

SAARC body to recommend steps to curb poverty

COLOMBO, Apr 2: The Commission on poverty alleviation of the South Asian Association of Regional Cooperation (SAARC) started its first meeting Thursday in Sri Lanka to discuss poverty problems in SAARC countries, reports Xinhua.

Lankan tea exporters eye CIS market

COLOMBO (Sri Lanka), Apr 2: Sri Lankan tea sellers are looking to former Soviet republics for business to help boost sagging tea prices, a leading broker said Thursday, reports AP.

Although the newly formed Commonwealth of Independent States is yet to offer profitable markets, it is bound to present vast opportunities in the long-term, said Rohan Iddawela of Forbes and Walker, a leading brokering firm.

However, the financial constraints of the independent states will have to be taken into account while making trade agreements with them, Iddawela said.

Dollar mixed in London

LONDON, Apr 2: The US dollar was mixed in early European trading Thursday, Gold prices fell, reports AP.

Overgrazing by livestock, inefficient farming practices and deforestation are about equally to blame for the loss of fertile land, the UN Environment Programme study found. Urbanization and pollution are other factors.

'Hard' economic reforms under IMF guidance expected G-7 agrees on \$24b aid package for CIS

BONN, Apr 2: The world's seven wealthiest industrialized nations have agreed on a 24 billion dollar aid package to help save the former Soviet republics from economic ruin, Germany announced Wednesday, reports AP.

announcement by his office. He said the aid package was being drawn up by the Group of Seven nations, and that Russia and the other Commonwealth states that succeeded the Soviet Union would be the recipients.

assistance from the West has arisen from recognition that the republics cannot by themselves manage the huge task of economic reconstruction, Khol said.

Soviet republics to receive the aid, will be expected to undertake "hard" economic reforms under the guidance of the International Monetary Fund.

Provide 25 per cent or 1.6 billion dollar, of a six billion dollar fund to stabilize the struggling rouble financed by the Group of Seven leading industrialized nations.

help stabilize the balance of payments of the members of the Commonwealth of Independent States (CIS), once they belong to the IMF.

A rhetoric far ahead of act

WASHINGTON, Apr 2: The numbers sounded impressive — billions in aid to the former Soviet republics — but the package outlined by President Bush was tailored to the realities of an election year.

For months, Bush's rhetoric about the urgency to help democracy take root in the republics has been far ahead of his willingness to act.

And that was still the case at his Wednesday news conference at the White House. "We have a major stake in the success of democracy in Russia and these other states," he declared.

But there was little new money in what Bush proposed. Most of the package was made up of loan guarantees through international institutions and additional credits to help the former Soviet republics purchase US farm products.

Bush's reluctance to commit the United States to a massive aid programme was rooted in concerns that Americans are looking inward this presidential election year, and are hostile to sending away money sorely needed at home.

When asked what it would cost American taxpayers, Bush replied: "There's not a lot of new money. It's our feeling and the feeling of the partners that we ought to use these international financial organizations."

Pressed on the point, he said, "I'll let Jim Baker give you the details."

Moments later, the Secretary of State was asked for the details.

"You're asking me for a number this morning that I really can't give you this morning," said Baker, who promised to come up with a figure later.

The first criticism Bush received after announcing his programme came from Democratic presidential candidate Bill Clinton of Arkansas, who accused the President not of being too generous but of being "overly cautious on the issue of aid to Russia."

He was right on that score. Former President Richard Nixon had shocked the Republican administration by calling its effort to help the states emerging from the ruins of the Soviet Union woefully inadequate.



NEW IDENTITY: Two employees of the Cherry Blossom Bank showing off the bank's new logo during a flag raising ceremony to mark the change of the bank's name from Mitsui Taiyo Kobe Bank to Cherry Blossom Bank at the bank's headquarters in Tokyo Thursday.

Gulf nations unlikely to pull back investments from West

ABU DHABI, Apr 2: Wealthy Gulf Arab States are unlikely to repatriate funds invested in the West despite a freeze on Iraqi overseas assets and speculation of similar action against Libya, bankers and economists said Wednesday, reports AP.

move of funds in to the region," he told AFP. Gulf Cooperation Council members — Saudi Arabia, Bahrain, Kuwait, Oman, Qatar and the UAE — have around 400 billion dollar in overseas assets, invested mainly in the West in stocks, bank deposits and real estate.

dollar — despite reports of big overseas losses. According to Mohammad Farid, Deputy Chairman of the Cairo-based Arab-African International Bank, Arab states have had nearly 100 billion dollar in investment abroad over the past 10 years.

US runs out of aid fund!

WASHINGTON, Apr 2: US foreign aid programmes technically ran out of funds Wednesday but the Senate was expected to remedy that soon by passing a stop-gap spending measure, reports AP.

Although the House of Representatives voted 275-131 Tuesday to extend foreign aid at its current levels, the measure was still under consideration in the Senate when the midnight deadline ran out.

The Senate was expected to vote on the measure in a matter of hours, so employees of the foreign aid programmes reported to work Wednesday as usual.

The bill, which provides spending authority for six months at an annual rate of 14.2 billion dollar, authorizes the administration to take funds from other programmes to finance aid to the former Soviet republics.

The bill also provides 250 million dollar for United Nations peacekeeping activities, 200 million dollar of it designated for the peace-keeping force in Cambodia.

What did not make it into the bill was authorization for 10 billion dollar in credit guarantees, which Israel had sought to help finance the resettlement of Jewish emigrants flooding in from the former Soviet Union.

The foreign aid spending authorization that ran out at midnight was passed six months ago as a stop-gap measure to give Congress more time to consider the Israel credit guarantees.

But the guarantees were dropped from the new spending bill after falling hostage to a dispute between Israel and the US administration over construction of Jewish settlements in the occupied territories.

Excluding the oil sector however, the country's GDP would represent a 5.9 per cent growth in 1991 compared to 1990, the statistics showed. Minus oil, the GDP jumped from 68.1 billion dirham (18.5 billion dollar) in 1990 to 72.1 billion dirham (19.6 billion dollar).

US House turns down Senator's campaign to redesign coin

WASHINGTON, Apr 2: The House of Representatives on Wednesday rejected the latest effort in a senator's five-year campaign to redesign US coins, reports AP.

Pak foreign reserve up by 40 pc

KARACHI, Apr 2: Pakistan's foreign reserves rose 40 per cent to US dollar 541.5 million US dollar in March, compared with 385.2 million US dollar in February and 162 million in March 1991, the State Bank of Pakistan said, reports AP.

The central bank gave no reason for the sharp rise, but a foreign banker said the increase followed the introduction of foreign currency bearer certificates last month in Pakistan.

The bank was forced to defer sales abroad after the United States complained that Pakistan had not sought proper sanction for the issue and that it was a virtual invitation to launder money.

The reserves position is quite satisfactory, compared with March 1991, a Pakistani banker said.

In addition to the reserves, gold coin and bullion assets worth 690.5 million US dollar were also held by the bank, the bank said.

Pak mission to US to clear bond sale snag

KARACHI, Apr 2: Top Pakistani financial officials headed to the United States to try and clear up the controversy over the proposed sale of Foreign Currency Bearer Certificates (FCBC), officials said here Wednesday, reports AP.

Deputy Governor of Pakistan's central bank, Sibghatullah, and top officials from the Finance Ministry were among the delegation which left Tuesday, they said.

Pakistan stalled the proposed sale of five year maturity FCBC's, which were to be launched internationally from March 23, after US authorities said they could be used to launder money.

The FCBC's were to offer annual returns of 8.75 per cent, 10.25 per cent, 11.75 per cent and 7.75 per cent against dollar, German mark, the British pound and yen respectively and were exempted from income and wealth taxes in Pakistan.

Pakistan authorities denied the scheme encouraged money laundering or would involve itself in illegal or unethical banking and the delegation would attempt to dispel that perception, officials said.

US objection centered on a State Bank of Pakistan (SBP) advertisement which, among other things, had said that no question would be asked about the source and identity of buyers.

Delhi briefs its envoys over new economic priorities

NEW DELHI, Apr 2: Indian Finance Minister Dr Manmohan Singh Wednesday called for a shift of emphasis from commercial borrowing to direct foreign investment, Press Trust of India (PTI) reported according to Xinhua.

Addressing the conference of heads of Indian missions abroad here on Tuesday, observers here said his remarks represent the important shift of India's diplomacy from politics to economy.

India to set-up acid plant in Israel

Another report adds: Cooperation between India and Israel in the agricultural sector would receive a boost with efforts on to establish a phosphoric acid plant in southern Israel to cater to Indian fertilizer industry, currently importing the raw material for manufacture of ammonium phosphates, according to members of a high-tech Israeli delegation.

EC rejects GATT ruling on soybean support

BRUSSELS, Apr 2: The European Community Commission Wednesday declared "unacceptable" a ruling of the GATT world trade panel that EC support for soybean produces violates international trade rules, reports AP.

The remark, which came on the heels of a similar decision by the EC farm ministers Tuesday, was expected to increase tensions in the US-EC trade relations.

It also raised questions about whether EC proposals to reform its Common Agricultural Policy went far enough to bring it into line with farm trade rules currently under negotiations in the Uruguay Round of world trade talks.

Venezuelan central bank chief quits

Venezuelan Central Bank President Miguel Rodriguez has resigned and Ruth de Krivoy was appointed as his successor, the government said, reports AP from Caracas.

Krivoy is the first woman in the country's history to preside over the Central Bank.

Rodriguez resigned Wednesday after six weeks in the Central Bank. He had previously been planning minister.

UAE oil income falls by 11.3 pc

ABU DHABI, Apr 2: Oil income in the United Arab Emirates fell 11.3 per cent in 1991, the Ministry of Planning reported, says AP.

The report said income fell from 57.63 billion dirham (15.7 billion dollar) in 1990 to 51.12 billion dirham (14 billion dollar) last year.

Total national income in 1991 fell to 103.3 billion dirham (28 billion dollar) from 106.6 billion dirham (29 billion dollar) in 1990 as a result of the sharp drop in the oil sector, the report said.

UAE's oil revenues in 1990 were comparatively good because that was the year the Emirates, along with Saudi Arabia, hiked output to the maximum to balance a shortfall due to the Gulf crisis. Prices also rocketed, reaching more than 30 dollar a barrel.

But with the end of the Gulf War in 1991, a glut emerged, forcing prices to their lowest levels since the price crash of 1986.

The UAE report said that as a result of the downfall in oil revenue for 1991, the Gross Domestic Product declined by two per cent, down from 125.7 billion dirham (34.2 billion dollar) in 1990 to 123.2 billion dirham (33.5 billion dollar) in 1991.

Excluding the oil sector however, the country's GDP would represent a 5.9 per cent growth in 1991 compared to 1990, the statistics showed. Minus oil, the GDP jumped from 68.1 billion dirham (18.5 billion dollar) in 1990 to 72.1 billion dirham (19.6 billion dollar).

US House turns down Senator's campaign to redesign coin

WASHINGTON, Apr 2: The House of Representatives on Wednesday rejected the latest effort in a senator's five-year campaign to redesign US coins, reports AP.

On a 206-199 vote, the House turned down a compromise offered by Sen Alan Cranston to order a redesign of only the back sides of the quarter and half dollar over the next two years.

The Treasury Department also would have had to consider redesigning the backs of the penny, nickel and dime but changes in them would not have been mandated by Congress.

"We are going into debt as a country by one billion dollar a day and here we are bickering about pocket change," complained Rep. George Allen. "It's just another example of the wasted time that his house spends on minutiae."

Allen particularly objected to the possibility that the bill could lead to removing Thomas Jefferson's home, Monticello, in his Vermont district from the back of the nickel.

It also could lead to removing the Lincoln Memorial and Liberty's torch from the back side of the penny and dime while directing that the eagle on the back sides of the quarter and half-dollar be replaced with designs based on themes in the Bill of Rights.

"None of us wants to do any sacrifice as far as coins are concerned... but let's give some artists some license to explore," said Rep. Doug Barnard. "Coin redesign is very common in most other countries."

Just six weeks ago, the House rejected by a much larger 241-172 vote Cranston's effort to order a redesign of the backs of all five coins over the next five years.

He attached it to a much more popular bill for several commemorative coins, including one wanted by first lady Barbara Bush to finance the collection and restoration of antiques and paintings, in the White House.

Future food supply at risk for damage of soil fertility

UNITED NATIONS, Apr 2: The world's future food supply is threatened by damage done by mankind to more than a tenth of the earth's fertile soil since 1945, an area the size of China and India combined, a new UN report says, reports AP.

Overgrazing by livestock, inefficient farming practices and deforestation are about equally to blame for the loss of fertile land, the UN Environment Programme study found. Urbanization and pollution are other factors.

of arable land," said researcher Dirk Bryant said. "A conservative assessment is that you try to save that base."

Worldwide, about 25 billion tons of soil are lost each year due to erosion and other damage, said Gustavo Nores, Director of the International Center for Tropical Agriculture in Colombia.

helped offset the loss of agricultural land and prevented food shortages so far, ecologists warn that the dual trends of declining farmland and increasing world population will eventually lead to a supply crisis.

Some of the scientists are beginning to say that even with all the modern inputs — fertilizer, pesticides, water, making credit available — you are unable to maintain yields at the current level," Rajagopalan said.

Business briefs

Algeria may 'allow' illegal imports: The Algerian government on Tuesday said it was prepared to authorise the present illegal import of consumer goods for resale in Algeria, provided they are useful, reports AP from Algiers.

Fujimori denies donated clothe sale: President Alberto Fujimori again denied Tuesday that some of the clothing donated by Japan for poor Peruvian children had been diverted for sale on private markets while press reports described the affair as a 'farce', according to AFP from Lima.

Venezuelan central bank chief quits: Venezuelan Central Bank President Miguel Rodriguez has resigned and Ruth de Krivoy was appointed as his successor, the government said, reports AP from Caracas.