

BRIEFS

Clinton may prove positive for Third World

Major may be forced to make 'holding budget'

UK firm may take over Pak gas co
KARACHI, Dec 28: British gas may take over the capital and management of Pakistan's Sul Southern Gas Co Ltd (SSOC) company officials said here Sunday.

Iraq accuses Kuwait, S Arabia of sabotage
NICOSIA, Dec 28: An Iraqi minister has accused Saudi Arabia and Kuwait of attempting to sabotage Iraq's sanctions-battered economy and cut off food supplies.

Truckers against foreign vehicles
MOGADISHU, Dec 28: About 100 Somali trucks bearing protest signs lined both sides of the road in front of the American Embassy Sunday to complain about the importation of foreign vehicles to haul food aid.

River diversion project protested
MESSOLOGHI, Dec 28: Scores of environmental organisations have rallied against Greece and the European Community to stop a giant river diversion project they say threatens one of the most important wetlands in the Mediterranean.

40 fire trapped people rescued
SYDNEY, Dec 28: Forty people were rescued Sunday night after fire trapped them in the upper floors of a seven-storey hotel.

GENEVA: The electoral 'avalanche', as one US TV commentator put it, that has swept George Bush out of office in the United States and brought Bill Clinton into the White House will, on balance, prove to be a positive factor for the Third World, according to competent observers here.
No serious observer of international development and economics expects any major change of direction or policy in the US economy, nor any generosity to the South in terms of more aid or more trade benefits and there will undoubtedly be some major uncertainties over the Uruguay Round.

operate on the White House and over Congress, it is clear that Washington would at least not be the new messiah of laissez faire but would reverse its retreat from the economy and play an activist role.
No doubt, and not merely because of the Reagan-Bush economics, the US can no longer determine global economic policies. It is not even in a position any more to do it internally. It has to secure the cooperation of others and act in concert.
And given the collective weight, not decisive or controlling, but still sizeable, of the developing world, it is once again able, if only it acts together, to bring its own interests to bear in this global concertation.

yielded in many areas, and have taken unilateral trade liberalisation under the pressure of the IMF and the Bank, also have an interest in concluding the negotiations in the belief that the longer it goes on the more sacrifices they would be called upon to make.
For the record perhaps, the EC's chief GATT negotiator, Amb. Tran Van-Thinh, told newsmen that he welcomed the outcome of the US elections, and there was a continuity and so the negotiations could be resumed, with everyone having in mind the US fast-track authority deadlines.
But few, not even GATT's professional optimists who have been talking for over two years of 'windows of opportunity', believe that anyone will seriously negotiate with the US in this situation. Some of them privately saw the outcome of the US elections as 'unhelpful'.

LONDON, Dec 28: Divisions within the cabinet and doubts over the pace of the US economic recovery may force Prime Minister John Major to make the spring budget a 'holding budget' according to a report in the Guardian newspaper, reports Reuters.
The Guardian said senior ministers believed in this case key decisions on revenue and spending would be deferred to the first joint budget-public spending statement in the autumn.
The autumn joint statement on spending and income, the first of its kind, would also provide an ideal political stage for any successor to Chancellor of the Exchequer Norman Lamont to stamp a new direction on economic policy, it said.

Sri Lanka privatises tea industry and goes green

COLOMBO: The tea plantation industry in Sri Lanka, mainstay of the economy for one and a half centuries, is being massively transformed. It is to be privatised.
British colonial rulers started the industry in the late 1800s. It was nationalised by former prime minister Sirima Bandaranaike's left-oriented government between 1973-77.
The change marks a general extension of the privatisation of the entire economy at the behest of the World Bank and the International Monetary Fund (IMF) in return for support propping up the precarious balance of payments situation.
In addition, Sri Lanka, now the biggest exporter of black tea in the world, is to branch out into the manufacture of green tea in a big way as an extra source of foreign exchange.

Until 1848, coffee ruled the roost. Then a blight destroyed the plantation and the British realised that they could not depend on coffee any longer. Soon tea became the main cash crop, a position it still holds.
Originally, British planters themselves toyed with the idea of manufacturing green tea in the ricefields.
If any of these proposals been implemented by the British, who controlled Sri Lanka from 1815 to 1948, the country would by now have had a large resident Chinese population, and the consequences for the country's later history would have been rather different. Instead, Indian labour was
foreign exchange to the tune of Rs. 17,886 million, or 21 per cent of total foreign earnings.
However, demand has fallen because of the increase in global supply and because of the recession in the West. Sales have dropped to Egypt, Russia and eastern European countries and to Iraq because of UN sanctions.
The price per kg dropped from Rs 91 in 1990 to Rs 84 in 1991. Meantime, the cost of production continues to be high, as much as Rs. 58 per kg. India continues to be Sri Lanka's main export rival, followed by China, Kenya, Indonesia and, latterly, Malawi, Argentina, Tanzania and Zimbabwe have also taken to tea production.

Manufacturers urge Indian govt to cut duty on TV

NEW DELHI, Dec 28: The Consumer Electronics and TV Manufacturing Association of India (CETMA) has requested the government to reduce the duty structure to bring down the prices of TV sets, reports Xinhua.
Local newspaper, The Economic Times, reported yesterday that the CETMA, after discussions with the Department of Electronics, submitted a set of proposals to the Ministry of Finance with clear-cut objectives, which include increasing television production, boosting TV exports by fully exploiting the world market potential, generating additional employment, increasing government revenue in phases in the next three years and making the Indian electronic industry a global player by 1994-95.
The CETMA's proposals were based on a survey conducted on about 4,000 buyers across the country belonging to various income groups, which showed a very bright future for the TV industry.
With the right government policies, it can easily grow from the present level of 4 million pieces to 7 million, thanks to the immense fresh potential and also the replacement market, according to CETMA.
The Indian TV industry has recorded negative growth for the fourth consecutive year this year. The color TV segment has dropped from 1.3 million in 1988 to the estimated 720,000 in 1992. The fall in demand and production in color TV is 45 per cent and in black and white TV 25 per cent.

Developing states can gain from gas limits

WASHINGTON, Dec 28: Developing countries could earn thousands of millions of dollars a year if there were a particular type of international agreement to limit emissions of the greenhouse gases warming Earth, according to a Harvard University economist, says a VSIIS Press release.
As an illustration, studies have shown that China might be paid as much as \$ 50,000 million a year by industrialized countries under a pact aimed at reducing the burning of coal and other fossil fuels enough to limit world greenhouse gas emissions to 1990 levels by the year 2,000, Dale Jorgenson, the economist told a workshop recently.
Payments to developing countries would be made if a permit trading system were created to stabilise greenhouse gas emissions. Under this system, Jorgenson explained, each country would be allowed to emit a certain amount of greenhouse gases. Developed country industry and utilities almost certainly could not meet the lower levels of emissions and would try to purchase emission allowances from developing countries.
According to the Jorgenson, developing countries could use the revenue to buy technologically advanced energy plants using other fuels than coal and have enough left over for other purposes.

China to close 30 coal mines next year

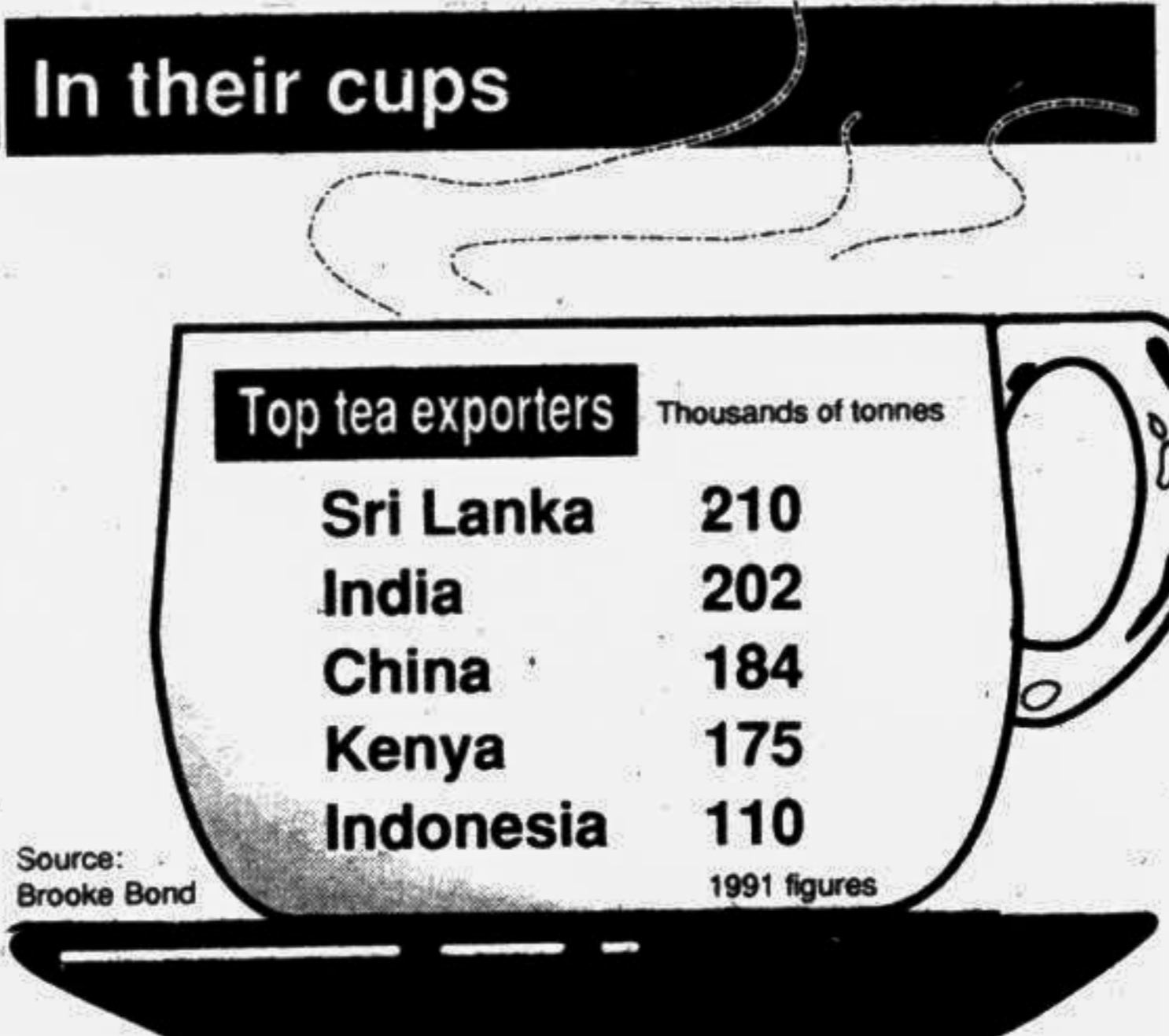
BEIJING, Dec 28: China's state-run coal company will close 30 mines in 1993 and shift more than 100,000 workers to new jobs in an effort to end years of deficits, an official newspaper reported Monday, reports AP.
The China National Coal Corp is setting up service-sector companies to absorb the workers who will be affected, the China Daily newspaper said.
This approach reflects concern that simply laying off the workers could lead to social unrest, the No. 1 fear of the Communist leadership. Unofficial sources have said that workers who were to be laid off at one mine in north China this year burned the mine manager's house and had their jobs reinstated.
China Daily said the central government will give China National Coal 2 billion yuan (\$49 million dollar) in low-interest loans over the next three years to aid in developing the new service-sector companies.
No details about the new companies were given, but failing state industries have dabbled in everything from tourism to retailing.
Only 30,000 of the 100,000 workers to be reassigned work in the mines that are being closed, the paper said. It described the rest as working for related subsidiaries.
China Daily said China National Coal closed 19 mines in 1992. The second round of closures will leave it with 431 mines of varying sizes.

Recession-hit world commodity markets finish 1992 with a glimmer of hope

LONDON, Dec 28: Most commodities markets strengthened over the first half of the year anticipating a world economic recovery, but then prices collapsed in the second half as the recession continued and demand remained very low, reports AFP.
However, markets finished the year with a glimmer of hope as the economic outlook for 1993 in the United States appeared brighter, raising hopes for a worldwide recovery.
Some sterling-quoted prices benefited in September from the 15 per cent fall of the pound following Britain's exit from the European Monetary System (EMS) that month. Sterling's weakness made purchases in Britain more attractive to foreign buyers.
But the prospect of world oversupply and high stocks

had a depressing influence on soft and hard commodities.
Fears that political and economic uncertainties in Russia and lack of foreign currency to buy base products may force the republic to reduce imports of softs and to increase its exports of industrial goods sent prices lower.
Prices were also unsettled by the conflict between the United States and European Community on world trade talks which could have led to US sanctions on certain European goods and worsened the already difficult position of European economies. Hopes of agreement at year-end brought partial relief to the markets.
Precious metals were affected by the lack of any real investor interest and by heavy sales by central banks and Middle Eastern investors.
A decrease in violence in South Africa at the end of the year,

well, rising to a 12-month high in April and continuing higher through the mid-year to a high of 7,220 dollar per tonne in July, its highest point since December 1989.
Coffee: The price of coffee also suffered badly in the first half of the year, starting out with a free fall that took it to its lowest level for 22 years, before bouncing back on hopes of a new price agreement.
Sugar: The price of sugar rose in the first half of the year to its highest level for 19 months on fears of tighter supply following poor harvests in Cuba and South Africa.
However, the trend was reversed as dealers saw a surplus developing in 1992/93 for the fourth consecutive season due to a fall in Russian consumption and a higher Cuban crop than previously expected. Broker Czarnikow predicted a surplus exceeding 2.5 million tonnes for the year.
Vegetable oils: After having double in 1991 following cut-backs in exports by the main producers, the prices of copra oil fell by one-third in heavy profit-taking.
A recovery in coconut production is not expected before 1994 because of difficult conditions in producer countries, notably the Philippines, the world's leading coconut producer.
Oil: The price of Brent North Sea crude oil dropped during the year following the failure of OPEC member countries to cut back on output and on signs that the United Nations might lift its embargo on Iraqi arms sales.
Oil came down four dollar in price from 1991, moving around sharply between 17 and 21 dollar per barrel, as it became clear that several countries, including Saudi Arabia, Kuwait and Iran were



with the help of Chinese tea-makers. But after a few costly experiments this was dropped and Sri Lanka stuck to black tea.
At one point the British planters also thought of importing Chinese labour to work on the plantations and preferred because it was easier of access and consequently much cheaper.
Altogether 221,000 hectares of land are under tea plantation. The output in 1991 was 241 million kilograms, 212 million kg of which was exported to bring in