from international capital markets to finish repairing facilities damaged by Iraqi occupation forces he said.

Kuwait received a 5.5 billion dollar syndicated loan from foreign banks in its first sovereign credit last December.

Kuwaiti oil output had risen to just over 600,000 BPD, with 485,000 BPD from its own fields and the rest from the neutral zone if shares with Saudi Arabia, Rqobah said.

Kuwait had 117 producing wells — 24 of them newly drilled —compared with 1,000 prior to Iraq's August 2, 1990 invasion.

Kuwait plans to drill another 75 wells in the Al-Ahmadi, Al-Haqwa and Burgan fields during the first half of 1992.

Rqobah said around 65 per cent of the 729 wellheads seriously damaged by the Iraqis were still useable. Studies would determine whether it would be cheaper to repair or simply replace the remaining wellheads.

Crude refining capacity would rise to 600,000 BPD during the first half of 1993 from 270,000 BPD at present Rqobah said.

By this time repairs to Kuwait's two main refineries — mina al-Ahmadi and Mina al-Abdullah would be nearly complete and a decision would then be made on what to do with its most seriously damaged Shuaiba Refinery, he said.

Kuwait's refineries used to have a combined capacity of 750,000 BPD.

Crude production capacity is targeted to hit 1.5 million BPD by the end of 1992 and two million BPD — just short of its pre-Gulf crisis capacity a year later.

Business briefs

Japan's crude import 6 pc up: Japan's crude oil imports in 1991 rose 6.1 per cent from 1990 to 1.53 billion barrels in the fourth straight rise, the International Trade and Industry Ministry said Monday, reports AFP from Tokyo.

Imports increased 9.1 per cent to 1.44 billion barrels in 1990.

The United Arab Emirates remained the top crude supplier for Japan last year, accounting for 25.4 per cent of the total, followed by Saudi Arabia, which occupied 22.5 per cent, and Indonesia, which took 11.9 per cent, the Ministry said.

Gold producer threatens strike: A Major Russian gold producing company is threatening to strike unless the government raises the price it pays for gold and meets other demands, Tass news agency reported, according to Reuter from Moscow.

The independent Interfax news agency said the Far Eastern company, Yakutia Gold, had already decided to hold a two-week warning strike on January 28 and planned further industrial action on February 10.

Takeover term for Source Perrier: Stock exchange authorities said Monday they have approved the terms of the 2.45 billion dollar takeover bid presented by Cie de Suez and Nestle SA of Switzerland for 100 per cent of Source Perrier SA, reports AP from Paris.

In a communique, the Society Dis Bourses Francaises said it will announce the opening date of the bid once it receives the proper signals from stock exchange operating commission and the French Treasury.

It said the shares of source Perrier would remain suspended from trading on the Paris stock exchange until further notice.

LA Gear head quits: L A Gear founder Robert Greenberg quit as chairman and chief executive on Monday and was replaced by the head of the bailout fund that holds a 34 per cent stake in fashion sneaker company, reports AP from Los Angles.

"After eight years of constant involvement with L A Gear, I can now devote more time to my family," Greenberg said. "I look forward to taking some time off."

Tuna embargo enforced: After a compromise between the government and environmental groups collapsed, a judge on Monday ordered enforcement of a tuna embargo on nations that fail to ban imports from dolphin-killing fleets,reports AP from San Francisco.

The embargo, effective Thursday, would block 53 per cent of US tuna imports, according to a government estimate.

An industry group, using the government figures, has predicted price increases of five to 10 cent a can of Tuna in two months unless major exporting nations are exempted.

American buyers now to opt for home-made cars

NEW YORK, Jan 28; Growing numbers of Americans are mad as hell about the flood of Japanese imports into their country — and they are starting to do something about it, reports Reuter.

An uproar that began when President George Bush went to Japan earlier this month grew in intensity on the heels of a decision by a Los Angeles commission last week to cancel a Japanese rail car contract, a move both business and union officials said would mushroom.

Also last week, Monsanto Chemical joined the growing ranks of US companies offering cash to employees who buy American.

A poll showed most Americans would look to buy a US made product the next time they shop for a new car.

The US Trade Representative threatened retaliation if Japan goes back on a promise to import 20,000 US cars.

And even the Commissioner of Baseball got into the act, saying a 100 million dollar Japanese offer to buy the ailing Seattle Mariners team would probably not "receive the requisite baseball approvals."

US Vice-President Dan Quayle, however, sought to cool the backlash, saying Americans should avoid "mindless Japan-bashing" because the US-Japanese trade relationship is improving, not getting worse.

Sumitomo Corp of America, the Japanese company dumped by the Los Angeles commission, said it was disappointed by the decision and one Japanese businessman said, "if they actually disregarded the rules in cancelling the contract it makes us wonder : Where is the America of fairness and justice and rules and openness?"

Americans were miffed by the words of Yoshio Sakurauchi, Speaker of the Lower House of Japan's parliament, who told supporters in his home district that American workers were illiterate and lazy.

The Los Angeles commission heard the groans of Californians and reacted by switching the contract to an Idaho company.

"This bodes well for American firms, but not well at all for foreign companies wishing to do business with state and municipal authorities," said Rich Rossi, and analyst with the investment firm of Dean Witter Reynolds.

Bill Robertson, a Los Angeles labour official, said the reversal would not have happened had it not been for strong public feeling.

"The labour movement did everything we possibly could to get the contract cancelled, but in the end it was the voice of the people that won the day," he said.

That feeling was reflected in a poll published in Detroit that showed 51 per cent of the 607 car owners will consider only American cars when they return to the showroom and just four per cent said they would not consider the American option.

If Americans follow through, a considerable change could come in the carmarket, where one of three new cars sold in the United States are Japanese.

Mansanto Chemical became the first major American corporation to join the ranks of companies circling the wagons around Detroit's ailing automakers, offering its 12,000 workers 1,000 dollar cash for each American car they buy.

In the midwestern US state of Ohio, a doctor launched a "jump, start America" campaign, trying to get companies to offer incentives to employees if they buy US cars by July 4.

"We feel that the time has come for Americans to help their own economy," said Dr William Lippy. "With their incentives, we can sell more American cars within 50 miles of Warren, Ohio, than we can in all of Japan.

Trade Representative Carla Hills indicated she might retaliate against Japan if it did not fulfil its pledge to buy more American car parts.

She said that while the pledge by Japan's car companies to increase purchases of US car parts to 19 billion dollar from nine billion dollar by 1994 was not a government agreement, if purchases fell short of the mark it would be a sign of a closed market.

Japanese Prime Minister Kiichi Miyazawa said the increased purchase figure constituted a target rather than a promise.

Quayle, however, said, "it's time to debunk a myth that our trade relationship with Japan rose by 119 per cent from 1985 to 1990 and that the US trade deficit with Tokyo has been reduced by a third since its peak in 1987.