

Ozone layer being studied

CAMBRIDGE, England, Mar 8: Scientists are studying the Northern Hemisphere's protective ozone layer from the Arctic wastelands to a Welsh valley, using airplanes, balloons and an arsenal of instruments to assess the damage, reports AP.

In all, 250 scientists from 17 countries are taking part in the European Arctic Stratospheric Ozone experiment. What they have found is less dramatic than the huge ozone hole over the Antarctic, but possibly more threatening. Scientists believe there are many smaller leaks in the Northern Hemisphere, some of them over heavily populated areas.

The horror is that, really, it is going to catch up with you in the north, and will be almost as bad as we've seen in the south," said Joe Farman, the British scientist who announced his discovery of the southern ozone hole in 1985.

Chemicals that destroy ozone concentrate in those icy circles, which then are scattered by the vagaries of northern weather and topography.

NASA seeks safer fuel to protect Ozone layer

WASHINGTON, Mar 8: Each time the US space agency sends a shuttle streaking into orbit, it pokes a tiny hole in the vulnerable Ozone layer, one of the things it is supposed to be studying, reports Reuter.

This puts the agency's environmental scientists in a ticklish position, since part of their mission is to find out how much mankind is depleting the Ozone layer, Earth's shield against ultraviolet rays that can cause skin cancer in humans and weaken the global food chain.

"We're aware of the irony of the situation," said Steve Newmann, Chief Environmental Engineer in the National Aeronautics and Space Administration (NASA's office of space flight).

Numerous recent studies indicate Ozone layer problems are worsening.

NASA data showed that the wide area of Ozone depletion over the South Pole, the so-called Ozone hole, is more severe this year than ever recorded.

A United Nations panel said Ozone depletion stretched into the northern hemisphere's summer months this year, instead of being confined to the later summer and autumn.

The same UN panel said the Ozone layer is thinning everywhere except around the tropics.

The holes that NASA's shuttles and titan rockets cause are small and temporary, nothing like the 21 million sq km Ozone hole over Antarctica that has been detected seasonally for more than a decade.

But Steven Aftergood, a research analyst with the Federation of American Scientists, said each shuttle launch emits about 70 tonnes of Ozone-gobbling Hydrogen Chloride directly into the Stratosphere.

"In the vicinity of the plume (the shuttle's vapour trail), there is tremendous destruction of Ozone... more than 40 per cent depletion," Aftergood said in an interview.

Kuwait's economy faces hard task despite remarkable recovery

KUWAIT, Mar 8: Kuwait has recovered remarkably well in the year since Iraq's army was expelled from the emirate, but its leaders have yet to come to grips with the economic legacy of the Gulf War, economists and diplomats say, reports Reuter.

Kuwait disproved the experts who said it would take up to five years to cap 729 oil wells set ablaze or damaged by fleeing Iraqi forces a year ago.

The final fire was doused in November. Some of the worst-affected wells in the 'neutral zone' shared with Saudi Arabia, were back on stream this week.

This lifted Kuwait output to 7000,000 barrels per day, only half of its pre-War OPEC quota. But Oil Minister Hamoud Al-Rqobah is confident it will reach 1.5 million BPD by year end.

"The speed with which they have managed to restore oil production is truly remarkable," a western economist said.

"The economy is now working. It doesn't look or feel like a country just out of war," said another.

"But significant problems remain," he added.

"Uncertainty" is the word

common to most discussions about Kuwait's economy.

Businessmen are impatient for final approval of the budget for the fiscal year that started nine months ago. They say normal activity also awaits a decision promised for last December on a state buy-out of some 20 billion dollar of local bad debts, about two-thirds of which resulted from the invasion.

Even in the priority oil sector, they speak of inordinate delays in signing contracts for the repair of major refineries and essential draining of huge oil lakes left behind by the spills from the damaged oil wells.

Diplomats say the government tells them it will continue until June to carry out essential post-war work to bring life back to normal and secure vital income from oil exports. A more planned three-year reconstruction phase would start in July.

Opposition economists such as Jaseem Al-Sadoun charge there are no such plans. They accuse the government of indulging in crisis-management, of trying to appease the public with cash handouts ahead of general elections promised for

October and of bickering over lucrative contracts.

"They are certainly looking too far ahead...they are finding it difficult to come to grips with the long-term," said one western diplomat.

Apart from the immediate problems of bad debt and final budget approval to enable public bodies to spend allocations, the government has to tackle new problems like drastic demographic changes and the first state debt.

With a proposed budget that sees income this year at only some 870 million Kuwaiti dinar and expenditure at 6.2 billion, it has to borrow abroad for the first time.

But it is determined to hold on to its 'core' investments, some 35 billion dollar worth of blue chip holdings abroad by its 'fund for future generations' that helped bail Kuwaitis out during the Iraqi occupation. This used to earn it five to seven billion dollar a year.

Economists reckon it has already liquidated 35 billion dollar of short-term investments, of which 22 billion dollar was paid to the US-led allies who helped expel the Iraqis.

Bankers and economists said the government was

preparing to go to the market again after obtaining a 5.5 billion dollar syndicated loan in December.

But it is not clear how much it wants. Some bankers believe it would not go for another loan and would probably opt for short-term lines of credit.

Businessmen and western economists say a post-war boom was brought by the rush to resume oil exports and essential water and electricity supplies and to restock food, air-conditioners, furniture and cars damaged or looted by the Iraqis.

But essential services have been restored and warehouses are bulging.

Government statistics show dealers imported 100,000 cars since the liberation a year ago, a huge number for a country whose population has halved from its pre-war level of just over two million.

Now the dealers have hundreds of unsold cars on their hands. Businessmen say they were only just starting to realise that the lucrative market they were used to has significantly shrunk with the departure of about a million foreigners.

Taiwan's confce discusses future economy

TAIPEI, March 8: Taiwan opened Saturday a national economic conference on how to keep the economy humming and to set guidelines for its trade and business contacts with China, reports AFP.

Premier Hau Pei-Tsun said at the opening ceremony that the two-day economic session was designed to "iron out internal and external economic obstacles for the island to create another economic apex."

Hau encouraged local manufacturers to take part in the 779 construction projects under the 303 billion US dollar, six-year National Development Plan, which is aimed at bringing Taiwan to the front ranks of economically developed countries.

Some 400 government officials, business leaders and economists are meeting at the conference, which ends Monday, to lay a framework for the overall economic climate in Taiwan, industrial development, financial liberalization and economic relations with China.

Conclusions from the meeting will be submitted to government for reference in mapping out future economic

policies, officials with the cabinet-level council for economic planning and development said.

The officials said the feasibility of importing labor and science and technology specialists from China would be discussed.

In view of increased civilian exchanges across the Taiwan strait, economists and business delegates have urged the government to further widen exchanges with China, they noted.

Economic officials, however, expressed concern that investment in labor-intensive industries in China may divert capital from high-technology investment here and undermine the island's competitiveness in world markets.

Flourishing trade between Taiwan and China, mainly via Hong Kong, amounted to a record 5.79 billion dollar in 1991 and is expected to surpass seven billion dollar this year.

Taiwan authorities have been worried by close economic ties with China, for fear that the rival government in Beijing may gain an economic stranglehold on the island.

Iran cuts oil output to meet OPEC quota

TEHRAN, Mar 8: Iran reduced its oil output to 3.184 million barrels per day (B/D) as of March 1, down from 3.6 million B/D, in line with an OPEC agreement reached in February, the Oil Ministry said Saturday, reports AFP.

The Ministry, quoted by the official news agency Irna, said the same level of production would be maintained for the next two months.

Unemployment rate in US records seven year high

WASHINGTON, Mar 8: The US unemployment rate rose to 7.3 per cent last month, its highest level since July 1985, from 7.1 per cent in January, despite a jump in the number of jobs in the economy, the Labour Department said.

Average hourly earnings of employees rose 0.3 per cent last month to a seasonally adjusted 10.50 dollar after a slight decline in January.

Russia frees basic food prices

MOSCOW, Mar 8: The Russian government on Saturday lifted price controls on bread, milk, sugar and other essential food products in a further blow to a people hit hard by President Boris Yeltsin's economic reforms, reports AP.

Yeltsin's decree allows local governments throughout Russia to increase the prices of basic goods including bread, milk, low-fat cottage cheese, sugar, vegetable oil, salt and matches, said the Itar-Tass news agency, which carried the edict.

The changes were certain to further hurt the budgets of most Russians, who have been eating more bread and potatoes in response to previous price hikes for meat and other

products. A loaf of white bread was selling for 4.20 rubles this week, up from 3.33 rubles a week ago. Before similar price reforms on Jan 2, bread sold for 60 kopecks. The current price already represents a 700 per cent increase.

There are about 90 to 100 ruble to the dollar and 100 kopeck to the ruble.

Except for bread, many of the essential goods affected by Saturday's decree are difficult to find in Moscow. The Associated Press' "Moscow Market basket" survey found this week.

Whole milk was not available in seven stores checked, although low-fat milk was on sale. Milk supplies have improved since late February,

although it appears that low-fat milk is often substituted to stretch supplies.

The cost of milk rose from 64 kopeck a liter before Jan 2 to 1.95 ruble this week.

Sugar has been impossible to find, even before the January price hike, when it rose from 1.20 ruble a pound to 8.40 ruble.

Vegetable oil was not available in many state stores. Kefir - a sour, slightly fermented drink made from milk - appears very rarely and is only sold to families with children aged 1 to 3. Cottage cheese is mostly sold by private farmers at inflated prices.

There has been no widespread unrest over the price increases so far. But dur-

ing recent hard-line rallies, demonstrators used the skyrocketing prices as a springboard to attack Yeltsin's government.

To head off further discontent, Saturday's decree said the funds made free by the liberalization of prices should be diverted to helping retirees, children, large families and others most affected by the price increases.

People have also taken to trading or reselling products like meat and milk, along with spare dry goods and vodka, on the street.

Yeltsin legalized sidewalk markets last month. But authorities now warn of health dangers from buying such food, and reports say cases of botulism are on the increase.

Mixed performance by Asian currencies

HONG KONG, Mar 8: With the Malaysian ringgit scaling new heights to strike a 47-month high against the dollar, and the South Korean won dropping to a four-year low, the Greenback had a mixed week in the Asia-Pacific region, reports AFP.

The yen fell following further reports of possible economic recovery in the United States, with the Singapore and Taiwan dollars, the Thai baht and Indonesian rupiah as the region's other weakeners.

The Australian dollar up to its highest rate in two weeks and the New Zealand dollar climbed against the Greenback, as did the Philippine peso.

Japanese yen: The yen lost ground over the week to close Friday at 131.63 to the dollar, down 2.30 from its previous week's finish.

Market participants bought dollar following reported signs of economic recovery in the United States, dealers said.

Australian dollar: The Australian dollar climbed to its highest level against the dollar in two weeks Friday in good offshore and local buying to finish the week at 75.63 US

cent up from its 75.53 seven days earlier.

Hong Kong dollar: The Hong Kong dollar closed Friday at 7.7525-7.7535 to its US counterpart, up from its previous week's finish of 7.7550-7.7600.

The currency's effective exchange rate index ended the week at 112.3 compared with last week's 111.5.

The Hong Kong currency has been officially pegged against the Greenback at around 7.80 since October 1983.

Indonesian rupiah: The Indonesian currency lost ground over the week to close Friday at 2,012 to the dollar, down three units from its previous week's 2,009, and two from its 2,010 opening Monday.

Malaysian ringgit: The ringgit scaled new heights to finish the week up 210 points at a new 47-month high of 2.5660 to the dollar.

Dealers said the local currency could rise to 2.52 in the weeks ahead.

"We are looking at 2.55 in the early part of the week, and if it breaches that psychological barrier, there may be nothing to stop it surging to 2.52," one dealer said.

Malaysia's central Bank, Bank Negara, Friday stepped in to buy about 100 million dollar to even out the ringgit's rise, dealers said.

New Zealand dollar: The New Zealand dollar rose last week, ending Friday worth 54.77 US cent slightly up on its previous week's close of 54.68 cent.

Philippine peso: The peso closed the week at 26.05, up from its 26.10 close seven days earlier but weaker than its 25.98 recorded Monday.

Singapore dollar: The Singapore dollar weakened marginally against the US dollar to close Friday at 1.6575, down on the previous week's 1.6455.

Dealers said the Greenback was steady throughout the week, rising in Singapore in line with other Asian money markets.

The OCBC bank's trade weighted index for the Singapore dollar stood at 136.38, up from last week's 136.35. The index is calculated against the currencies of Singapore's top 12 trading partners.

South Korean won: The won continued its slide against 0.50 won since the previous weeks end.

As the local currency hit a four-year low against the Greenback government and central bank officials said they regretted reports of suspicions by the American Chamber of Commerce in Korea that the won's depreciation against the dollar was a natural result of South Korea's widening trade deficit.

Taiwan dollar: The Taiwan currency lost ground in heavy trading over the week to end at 25.21 to the US dollar, down 5.55 Taiwan cent from its previous week's finish of 25.1545.

After opening Monday at 25.191, the local unit steadily lost momentum, hovering between 25.21 and 25.296 on increased demand for the Greenback, currency dealers said.

Thai baht: The Baht continued to weaken against the dollar over the week to close Friday at 25.56, down from 25.50 the week before.

Iraq to appeal for help to rebuild baby milk factory

BAGHDAD, March 8: Iraq is to launch an international appeal for 175 million dollar to rebuild a baby milk factory destroyed during the Gulf War, Al-Iraq newspaper said Saturday reports AFP.

The Baghdad factory was bombed by allied warplanes in January 1991, with Washington insisting it was used to produce chemical and biological weapons. Iraq has repeatedly denied the charge.

The appeal would be directed to organisations like the United Nations International Children's Emergency Fund and would call on children around the world to donate one dollar each, an Iraqi milk industry official told AFP.

Business briefs

Rebels blow up pipeline in Bogota: Left wing Colombian guerrillas blew up an oil pipeline and destroyed a communications tower, cutting off thousands of telephone lines, on Saturday, the eve of municipal elections, police said, reports Reuter from Bogota.

Guerrillas blew up a section of the trans-Andean oil pipeline near Ricaurte, 600 km southwest of the capital Bogota, General Octavio Vargas Silva, Inspector-General of the police, told local radio.

Indian Foreign Exchange Market on its own: The Reserve Bank of India (RBI) had no intention now to intervene in the foreign exchange market, its Governor, S Venkatarayanan, said in Madras. PFI reports from Madras.

Addressing a large gathering of industrialists and bank chiefs here to clarify various issues regarding the new Liberalised Exchange Rate Management System (LERMS), another name for the partial convertibility of the rupee, he said the foreign exchange market was in a far more comfortable situation now and required no intervention.

Bank of China to issue bonds: The Bank of China will issue bonds in Asia and Europe this year, the Beijing-funded China News Service (CNS) said, reports Reuter from Hong Kong.

The Bank will also collect foreign funds by making commercial loans and arranging government and mixed loans, with most of the money collected in US dollar and Japanese yen, the Hong Kong-based CNS said.

Commodity prices: Aluminium falls back while gold goes weak

LONDON, March 8: Nickel and Aluminium prices, recently supported by delays in Russian deliveries, fell back this week on the London Metal Exchange (LME) as traders waited for deliveries of cargoes that have clogged Russian ports over recent weeks to return to normal, reports AFP.

Reports on Friday of an 11,000-tonne increase in Aluminium stocks on the LME indicated that Russian deliveries to Europe were beginning to resume, traders said. They predicted Russian exports would return to normal, now that new export licences have been granted and new export duties, felt to be too high, have been reduced.

The other metals on the LME were firmer, with traders still fearing strikes in Peru and Chile.

Among soft commodities, cocoa was weakened by steady deliveries from Ivory Coast, while coffee was under pressure from a world supply surplus and dim prospects of a reintroduction of export quotas by the International Coffee Organisation (ICO), in the face of Brazil's opposition.

Gold: Weak. Prices fell following the Indian budget, which lifted tight restrictions on gold and hard currency imports. The new legislation will allow Indian nationals to im-

port up to five kilograms (11pounds) of gold.

The price plummeted in New Delhi Tuesday, reducing sharply its premium over the world price. The move is expected to decimate India's smuggling rackets and flourishing black markets in currency and gold, and bring down highly inflated gold prices there. On the London market, analysts feared that gold formerly sold at a premium on the Indian market could now be sold on the world market.

The start of Ramadan also pressured prices as it is expected to lessen activity from the Middle East over the coming month. The dollar's strong gains on foreign exchange markets added to the weakness.

Platinum: Irregular. Platinum prices moved erratically. Short-lived upward movements were prompted by bullish US economic indicators, but prospects of slackening demand from Japan prevented a steady rise. UK new car sales fell last month to their lowest February figure since 1976, indicating poor potential demand for platinum for the production of catalytic converters.

Silver: Irregular. Silver tracked platinum, with optimistic US economic figures

counterbalanced by fears of lower Japanese demand. Traders awaited publication Friday afternoon of US unemployment figures, which tend to influence silver and platinum prices.

Copper: Firmer. Threat of industrial action over mass redundancies a Codelco's El Teniente mine in Chile continued to keep prices firm, after union-management talks failed Tuesday. Fears of a strike on March 16-17 at Southern Peru Copper Corporation (SPCC) plants in Peru added to the firm trend.

But prices were restrained from rising further by the expectation of Russian cargoes due to arrive on the market in the coming months, following Russia's granting of export licences early in the week. Market sentiment that the metal was overbought curbed its rise by the end of the week.

LME stocks of copper fell by 400 tonnes over the week to 302,325 tonnes.

Zinc: Firm. Zinc reached three-month highs by mid-week, after Grupo Minera Mexico declared forced measure on deliveries, because of a strike which started Monday at its 90,000-tonne-per-year smelter at San Luis Potosi. Cash and three-month prices surged above the psychological 1,200 dollar tonne barrier.

Reports of a strike at Asarco's 29,000 tonnes-per-year mine in Tennessee added to the bullish sentiment. Reports that the forced measure at miner Peru's 93,000-tonne-per-year Cajamarquilla refinery is to be lifted next week weakened sentiment at the end of the week.

LME stocks of zinc rose by 5,925 tonnes to 209,175 tonnes.

Lead: Firm. Lead recorded five-month highs on the LME, after Metaleurop's Spanish subsidiary filed a petition for suspension of payments mid-week, which was expected to lead to the closure of its 90,000-tonne-per-year smelter at Santa Lucia. The outlook for lead is for firmer prices, as new environmental regulations in Europe and declining demand from recession-hit industrial users is likely to lead to a fall in production.

Tight supplies in the US scrap-metal market boosted prices early in the week. Gains however were slightly reduced towards the weekend on profit-taking.

LME stocks of lead rose by 1,775 tonnes to 134,875.

Tin: Quiet. Prices feel early in the week, on lack of buying interest and reports that the Pentagon would be disposing of 60,000 tonnes from its tin stockpile over the next five

years.

The outlook for tin remained weak, according to dealers, due to a large stock overhang and lack of European buyers. The metal plummeted to a 65-month low on the Kuala Lumpur tin market Wednesday, after the Malaysian ringgit hit a new high against the US dollar.

By mid-week prices picked up slightly, but the overall trend remained hesitant. LME stocks rose by 135 tonnes to 12,555 tonnes.

Aluminium: Weak. After a weak start, prices rose slightly mid-week on short-covering by US buyers.

News Friday of a big rise in LME stocks, after fresh arrivals of Russian cargoes in Europe, was expected to pressure prices. Over the week stocks went up 15,775 tonnes to a new record level of 1,130,825 tonnes.

The backlog of cargoes in Russian ports should now start to clear, following reports that controversial export duties have been cut and new export licences issued.

Trade house UBS Phillips and drew forecast that average prices should firm to 62 cent/pound this year and 78 cent in 1993, having bottomed in late 1991 at 49 cents. Production cutbacks, lower exports from Russian and

firmer demand would support the trend, they said.

Nickel: Weaker. Nickel prices fell to two-month lows, continuing their downward drift on expectations of increased exports from Russia, but then reduced their losses on short-covering.

LME stocks rose by 1,224 tonnes to 22,656 tonnes.

Coffee: Weaker after firmer start, prices picked up on technicals on the back of New York at the beginning of the week, after falling recently to their lowest level in 17 years. But a sudden downturn on the New York market on Wednesday pushed London prices back down again.

Sugar: Weaker after firmer start. Prices firmed slightly at the beginning of the week, mainly on technicals, but also on speculation about an interruption in exports from Mexico, where this year's crop is likely to be sharply reduced after January frosts. But the gains in prices were not maintained.

Reports that Cuba is to ship 900,000 tonnes of sugar to China and 200,000 tonnes to Iran under recent trade agreements had no effect on the market.

Cocoa: Weaker after firm start. After a strong start to the week, supported by the dollar's rise against sterling,

prices changed direction and fell to a seven-month low, depressed by fears of significant arrivals from Ivory Coast.

Vegetable Oils: Erratic. Soy oil prices rose over the week, on the back of Chicago. The Chicago market was boosted by the US government's freeing of 200 million dollar in credit guarantees to the CIS for March and the purchase by the CIS of 70,000 tonnes of soybean meal and 45,000 tonnes of soyabean from the US.

After falling seven per cent on speculative selling on the Rotterdam market, coconut oil prices eased despite reports from the US embassy in Malaysia that Malaysian palm oil stocks should fall to 490,000 tonnes by the end of the first quarter, from 626,000 at the end of the last quarter.

World stocks of palm oil should fall by four per cent and five per cent in the first and second quarters of this year, according to the specialist weekly, "Oil World."

Petroleum: Quiet. Brent crude weakened slightly in thin trading. Latest figures from the International Energy Agency (IEA) showed OPEC crude output was hardly reduced in February, despite OPEC's decision on 15 February to cut production immediately to less than 23

million barrels per day (MBD).

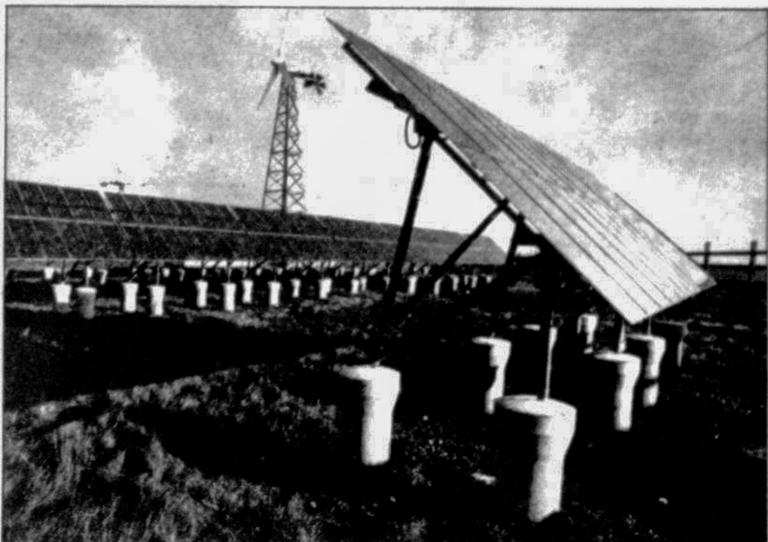
Rubber: Firmer. Natural rubber prices firmed in London, boosted by the stronger Malaysian ringgit, which kept buyers away from the Kuala Lumpur market. Traders reported routine demand from the US.

Grains: Weak. Wheat and barley prices, which picked up last week after falling for five consecutive weeks, turned down again. The EC's and France's recent granting of credit guarantees to Russian gave the market some support last week, but traders have now turned their attention to Russian purchases of British grains.

Tea: Firm. Demand was good at the weekly London auction, where average prices rose to 155 pence kilo for quality grades (against 150 pence last week), but dropped to 92 pence from 94 pence for medium grades and to 78 pence from 80 pence for low grades.

Cotton: Slightly weaker. The price index was slightly lower on the Liverpool market, due to lack of demand and cheap offers of Asian qualities.

Wool: Steady. The price of wools continued to firm on the Bradford market, on the back of the Australian and New Zealand markets.



ENERGY FROM WIND AND SUN: Kiel University maintains a research and technological centre for the use of wind power and solar energy on the North Sea coast in the Federal Republic of Germany. The largest wind park in Europe is also located in Schleswig-Holstein. It produces some 20 million kilowatts of electricity annually. The picture is of a solar energy plant in the park. — INP photo