EC calls for setting up world food bank

Strained demand, supply situation feared

Japan pledges Sri Lanka

\$252m loan TOKYO, Mar 28: Japan exchanged notes with Sri Lanka on Friday pledging to extend loans totalling 33.74 billion ven (252 million dollar), the

Foreign Ministry said. The loans will include 21.1 billion yen (175 million dollar) to expand Colombo's port and 11.2 billion dollar (84 million dellar) to improve rivers around the capital.

China has coal reserve of over 4000b tonnes

BEIJING, Mar 28 : China has estimated coal resources of 4.025 billion tonnes, according to Wednesday's overseas edition of the "People's Daily"

reports Xinhua The figure was released af ter a ten-year nationwide sur

wind up Friday night.

He argued that in the event of a successful outcome to the Uruguay Round of trade negotiations in GATT (General Agreement on Tariffs and Trade), there could be a swing towards market balance for key commodities from the present situation of worldwide oversupply.

Reduced support and protection of (agriculture in) OECD countries will lead to reduced surpluses and could create problems as regards availability for emergencies, he told the Ministers during a discussion of trends in agriculture in non-OECD countries, especially the developing na-

He therefore, urged OECD

countries to consider the cre-

ation of food security stocks and related arrangements.

Macsharry's proposal came against the background of the latest world grain stock estimates by the United Nations Food and Agriculture Organization (FAO) in Rome.

FAO has set a recommended minimum safety grain reserve level of between 17 and 18 per cent of projected world consumption for the 12 month period ahead. FAO officials, contacted by

telephone, said the projected

stock level by the end of the

current 1991/92 marketing year next June was touching the lower limit of 17 per cent. They said world stocks by

mid-1992 were forecast to reach some 316 to 318 million tons, with 163 million tons in

the industrial countries and 155 million tons in the developing world.

Aides said Macsharry had in mind some form of world food bank - an idea that was already mooted at the first World Food Conference in Rome in 1975.

He felt this was needed both because farm prices were likely to increase in the event of a GATT deal on agriculture. and because industrial countries might no longer be able to dig into readily available surpluses for use as food aid.

Questioned by reporters, Macsharry confirmed this say ing that there could be a situation where there is not enough food for fire-brigade type of emergency deliveries.

He said he had found a lot

of support for his proposal among the OECD ministers.

Asked how the proposed food bank should be managed. he said he did not know whether the task should be entrusted to the OECD, the GATT or other bodies. This should have to be worked out.

Shigeru Motai, the chief Japanese delegate, indirectly backed up Macsharry's views by stressing that there was no basis for an optimistic view of the food outlook for the medium to longer term.

Firstly, he said, the current reform of agricultural structures in the Eastern European countries and the former Soviet Union caused uncertainty in world agricultural markets.

Secondly, in the next

decade the world population is estimated to increase by nearly one billion, mostly in non-

OECD countries. Motai said. This would likely strain the world food supply and demand balance, he said.

Japan - which has con tributed to the Uruguay Round stalemate over agriculture by resisting United States pres sure for liberalizing it rice imports - felt the OECD countries should support developing nations' efforts to achieve food self-sufficiency, which is also a Japanese national con-

Motai stressed the potential negative implications of food aid, however, he said such aid must not be allowed to impede developing countries efforts to help themselves.

Ukraine hopes to join EC

PARIS, Mar 28: Ukraine

sees little future for itself within the Commonwealth of independent States(CIS) and is basing its hopes on eventually joining the European Community (EC), an economic advise to Ukraine, Lionel Stoleru said here Friday, reports AFP.

Stoleru, a former minister under French Prime Minister Michael Rocard, was recently appointed an adviser to Ukrainian President Leonid Kravchuk.

The whole of its economic programme is orientated towards leaving Russia, to cutting the links, including the link of the currency without

cutting trade," he said. One of his responsibilities was to 're-establish the flow of trade with the rouble zone with the five countries in Central Europe, with the EO and with the rest of the

Oman urges Gulf states to focus on development for security

ABU DHABI, Mar 28 Wealthy Gulf Arab states should focus on economic develop ment rather than armament to achieve security, an Omani official said in a report published here Friday, according to AFP.

"We need to harness all our potential into economic development, not into competing to amass weapons," said Mansour Ibn Talib Al-Zakwani, Secretary General of the Oman Chamber of Commerce and industry.

This will help realise economic integration and boost the concept of security, which in turn will lead to stability in the region," he told the United Arab Emirates (UAE) daily Al-Khalej.

Gulf Arab states have embarked on plans to bolster their armies in the aftermath of the Iraqi invasion of Kuwait.

Oman has proposed the creation of a 100,000-strong joint force to protect the oilrich region but differences among the conservative gulf monarchies have blocked the

"Regarding security, it is, of course,important and we want to reach agreement between us," the Oman official said. "But we don't want to enter an T.4" arms race."

Malaysia, China defer palm oil credit talks

KUALA LUMPUR, Mar 28 Malaysia and China deferred talks on a possible 100 million US dollar Credit line to finance the purchase of 300,000 tones of Malaysian palm oil a year, a Malaysian minister said, reports Reuter.

"China has made counter proposals and we will meet in Beijing next month to discuss them," Primary Industries Minister Lim Keng Yak said at the end of a two-day meeting.

"I hope they will decide as soon a possible. Otherwise we will offer it to other needy countries," he told reporters. A senior official of China's

Foreign Economic Relations and Trade Ministry led a team in talks with the Malaysian

Malaysia, the world's top palm oil grower, has offered to lend each importing nation which busy at least 300,000 tones of its palm oil each year 100 million dollar in credit to be repaid after two years in cash or barter.

China, India, Pakistan and the former Soviet Union, are allowed the maximum 100 million dollar credit, while Egypt and Algeria will each be entitled to 50 million dollar

Malaysia has so far approved the facility to Algeria. The credit line to Algeria was originally offered to Iraq.

IA INCURS Rs 210 crore loss

NEW DELHI, Mar 28: Indian Airlines has suffered a massive loss of over Rs 210 crore during the financial year 1991-92, according to a report submitted to the airlines board at its meeting on Wednesday, reports PTI.

According to airlines sources, the management has also apprised the board of possibility of suffering a loss of nearly Rs 75 crores in the year 1992-93.

PARIS, Mar 28

Macsharry, Agriculture

Commissioner of the European

Economic Community (EC) on

Friday urged western indus-

trial countries to consider set-

ting up a world food bank to

help enhance food security and

keep supplies on hand for

food security issue, warning

that the world food supply and

demand situation was likely to

become strained over the com-

ing decade because of Eastern

European Developments and

proposal to a meeting of

Agriculture Ministers of the 24

nation Organization for

Economic Cooperation and

Development (OECD) due to

Macsharry presented his

world population growth.

Japan also brought up the

emergency aid, reports AFP.

The sources said this was the heaviest loss suffered by Indian Airlines after it started making profit in 1966-67 onwards.

Yeltsin

bargains

to get

discount

MOSCOW, Mar 28: Russian

President Boris Yeltsin told

workers on Friday he went

to village markets outside

Moscow at weekends to

bargain for cheap meat, re-

go around Moscow on

Sundays to find meat sellers

near villages, bargain with

them and buy it at 50 to 60

rouble a kg, "he told a group

of workers at a cooperative

leat costs more than 100

rouble a kg at Moscow's

markets. One dollar is

worth 100 roubles at the

Russian central bank's fixed

"market" rate, while the

average Moscow salary is

5,000 rouble, a month, said

meat sellers usually quoted

him a price of 80 rouble bu

he could bring it down to

50 rouble in 20 minutes of

brisk haggling.

just under 1,500 rouble.

Yeltsin, who gave his salary as

farm outside the capital.

ports Reuter.

The airlines, which is passing through a period of turmotl on account of decrease in passenger traffic, under utilisation of planes, industrial relations problems with pilots, engineers another employees, has been headless for the last five months.

The airlines day-today work is being looked after by the acting Chairman-cum-Managing Director, P K Banerjee who is also Joint Secretary in the Ministry of Civil Aviation. This is the second time in last three years that the airlines has had a Joint Secretary as acting

Chairman-cum Managing desk jobs. There was not much Drector.

Another report from Calcutta adds: Banking operations all over West Bengal came to a halt vesterday following the one-day token strike called by the National Confederation of Bank Employees (NCBE).

Bank sources said that the strike was total in the state, though the confederation's following was limited in most banks, as practice prevented other unions from breaking it. While no public transaction

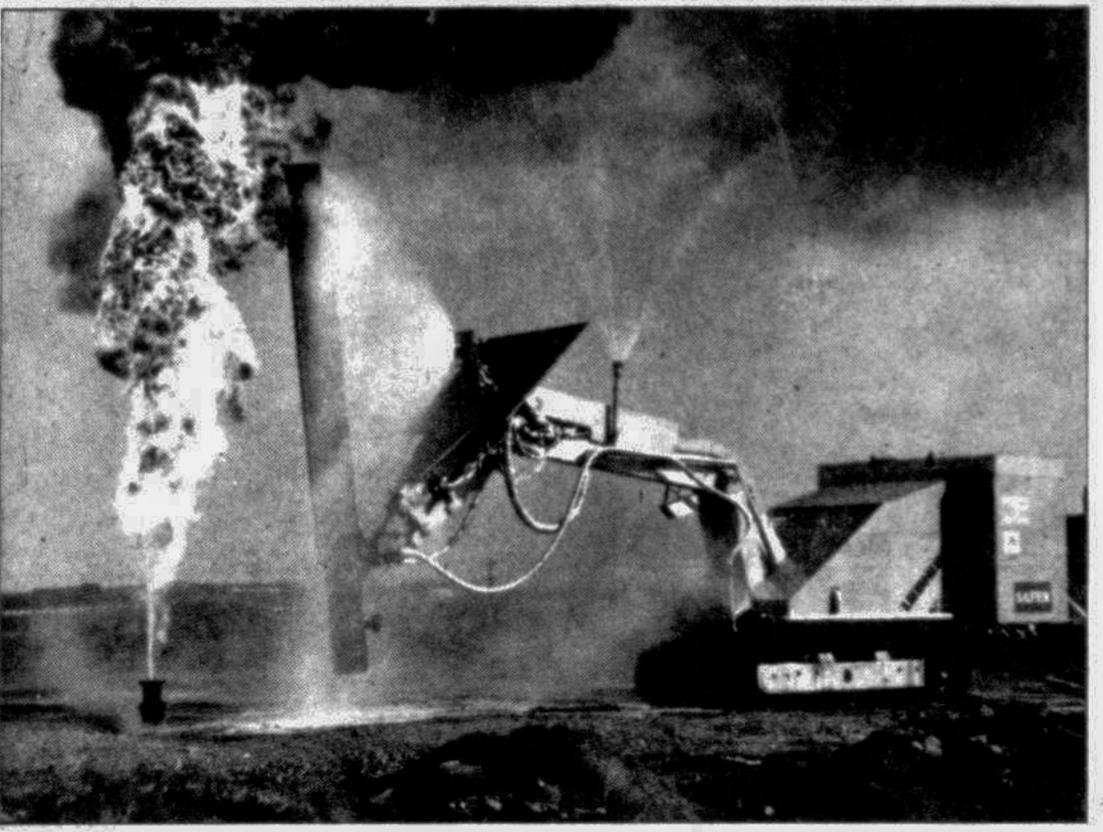
was allowed in any bank, some

were able to carry on their

impact of the strike elsewhere in the region, the sources

The strike call was given by the NCBE to mark its protest against the economic policies of the government, specially the Narasimham Committee report. Clearing house operations were paralysed as no cheque was allowed to be delivered outside due to picketing.

Operations of the foreign banks in the city were also



THE FIRE-FIGHTING ROBOT: A Remotely Operated Vehicle (ROV) designed to work in all kinds of hazardous environments including extremely high temperatures, explosive atmospheres, high radiation areas and highly toxic chemical environments - is shown here tackling a wellhead fire of the type that caused havoc in Kuwait. Subsea of Aberdeen in Scotland is one of the makers of the largest ROVs. - LPS photo

W Street economists see signs of economic revival all over

NEW YORK, Mar 28: Sitting in Limbo isn't just a song by reggae great Jimmy Cliff. It also describes the stock market's condition last week, reports AP.

Many investors simply decided to step out of the daily fray and wait until conflicting forces in the market were resolved.

On the one hand, Wall Street economists broadly agree that the business climate is improving throughout the

Statistics on housing starts, employment, industrial production and retail sales indicate the economy is reviving. many economists say.

But the pace of growth remained the big question. Reports this past week on auto sales and durable goods orders indicated the pace of recovery could be much slower than anticipated.

Any hope for a rising stock market has been dashed stubborn long-term interest rates. A 30-year Treasury bond offering an eight percent vield serves to distract investors away from stocks.

These two trends have imprisoned the market to a narrow range for several weeks. and there's no immediate indication that stocks will break out of the pattern.

The economy is going to be in sort of a purgatory," said James Miller, senior portfolio manager at Bartlett and Co in Cincinnati. The economy isn't growing fast enough to permit stocks to advance further. "On

other hand, the economy is not soft enough to (warrant) another rate cut," he said. There are so many things

ues here," he said. "Everybody is sitting around to see what develops," said Hiloegard Zagorski, market analyst for Prudential Securities, "I guess the party's

mitigating against strong val-

over for a while." This scenario left the Dow Jones average of 30 industrial issues trading in a narrow range. For the week, the Dow average lost 44.95 points to close at 3,231.44. Most of that loss came Friday, when the average lost 36.23 points following a sharp drop in the Tokyo

The New York Stock Exchange composite index lost

stock market.

3.65 at 223.31 and the American Stock Exchange market value index slipped 7.67 at 394.36. In the overthe-counter market, the Nasdaq composite index fell 19.61 at 604.67.

In this state of uncertainty, corporate earnings reports take on a special significance. Many market analysts are examining earnings and expectations of earnings to see if high stock prices are justified.

Companies that have a weak outlook find their stock prices are getting clobbered. On Friday, Household International fell 9% at 46 after the corporation said earnings would be half of analysts' expectations.

Major drought threatens East Africa

NAIROBI, Mar 28: Drought already hitting large areas of Eastern Africa could become more severe in the next few months as conditions in southern Africa spread north, the Nairobi-based United Nations Environment Programme (UNEP) said, reports Reuter.

"Unless there are significant changes to the inter-tropical convergence zone - the major rain - generating mechanism over this region - in coming weeks, the East African long rains, due in April-May, are likely to be deficient," Pete Usher, co-ordinator of UNEP's global environment monitoring system, said in a statement.

Kenya and other east African counties are already in the grip of drought and are anxiously waiting for the "long rains" to appear.

In Kenya, milk production has been sharply cut and water supplies to Nairobi are being rationed.

The last serious drought to hit this region was in 1987, and UNEP experts say the present indications are that conditions could be just as bad

An earlier AP report from Maseru, Lesotho says: Military leader Maj Gen Elias Ramaema declared a nationwide food emergency Friday and appealed for donations from foreign countries.

Ramaema said a poor harvest caused by the southern African drought would mean large shortages of maize, the nation's staple food, along with wheat and sorghum.

The drought also has hit neighbouring South Africa, preventing Lesotho from buying food from a usual source Rameama said.

He said the landlocked mountainous country the size of Belgium needed 236,000 metric tons (260,000 tons) of maize, 94,000 metric tons (103,400 tons) of wheat and 40,500 metric tons (44,500 tons) of sorghum to feed the

Israel to get 243 million dollar IMF loan

WASHINGTON, Mar 28 Israel will get a loan of 243 million dollar from the International Monetary Fund because of a shortfall in receipts from tourism during the Gulf War and slack demand for its manufactured goods, the fund announced Friday. reports

According to the US Central Intelligence Agency, Israel had debts in 1990 amounting to 24.5 billion dollar but has not borrowed from the fund since 1976 and does not have any debt to it outstanding.

Israel will have three to five years to repay the new loan from the fund, paying interest at 7.5 per cent annually.

Extradition of Union Carbide's former chief unlikely ment goes through with the WASHINGTON, Mar 28: An

order by India's chief magistrate that a former Union Carbide Corp. executive be extradited to face criminal charges for the 1984 Bhopal gas disaster may never be enforced, a legal expert said Friday, according to AP.

The Indian government must decide whether to formally request the US government for the extradition of former Union Carbide chief executive Warren Anderson to stand trail for a charge that is the equivalent of manslaughter, said Martin Mendelsohn, a former Justice Department India could decide not to

press for Anderson's extradition to avoid jeopardizing USrelations, said Indian Mendelsohn, who handled extradition matters for the government.

Even if the Indian govern-

request, the US government has the discretion to reject it. said Mendelsohn and other legal experts.

Mendelsohn predicted that the charge against Anderson "will be viewed with skepticism all over the place. It is difficult to charge someone with a crime when he wasn't Physically present. Anderson is charged with

culpable homicide not amounting to murder for Bhopal residents killed in 1984 when toxic gas leaked from a Union Carbide pesticide About 1,500 people died

within days of the leak and the death toll rose to more than 4,000 in the intervening years. The extradition treaty with

India, like most, contains a clause that says fugitives will not be turned over to a foreign government if the crime is one of a political character."

40,000 plant species face extinction

BEIJING, Mar 28: The United Nations Food and Agriculture Organisation (FAO) has warned that 40,000 plant species will face extinction by the middle of the 21st century unless the world takes immediate measures to save them, reports Xinhua.

The agency said on Monday that the plants were endangered by environmental destruction, population growth, and changing patterns of life in what it described as one of the greatest man-made ecological disruptions in history.

The Director General of the FAO, Edouard Saouma, said in a statement released in Washington and monitored here, "The earth's plant genetic resources are a limited and perishable natural resource, and their loss consti-

tutes a grave threat to our world food security."

FAO experts say the shrink age of plant species could deplete the pool of genetic resources. This in turn could increase the vulnerability of agri cultural crops to sudden and abrupt climate changes or the appearance of new pests and

The FAO cited the 19thcentury potato famine that killed two million people in Europe as one example of the dangers of agriculture depending on a narrow genetic base.

It said that while ancient peoples used several thousand plant species for their food supply, the modern farmer cultivated just 150 species, while the great majority of mankind lived on no more than 12.

USA plans trade with Russia in 'banned areas'

WASHINGTON, Mar 28 The Bush administration will open trade with Russia in formerly banned areas, including US purchase of space and nuclear technology, the White House announced Friday, reports AP.

The Defence Department will purchase the Russian Topaz space power unit and Hall thrusters used to turn a space station, said President Bush's spokesman, Marlin Fitzwater. In addition, the government is authorising private sector purchase of plutonium-238 used for space power.

"The remarkable changes

occurring in Russia and the other new states of the former Soviet Union offer the United States government and the private sector unique opportunities to expand trade with these countries, especially in the high technology areas that have not before been readily

White House officials said the value of the items announced Friday would be 14 million dollar. Fitzwater said the materials

available to us," Fitzwater said.

were previously classified. "These transactions clearly signal our desire to normalise trade with the new states". said Fitzwater.

Japan's auto industry reaches a 'turning point' States and Europe beginning

TOKYO, Mar 28: The newly named President of Nissan Motor Co. said Friday the Japanese auto industry is at a "structural turning point," and he will have to reduce working hours, spending and trade friction all at once, reports AP.

Yoshifumi Tsuji, a 64-yearold former production engineer, will take over in June from Yutaka Kume, who moves to the chairmanship. replacing the retiring Takashi

Kume, 70, who also rose from the production side, helped rejuvenate Nissan's product line during his sevenyear tenure. But he leaves at a time when the No. 2 automaker could face its first operating loss since 1987 in the second half of fiscal 1992. Tsuji, like Kume a graduate

of elite Tokyo University's engineering department," is an important choice for the next steps at Nissan," said Steve Usher, an automotive industry analysts for Kleinwort Benson Securities in Tokyo.

"It's important for the company to rein in production costs. He's one of the best people for that job," he said.

Nissan is considered one of the least efficient of Japan's auto makers in terms of labor costs: currently Nissan's cost are the highest of Japan's "Big Five" car companies as a percentage of sales, he said.

Adding to Tsuji's headaches are a recession that has dampened demand both in Japan and overseas, and trade pressures to cut working hours and overseas exports, and to hold steady in market share in the United States, the automakers largest foreign

In times past, Japan's top automakers often exported their way out of a downturn; today, because of frictions with Washington and Detroit and weak overseas demand, that may not be an option.

In part because of this, Japanese automakers are raising prices and lengthening model cycles. Nissan has already announced it will extend the time between new models for its mainlines from four to five years.

"Most people feel this is a structural turning point in the auto industry," Tsuji said at a news conference. At the same time, the

company is in the middle of

paying for its aggressive

expansion into the United

in the 1980s, when it built local production plants. "Despite efforts to cut back on capital spending in a bad

environment the company is still committed to a fairly high level of spending", said Andrew Blair-Smith, an analyst with UBS Phillips and Drew. Despite the troubles he

leaves Tsuji with in moving to the largely ceremonial post of chairman, Kume is credited with turning Nissan's product line around with such hit models as the Cima and Sylvia "He put Nissan into the

forefront of car design," said Ben Moyer, an analyst for Merrill Lynch Research here. An AFP report from Tokyo adds: Millions of Tokyo

commuters had chaotic

struggle to work Friday as

employees of nine major private railways in Tokyo, Osaka and Kyoto, began a lightning strike in a wage Roads were quickly jammed

with cars, long queues developed at taxi stands, while buses and the few commuter trains still running were packed. Some people made the journey to work on foot. But commuters were spared

an equally chaotic return home after the strike, scheduled to last 24 hours, was called off within five hours when unions accepted a management 5.7 per cent pay hike, union officials said.

Seven out of nine Tokyo subway lines were brought to a standstill, hitting 2.6 million people who had no advance warning of the strike, railway company officials said. the lowest in four years.

Only the lines run by the metropolitan government were operational.

It was the first time in 11 years that a strike on the private railways has halted morning rush hour services, they said. The 190,000-strong union

accepted what the management said was their final offer of average monthly increases of 15,700 yen (118 dollar) per worker.

With this settlement the socalled annual spring wage offensive in Japan is over. Unions in other major

industries, including steel, electronics, shipbuilding, heavy machinery and automobile have already accepted wage offers averaging a little less than five per cent,

Business briefs

Tanzania to lift some bans on SA: The black African republic of Tanzania will lift some of its sanctions against South Africa in a few days, Tanzanian Foreign Minister Ahmed Hassan Diria said here Friday, reports AP from Washington.

Diria said sanctions to be lifted include those on air links, sports relations and travel between the two countries. He said he had already been once in South Africa, on his way to neighbouring Namibia.

US personal income increases: Personal incomes posted their biggest increase in three years in February, the government said Friday, helping to support a gain in US consumer spending that will be crucial to an economic recovery, reports AP from Washington. Despite the new sign of growth, Treasury Secretary

Nicholas F, Brady said that if the Federal Reserve fails to provide enough money to sustain the recovery, the economy could falter again as it did last fall. Venezuela may cut investment in oil: Former Education Minister Gustavo Roosen was named Friday

as the new president of the national oil company and immediately hinted he might cut back the company's ambitious investment plans, reports AP from Caracus, Venezuela.