

### Environmental pretext for protectionism!

WASHINGTON, Apr 26: Many rich countries are using environmental concerns as an excuse to set up protectionist barriers against products from poorer countries, a top development official said on Saturday, reports Reuter.

Alejandro Foxley, Chairman of the Joint Ministerial Development Committee of the International Monetary Fund (IMF) and the World Bank, said there was an urgent need for a new set of clear-cut rules to address the issue.

There is confusion between a legitimate environmental demand regarding the quality of products circulating in the developed countries and a pretext for protectionism for blocking the entry of products of their markets, he said.

Foxley, Chile's Finance Minister, told journalists that the General Agreement on Tariffs and Trade should set up clear-cut rules differentiating between the two.

He said both rich and poor countries should have a say in the writing of the rules and that they should include a phase-in period to allow poorer countries to adjust.

Under present circumstances when rich countries detect what he called an environmental problem such as rain-forest wood used in fruit boxes, or pesticides in agricultural produce, they immediately clamp sanctions, effectively shutting out those countries' products from their markets, he complained.

Foxley also said that by the latest World Bank estimates, the developing countries as a group would need some 25 billion in assistance over the next decade to improve the quality of life in the cities.

The Group of 22 Finance Ministers from around the world that Foxley chairs will discuss over the next few days not only how much money

should be cancelled for that purpose, but also how it will be administered, he said.

The group will issue recommendations to improve transportation, drinking water, air and sewer systems to the Earth Summit which will bring together more than 100 heads of state and government next June in Rio de Janeiro, Brazil.

While much attention is being paid these days to the protection of the world's rain forest and the ozone layer, few are focusing on quality of life in Third World cities, and issue directly related with wide spread poverty, he said.

Diarrhoea kills five million children a year in the developing world and 1.2 billion people live in polluted cities, while cholera is spreading in Latin America.

The collapse of the urban systems has built a bridge linking the phenomena of poverty and misery with violence and insecurity, he said.

Foxley said the committee would discuss how best to channel funds to improve the quality of life. The idea that aid comes in the form of soft loans to the poorer countries would deny such an assistance for middle-income countries like Chile, he said.

Disasters such as the gas blast that earlier this week killed some 230 people in Guadalajara, Mexico, reveal the urgent need to devote more resources to social or infrastructure projects in Third World urban areas, he said.

The cities of our countries are prone to this kind of disaster, Foxley said.

He said a worldwide trend towards reducing the role of the state in the economy has created what he described as an ideological bias against governmental participation in programmes to improve the quality of urban life.

## 4-nation meet fails to end farm subsidy impasse

DITASHIOBARA (Japan), Apr 26: Trade ministers from four regions failed Sunday to end an impasse on agricultural trade subsidies that has stalled key international trade talks, reports AP.

The trade officials from the United States, Canada, the European Community and Japan said they had decided not set a deadline for a conclusion of the talks, and reported little concrete progress from three days of informal discussions here in this wooded resort area north of Tokyo.

"We felt that putting a deadline on the negotiations would be counterproductive," said Kozo Watanabe, Japan's minister of international trade and industry.

Negotiators have failed to meet two earlier deadlines for the so-called Uruguay Round of the General Agreement on Tariffs and Trade talks.

Disagreements between the United States and the European Community over the EC's subsidies for agricultural exports are the main topic blocking the conclusion of the GATT talks, Washington is urging the EC to reduce the number of products that it subsidises.

"We want very much to have a successful outcome and we want that outcome to be as rapid as possible," said US Trade Representative Carla Hills. "We are doing everything in our power to sweep away the impediments."

She said it would be difficult to estimate when the negotiations would end, "but hopefully in the near term, not

the long term."

Hills, Watanabe, Canadian Trade Minister Michael Wilson and EC Commission Vice President Frans Andriessen focused on the Uruguay Round and other trade issues during their talks here, the 21st regular quadrilateral meeting of trade ministers since such gatherings began 10 years ago.

The four regions had hoped to achieve significant progress in solving the agricultural rift before a summit in Munich in early July of leaders of seven industrialised nations.

The Uruguay Round talks on reforming international trade have continued for more than

five years under the auspices of the Geneva-based GATT.

In the absence of an agreement on agricultural issues, Wilson urged that negotiators proceed as far as possible in other sectors, such as trade in manufactured goods, resources and services, but acknowledged that the outcome still depended on agriculture.

"Agriculture is crucial to the success of the Uruguay Round," he said.

Reuter from Urabandi adds: Japan is encouraging members of the General Agreement on Tariffs and Trade (GATT) to allow China, Taiwan and Russia to join their group. A Japanese

senior trade official said.

Japanese Minister for International Trade and Industry (MITI), Kozo Watanabe, asked three other trade ministers attending a weekend meeting for their support in seeing the three nations joining GATT, a senior MITI official told reporters.

Trade ministers of the United States, the European Community and Canada are in Urabandi discussing the multilateral trade issues including the Uruguay Round.

The other three said they don't mind that, the MITI official said of China's, Taiwan's and Russia's proposed membership in GATT.

A working group studying China's application has been in active since the crackdown on pro-democracy movement in Beijing in 1989. No such group has yet been formed to consider Taiwan's membership, the MITI official said.

But the ministers did not indicate whether the two should join GATT at the same time or when either could join the MITI official.

The Japanese trade minister separately suggested others to encourage GATT to grant membership to Russia.

"Watanabe suggested the four ministers give a positive

consideration for GATT to allow Russia to join the world trade body. There was basically no objection from others," the official said.

The former Soviet Union has been an observer to GATT since 1990, another MITI official said.

The four also talked about what will be the main issues when economic and trade ministers from seven industrialised and seven former Eastern Block countries gather at Munster, Germany, in early May.

The four agreed that the main issues should be micro-economic advice to these eastern countries.

Combed with other groups such as International Monetary Fund (IMF), the support will concentrate on micro economic advice, the senior MITI official said.

At a separate press meeting, another MITI official said the Munster talks could consider ways of turning Russian's weapon production facilities to civilian use.

Turning to the Uruguay Round itself, the MITI official said the four ministers could not decide if they favour a new target date for completing the round.

The MITI official said having a target date helps encourage the talks, but can lead to disappointment and criticism from the media if it is not met.

The official said the ministers considered tackling less difficult issues in the Uruguay Round to help get it going, leaving difficult problems like agricultural subsidies to be worked out later.



**BANDAI KOGEN:** Trade Minister (L-R) Frans Andriessen of EC, Carla Hills of the US, Kozo Watanabe of Japan and Michael Wilson of Canada holding a joint press conference Sunday after three-day quadrilateral trade ministers meeting at a mountain resort hotel at Bandai Kogen, Fukushima prefecture (250 Km north of Tokyo). —AFP photo

### Tripura Jute Mill closed since start in 1981

AGARTALA, Apr 26: The Tripura Jute Mill, the only medium-scale industry in the state, has been closed almost since the day it was commissioned in 1981, following accumulated financial losses, according to official sources here, reports PTI.

The mill, with about 2000 employees, had an accumulated loss of 35 crore till date, out of which the banks and other financial institutions alone own a whopping Rs 13 crore. The Jute Corporation of India (JCI) which gets over Rs one lakh as dues from the mill had refused to supply raw material, the sources said.

The mill was not able to pay over Rs one crore in the form of interest to banks and other financial institutions every year. Now the banks have refused to finance anymore and in the absence of raw material, the mill had stopped production totally a fortnight ago, the sources said.

N G Bhattacharjee, Managing Director of the Jute mill, said that resumption of production was uncertain. The

mills, with a daily capacity of 40 tone, slashed its production to two tone before stopping it completely, he said.

The employees however, would continue to receive their wages in spite of the lockout, Bhattacharjee said.

Besides the financial losses, the jute mill suffers from inherent difficulties including obsolete looms. The mills had 208 looms (158 for sacking and 50 for hessian) half of which were not in working condition, Dillip Sarkar, Congress-I MLA and the chairman of the mill told PTI.

Meanwhile, the state government was carrying out a revival scheme and would be seeking an assistance from Rs 14 crore from the centre and the state government to enable the jute mill run on a commercial basis.

A viability study conducted by a multi-disciplinary team constituted by the Ministry of Textiles also recommended for increasing the production of the mill to at least 30 tone per day. The mill also needs about Rs 1.5 lakh as capital expenditures.

### IMF to lend CIS if it pays back on time

WASHINGTON, Apr 26: The IMF is willing to lend billions of dollar to help the former Soviet Union move to a market economy, but only if Russia and the other republics pay it back on time, IMF experts said here Saturday, reports AP.

The former Soviet Union will definitely not be treated as a bottomless pit, the International Monetary Fund experts said here ahead of important IMF and World Bank meetings.

### India keen to share small industries development experience

SEOUL, Apr 26: India Saturday expressed its willingness to share its "rich experience" with other Third World countries in developing small and medium enterprises, reports PTI.

"We are prepared to share our experience with other developing countries and help them in developing their small and medium enterprises," the Minister of State for Industries, Prof PJ Kurien said here Saturday.

## \$30b Saudi plan to boost oil capacity

RIYADH, Apr 26: Saudi Arabia is preparing to spend 30 billion dollar on the expansion of its oil production capacity, experts here have said, reports AP.

The kingdom, which successfully overcame financial pressures from the Gulf War that ousted Iraq from Kuwait in February 1991, hopes to match or surpass its production ceiling of 10 billion barrels per day (BPD) as of 1995.

It already sits on 25 per cent of the world's proven crude reserves, totalling some 25 billion tons of oil.

The country's current production level is slightly above eight million BPD, against 5.5 million BPD before the Gulf crisis.

The sharp rise has been the result of international market requirements, triggered by the sudden loss of supplies from Iraq and Kuwait.

The two countries were prevented from exporting oil

during the Gulf crisis under the terms of a United Nations Security Council resolution Iraq still faces the ban.

Despite a gradual resumption of Kuwaiti production — to about a current level of million BPD — Saudi authorities have argued against a substantial decrease in their output.

The experts said Saudi Arabia would fight to ensure that production quotas set by the Organization of Petroleum Exporting Countries OPEC be hence forth determined solely by the members' production capacity.

"As such, Saudi officials are determined to sensibly expand their possibilities in this domain," said one expert, who declined to be identified.

He said Saudi Arabia would be making large investments over the next 10 years, with 15 billion dollar going directly to the petroleum sector and another 15 billion to developing the petrochemical industry.

Saudi Arabia still intends to give priority to expanding its oil and petrochemical sectors, which with the current production rate can be stretched over more than a century of useful life.

The country enjoys and ultra-modern infrastructure that is almost complete. What remains, officials here said, is a railroad between Jeddah and Riyadh, which lie 1,000 kilometres apart.

The United States, which is a major Saudi trading partner, is expected to capitalize on the sizeable investment projects here.

Washington's decisive role during the Gulf War is expected to have a lasting effect on the level of bilateral exchanges, analysts said.

In 1991, the United States exported 6.6 billion dollar worth of goods to Saudi Arabia, a 27-per cent slice of the local market.

An increase in receipts from oil production has, in large measure, allowed the Saudi government to meet its financial obligations towards the Gulf War, estimated at between 55 and 80 billion dollar.

From 1987 to 1989, the intake saw an annual increase of 24 billion dollar and in the past two years exceeded 40 billion dollar, Riyadh-based experts said.

To offset a growing deficit from the balance of payments and national budget requirements, the government has had to borrow 4.5 billion dollar on the international financial markets and 2.5 billion dollar on the domestic front.

Success of the operations and massive increase in oil resources notwithstanding, the budget deficit marked a sharp increase in 1991, to the tune of 20 billion dollar, against six billion dollar before the Gulf War, economists said.

### Kuwait has no plan to borrow more money

KUWAIT, Apr 26: Kuwait has no immediate plans to borrow more money on the international market but is trying to meet its cash needs through export credit agreements, the head of the Kuwait Investment Authority (KIA) said on Saturday, reports Reuter.

### Reassignment of two Emirates directors approved

By Staff Correspondent

The Chairman of Emirates Sheikh Ahmed bin Saeed Al Maktoum has approved the reassignment of Emirates' Directors Mohammed Alkhalja and Tim Clark, according to a press release.

Alkhalja as Operations Director, will be responsible for flight operations, engineering, base station, general traffic and the operations and movement control departments.

Clark is appointed Commercial Director responsible for commercial operations, commercial systems, inflight services and planning and the cargo departments.

Both the directors will report directly to Maurice Flanagan, Group Managing Director.

## Some ecological damages irreparable

WASHINGTON, Apr 26: It's already too late to avert some of the damage the Earth faces from global warming or the "Greenhouse Effect," according to the Worldwatch Research Institute, in a report on the planet's future, says AP.

"Because of the Greenhouse gases already in the atmosphere, a one-degree (Celsius) warming — sufficient to cause major biological disruption ap-

pears inevitable during the 21st Century," said a "Worldwatch Paper."

The report, released Saturday, said global warming, population growth and excessive consumption are accelerating the "mass extinction" of all kinds of life that share the planet with the human race.

Worldwatch, financed by UN organizations and private foundations, is an institution

dedicated to research and public education on environmental issues.

The report's release came ahead of a final round of UN talks Thursday seek a treaty to curb global warming. The treaty would be signed in June at the UN environmental summit in Rio de Janeiro, Brazil.

The United States has re-

sisted proposals by the European Community and Japan to agree to roll back emissions of carbon dioxide, the main gas behind the Greenhouse Effect, to 1990 levels by the year 2000.

President Bush's administration has opposed specific limits as an unreasonable burden on industry while calling for more research of the issue.

## Business briefs

**Taiwan's trade with China booms:** Taiwan's trade with China jumped substantially in February and officials Friday said the boom would continue in the coming months — a prospect which alarms Taipei, reports Reuter from Taipei.

Official figures showed Taiwan's trade with China through Hong Kong rose 86.2 per cent of US \$34 million in February from a year earlier. In January the trade showed a drop of 14 per cent from a year ago, the Board of Foreign Trade with the mainland is showing sign of rising rapidly, Thomas Chuang, Deputy Director of the Board's Information Department, said.

**China urges unity for progress:** Chinese Communist Party General Secretary Jiang Zemin Saturday called on the developing countries to strengthen unity and cooperation and strive to develop their economies, reports Xinhua from Beijing.

Jiang Zemin made the remark in a meeting with a delegation from the Ugandan National Resistance Movement, which is led by national Commissar Eryia Kategaya, who is also first Deputy Prime Minister of the government.

**German workers plan strike:** Germany's largest public sector union voted to join a mass strike to paralyse public services in western Germany, union officials announced Saturday, reports Reuter from Stuttgart.

The OETV union said 88.9 per cent of members who voted wanted to join postal and rail workers in a walkout expected to take full force on Monday, freezing services like garbage collection and public transport. Earlier, rail workers voted overwhelmingly in favour of a strike.

**Malaysia hits out at western blame:** A Malaysian Minister hit out Saturday at western pressure groups which sought to protect rainforests by granting so-called eco-labels for approved tropical timber products, reports Reuter from Kuala Lumpur.

Minister of Primary Industries Lim Keng Yaik said in a statement that these Non-Governmental Organisations (NGOs), especially in Britain, with the help of certain shopping chains, wanted to award their labels only to timber products coming from what they defined as sustainably managed forests.

**Moscow allows rise in fuel price:** The Russian government announced plans Friday to allow fuel prices to rise substantially while remaining under limited state control, according to officials and Itar-Tass news agency, reports AP from Moscow.

## Liberal labour mobility to benefit both poor and rich nations

Developing countries would earn at least \$250 billion annually if rich countries eased immigration restrictions on the entry of foreign workers, concludes the Human Development report 1992, published for the United Nations Development Programme (UNDP).

Rich countries also stand to gain from increased labour mobility, the report says, citing studies that show that international labour market restrictions will cost the world \$1,000 billion in foregone growth by the year 2000.

The report, third in an annual series, has been prepared by an independent team of distinguished economists under the guidance of Dr Mahabub ul Haq former Finance Minister of Pakistan and now Special Adviser to the UNDP Administrator.

"No market is perfect, but the international market for labour is one of the most restricted of all," says the report. The supply is there: millions of workers in developing countries are unemployed or underemployed.

But immigration laws block the flow of labour from poor countries to rich. Currently, about 75 million people from developing countries are on the move each year as refugees, displaced persons, transient workers or legal or illegal migrants.

Immigration restrictions from industrialized countries deny market opportunities just as quotas and tariffs inhibit labour-intensive goods and agricultural exports. Such bar-

riers slow global economic growth, harming poor countries the most.

They are even more onerous to poor countries than are trade barriers because migration of unskilled and semi-skilled labour is one area where they enjoy a comparative advantage. As a result, de-

veloping countries currently lose much more from immigration controls than from trade barriers.

Lost opportunities in global markets cost developing countries a minimum of \$500 billion each year, according to the report, with half the losses stemming from immigration restrictions alone. But while international trade barriers are being eased through the

General Agreement on Trade and Tariffs negotiations, distortions in the international labour market have so far escaped scrutiny.

"It would be clearly unrealistic to expect that industrial countries will greatly lower their immigration barriers," acknowledges the report. But

it argues that this places an even greater responsibility on industrial nations to create enough economic opportunities in developing countries to reduce the pressures for migration.

As it is, industrialized countries have further tightened immigration laws, reversing two decades of liberalization. These laws jeopardize the \$25

billion that is currently being remitted to home countries by migrant workers.

Pressure for limiting the number of unskilled workers in industrialized countries has increased in recent years because of fears that rising influxes of Southern immigrants will increase social tensions.

Developing countries have also suffered because of the growing preference in rich countries for immigrants who are skilled workers or potential investors. The US and Canada recently changed their immigration laws to attract more skilled workers and entrepreneurs.

The major responsibility for reducing such losses lies with the developing countries. They need to tailor their education systems more closely to their practical needs and improve the management of their economies. But for that, they also need better access to international markets.

Between 1960 and 1990, the US and Canada accepted over one million professional and technical immigrants from developing countries. The report notes that the industrial countries, in what is effectively a "buyers market" for migrants, have been setting higher and higher levels of qualification — giving preference to highly skilled workers, to those who bring capital with them or to

political refugees.

The loss of skilled workers has hit hard in many countries of Asia and Africa, threatening their ability to absorb new technologies and to train future generations of professionals. Africa has already lost a third of its skilled people to Europe. Sudan alone lost 17 per cent of its doctors and dentists, 20 per cent of its university teachers, 30 per cent of its engineers and 45 per cent of its surveyors to migration in 1978 alone. The Philippines lost 12 per cent of its professional workers to the United States in the 1970s.

The loss of professionals and the growing barriers to unskilled workers could not come at a more difficult time for most developing countries. High birth rates mean that some 38 million additional people join the labour force of the Southern nations each year, adding to the over 700 million already unemployed or underemployed.

"This means that one billion new jobs must be created or improved by the end of the decade — equivalent to the total population of the North," notes the report.

"If the international community does not have the foresight to create economic opportunities where they are needed most," warns the chief author, Mahabub ul Haq, "then the world may witness unprecedented international migration in the 21st century, far outstripping the vast movement of people when the United States, Canada and Australia were settled."

## Professionals run away from poor states

Developing countries lose thousands of skilled people each year — engineers, doctors, scientists, technicians. Frustrated by low pay and limited opportunities at home, they head for richer countries where their talents can be better applied — and better rewarded, according to the Human Development Report 1992 of the UNDP.

The problem is partly overproduction. Education systems in developing countries are often modelled on the requirement of industrial countries, and train too many high-level graduates. Somalia produces around five times more graduates than the country can employ. And in Cote d'Ivoire, up to 50 per cent of graduates are unemployed.

Industrial countries certainly profit from immigrants' skills. Between 1960 and 1990, the US and Canada accepted more than one million professional and technical immigrants from developing countries. The US education system is particularly dependent on them. In engineering institutions in 1985, an estimated half of the assistant professors under 35 were foreign. Japan and Australia, too, have tried to attract

skilled migrants.

This loss of skilled workers represents a severe haemorrhage of capital. The US Congressional Research Service estimated that in 1971-72 the developing countries as a whole lost an investment of \$20,000 in each skilled migrant — \$646 million in total. Some of this returns as remittances but not on a scale to compensate for the losses.

Some countries may have more educated people than they can use, but others are losing desperately needed skills. In Ghana, 60 per cent of doctors trained in the early 1980s are now abroad — leaving critical shortages in the health service. And Africa as a whole is estimated to have lost up to 60,000 middle and high-level managers between 1985 and 1990.

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expel unemployed migrants.

In Europe, too, the proportion of developing country immigrants increased during this period from 30 per cent to 46 per cent. Now groups in some European countries have urged their governments to expel unemployed migrants.

Since the 1960s, the vast majority of immigrants to the US and Canada have come from developing countries.

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