

## Ghali urges all to assume responsibility

## UNCTAD summit starts with deploring protectionist attitude of developed nations

CARTAGENA, (Colombia) Feb 9: United Nations Secretary-General Boutros Boutros-Ghali said on Saturday the spread of poverty endangers global security and he called on all nations to assume responsibility for promoting Third World development, reports Reuters.

"There will be no peace and stability without development," Boutros-Ghali said in a keynote speech to the eighth United Nations Conference on Trade and Development (UNCTAD) in the Colombian Caribbean port of Cartagena.

"Lasting development is an essential factor in the achievement of peace and stability in the world," the Secretary-General said. "Zones of poverty... constitute potential arenas for violence and confrontation."

Boutros-Ghali said the UN

had a special duty to promote economic and social well-being and ensure that "All peoples can live in a new world from which poverty, malnutrition, famine and epidemics have been banished."

He suggested member states might consider ordering a three-yearly UN review of the world situation to serve as a basis for resolutions tackling global social and economic problems.

Delegates from more than 150 countries are attending the UNCTAD conference, the largest such gathering since the end of the cold war and the break-up of the Soviet Union.

Formed in 1964 as the main social and economic arm of the United Nations, UNCTAD is beginning its eighth conference struggling to define a new identity suited to the 1990s.

During 19 days of talks, member states will consider how to tackle traditional issues such as poverty, Third World debt, low commodity prices, technology and trade in a world changed out of all recognition by the fall of communism.

UNCTAD Secretary-General Kenneth Dadaie noted in his opening speech that "The sound of freedom now reverberates throughout the globe" but warned delegates: "Freedom is unsustainable if one group of people or societies promote themselves while denying opportunities to others, freedom is indivisible."

Developing countries, worried at what they say is increasing protectionism and isolationism in the industrialised world, hope to use the conference to seek concessions on trade and debt.

"Industrialised countries should understand that their long-term interests rest on backing economic progress, social improvements and political stability in the world's less developed nations," host president Cesar Gaviria of Colombia said in his opening address.

Like many of his Latin American counterpart, Gaviria has pursued a vigorous programme of free market reforms at home but is worried that richer nations are not keeping their side of the bargain.

"Paradoxically, while the South marches with ever-greater enthusiasm in the direction of benefitting from free trade and economic reform, the industrialised nations are in retreat, putting up protectionist barriers and imposing new types of trade restrictions," he said.



AN ENDEAVOUR FOR SOLVENCY: A rural elderly lady inspecting her backyard gourd field. Such habit of kitchen gardening could supplement the scanty income of the villagers through very little cost and effort. —Star Photo

## Work-hr slash will raise labour shortage in Japan

TOKYO, Feb 9: Japan will suffer a shortfall of 4.9 million workers in 2000 if it maintains high growth rates while reducing working hours to bring them in line with US or European levels, a report by a leading bank has said, says AFP.

The Japan Development Bank report published Friday said the estimate was based on the model of Gross Domestic Product (GDP) and labour productivity both growing 3.5 per cent annually until 2000, while working hours fall by 1.3 per cent each year over the same period.

Average working hours in Japan currently exceed 2,000 hours each year. A 3.5 per cent drop would bring the average down to 1,800 hours.

The report said Japan's work force, comprising people 15 years or over, is estimated at 66.94 million and the jobless rate at two per cent.

It said the 4.9 million shortage in 2000 would increase demand for foreign workers and suggested four ways to avoid this.

These are lowering the GDP growth rate to 2.9 per cent a year, cutting working hours by less to 1,940 hours, expanding the work force to 71.81 million employing workers from a broader social pool, and increasing the growth rate of labour productivity to an average of 4.1 per cent a year.

## Mandela opposes foreign bank loan to S Africa

JOHANNESBURG, Feb 9: African National Congress ANC leader Nelson Mandela said his organisation was opposed to foreign loans to South Africa before all economic sanctions against the white government were lifted, reports Reuters.

Mandela said a future non-racial government would be obliged to repay debts incurred before Western governments imposed sanctions in 1986.

## Protesters take to Moscow streets decrying Yeltsin reforms

MOSCOW, Feb 9: Hard-line gathered in the streets of Moscow on Sunday to show opposition to President Boris Yeltsin's efforts to introduce a market economy. But Yeltsin supporters mounted a counter-demonstration and marched to the Russian parliament, reports AFP.

"No to the market, no to economic murders," said one placard held aloft as more than 1,000 people, many waving the red and blue flag of the former Soviet Russian republic, marched from Gorky Park toward Manezh Square, adjacent to the Kremlin. Another demonstrator shouted, "Yeltsin's gang steals from the people."

Hundreds of police lining the city's Garden Ring Road blocked the hard-liners as they attempted to go to the parliament building, known as the White House, where pro-Yeltsin supporters were gathering, and diverted them to the square near the Kremlin.

Meanwhile, about 3,000 people, chanting "Yeltsin, Yeltsin," waved white, blue and red Russian flags, as they waited for the march to the White House to begin.

"I am against communists, said 58-year-old Nikolai, who refused to give his last name. "I fully support Boris Nikolaevich (Yeltsin). Our goal now is to improve the situation."

Three elderly men stood arm-in-arm, waving Russian flags and pro-Yeltsin banners. "They want to return us to Stalinism," said 64-year-old Stepan Kuchishvili. "They want to take us backward," his 72-year-old companion, Valian Khurchikov, said, and all three chimed in, "everything depends on each of us."

As Yeltsin's supporters moved toward the parliament building, they stopped briefly and offered a memorial at the overpass where three people were killed during the August attempt to overthrow President Mikhail S Gorbachev.

At the White House, more than 1,000 people had already gathered early Sunday and began to form a human chain

around the huge 19-story building, where Yeltsin mounted a tank to address the crowds during the attempted coup.

Yeltsin, who lifted price controls in January, is widely blamed for soaring prices and worsening shortages of food and other consumer goods.

St Petersburg and Moscow have been the first targets of emergency Western aid to support Yeltsin's economic reforms, which have sent food prices rocketing with the end of controls.

Sobchak denied that Western food was being diverted to the black market and blamed reports of such fraud on communists and extreme rightists.

In Russia, Vice-President Alexander Rutskoi accused Yeltsin's government of pursuing a "policy of economic genocide" in a speech to a conservative group, Itar-Tass news agency said.

When the 'shock' part outweighs the 'therapy', the patient usually dies," Sobchak told Belgian television during a visit to Brussels.

Sobchak, one of Russia's leading liberal politicians, argued for a quick land reform programme so that would be

farmers can be allotted land in time to plan new crops before next Spring.

"Russia is a rich country in a deplorable state after decades of communist mismanagement," he said. "One day it will be able to feed itself and to feed others too."

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## Kohl assures mark stability

ECKERNFOERDE, (Germany) Feb 9: Chancellor Helmut Kohl, defending German agreement on European Economic and Currency Union against criticism from the Bundesbank, said the mark would not be sacrificed for ideology, reports Reuters.

A single European currency was the "basis for a solid currency policy," Kohl told his Christian Democratic Union (CDU) party in the northern state of Schleswig-Wolstein.

Mark stability would not be endangered by currency union.

"We will not sacrifice the mark for any ideology," Kohl said, responding to published reports of criticism of the Maastricht accords within the powerful Bundesbank.

On Friday, the Bundesbank went on the offensive to quash speculation that it was split down the middle over European Economic and Monetary Union (EMU).

At a hastily called news conference, the Bundesbank presented a document on EMU, which President Helmut Schlesinger stressed was approved unanimously by its policy-making council.

The premature publication of the paper followed reports that hardline Bundesbank members had overruled Schlesinger and forced through a tough critique of the Maastricht EMU accord.

In his address to the state party meeting, Kohl also attacked union demands in current wage negotiations.

Saying that he did not want to intervene in talks over public employees' contract talks, he said: "what are presented as demands here are completely unacceptable because they do not correspond to reality."

"I am not prepared to accept a policy by which we live above our means."

## Burmese barrels balk bustling gem business at border

MAE SOT (Thailand) Feb 9: Fighting between Burmese government troops and Karen-led insurgents has taken the shine off the trade in gems smuggled across the Thai border, reports Reuters.

Gem dealers in the frontier town of Mae Sot say the traffic in precious stones from Burma has all but dried up in recent weeks as battles rage on the other side of the Moe river.

Business is not so good, says one of the leading local dealers, Kerkkiat Whaang, sitting in his jade and gem-strewn office.

Prices are high, stones are few, Whaang says. It's too difficult to bring them in from Burma now.

A cheap ruby that sold for 3,000 baht (120 US dollar) last year would cost 5,000 baht (200 US dollar) to buy back now, the dealers say.

Roads to the border on the Burmese side are being fought over by the army and Karen insurgents allied with dissident students.

Few smugglers are willing or able to make the trip from the last major Burmese town 60 km away.

Government troops began their annual dry season offensive against the ethnic Karen rebels in early January.

They have vowed to seize the Karen National Union (KNU) base at Manerplaw, which also shelters the students and the alternative national coalition government of the Union of Burma which was established with opposition politicians who fled repression by the ruling junta.

The Rangoon government strictly controls the sale of gems and the only official market place for foreign buyers is its annual auction, held this year from January to February.

On the blackmarket, gems pass from the mines around Mogoke in Northern Burma to

dealers in the country's second city, Mandalay.

Prices there are already high, because gems like gold, are considered a safer investment than cash because the government has periodically withdrawn large denomination notes from circulation.

Mandalay dealers are careful whom they sell to, said one smuggler sitting at a tea-stall on the strip of main road that is home to the Mae Sot end to the trade.

If they don't know you, they don't know if you're a real buyer or someone from the government, he said.

His last trip to Mandalay was two months ago. If the fighting doesn't stop him, he plans to make another sometime in the next month.

The smugglers usually come to an understanding with the army or the Karen, he said. Money changes hands. Travellers form convoys of up to a hundred vehicles.

But greased palms don't always smooth the way. If you go with the army, the Karen give you trouble, and if you go with the Karen the army gives you trouble, the smuggler shrugged.

Safely over the border in Thailand, the mostly Burmese smugglers hole up for as long as it takes to sell their handful of stones. These days there are few around the town.

Once the stones are in Thai hands the trade becomes legal. Dozens of brokers converge on Mae Sot's main street to sell to buyers from Bangkok, Malaysia, Taiwan, Hong Kong, India and Nepal, some Westerners, a few Japanese, and each other.

They carry the stones, mostly rubies and sapphires, folded in small pieces of paper or set in cheap rings on their fingers.

Other dealers work from small counters and shops. The street sellers are the ones considered most likely to cheat buyers with synthetic fakes.

## Czech economy to decline by 5 pc

DAVOS, Switzerland, Feb 9: Czechoslovakia's economy will shrink by around five per cent this year as it continues to make the transition to a market economy from central planning, Economy Minister Vladimir Dlouhy said, reports Reuters.

Dlouhy told the World Economic Forum here that Gross National Product (GNP) would contract by between three and six per cent.

Reliable GNP figures for 1991 are still not available, he said. But industrial production fell last year by 22 per cent.

The reforming government, which achieved virtual price stability for several months last year, hopes to hold inflation to between 10 and 15 per cent this year, or around one per cent a month, Dlouhy said.

But unemployment will climb to 10 per cent by the end of the year from 6.8 per cent at the end of 1991.

The 1991 figures masks considerable regional differences, with the jobless rate in the Western Czechlands running at only 4.7 per cent while in poorer Slovakia it is 11.8 per cent.

Dlouhy said much of the drop in output and rise in unemployment was a desirable consequence of economic reforms, as Czechoslovakia restructures its industry and re-orientates itself to competitive Western markets.

The reforms were running as hoped, and 1991 could be regarded as the Czechoslovak economy's most successful year since the communist take over in 1948, he said.

But possibly half of the fall was due to external changes, such as collapse of the former East-block trade group COMECON.

## Crude prices get support while metals ease

LONDON, Feb 9: Iraq's refusal to continue discussions with the United Nations on partial lifting of the embargo which has prevented it exporting crude since the beginning of the Gulf crisis supported Brent crude prices this week, reports AFP.

Baghdad's cancellation of a meeting scheduled for Wednesday in Vienna came only a week before the next OPEC meeting in Geneva, expected to adopt a resolution to cut second-quarter production.

Among softs, coffee slumped to historic lows in real terms with sterling-quoted grades touching their lowest point for 17 years as operators viewed the prospect of any progress by the International Coffee Organisation (ICO) towards a new international agreement with increasing pessimism. An ICO working group meeting was due to finish Friday.

On the London Metal Exchange (LME), nickel and aluminium showed signs of weakness as concerns about exports from the commonwealth of independent States (CIS) receded.

Platinum: Firmer. Platinum advanced strongly on rumours of buying by South African producers, notably Impala.

The major mining groups in South Africa, whose production has been affected by political upheaval, could be short of metal to cover delivery commitments, analysts said. Impala Platinum, the western world's second-largest producer, has been hit by a series of strikes since last July.

Analysts underlined, how-

ever, that the market's fundamentals remained uncertain in the face of slowing world growth and the weak international car market, illustrated by the fall of British new car sales to a ten-year low in January.

Gold: Quiet. Prices fluctuated between 354 and 356 dollar per ounce for most of the week on an unusually quiet market, reflecting the absence of a number of Asian operators because of the Chinese New Year holiday.

Silver: Firmer. Silver was supported by the weakness of the dollar and the rise in platinum, but remained in a narrow range.

Copper: Easier. Copper eased at the beginning of the week, affected by the first rise in LME stocks of the metal for a month — which led traders to suggest that the recent wave of Chinese buying, which had supported prices from the beginning of the year, may be over.

Brokers Carr, Kitcat and Aitken estimate China will buy up to 100,000 tonnes of metal on the LME this year, against a projected western world surplus of 125,000 tonnes.

Analysts said the lackluster tone reflected an absence of speculative buying and a dull physical market. LME stocks of the Red Metal rose 4,650 tonnes to 310,225.

Lead: Easier. Lead continued to weaken, falling to just above five-year lows recorded in December as swollen inventories and weak off-take continued to weigh heavily on sentiment.

The temporary closure of

Metal Europ's 105,000 tonnes/year smelter in northern France had no impact on the market. LME stock rose 950 tonnes to 130,850 tonnes.

Zinc: Easier. Zinc eased as the premium for cash over forward metal, which has supported the market since late November, narrowed and finally disappeared. A slight upturn in consumer interest at the end of the week prompted modest gains but traders said the market was unlikely to break through the 1,150 dollar a tonne level which prevailed at the end of the previous week.

LME stocks rose 6,900 tonnes to 174,925 tonnes.

Tin: Steady. Tin trading was even thinner than normal because of the Chinese New Year holiday in the Far East, and the metal moved in a narrow band around previous levels. LME stocks fell 590 tonnes to 13,010 tonnes.

Aluminium: Easier, then steady. Receding concern about the likely pattern of shipments from the CIS saw bearish sentiment reassert itself in the aluminium market, prompting prices to ease in the first half of the week.

Carr, Kitcat and Aitken analyst Robin Bhar said the gains registered by aluminium and nickel since the beginning of the year were unjustified by the metals' fundamental positions and predicted a correction which would leave average aluminium prices at 53 cent/pound in 1992, against 59 cent last year.

LME stocks rose by 14,275 tonnes to 1,070,150 tonnes.

Nickel: Easier. News that German steel workers had agreed a pay deal, thus avoiding a strike in Europe's biggest steel industry, gave nickel a brief fillip — but by the end of the week the metal had resumed its downward trend.

Robin Bhar forecast average prices of 380 cent/pound for nickel this year, down from 370 cent/pound in 1991.

LME stocks rose 828 tonnes to 18,744 tonnes.

Coffee: Weak. Sterling-quoted grades tumbled to a 17-year low on pessimism about a potential reintroduction of ICO export quotas. Rumours that Colombia planned to cut prices in competition with Central American producers contributed to losses, despite a hasty denial from the Colombian Coffee Federation.

Sugar: Recovery after easier start. Futures fell at the beginning of the week in the wake of New York. But then rumours that Russia was negotiating purchase of several million tonnes of sugar with international trade houses, notably French group Sucres Et Denrees and Switzerland's Marc Rich, brought support and allowed losses to be reduced.

Cocoa: Easier. Prices fell to a five-month low, depressed by fears of forward selling by Ivory Coast, speculation on a smaller-than-expected world production deficit, and by the firmer pound against the dollar.

Some traders estimated the deficit could be around 100,000 tonnes rather than 177,000 tonnes, forecast by

trade house Gill and Duffus, or 140,000 tonnes forecast by the ICO.

Vegetable oils: Easier. Vegetable oils eased in the wake of 'soya oil, which was weakened by rains in Brazilian producer regions after a period of dry weather, and by weak demand.

Groundnut oil continued to ease despite an optimistic report from specialist review oil world forecasting that weak prices would entice buyers back to the market.

According to oil world, world production for the 1991-92 season should reach 16.7 million tonnes, against 16.2 million previously estimated and 16.5 million tonnes the previous year.

After an easier start, palm oil recovered when Algeria and Malaysia signed an agreement for the sale of 200,000 tonnes/year of Malaysian palm oil for two years. Malaysia, world number one producer of palm oil, is also in negotiation with India, Pakistan, Egypt and Russia.

Petroleum: Firmer. Brent crude, the benchmark for North Sea Oil, failed to react to news of the abortive coup in Venezuela, but was supported by Iraq's decision to cancel discussions with the UN scheduled for Wednesday on resumption of its exports, under embargo since the Gulf crisis.

The market had expected that Baghdad would again reject the UN proposal that it be allowed to export 1.6 billion dollar worth of crude over six months to fund emergency purchases.

Latest figures from the International Energy Agency put OPEC production at 24.3 million barrels/day in January, down 100,000 barrels/day from December.

Production in the former USSR rose 100,000 barrels/day to 9.8 million.

Rubber: Steady. Natural rubber prices were stable on the London market, where activity was markedly reduced by the near-total closure of Far East markets for the new year celebrations. Traders said the steady tone reflected a lack of selling rather than any real buying interest.

Grains: Easier. Wheat and barley futures eased in London as traders awaited British grain sales to the CIS. Russia received a loan of two billion franc (370 million dollar) from France, which should allow it to buy around 1.6 million tonnes of French wheat and 0.8 million tonnes of barley.

Tea: Irregular. The trend was irregular at the weekly London auction with leaves from East Africa and Sri Lanka seeing good demand and firm prices, while those from Assam were easier and often failed to find buyers.

Wool: Stable. Wool, top prices remained stable on the Bradford market, where the trend was encouraged by a firmer tone in Australia after a hesitant start.

Cotton: Recovery. After falling last week to its lowest level since the end of 1988 on the Liverpool market, cotton recovered partially this week, although interest from European buyers remained limited.

## IDB welcomes Pak Islamic Court decision on interest

KARACHI, Feb 9: A top official of the Islamic Development Bank (IDB) Saturday welcomed an Islamic Court ruling disallowing interest charges on bank transactions in Pakistan, reports AFP.

Osman Seik, a vice president of the Jeddah-based bank praised the court's decision, adding that the IDB already functioned without charging interest, which is banned under Islamic law as a form of commercial exploitation.

"We at the IDB do not lend money to anybody. For example, if I want to help you to acquire a commodity, I will first buy the commodity myself, and then re-sell it to you with a certain profit," Seik explained.

## Bush agrees to extend unemployment benefits

WASHINGTON, Feb 9: US President George Bush today signed a bill to extend unemployment benefits by 13 weeks to help two million jobless Americans in the election year, reports Xinhua.

Both the House and the Senate passed overwhelmingly the 2.7 billion dollar bill Wednesday, a compromise made after a four-month bipartisan battle on it.

Bush, who had killed the bill twice, said in a statement that he did not accept the original proposal but would accept it within the budget agreement.

The jobless Americans can currently get 39 or 46 weeks of benefit coverage. Without the new extension, the 600,000 unemployed will run out of the benefits.

Bush said the bill can help to unemployed workers and their families during the tough times. According to the latest government statistics, the jobless rate remained at 7.1 per cent in January.

## Business briefs

**INS fines US firm:** US immigration agency today fined a peach packing company 1.1 million US dollar for running an alien smuggling operation, reports Xinhua from Washington.

The US Immigration and Naturalization Service (INS) officials said employees of Lane Packing Co. one of Georgia's largest peach harvesters and packagers, smuggled more than 6,000 foreign workers into the United States over a period of at least two years.

**India's GDP falls short of target:** India recorded a Gross Domestic Product (GDP) growth rate of 5.6 per cent in 1990-91 ended March 31, according to the quick estimates of the government available today, reports Xinhua from New Delhi.

The growth rate for 1990-91 was lower than the 6 per cent in the previous year largely because of a big political turmoil and doubts about higher growth rate during the year. The English-language daily the Hindustan Times said Saturday.

But the 1990-91 GDP growth figure was more than the 5 per cent growth rate projected by the PV Narasimha Rao's government in view of the political turmoil in that year.

**Gold seized by BSF:** A total of 420 gold biscuits were seized by the Border Security Force (BSF) in India's western state of Rajasthan recently, reports Xinhua from New Delhi.

According to a report by the Press Trust of India Sunday the BSF personnel seized these smuggled gold biscuits worth over 20 million rupee (0.78 million US dollar) after encounter with smugglers near Tanot village in Jaisalmer district on the Indo-Pak border.

**CIS leaders fail to agree on trade:** Leaders of the Commonwealth of Independent States (CIS) failed during a summit Saturday to hammer out an agreement regulating their trade and economic relations, the Itar-Tass news agency reported, AFP says from Moscow.

Officials of all 11 member republics attended the closed-door meeting, but according to the news agency, only five of the 11 were represented by their prime ministers.

**Russia plans to sell 25 pc state units:** Russia outlined plans to sell off 25 per cent of state-owned enterprises by the end of 1992, but foreign investment will stay controlled while the rouble remains weak, reports Reuters from Moscow.

Anatoly Chubals, minister in charge of the privatisation programme, said foreign investment restrictions were needed to stop outsiders buying parts of the Russian economy cheaply.