WB sets new priorities to improve environment

WASHINGTON, May 17: The World Bank, the biggest source of aid to the Third World, has new priorities to improve the environment: more sanitation and safe water, less soot and smoke, reports AP.

The cost could reach 75 billion dollar a year by the year 2000. The Bank lends only about 24 billion dollar a year. Though its lending will increase, most of the money would have to come from Third World countries themselves.

The Bank on Sunday made public its book-length "World Development Report 1992," in advance of the UN Earth Summit in Rio de Janeiro beginning June 3. President Bush and other world leaders are to attend the meeting.

Andrew Steer, the report's British author, said at a news conference that its main concerns are :

1.7 billion people who lack adequate sanitation; 1.6 to two billion exposed to unsafe conditions because of soot and smoke, including 300 to 700 million women and children especially hit by smoke from indoor cooking fires; one billion without safe water. Hundreds of millions of people who depend for their living on conservation of soil and forest.

The Bank has been accused in recent years of abandoning its original goal of reducing poverty, and of disregarding the environmental impact of development projects. It has paid for roads for settlers who devastated Brazil's jungles and for dams that forced thousands of Indians out of their homes.

The Bank outlined a new programme last week to attack poverty directly in 85 countries, instead of relying largely on improved growth to raise living standards.

"Sometimes economic growth does cause environmental damage, of course," Steer acknowledged.

Vice-President Lawrence Summers, the Bank's chief economist, suggested at the same conference that the single most important thing the bank can do for the environment is to improve schooling of Third World girls.

'Confluence of missteps' cause of Olympia crisis

NEW YORK, May 17: No single event pushed Olympia and York over the brink into bankruptcy court, but a confluence of missteps by management and forces beyond their control proved overwhelming, reports AP.

Olympia and York Developments Ltd sought bankruptcy protection Thursday for the Canadian portion of its multinational empire after exhausting its ability to fight brush fire after brush fire.

The Toronto-based company, the world's largest property developer, is betting the bankruptcy filing will but time to restructure 12.2 billion dollar in debts to 91 international banks.

The scenario at Olympia and York boils down to this: Too many overdue debts and tremendous cash demands from construction of the gigantic new Canary Wharf office complex in London.

Ministerial level meeting of two sides begins in Kuwait

GCC blasts EC for move to tax oil import

KUWAIT, May 17: Gulf Arab states, angered by European Community plans to impose an environmental tax that could substantially reduce their oil exports to Europe, said on Saturday the tax would disrupt relations, reports Reuter.

Saudi Oil Minister Hisham Nazer, at the opening session of a conference of Gulf and EC ministers, led an uncompromising attack on the tax, saying it was no more than a device to raise extra revenue for EC governments.

Gulf states say the European Commission's proposal on Wednesday to impose a three dollar tax on every imported barrel of crude oil from next year, rising to 10 dollar in the year 2000, would discriminate against oil, their principal source of income.

European delegates said some EC ministers argued the proposed energy tax, which is meant to stabilise harmful carbon dioxide emissions into the atmosphere, was an important element in international efforts to combat global warming.

Nazer said the EC already taxed oil heavily while it subsidised producing coal, the other source of carbon dioxide.

One senior Arab delegate said the tax, which is conditional on similar action by other industrialised nations like the United States, was unlikely to see the light of day.

But even considering such a tax was seen as an unfriendly act by the EC, he added.

Nazer put government revenues from taxes on petroleum in the 12 EC states last year at 210 billion dollar, more than three times the 64 billion dollar the producing states earn from oil exports.

"Our concern is that the proposed tax is yet another form of exise tax intended to raise government receipts," he said.

British Foreign Secretary Douglas Hurd, whose country is among the least enthusiastic for the tax within the EC, told a news conference, "It became clear that the Gulf states, as far as their economy is concerned, are anxious about the proposal. We have reached no decision. An obviously the views of our friends in the Gulf will be taken into account before we do so."

Opening the talks on behalf of the six Gulf Cooperation Council states — Saudi Arabia, Bahrain, Kuwait, Oman, Qatar and the United Arab Emirates, Kuwaiti Foreign Minister Sheikh Salem Sabah al-Salem al-Sabah said. "I wish to express our serious concern over this matter, which will have negative consequences for our mutual interests and the future of our people."

Asked what steps the Gulf states might take against the EC if the tax were imposed, another senior Gulf delegate said it was too early to consider retaliatory action.

"We are still in a testing phase. The main thing is to make clear to the Europeans that such a tax would be harmful to their very substantial interests in the Gulf," he said.

The EC maintains that the tax would not affect the competitive position of oil in European markets.

But Gulf officials predict it would reverse an expected surge in oil demand over the next 10 to 15 years, badly hitting the Gulf's economic prospects. Instead of rising some 40 per cent, Gulf oil exports could fall some 15 per cent, they said.

Delegates said Saudi Foreign Minister Prince Saud al-Faisal had stayed away from the talks because he was recuperating from a recent operation.

But they said that by sending Oil Minister Nazer to head the delegation, Saudi Arabia was sending a strong signal that the proposed tax was its principal concern at the talks.

Economic issues dominated the talks, the first since the end of the Gulf War and the third in a series starting in 1988.

PROTEST: Workers chanting slogans in downtown Karachi during a rally on May 16 to protest increase in telephone and electric charges and a 100 per cent increase in passport fee. — AFP photo

Memberships of Mehta, 2 others suspended

Indian stocks reel under scam impact with major floors closed

BOMBAY, India, May 17 : The Indian stock market this week continued to reel under the effect of the country's biggest government securities scam uncovered last month, reports AFP.

The million-dollar scandal involved Harshad Mehta, the biggest broker on the Indian stock exchange, whose unbridled buying primarily fuelled the boom which more than tripled stock prices since the beginning of this year.

Since the scam came into the open, the Bombay Stock Exchange (BSE) Sensitivity Index has lost nearly a fourth of its value.

The index was down by 263.5 points this week, at 3394.5 points, while the BSE National Index lost 135.4 points to 149.5 points.

The BSE authorities suspended trading in Bombay and other major stock exchanges Friday to prevent a further fall in prices. The BSE is the biggest of the 16 Indian stock exchanges and accounts for 70 per cent of share trading.

At the weekend, the problems were far from over.

The BSE governing board, at an emergency meeting Friday, suspended the membership of Mehta, his wife Jyoti and his brother Ashwin as brokers. The move took effect Saturday.

Earlier, the Central Bureau of Investigation (CBI), which is probing the scam, froze all of Mehta's bank accounts, suspected to number over two dozen.

The CBI action has triggered fears that Mehta might not be able to meet his commitments to other brokers, causing a fresh round of payment crises and a further slide in stock prices.

It could be weeks before the problems are sorted out, analysts said.

Stock brokers came out strongly Friday against the closure of the major stock exchanges, calling it "ridiculous."

"How can millions of investors be taken for a ride for the omissions of one individual?," one broker said.

CV Ramakrishna, Chairman of the Securities and Exchange Board of India (SEBI) said the closure "on account of the problems of one broker is an illogical and arbitrary move."

In trading this week, all leading shares took a beating.

Associated Cement Co's shares lost rupee 1,150 at rupee 5,300, Bajaj Auto's shares went down by rupee 30 at rupee 435, and those of Century Textiles fell by rupee 500 at rupee 7,800.

Glaxo India's shares lost rupee 25 at rupee 230, while Reliance Industry's lost rupee 28.75 at rupee 296.25.

Socks as salary !

MOSCOW, May 17 : Staff at a cash-strapped textile plant in Belarus are accepting socks instead of money in their pay packets and workers making carpets, sausage and knitwear may do the same, reports Reuter.

Factories throughout the former Soviet Union have complained this year about a shortage of bank notes to pay salaries, and workers don't want to be paid by inefficient bank transfers.

At the Brest Stocking Factory, contracts say a worker's pay can include 10 pairs of tights and 50 pairs of socks, worth about 1,000 rouble (10 at the central bank's fixed "market" rate).

FAO confce begins in Tehran

NICOSIA, May 17 : Officials from Iran, Iraq, Kuwait and more than 20 other countries met in Tehran Sunday for the 21st regional conference of the UN Food and Agriculture Organisation, Iranian reports said, according to AP.

Iranian Vice President Hassan Habibi opened the five-day meeting by pointing out common ground among the participating countries, such as ecological similarities and religious beliefs, Tehran radio said.

Habibi said regional cooperation among the developing countries would help them meet their food needs, the radio said.

"No doubt without employing appropriate and improved agricultural technology and decent utilisation of all economic and financial facilities, there is no hope to achieve food self-sufficiency in the region," the official news agency, IRNA, quoted Habibi as saying.

He urged the FAO to provide assistance to help Afghanistan, which is just ending 14 years of civil war, to use its water resources not only for its own agricultural needs but to supply food to the rest of the region.

The agency said FAO Director General Edouard Saouma lamented wars and natural disasters that have ravaged economies and damaged environments of many countries in the region.

"How long will this region have to depend on food imports? Why are so many people in this region still unable to achieve their food security?" Saouma was quoted as saying.

Factors hampering food production included "land degradation, population growth, pre-and post-harvest crop losses, and lack of adequate institutional support," he said.

"These limitations could be overcome through the introduction of appropriate policies, better planning and harder work," he said.

The radio said countries participating also included : Pakistan, Bahrain, Syria, Somalia, Algeria, Qatar, Tunisia, United Arab Emirates, Cyprus, Lebanon, Saudi Arabia, Turkey, Egypt, Malta, Afghanistan, Yemen, Jordan, Oman and Sudan.

There also were observers from France, Holland, Britain and the United States, the radio said.

Unemployment will dominate OECD talks

PARIS, May 17: The burning issues of how to boost world growth and conclude global trade talks are likely to take a back seat at next week's OECD annual meeting to a detached look at the causes and destructive effects of high unemployment, reports Reuter.

Because many countries have little room to juggle monetary and fiscal policy, the Organisation for Economic Cooperation and Development wants to refocus attention on what it sees as structural impediments to job growth, officials say.

The OECD, a thinktank of 24 rich countries, has long advocated greater emphasis on 'active' labour market policies, such as better training and job-matching, rather than passively doing out unemployment benefits.

But the issue has acquired greater urgency because of a rise in the number of people out of work in the OECD's 24 member countries to about 30 million from 25 million two years ago.

"There's a feeling that some governments have not done all they can to encourage employment," said a US official involved in the preparations for the meeting next Monday and Tuesday.

If Germany, for instance, had more flexible labour markets, the wage pressures that are now burdening economic and monetary policy might not be so intense, he said.

The need for deep-seated reforms is seen as particularly acute in Europe, where the ranks of the long-term unemployed continue to swell. In France alone, some 900,000 people have been without a job for more than a year.

Russia braces for 30m jobless

Another report from Moscow adds: Russia is bracing for a surge in unemployment and 13 million people may be looking for new jobs by the second half of 1992, Itar-Tass news agency quoted official analysts as saying.

"By summer the overall number of vacant places will become smaller than the number of candidates for them," Tass said.

The experts, from the government's economic reform centre, said about seven million people would find jobs on their own.

A further six million would register with state unemployment agencies. Of these 2.5 million would be given work while the remaining 3.5 millions would become unemployed.

The experts calculated that 1.5 million temporarily unemployed people would be retrained. Others would be eligible for unemployment benefit.

Business briefs

Oil demand may rise by 1 pc : World oil demand is expected to rise by about 1.0 per cent this year and another 1.7 per cent in 1993 as economic recovery and continued low prices contribute to an increase in consumption, the US Energy Department said, reports Reuter from Washington.

In a quarterly "short-term energy outlook" prepared by its Energy Information Administration, the Department said world oil prices were expected to average 16 to 19 dollar a barrel this year, before rising to an average 17 to 21 dollar next year.

EC okays single market in insurance: The European Community completed its single market in insurance in Brussels Thursday with a decision in principle to allow life insurance to be sold on equal terms across national boundaries from July 1, 1994, reports AFP from Brussels.

US differs over UN's cash positions: The United States said on Friday that it doubted suggestions that the United Nations, stressed by peace-keeping operations around the globe, was in a critical cash crunch, reports Reuter from Washington.

It's Jackson who drinks the best beer and gets paid for it !

NEW YORK, May 17 : You have to forgive Michael Jackson for gloating a bit. He has, after all, invented the perfect job. He roams the world drinking the best beer he can find — and he gets paid for it, reports AP.

"Well, you know," the Briton says, "It's a tough job, but somebody's got to do it."

Jackson is the world's foremost beer writer and critic. What he has done is almost single-handedly elevate beer to a status that commands the respect of serious drinkers around the world.

He has become a celebrity of sorts in the world of small, quality-oriented breweries and among connoisseurs of fine beer and Scotch whisky — his other obsession. His beer tastings in the United States draw hundreds of people at a sitting; Fans approach him reverently with copies of his books to sing; He is in demand as a guest on radio talk shows and as a speaker at events in the world of food and drink.

"I would say he is probably the singly most influential person about beer in the world," said Charles Finkel, the owner of Merchant du Vin, a major beer and wine importing company in Seattle.

"He is the world's authority on beer," said Steve Hindy, co-owner of the Brooklyn Brewery in New York, one of the small brewing companies that Jackson's work has nurtured.

The man behind the adulation is the rather unpretentious son of a Yorkshire truck driver. He is a journalist by trade and a pub-crawler by the traditions of that trade. Somewhere along the line, his vice became his virtue.

He chugged on in to his 50th birthday in March — the hair thinning a bit on top, the paunch spreading a bit in front, the mustache and goatee shading toward gray.

He began writing about beer in London in the early 1970s.

"I started out as a newspaper journalist . . . and a television journalist for a time," he said. "I always felt that journalists drank a lot of beer and talked about it a lot, that it was a topic that was full of myth and legend and opinion and colour and interest. And then they all went back to their offices and wrote about wine. It seemed a very odd thing to me that beer was something that people drank and enjoyed and talked about, and wine seemed to be what people wrote about and read about."

In 1977, he finished the first edition of "The World Guide to Beer," an exhaustive compendium broken down by nation and by style. The book changed the way people think about beer.

"It was really the first attempt to identify the world's beers by style," said Fred Eckhardt, a writer in Partland, Ore. "Well, actually, I did it first, but nobody read me."

Prices: Gold firmer, sugar quiet while edible oils firm and grains erratic

LONDON, May 17: Coffee producing countries in dire straits as a result of price's falling to their lowest level since the 1970s took some steps this week revealing the urgency of their situation, report AFP.

Costa Rica suspended exports in protest against the price slump. Colombia, the world's second-largest producer, halved subsidies to producers in an attempt to contain its national coffee fund deficit.

Jorge Cardenas, President of the Colombian Coffee Federation (Fedecafe), went to Washington to seek US support for a new international coffee agreement he is due to meet Brazilian government and private sector representatives in Brasilia this weekend.

In Brazil coffee producers urged immediate action to support prices as well as a rescheduling of their debts and a granting of new credit.

Member countries of the International Coffee Organisation (ICO) are due to meet in London at the end of May to lay the groundwork for a new international agreement. they will have the opportunity to discuss the historic crisis hitting the market.

On the London Metal Exchange (LME) tin soared to 18-month highs boosted by news that Brazil is to cut production this year, but the threat of an all out strike in the German metal industry weakened copper prices as Germany is a significant consumer of copper.

Gold: Slightly firmer. Prices fluctuated within a narrow range, and were supported at the end of the week by reported buying from the Middle East.

Prices are currently hovering just above recent six-year lows, traders said, with continuing lack of interest from investors and speculators stopping them from recovering.

But they predicted a firmer trend by the end of this year, provided demand from jewellers continues to grow and interest rates fall making gold more attractive to investors.

Silver: Firm Silver was supported by good demand from US operators, who were encouraged by signs of recovery in the US economy.

Platinum: Firm. After a hesitant start to the week platinum was supported by renewed interest from US operators.

The US buying was triggered by the publication of positive US economic indicators and the weakness of the dollar.

Copper: Weak. Copper prices fell steadily over the week as the threat of an all-out strike in the copper-intensive German metal industry overshadowed the market.

LME stocks of copper fell 3,600 tonnes to 271,750 tonnes, due to Chinese demand, traders said.

Zinc: Steady. Prices ended the week higher, recovering from early falls. Right physical supplies boosted prices at the end of the week, and the premium for spot metal over three-month widened to 104 dollar tonne by Thursday's close from 84 dollar at the end of last week.

LME stocks of zinc rose 9,175 tonnes to a new record high of 254,950 tonnes.

Lead: Easier. Lead prices eased over the week in a quiet market. Prices were not affected by news early in the week that Italian producer Nuova Samim is to reopen its Porto Vesme smelter following a two-month closure for maintenance, traders said.

In the first quarter of 1992, world production of refined lead outstripped consumption by 24,000 tonnes according to the International Lead and Zinc Study Group (ILZSG), mainly because Canadian output increased sharply while world consumption rose only slightly over the same period last year.

LME stocks of lead rose 1,375 tonnes to 136,350 tonnes.

Tin: Firm. Tin prices hit new 18-month highs on four consecutive days, breaching the 6,000 dollar tonne level at the beginning of the week, following news that Brazil is to cut production.

Brazil's Paranapanema told last week's international conference in Phuket that Brazil's output could fall by 4,500 tonnes to 25,000 tonnes in 1992. The state-owned mining company forecast western world demand for tin would outstrip supply this year by about 17,000 tonnes.

Some traders predicted prices could reach 6,500 dollar tonne, on strong fundamentals. But others said the market was already overbought and that, with the 6,200 dollar mark breached by week's end, the rise would be stemmed by profit-taking.

In Kuala Lumpur the Association of Tin Producing Countries (ATPC) met this week to discuss strategy. Executive Secretary Redzwan Sumun said world stocks could fall by 10,000 to 12,000 tonnes this year.

The ATPC rebuffed traders calls for its price support scheme to be dismantled. LME stocks rose a net 90 tonnes to 12,045 tonnes having fallen to their lowest level in 18 months early in the week.

Nickel: Quiet. Prices ended the week little changed. In their latest report on nickel brokers Rudolf Wolf predicted prices would fall towards 7,300 dollar tonne or even 7,200 with Russian cargoes continuing to arrive at around 20,000 tonnes a months and no sign of an upturn in European consumption. The report said prices were depressed by physical hedging in Europe.

Sugar: Quiet. Prices were little changed. The International Sugar Organisation (ISO) reduced its forecast for the surplus of world production over consumption in 1991-92 (October-September) to 0.5 million tonnes from the previous forecast of 1.4 million tonnes. This revision was mainly due to a fall in forecasts of harvests in Cuba, South Africa and Zimbabwe.

Traders Czarnikow, however, raised their forecast for this year's production surplus to 1.24 million tonnes from 770,000 tonnes forecast in February, due to higher forecasts for India and Pakistan's harvests.

Traders GNI said the size of Cuba's harvest would determine the price trend for the rest of this quarter. They expected to have a better idea of the harvest within the next two to three weeks. Forecasts currently range from 5.5 to 7.5 million tonnes, against an official figure of 7.6 million tonnes for last season's harvest.

The market awaited new forecasts for the Ivorian 1991-92 crop, which could be higher than initially expected.

Vegetable oils: Firm. Prices were boosted by figures published by newsletter oil world, predicting that vegetable oil output from 44 countries, representing 95 per cent of world production, would only rise by 1.3 per cent in the second half of 1991-92 (October-September), compared to a three per cent rise in the first half.

Sunflower oil prices benefited from the end of harvesting in Argentina and from local forecasts that 1991-92 sunflowerseed production would reach 3.4 million tonnes, compared to a record of 4.3 million tonnes originally forecast. The plantations were badly damaged in December and March by heavy rains and gales.

Groundnut oil prices, which sank to an all-time low during the past three months, were supported by prospects of better demand from consumers and falling US stocks.

Crude Oil: Firm. North Sea Brent prices reached the 20 dollar barrel threshold midweek for the first time since December 1991, supported by rumours of a fall in Brent supplies for June delivery. British oil production has been falling in recent months, due to maintenance work. Prices reduced their gains towards the week-end on profit-taking.

Brent prices were unaffected by Thursday's claim by Libya that it is now prepared to implement United Nations (UN) Resolution 731. Prices had been supported recently by tensions in the Middle East and fears of an oil embargo against Libya.

The UN Resolution calls for Libya to renounce international terrorism and extradite two of its nationals wanted in connection with the Lockerbie bombing. Libya has repeatedly stated its willingness to observe Resolution 731, but was refused so far to hand over the two men to US or British courts. The UN has imposed air and military sanctions against Libya since April 15.

Trading house GNI predicted that OPEC (Organisation of Petroleum Exporting Countries) would raise its output ceiling at its meeting on May 21, and that the market could absorb up to 24.5 million barrels per day (BPD) in the second half of the year.

The Middle East Economic Survey (MEES) reported that OPEC production fell by 130,000 BPD in April compared to March, to 23.27 million BPD, which was above its current ceiling of 22.982 million BPD.

Rubber: Weaker. Natural rubber prices fell on the London physical market, depressed by the strength of sterling.

The 25 member countries of the International Natural Rubber Organisation (INRO) are due to meet in Kuala Lumpur next week. Traders expect producers to call for negotiations on a new international agreement. Consumers, on the other hand, favour an extension of the current agreement, which expires at the end of 1993.

Grains: Erratic. Wheat prices eased, due to profit-taking after four weeks of rises. But barley continued its firmer trend. The recent firmness of prices was attributed to exporters buying to cover their requirements for deliveries to the Commonwealth of Independent States (CIS).

The US Department of Agriculture (USDA) revised upwards its forecast of US wheat stocks at the end of the 1991-92 season (June-May) by almost 1.5 million tonnes, to 11.46 million tonnes. It also predicted a 17.5 per cent rise in grain production (cereals and tubers) by the former USSR in 1992-93, to 178 million tonnes (net weight).

Tea: Firm. Good demand was reported this week at the weekly auction in London, allowing prices to maintain their recent firm trend.

Drought is reducing production in several countries, which is boosting prices. In India, production fell by 14.55 million kilos to 44.12 million kilos in the first quarter of 1992 compared to the same period last year. Production in Malawi, Zimbabwe, Kenya and Sri Lanka is also affected by drought.

Cotton: Easier. The index price case on the Liverpool market, due to lack of demand in Western Europe. Cheap Central Asian offers remained a feature of the market.

Russian textile mills face a shortage of cotton, as they are unable to obtain sufficient quantities from Central Asia, specialist publication Public Leger reported.