

BRIEFS

Moscow takes control of ex-Soviet Airline

MOSCOW, Aug 1: The Russian government has decided to take control of the former Soviet National Airline Aeroflot and sell a minority holding in the company to private investors, the Interfax news agency reported Friday. The government will maintain its majority share of the new company, renamed Aeroflot-Russian International Airlines, for three years, the independent news agency said, reports AFP.

MacDonnell Douglas' profits plunge 50.6 pc

WASHINGTON, Aug 1: MacDonnell Douglas, the second largest US aircraft manufacturer and a prime Pentagon contractor, reported Friday its second-quarter profits plunged 50.6 per cent from the same period of 1991. MacDonnell Douglas posted a 38 million dollar profit, equivalent to one dollar per share, compared to net earnings of 77 million dollar, or 2.01 dollar per share in the second quarter of last year, reports AFP.

US House examines bank loans to Iraq

WASHINGTON, Aug 1: The House of Representatives Banking Committee has expanded an investigation to include examination of several US based banks that provided financial services to Iraq in the late 1980s, the panel's Chairman announced on Friday. Representative Henry Gonzalez, a Democrat, declined during a speech in the House to identify the banks. Until now, his panel has focused on fraudulent loans to Iraq by the Atlanta branch of the Banca Nazionale del Lavoro (BNL), reports Reuter.

EX-bank officials deny link with BCCI

BUENOS AIRES, Aug 1: Two former Central Bank officials denied Thursday that they had any links with BCCI, accused in a New York grand jury indictment of bribing central banks and regulators in 10 countries.

Javier Gonzalez Fraga, who headed the bank twice during the period 1989-1991, said in an interview published Thursday that he lacked precise information regarding the Wednesday indictment, reports AP.

India's jute export prospect gloomy

CALCUTTA, Aug 1: The export scenario of the jute goods sector is none too bright this year with only 50 per cent of the amount exported in the first quarter last year, which witnessed an impressive performance, finding markets till date. According to sources in the jute industry accumulation of stocks in the importing countries coupled with lack of adequate demand were among the prime reasons behind the lack lustre performance, reports Reuter.

British soldier with smuggled gold held

KATHMANDU, Aug 1: A soldier from the British army's brigade of Gurkhas was arrested here Thursday for allegedly smuggling gold into Nepal, and officials source said. Durga Bahadur Rai, a soldier with the Hong Kong-based Gurkhas, was taken into custody for entering the country with 706 grams (24.7 ounces) of gold and failing to report the amount at customs, the source said, reports AFP.

Plan to help EC's 4 members unveiled

BRUSSELS, Aug 1: The European Commission on Friday unveiled detailed plans for a new fund to help the European Community's poorest countries narrow the gap with their richer neighbours. The so-called cohesion fund, agreed in principle during talks on the treaty on European Union in Maastricht last year, aims to boost the Community's weaker members by supporting transport and environment projects. The EC's four poorest countries, Ireland, Greece, Portugal and Spain, will be eligible for support, reports Reuter.

Canada's economic output slumps

OTTAWA, Aug 1: Canada's economic output slumped in May after four months of growth, the government said on Friday, signalling that the anaemic recovery may be faltering. Canada's Gross Domestic Product fell by 0.1 per cent for the month, the agency statistics Canada said. "It only points to the sputtering nature of this recovery," said Benoit Durocher, economist with the Royal Bank of Canada. "We are jumping out of the recession," reports Reuter.

Sugar producers divided over EC single market

As the single market of the European Community (EC) nears take-off, mineral and agricultural producers among the African, Caribbean and Pacific (ACP) countries are trying to work out whether they will benefit or lose when trade barriers are lifted and moves are made towards common external tariffs.

The sugar industry is vital to several ACP countries — particularly Caribbean states like Guyana, Barbados, Trinidad and Jamaica, and other island states such as Mauritius. Currently they enjoy guaranteed access to the European market under a quota system operating as part of the Lome Convention.

This guarantees each sugar producer a share of the market at a set price — above the world market price but often still not greatly advantageous to producers. For many ACP producers this ensures that the sugar industry remains viable and that there is an assured export market.

Less than eight months before the introduction of the single European market, it is not clear how the new trade provisions will affect Lome. Under the 10-year Lome IV agreement signed in 1990, the sugar protocol guaranteeing quotas to ACP states should last until 2000.

But — and it's a big but — a clause in Lome IV said that its provisions should not conflict with the aims of creating a single European market. Yet they quite clearly do. A quota system guaranteeing a market share is not a free market.

Exporters from ACP states are negotiating with Brussels to get a final answer from the European Commission, but none has been forthcoming.

Although some exporters — notably banana growers — are scared that the EC measures will mean price competition from larger and cheaper competitors, most sugar exporters

seem to think that they have, at least for the next four or five years, a fairly secure market.

The single European market may eventually produce

and Guyana are found. Barbados has serious difficulties and believes the future is far from bright.

Over the last decade, its

The sugar industry in Barbados lost 23.6 million dollar in 1991 and has an accumulated debt of 296.8 million dollar. The industry must scrape

million tons) and the possibility that under the single market, Europe will seek to get rid of the advantages accruing to ACP producers under Lome.

Guyana views the future with some optimism — not just because, as President Desmond Hoyte and Trade Minister Winston Murray said, they are sure of their quota for several years to come, but also because Guyana is increasing output and cutting costs.

It had, however, suffered severe problems until it called in the transnational Booker Tate company to manage the nationalised sugar estates once owned by the same company. Over the last 18 months or so, Booker Tate has transformed the sugar industry.

For three years running, the industry had failed to meet its EC quota of 157,700 tons. It avoided a quota reduction only by arguing successfully to the Commission that last year's failure to meet export levels was because of severe weather.

Now the industry faces steadily increasing output — enough sugar to meet the EC quota plus a small US quota of 10,000 tons and enough left for domestic consumption and even exports to other Caribbean states.

Guyana has reached this happy position through good management and hefty incentives to workers. One reason for the shortfall in the past was the inability of the sugar industry to attract enough cane-cutters to harvest the whole crop and to clear the fields (necessary every five years to ensure high yields and good quality) for replanting.

Wages were extremely low and cutters did not turn up at harvest time. Under Booker Tate, wages have doubled and cane-cutters have returned in large numbers.

Nick White, regional manager for the Berbee estate

area, believes that within two or three years a target figure of 250,000 tons output will have been reached both through better yields and better extraction rates from the cane.

The success of Guyana has led Barbados to bring in Booker Tate to help revive its industry, if it is not too late.

As arguments continue within the General Agreement on Tariffs and Trade (GATT) process over EC agricultural policies (including the subsidisation of domestic sugar beet production through the paying of sugar prices nearly double the world rate) and the single market threatens to introduce greater competition for the sugar market within Europe, can any sugar producers consider their markets secure?

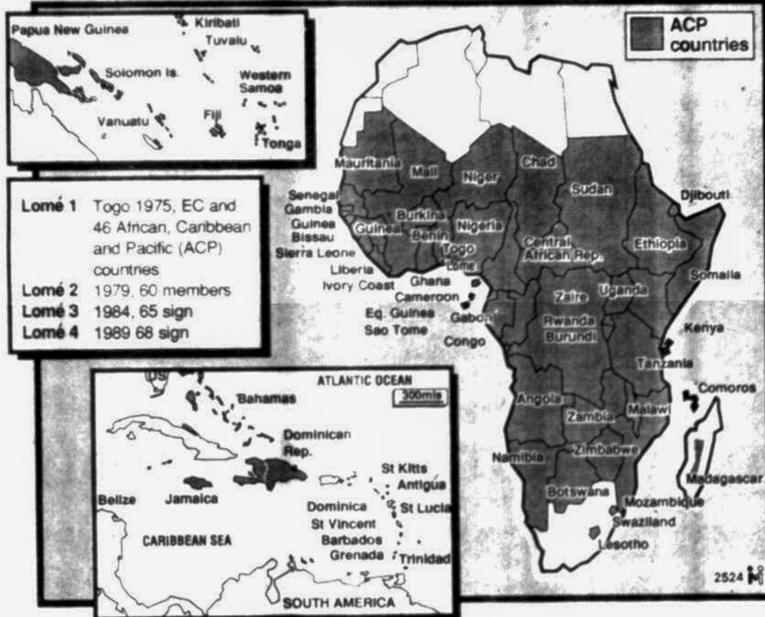
Certainly, it is a strange situation where the EC, one of the world's largest exporters and producers, is paying above world market prices for sugar produced by ACP countries.

A report by the London trading house ED and F Man says that the sugar industry worldwide is at crossroads. It believes strict measures by GATT and changes in Europe could mean marginal producers fail to cover costs.

This could threaten wobbling industries like the one in Barbados. On the other hand, if many subsidised producers in Europe were to be pushed out of the business by GATT requirements for Europe to change its agricultural policies, then efficient and cost-effective producers like Guyana, Mauritius and even non-ACP countries like India could benefit.

But to benefit they will have to compete in terms of price and production efficiency. This will mean struggling to meet the EC quota by using up sugar stocks from past production. — Gemint News

The four Lomé pacts



greater competition, with the major sugar producers — like European countries themselves — and huge exporters — such as India — challenging the position of African, Caribbean, and Pacific producers, but there should be time for adjustment.

On a visit to the Caribbean, it is two quite different views of the future for Caribbean sugar coming from Barbados

production has fallen from around 100,000 tons to barely 60,000 tons. David West, of the Barbados Sugar Industry Limited, said that this year production would struggle to reach 50,000 tons and this would mean using up reserves from past production to meet EC quotas and domestic consumption. A fall to around 50,000 tons would be a 60-year low for the industry.

around to find enough funds to pay cane cutters the seven million dollar needed to complete this year's harvest. Failure to complete the harvest could endanger fulfilment of the EC quota of 49,300 tons. In this situation Barbados must face competition from major producers like India (which is considering whether to double sugar available for export this year, to over one

million tons) and the possibility that under the single market, Europe will seek to get rid of the advantages accruing to ACP producers under Lome. Guyana views the future with some optimism — not just because, as President Desmond Hoyte and Trade Minister Winston Murray said, they are sure of their quota for several years to come, but also because Guyana is increasing output and cutting costs. It had, however, suffered severe problems until it called in the transnational Booker Tate company to manage the nationalised sugar estates once owned by the same company. Over the last 18 months or so, Booker Tate has transformed the sugar industry. For three years running, the industry had failed to meet its EC quota of 157,700 tons. It avoided a quota reduction only by arguing successfully to the Commission that last year's failure to meet export levels was because of severe weather. Now the industry faces steadily increasing output — enough sugar to meet the EC quota plus a small US quota of 10,000 tons and enough left for domestic consumption and even exports to other Caribbean states. Guyana has reached this happy position through good management and hefty incentives to workers. One reason for the shortfall in the past was the inability of the sugar industry to attract enough cane-cutters to harvest the whole crop and to clear the fields (necessary every five years to ensure high yields and good quality) for replanting. Wages were extremely low and cutters did not turn up at harvest time. Under Booker Tate, wages have doubled and cane-cutters have returned in large numbers. Nick White, regional manager for the Berbee estate



CHILDREN'S COMMONWEALTH DAY IN LONDON: Children watching Ghanaian Kweisi Kuffour, a master weaver at work. The demonstration was part of the Commonwealth Day programme for around 900 children at the Commonwealth Institute in London. It included the release in the Institute's grounds of gas-filled balloons representing the 50 Commonwealth countries. — LPS photo

Clifford pleads not guilty in BCCI scandal

WASHINGTON, Aug 1: Lawyer Clark Clifford pleaded not guilty Friday to charges that he used a secret sweetheart loan to take control of a Washington bank and asked for a speedy trial to clear his name before he dies, reports Reuter. The cadaverous-looking Clifford, in failing health and in

need of open heart surgery, appeared at his arraignment on federal charges to deny he took bribes from owners of the scandal-ridden Bank of Credit and Commerce International (BCCI). His lawyer, Carl Rauh, presented medical evidence that Clifford, 85, a close adviser to

numerous presidents and a former Defence Secretary, "is not going to live very long." In a 20-minute proceeding, US district court judge June Green accepted it and set an October 26 trial date, unusually quick for such a case. Lawyers said the case should take a month to try.

Clifford told a press conference Thursday, that he and his law partner Robert Altman were victims of BCCI's fraud and not co-conspirators as charged by state and federal prosecutors. The pair also must stand trial in New York on related charges.

Conventional instruments to be studied Muslim bankers agree to set up task force

KUALA LUMPUR, Aug 1: International Muslim bankers, who ended talks here on Islamic banking, agreed a task force should be set up to study whether financial instruments of conventional banks are compatible with Islamic concepts, officials here said Friday, reports AFP. The 40 experts from the countries of the Organisation of Islamic Conference (OIC), who ended three days of closed-door talks Thursday, called on the International Association of Islamic Banks

(IAIB) to organise the task force. The task force should include practitioners and scholars, they said. Malaysia's central bank, Negara, in a statement, said the study would then be submitted to the Syariah (Islamic) Committee of the IAIB for approval. It said the meeting also recommended that a model be developed for the establishment of an Islamic stock market together with its instruments.

United Nations faces acute budget crisis

UNITED NATIONS, Aug 1: The United Nations faces a budget crisis that could force it to shut down as peacekeeping operations and delinquent payments both widen, Secretary General Boutros Boutros-Ghali warned Friday, reports AFP. "Without an immediate inflow of cash, the organisation will have to cease its operations," he said, noting that outstanding dues from member countries now totalled 1.7 billion dollar. Regular UN spending is 90 million dollar per month, and the budget shortfall is likely to become critical in December,

he said. The UN peacekeeping operation in the former Yugoslavia is costing 607 million dollar annually, while the UN presence in Cambodia is expected to cost a total 1.9 billion dollar, through May 1993. Peacekeeping operations in 1991-1992, calculated apart from the regular UN budget, will total 2.7 billion dollar. Other countries have also sought UN peacekeepers, but demand for their services far exceeds what members' contributions can fund. The United States and Russia top the list of UN debtors.

Microcredit project in Philippines proves women bankable

CEBU CITY: Weaver Maria Timawa needed cash to buy more rattan and bamboo so she could meet a sudden huge order of baskets. She could have availed of a short-term loan from any of the member cooperatives of the Antique Federation of Credit Cooperatives. But she did not know that such a cooperative exists, and that there was one in her own town in Panay Island. Josefa Gutay, housewife, went one day to the Western Samar Development Foundation eager to know more about a woman's loan fund. But when she saw she has to fill out so many forms and answer so many questions, she left hastily and never came back. For her, illiteracy is a more bruising embarrassment than having to borrow money. Fisher Luisa Uyamot knew that in the coastal town of Talibon, Bohol Province, the People's Centre for Services and Development offered loans to women. Her neighbours have asked her to join a borrowers' collective and together they can go to town. But their island was far from the mainland. With two children to look after and the

daily task of salting unsold fish from the previous night's catch, she had to forego the chance. Within the confetti of islands comprising the 10-province region called the Visayas, central Philippines, poor women share common fates with Maria, Josefa and Luisa. Their stories were unravelled in a meeting on women and credit sponsored by the Women Action for National Development Network (WAND), a network of Non-Governmental Organisations (NGOs) working on women-in-development issues. The meeting was sponsored by the Asian Development Bank (ADB) and held in Cebu City, the business centre of central Philippines. ADB hopes to come up with a comprehensive report on women and credit nationwide, says Karen Tanada, WAND national coordinator. The report will try to identify areas where the ADB can provide technical assistance to lending institutions for women. During the meeting, attended by 28 credit managers and officers of whom two were men, it was pointed out that women are least likely to get

credit even if they are the ones most in need of it. Participants in the meeting cited women's lack of assets, opportunity, information and credit consciousness as preventing them from getting credit. Another factor, they said, is that credit institutions generally lack sensitivity to the particular needs of women as loan beneficiaries. Even certain credit facilities, considered highly successful in reaching poor beneficiaries, still bypassed women and their credit needs, it was pointed out. To a comment by one of the meeting's male participants that "women are not used to getting loans," Teresa Fernandez countered that this is not true. Ms Fernandez, director of a Cebu women's group, said women have proven for generations that they can be excellent credit managers in their own homes, on a daily basis. "But their achievements in the home are not documented or given recognition, even trivialised," she said. While Filipinos are used to getting loans, she added, they are driven to seek these not from NGOs or government banks but from usurers.

That men are more "bankable" because they always have jobs while women are housewives or secondary earners is a common misconception among credit institutions, it was noted. It was also observed that cooperatives, which are considered a more self-reliant means of credit than the cold efficiency of banks, are still male-dominated. In the Visayas 99 per cent of cooperatives are headed by men although there has been an upsurge in the number of women officers, said Mercedes Castillo, WAND coordinator for the Visayan region. For example, member cooperatives of the Visayan Credit Cooperative Federation are all headed by men. In the federation's board of directors, men outnumber women with a ratio of 9:4. The meeting offered no quick-fix solutions. One suggestion was that gender concerns be made part of training courses on credit management and savings consciousness. "Such trainings must be made available to both women and men. We cannot expect the structures to change unless we include the men," said

one participant. Ms Castillo said she "would rather not force the gender issue." "The participation of women (in the cooperatives) must evolve. I would rather see grassroots women learning their rights (i) slowly, taking power at the bottom. I am not for women who will lead cooperatives now but may just be tokens and who think and decide just like the men," she said. The ADB is interested in microcredit, especially for women, because of its highly successful NGO-Microcredit Project which aims to increase income and create new jobs among the rural poor like subsistence farmers, the landless and women. The project uses NGOs as financial intermediaries for credit to microenterprises which include labour-intensive production methods, the use of local raw materials and low technology and employment of less than five people. These microenterprises are constrained mainly by their inability to obtain credit from established banks because of a lack of collateral and management training and difficulty in procuring raw materials and in

marketing products. Altogether 270 NGOs and more than 16,000 microenterprises have taken part in the project. With an average of less than 200 million US dollar per job, more than 36,000 jobs have been created. Microenterprises supported included the manufacturing, agroprocessing trade, transport and handicraft sectors. About 60 per cent of all beneficiaries were women. The NGO-Microcredit Project, approved in 1988 by the ADB on a pilot basis, opened an eight million US dollar credit line to the Philippine Department of Trade and Industry for lending to NGOs. Because of speedy project implementation and the rapid use of funds, the closing date of the loan for the first time in ADB history was advanced by two years — all funds had been disbursed by October 1991. Mainly due to be highly personalised relationship between NGOs and their borrowers, the repayment rate of loans to microenterprises was reported to have averaged 92 per cent. "It's the first time ever that the ADB, in cooperation with the Philippine government, has directly assigned local

Taiwan to free import, export of gold

TAIPEI, Aug 1: Taiwan will lift a 43-year-old ban on gold exports and remove remaining import restrictions on August 1, the monetary affairs bureau said on Friday, reports Reuter. "From August 1 gold will be treated like any commodity, with free imports and exports... this is part of a programme of market liberalisation to make our country an Asian financial centre," a senior bureau official said by telephone. Taiwan is already one of the world's major gold buyers. The official said imports and domestic gold trading were expected to rise after the restrictions were lifted. The island's nationalist government, which fled to Taipei after losing the Chinese civil war in 1949, imposed strict curbs on capital flows. It began liberalising the financial system, in the late 1980s. The cabinet decided in April to permit gold exports, the decision becomes effective on August 1 along with the formal abrogation of about 140 laws and emergency decrees left over from Taiwan's state of emergency, which ended in May 1991. The island's gold imports surged 90 per cent from a year earlier to 108.68 tonnes in the first half of 1992. Taiwan was the world's biggest gold importer in 1988, buying 355 tonnes.

UNICEF grants Pakistan \$125m

ISLAMABAD, Aug 1: Pakistan will get a 125 million dollar grant from the United Nations International Children Educational Fund (UNICEF) under a five-year agreement signed here, a Pakistani official said, reports Reuter. Health Director-General Mohsin Ali said UNICEF would give Pakistan 71.5 million dollar from its own resources and get the remainder by raising funds for specific projects. Most of the funds will be spent on water supply and sanitation, child health, education, safe motherhood projects and nutrition, he said. He said the programme was aimed at reducing high infant and maternal mortality rates. UNICEF gave 60 million dollar to Pakistan under the same programme during 1988-92.

Pioneer introduces "bodysonic"

TOKYO, Aug 1: Japan's Pioneer Electronic Corp makers of Hi-Fi stereos, has introduced a special radio for convertible cars which allows for a level of listening usually enjoyed only by hardtop car drivers, reports AFP. The sound system is equipped with "bodysonic", an "audio chair system" which incorporates an amplifier and speakers enabling users to enjoy music not only by ears but also by body through vibrations. Pioneer said. During rides with the top down, drivers can also enjoy listening to low sound frequencies, the Japanese firm said. The sound is made possible by eight speakers, two of which are located in the headrests of passengers. However, the radio is not yet available on its own and is installed in new models of convertible cars produced by Japanese carmaker Mazda, including its roadstar convertible (Miata, in the United States).

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